



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

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+1 (202) 289-5920

[info@nusacc.org](mailto:info@nusacc.org)



## NUSACC PROMOTES U.S. – TUNISIA BILATERAL RELATIONSHIP

*Chamber Co-Hosts Expert Roundtable Featuring Tunisia's Minister of Commerce, Tunisia's Ambassador to the USA, and U.S. Ambassador to Tunisia*

*Second U.S. – Tunisia Joint Economic Commission Meeting, Held in Washington DC, Strengthens Public Private Partnerships*

**Washington D.C.** – In recent weeks, the National U.S. - Arab Chamber of Commerce (NUSACC) participated in two events designed to promote commercial relations between the United States and the Republic of Tunisia.

First, in partnership with the Embassy of Tunisia, NUSACC co-hosted an Expert Roundtable that explored emerging business opportunities in today's Tunisia. The Roundtable featured: H.E. Omar Behi, Tunisia's Minister of Commerce; H.E. Fayçal Gouia, Tunisia's Ambassador to the United States; and Hon. Donald Blome, U.S. Ambassador to Tunisia.

Second, NUSACC supported the U.S. - Tunisia Joint Economic Commission (JEC), government-to-government talks focused on improving economic relations between the two nations. A portion of the JEC was dedicated to discussions with the private sector, and David Hamod – NUSACC's President & CEO – spoke on behalf of the U.S. business community.

"These two high-level meetings, held back-to-back, speak volumes about the state of U.S. – Tunisian commercial relations today," Hamod noted. "With the public and private sectors working together to enhance economic ties, commercial relations between our two nations may achieve the best results ever."



**From right to left:** H.E. Fayçal Gouia, Tunisia's Ambassador to the United States; H.E. Omar Behi, Tunisia's Minister of Commerce; Mr. David Hamod, NUSACC President & CEO; Hon. Donald Blome, U.S. Ambassador to Tunisia.

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1201 15TH STREET NW • SUITE 200 • WASHINGTON DC 20005

TEL: (202) 289-5920 • FAX: (202) 289-5938 • [WWW.NUSACC.ORG](http://WWW.NUSACC.ORG)



The events in June helped to lay the groundwork for the U.S. – Tunisia Strategic Dialogue, which will take place soon between U.S. Secretary of State Michael R. Pompeo and Tunisia’s Foreign Minister, H.E. Khemais Jhinaoui.



Hon. Gilbert B. Kaplan,  
U.S. Under Secretary  
of Commerce for  
International Trade.

“In the U.S. - Tunisian bilateral relationship, it is critical that we elevate our commercial partnership to the same level as our cooperation on security and civil society,” said the Under Secretary of Commerce for International Trade, Hon. Gilbert B. Kaplan. “The Commerce Department is committed to working with Tunisia on building a stronger bilateral commercial relationship, furthering economic prosperity for all.”

“The United States and Tunisia enjoy a deep and longstanding partnership,” noted Ambassador Blome, “one marked by intensive cooperation on promoting security, development of democratic institutions, and expanding economic opportunities.”

“We invite you to consider Tunisia in your investment planning,” suggested Ambassador Gouia. “Tunisia is an open economy, we are introducing many reforms across the board, and opportunities for business are improving every day. Tunisia welcomes you!”

### NUSACC EXPERT ROUNDTABLE

NUSACC’s Expert Roundtable on business opportunities in Tunisia convened a very distinguished group of public and private sector leaders. The Government of Tunisia was led by the Minister of Commerce and Tunisia’s Ambassador to the United States, and it also included Mr. Youssef Zouaghi, Director General of Tunisia’s Customs Authority, as well as half a dozen other senior officials. The U.S. Government was represented by Hon. Donald Blome, U.S. Ambassador to Tunisia. On the private sector side, Tunisia was represented by a high-level delegation of AmCham Tunisia leaders, including a number of past Presidents. On the U.S. side, more than 20 NUSACC stakeholder companies attended the gathering.



Executives from more than 20 NUSACC stakeholder companies attended the Roundtable. PhRMA, a NUSACC Platinum Plus member, sponsored the event.



## Minister of Commerce: Economic Diversification, African Markets



H.E. Omar Behi, Tunisia's Minister of Commerce.

