

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

BOP/166

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Limited Distribution

Committee on Balance-of-Payments  
Restrictions

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1976 CONSULTATION UNDER ARTICLE XVIII:12(b) WITH TUNISIA

Statement Submitted by Tunisia under  
the Simplified Procedures for Consultation<sup>1</sup>

I. PURPOSE OF IMPORT RESTRICTIONS

The import restrictions applied in Tunisia are mainly designed to:

- take account of balance-of-payments difficulties
- protect newly-created economic units
- reduce consumption in order to improve savings

II. LEGAL BASIS OF THE RESTRICTIONS

Tunisia's relations with other countries are at present governed by Act No. 76-18 of 21 January 1976 for the revision and codification of exchange and foreign trade matters (Official Gazette No. 5 of 20 and 23 January 1976).

The principal innovation made by this new text is that it has eliminated the apportionment by area under which special foreign trade advantages were granted to the franc area.

III. SYSTEM AND METHODS OF TUNISIA'S FOREIGN TRADE

1. Liberalized products

- on importation: import certificate
- on exportation: exchange commitment

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<sup>1</sup>L/3772/Rev.1

2. Prohibited products

- on importation: import licence
- on exportation: export licence

3. Products under quota

In general these are major consumer products for which an import licence is required.

IV. COMMODITIES AFFECTED BY THE VARIOUS FORMS OF IMPORT RESTRICTIONS

1. Prohibited products

The list of prohibited imports, with an indication of the relevant texts, may be found in Annex I.<sup>1</sup>

2. Products under quota

An import programme is established on an annual basis for each area. Annex III<sup>1</sup> lists the products included in the import programme for 1976.

3. Liberalized products

These were the subject of the Notice No. 116 published in the Official Gazette of 4 and 8 February 1972, and of subsequent texts, (see Annex III<sup>1</sup>).

V. STATE TRADING

Imports of certain sensitive or major consumer products such as coffee, tea, pepper, cereals, tobacco, etc., are the responsibility of certain State agencies, in order to ensure steady supplies at reasonable prices.

VI. MEASURES TAKEN SINCE THE LAST CONSULTATION

1. As mentioned above, Act on the new exchange and foreign trade code, which brought to an end the differentiated treatment as between the different current areas.

2. Act No. 73-45 of 23 July 1973 bringing into force a new import and export customs tariff, in order to afford greater relaxation of the tax and customs régimes so as to ensure adequate supplies for the economy and increased competitiveness of the production system.

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<sup>1</sup> Available for consultation at the secretariat.

3. Enlargement of the lists included in Notice No. 116 mentioned above, by the addition of new products deemed necessary for the country's economic development.

These are mainly:

- most raw materials
- parts of agricultural and industrial machinery
- pharmaceutical products
- precision and laboratory apparatus and appliances, etc.

These products may be imported from all countries without any quantitative restriction, subject to production of an import certificate issued by the intermediary banks to Tunisian commercial operators.

4. Act No. 72-38 of 27 April 1972 establishing a special régime for export industries in the form of tax and financial advantages and much simplified foreign trade formalities.

5. It should be noted that in addition to these new relaxation measures, the procedures applied prior to the last consultations are still in force, namely the import card and the annual import permit (see note on Tunisia's last consultation within GATT<sup>1</sup>).

#### VII. EFFECTS OF THE RESTRICTIONS ON TRADE

##### 1. Trade balance

Since 1972, Tunisia's trade balance has developed as follows:

Year	1972	1973	1974	1975
Imports	222,219	265,947	488,658	572,815
Exports	150,327	168,635	397,695	345,580
Balance	- 71,892	- 97,312	- 90,963	-227,235
Coverage %	67.6	63.4	81.4	60.3

<sup>1</sup>BOP/142

As may be seen from the above table:

- imports have developed as follows from year to year:

1973:	+	19%
1974:	+	83%
1975:	+	17%

i.e., an annual average increase of 39.7 per cent;

- exports have developed as follows:

1973:	+	12%
1974:	+	135%
1975:	-	13%

i.e., an annual average increase of 44.7 per cent.

Although the trade balance is still in deficit, the restrictions are having a positive effect on this situation.