In his opening remarks at the NUSACC Roundtable, Minister Behi characterized growing opportunities in Tunisia as a “win/win for U.S. and Tunisian companies.” He said, “We are engaged in diversifying our production. We have undertaken many economic reforms to develop economic partnerships and investments, and there is a large potential to develop exports to Africa.”

Since July 2018, Tunisia has been a member of the Common Market for Eastern and Southern Africa (COMESA), composed of 20 African countries with about 500 million inhabitants. This status enables Tunisia to export duty-free to COMESA nations, positioning Tunisia as a gateway to African markets, including some of the fastest growing economies in the world.

“With investments in my country, U.S. companies can work with Tunisian partners to export to Africa,” noted Behi. “This includes reconstruction and development efforts in neighboring Libya, which is important to both of our nations. Much of this can be accomplished through Tunisia’s free zones, which are already serving the Libyan market.”

## Focus on Technology and Innovation

“Tunisia is well known for our production of dates and olive oil, in which we lead the world,” Behi pointed out. “But Tunisia’s top export is actually mechanical and electrical goods, which constitute more than 40 percent of all production in Tunisia. Producing electronic components in aviation and aeronautics for companies like Airbus, for example, has resulted in cutting-edge manufacturing.”

Tunisia’s drive to grow its **tech sector** is consistent with the nation’s long-time commitment to promote education and to prepare graduates for the marketplace.



H.E. Fayçal Gouia, Tunisian Ambassador to the United States.

According to a 2014 World Bank Group report, *Breaking the Barriers to Youth Inclusion*, Tunisia’s service sector “has a strong comparative advantage and significant potential for exports, especially in information and communication technology, professional services, transport and logistics, tourism, and health.”





The report goes on to say, “Tunisia is relatively well positioned to become a champion in innovation and entrepreneurship, provided that it recognizes the potential of its aspiring generation of self-employed youth.”

**Pharmaceuticals** is another sector that Behi singled out for potential investment. According to the World Bank Group (2014), the pharmaceutical industry in Tunisia has grown at an average annual rate of 15 percent, much higher than the global average and higher than other sectors in Tunisia. The industry meets 49 percent of the country’s need for medicines – mainly generics – and this sector employs more than 6,000 people. Almost 40 percent of pharmaceutical jobs are skilled, with average salaries that are among the highest in Tunisia.

According to the U.S. Department of Commerce (Export.gov), there is a need for liberalization in this sector, which will create more opportunities for growth. Tunisia is working to open its marketplace to more foreign companies, which are seeking requisite intellectual property commitments. When this happens, Tunisia will be in a better position to export to other markets, especially in Africa. (According to Export.gov, Tunisian exports of human medicines currently account for only 6 percent of local manufacturing.)



The Pharmaceutical Research and Manufacturers of America (PhRMA), an international trade association that represents the world’s leading research-based pharmaceutical companies, sponsored the Roundtable. Samir Khalil, a NUSACC Board member and PhRMA’s Executive Director for Middle East & Africa, noted, “PhRMA will be delighted to engage the Tunisian Government on a broad range of policy issues, including intellectual property rights, government pricing, and regulatory issues. As Tunisia evolves toward a knowledge-based economy, fully aligning Tunisia’s IP standards with the U.S. & EU would send a clear signal to the global pharmaceutical industry to invest in the Tunisian economy.”

According to Khalil, the biopharmaceutical industry expresses its readiness to partner with the Government of Tunisia to help: (1) improve Tunisian patients’ access to innovative, high quality treatment and care, and (2) create an environment that fosters world-class biopharmaceutical investment, along with related job creation and technology transfer. “Achieving this vision will require a holistic approach to policy-making and the creation of synergies between healthcare regulation and industrial policy,” Khalil said. “Tunisia offers tremendous potential for growth in this dynamic sector.”



Mr. Samir Khalil, a NUSACC Board member and PhRMA’s Executive Director for Middle East & Africa.

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## Renewables: Tapping into Tunisia's Natural Resources

"Tunisia has no significant oil resources," said Behi, "so we are developing renewable energies. In the next ten years, renewable energy will make up 30 percent of Tunisia's energy needs, and these projects are open to American companies."



A distinguished group of past Presidents represented AmCham Tunisia at the NUSACC Roundtable. Mondher Ben Ayed (center) is joined by Khaled Babbou (right) and Nouredine Hajji (left), Managing Partner of EY Tunisia.