Indeed, the average increase in imports - 39.7 per cent annually from 1972 to 1975 - has been lower than that recorded for exports - 44.7 per cent.

## 2. Imports by commodity groups

Growing import needs, as a consequence of the investment effort undertaken in Tunisia, have affected the composition of Tunisia's imports, as may be seen from the table below.

In addition, these figures reflect the action taken by the administration to ensure optimum apportionment of foreign exchange reserves available for imports as among Tunisia's various needs, in accordance with the objectives of its economic development plan and in particular for industrialization.

Commodity group	1972		1973		1974		1975	
	D'000	%	D'000	%	D'000	%	D'000	%
1. Food	41,913	18.9	48,011	18.0	89,942	18.4	90,473	15.8
2. Energy	15,200	6.8	18,228	6.9	56,872	11.6	56,302	9.8
3. Raw materials and semi-finished products of animal or vegetable origin	13,785	6.2	20,574	7.7	37,439	7.7	30,295	5.3
4. Raw materials and semi-finished products of mineral origin	3,366	1.6	1,893	0.7	15,555	3.2	10,284	1.8
5. Other products	49,216	22.1	61,085	23.0	113,360	23.2	124,948	28.8
<u>Total RM and SFP</u>	81,567	36.7	101,780	38.3	223,226	47.7	221,829	38.7
6. Agricultural equipment	5,192	2.3	6,455	2.4	8,447	1.7	172,823	30.2
7. Industrial equipment	60,654	27.3	73,586	27.7	103,966	21.3		
8. Consumer goods	32,893	14.8	36,115	13.6	63,077	12.9	87,690	15.3
<u>Total finished products</u>	98,739	44.4	116,156	43.7	175,490	35.9	260,513	45.5
<b>TOTAL</b>	222,219	100.0	265,947	100.0	488,658	100.0	572,815	100.0

Note should be taken of the preponderant rôle of raw materials and semi-finished products on the one hand and equipment goods on the other, accounting for nearly 70 per cent of Tunisia's purchases.

In the light of the foregoing, Tunisia's trade deficit with other countries, though a matter for concern, can be seen as "normal" taking into account the efforts being made and the encouragement given for the country's industrialization.

Furthermore, the progressive relaxation and adjustment of import restrictions which has been going on since 1970 will continue in coming years. The authorities expect further to reduce the use of these restrictions, to the extent that there is improvement in our current balance-of-payments disequilibrium.

#### VIII. BALANCE-OF-PAYMENTS POSITION

Tunisia's balance of payments showed a deficit of D11.1 million in 1975 after having been in surplus in the years 1971 to 1974, as shown below:

(Value in D'000)

1971	1972	1973	1974	1975
+ 47,438	+ 34,261	+ 33,450	+ 31,053	- 11,100

Foreign payments increased substantially during these years, while earnings rose only slightly.

As regards goods, the increase in import values and the slowing down in major export products contributed to increase the trade deficit by D 53,543,000. (1974: D 129,214,000 and 1975: D 182,758,000).

Exports were mainly affected by a slowing down in exports of olive oil and phosphate products:

(Value in \$'000)

Product	1974	1975	Difference
Olive oil	70,335	31,031	- 39,304
Calcium phosphates	46,847	46,385	- 462
Superphosphates	33,845	16,659	- 17,186
Phosphoric acid	15,636	14,988	- 648

The situation of the main headings in Tunisia's balance of payments has been as follows since 1972:

(Value in \$'000)

	1972		1973		1974		1975	
	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure
Goods	148,895	216,137	174,524	261,603	332,365	461,579	324,145	524,903
Transport	18,656	28,526	24,120	36,409	40,141	56,578	43,295	59,995
Travel	71,501	18,437	77,586	17,004	82,841	20,277	127,003	22,847
Labour earnings	29,566	4,388	41,204	3,896	51,665	4,684	58,664	4,053

The foreign assets of the Central Bank of Tunisia stood at D 171.3 million at the end of 1975, i.e., 3.5 per cent below the 1974 level, while foreign exchange assets declined by 4.2 per cent over the period 31 December 1974 to 31 December 1975.