A recent story by Reuters suggests that Tunisia plans to select the winners of its 500 megawatt (MW) solar energy concessions tender no later than September, 2019. According to Tunisia's Industry and Energy Minister, H.E. Slim Feriani, these winners will be expected to start producing solar energy within 12 to 18 months of the announcement. "The tender will be a game-changer because we will boost the production of energy in Tunisia through environmentally friendly energy," Feriani said.

The 500 MW tender is part of a bigger program launched by the Government of Tunisia that is expected to reach 3,500 MW of renewable energy – both solar and wind – by 2030.

Currently, three percent of Tunisia's electricity is generated from renewables, including hydro, solar, and wind. When this change in Tunisia's energy mix takes place, it will be a major realignment.

According to the U.S. Department of Commerce (Export.gov), 97 percent of Tunisia's electricity is currently generated from fossil fuel resources. Most of this comes from natural gas, which supplies 73.5 percent of Tunisia's power plant needs. (Nearly half of Tunisia's natural gas is imported, primarily from neighboring Algeria.)

The Societe Tunisienne de l'Electricite et du Gaz (STEG) has been slow to promote Public Private Partnerships (PPPs), but Tunisia's 2015 energy law encourages independent power projects (IPPs) in the area of renewables. Tunisia's legal framework allows IPPs when there is a direct industry end-user, and up to 30 percent of excess power generated from the IPP may be sold back to STEG at a fixed price.



## Franchising: Opportunities Are Growing

With assistance provided by the U.S. Department of Commerce Commercial Law Development Program (CLDP), Tunisia has been improving its legal frameworks for franchising. According to Behi, franchises may now operate like any other foreign business, and this sector is poised for growth.

The Ministry of Commerce maintains a “positive list” that includes sectors in retail, distribution operations, hotels, tourism, training, teaching, vehicle servicing, beauty and hygiene salons. Franchises on the list require no prior pre-approval to operate in Tunisia.

According to the U.S. Embassy in Tunis, no application from a Tunisian franchisee for a U.S. franchise has ever been denied. As of mid-2018, the Government of Tunisia had confirmed authorization for 27 foreign franchises not on the pre-approved list; Twelve of these were American.

According to the U.S. Department of Commerce (Export.gov), the Tunisian Franchise Association (TFA) is the sector’s principal lobbying arm. The Tunis Chamber of Commerce and Industry (CCIT) works in partnership with the TFA and the Mediterranean Chambers of Commerce and Industry (ASCAME) to organize an annual event in Tunisia, the Tunis Med Franchise Show.

## The Ambassadors Weigh In

“Today’s Roundtable provides an opportunity for direct exchange between leading Tunisian officials and U.S. private sector leaders,” noted Ambassador Gouia. “Such discussions serve to strengthen the bilateral relationship at all levels: Economic, political, security, cultural, and academic.”

Ambassador Blome suggested that Tunisia is sometimes overlooked as a destination for U.S. businesses. “Companies may choose to locate themselves elsewhere because they are unfamiliar with the opportunities in Tunisia or perceive the market as too small,” he said. “Currently, European companies dominate Tunisia’s market. According to our latest figures, just 69 American companies operate in the country, compared to thousands of European companies.”



Hon. Donald Blome, U.S.  
Ambassador to Tunisia.



“While the Tunisian market may be relatively small, the country has a tremendous amount to offer, both because of its ambitious plans for development of energy resources, infrastructure, and manufacturing, and because of its strategic location and skilled workforce,” he concluded.

## JOINT ECONOMIC COMMISSION

The Second U.S. – Tunisia Joint Economic Commission (JEC) was held on June 14 at the U.S. Department of State. Presiding officials on the American side included Hon. Gil Kaplan, Under Secretary of Commerce for International Trade, and Hon. Joan Polaschik, Principal Deputy Assistant Secretary of State for Near Eastern Affairs. Presiding on the Tunisian side was H.E. Omar Behi, Minister of Commerce.

The two governments held closed-door talks throughout the morning, followed by an interactive, public session in the afternoon (below) that was heavily focused on business development.



**From right to left:** Mr. Skip Jones, Deputy Assistant Secretary of Commerce for the Middle East and Africa; Ms. Barbara Ferrar, Trade Specialist at the U.S. Department of Commerce; Mr. Daniel Crocker, Senior Foreign Service Commercial Officer at the U.S. Department of Commerce; Mr. Matthew Rees, Interim Coordinator for Prosper Africa at USAID; Hon. Donald Blome, U.S. Ambassador to Tunisia; Mr. John C. Pazartzis, Managing Director for Capital Mobilization & Frameworks at OPIC; Mr. David Hamod, NUSACC President & CEO; Mr. Nouredine Hajji, Managing Partner at EY Tunisia.

### Inputs from the American Panel

The U.S. panel included: Hon. Donald Blome, U.S. Ambassador to Tunisia, who led the American side; John C. Pazartzis, Managing Director for Capital Mobilization & Frameworks, Overseas Private Investment Corporation (OPIC); Matthew Rees, Interim Coordinator for Prosper Africa, U.S. Agency for International Development (USAID); Daniel Crocker, Senior Foreign Service Commercial Officer, and Barbara Ferrar, Trade Specialist, U.S. Department of Commerce; David Hamod, President & CEO of NUSACC, representing the U.S. private sector.

*John C. Pazartzis, OPIC:*

OPIC’s goal is to mobilize the private sector, and OPIC will soon be in a position to finance projects totaling \$60 billion, Pazartzis noted. For the first time ever, he suggested, OPIC will be authorized to make equity investments in projects, thereby helping American entities to compete more effectively in the global marketplace, including Tunisia.

*Matthew Rees, Prosper Africa:*

U.S. financial support for Africa has historically focused on development assistance. According to Rees, Prosper Africa will shift the focus to the private sector, with an emphasis on trade and investment. “The agency is willing to invest time and offer tools in order to help facilitate investments, trade, and business-to-business relations,” said Rees. “In practical terms, the highest-level goal is to substantially increase trade and investment by 2025 in the African continent.”

*Daniel Crocker and Barbara Ferrar, U.S. Department of Commerce:*

Crocker and Ferrar gave an overview of U.S. Government programs designed to help American exporters in overseas markets. This includes the Advocacy Center, which coordinates interagency advocacy efforts on behalf of U.S. exporters bidding on public-sector contracts with overseas governments.

*David Hamod, NUSACC:*

In his introductory remarks at the JEC, Hamod highlighted the Chamber’s unique history of supporting U.S. - Tunisia relations. “NUSACC has led more private sector delegations to Tunisia than anybody else in the United States,” he noted. “I will also mention that we have led more delegations to Tunisia than to any other country in the Arab world. This is a reflection of the deep respect that we have for the country and its people, but it’s also a reflection of the commercial opportunities that we see in Tunisia.”



David Hamod, NUSACC President & CEO, highlighted the Chamber’s unique history of supporting U.S. - Tunisia relations.

He continued, “These government-to-government meetings help to create frameworks for commerce, thereby ‘opening the door’ for business. But at the end of the day, the onus is on us, the private sector, to do the deals that will create jobs, economic growth, and prosperity.” He concluded, “Here in America, the private sector is the engine of economic growth. Increasingly, that is true in Tunisia as well.”

Hamod’s presentation may be accessed [here](#).

### **Inputs from the Tunisian Panel**

The Tunisian panel included: H.E. Fayçal Gouia, Tunisia’s Ambassador to the United States, who led the Tunisian side; Nouredine Hajji, Managing Partner, EY Tunisia (Ernst & Young); Iyadh Abid, Advisor to the Minister, Ministry of Development, Investment, and International Cooperation; Naceur Hidoussi, President, AmCham Tunisia; Mohamed Malouche, Chairman, Tunisian American Young Professionals.





**From left to right:** Ms. Saida Hachicha, Director General of Trade in the Ministry of Trade and Handicraft; Mr. Iyadh Abid, Advisor, Ministry of Development, Investment, and International Cooperation; H.E. Fayçal Gouia, Tunisia's Ambassador to the United States; H.E. Omar Behi, Tunisia's Minister of Commerce; Mr. Naceur Hidoussi, President, AmCham Tunisia.

*Nouredine Hajji, Managing Partner, EY Tunisia:*

Hajji gave an overview of Tunisia's reforms, including that nation's efforts to: establish commerce-friendly business frameworks (including lower taxes), build a world-class infrastructure, invest in human capital, create catalysts for business, and enhance Tunisia's quality of life. From a business perspective, this includes the establishment of the Tunisia Investment Authority, a one-stop-shop for prospective investors in such sectors as agriculture, energy, tourism, infrastructure, and the like.

Hajji's presentation, "The Business Climate in Tunisia: A Thriving Future," may be accessed [here](#).

*Iyadh Abid, Ministry of Development:*

Abid's overview focused on Tunisia's improved ranking in the World Bank's "Doing Business" list, as well as 33 innovative projects in Tunisia's priority sectors. He also discussed legislative reforms that have strengthened a variety of laws: Investment Law, Renewable Energy Law, PPP Law, Competition Law, and the Start-Up Act, to name just a few.

Abid's presentation, "Business Climate Reforms and Priority Projects," may be accessed [here](#).



Mr. Naceur Hidoussi,  
President, AmCham  
Tunisia.

*Naceur Hidoussi, AmCham Tunisia:*

Hidoussi's presentation offered a view of Tunisia from 30,000 feet (including quality of life, infrastructure and logistics, top tourism destinations, etc.). Of particular interest to business leaders are six promising sectors: Aerospace, agribusiness, leather & footwear, electrical industries, plastics, and textiles & apparel.

Hidoussi's presentation may be accessed [here](#).

*Mohamed Malouche, Tunisian American Young Professionals (TAYP):*

Malouche offered insights based on TAYP's experience in bringing American and Tunisian companies together. Some of these insights include: Be specific about needs and expectations; embrace even the negatives (in the expectation that the positives will outweigh the negatives); follow up relentlessly.

## **JEC Deliverables and Follow-Up Items**

At the end of the Joint Economic Commission, a number of government officials offered summary remarks. These were led by Skip Jones, Deputy Assistant Secretary of Commerce for the Middle East and Africa, and Joshua Harris, Director of the Office of Maghreb Affairs at the U.S. Department of State.



Sidi Bou Said Harbor in Tunisia.

Some of the key deliverables and follow-up items include:

### ***Tools to Promote Bilateral Trade and Investment***

#### **1) Prosper Africa initiative**

- Excellent platform to coordinate U.S. - Tunisian companies
- AmCham Tunisia offered to organize the first conference on Prosper Africa (1st quarter 2020)

#### **2) OPIC / International Development Finance Corporation (DFC)**

#### **3) Commercial Programs**

- Trade missions by NUSACC
- Tunisian interest in a Free Trade Agreement (FTA)
- TAYP proposes to tap into the diaspora community
- TAYP proposes entrepreneurship forums

### ***Business Climate Reform***

1. Reform recommendations offered by AmCham Tunisia
2. Create a new Trade & Investment Task Force, proposed by NUSACC

## Two Ambassadors: The Last Word

The U.S. Ambassador to Tunisia, Hon. Donald Blome, noted, “The June 14 Joint Economic Commission provided senior policymakers and the Tunisian and U.S. private sectors a forum to discuss further practical ways to increase bilateral trade and investment, a priority for both our countries. It also set the stage for our broader Strategic Dialogue.”

He went on to say, “The themes of this year’s JEC focus on areas where American expertise and investment align with the Tunisian Government’s priorities for economic development. For example, American companies are leaders in supplying renewable and efficient energy, and they could support the Government of Tunisia’s plan to develop 3.5 gigawatts of solar and wind energy in tranches by 2030. This will undoubtedly open opportunities for high-performing companies.”

H.E. Fayçal Gouia, Tunisia’s Ambassador to the United States, sounded a similar theme. He said, “The 2nd Session of the JEC between Tunisia and the United States was a great opportunity to discuss a number of issues related to the promotion of bilateral economic relations. It facilitated a thoughtful discussion between government officials from both countries, as well as engaging the private sector.”

“The Tunisian Embassy highly appreciates the active role played by the National U.S. – Arab Chamber of Commerce,” Gouia concluded. “NUSACC’s Roundtable for Tunisia’s Minister of Commerce was very successful, and NUSACC contributed meaningfully to the JEC discussions – devoted to the private sector – held at the U.S. State Department.”

Please click [here](#) for a video, “Why Invest in Tunisia?”



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*The National U.S.-Arab Chamber of Commerce, widely regarded as the voice of American business in the Arab world, is in touch with business communities across the United States and serves as the U.S. point of contact for the national chambers of commerce in the 22 Arab nations. On a daily basis, NUSACC works closely with leaders throughout the Arab world, as well as high-level decision makers in the U.S. business community, public policy research centers, multilateral institutions, nongovernmental organizations, media, and the U.S. Government.*