

Exploiting markets in sub-Saharan Africa

New export opportunities for small and medium-sized businesses in Tunisia

The challenge

A decade after the Arab Spring, Tunisia is suffering from high unemployment and low economic growth. The country is involving the private sector in its attempts to stimulate growth and hopes to improve its international competitiveness. Tunisia has a relatively small domestic market and therefore relies heavily on its exports of goods and services. However, these exports are concentrated in a limited geographical area and are not very diversified. In 2018, the Mediterranean region accounted for approximately three quarters of all Tunisian exports, while sub-Saharan Africa represented just 3%. Sub-Saharan countries have achieved remarkable growth rates in recent years. The Tunisian government is aware of the potential and has prioritised the region as a potential export market. Tunisian companies have a clear market advantage in some sectors, with competitive goods and high-quality services.

Since Tunisia's adhesion to the Common Market for Eastern and Southern Africa (COMESA) in January 2020, Tunisian exports have enjoyed tariff-free access to 15 African countries. The ratification of the African Continental Free Trade Area (ZLECAF) in 2020 has offered further scope to increase trade between Tunisia and sub-Saharan Africa with an anticipated reduction in trade barriers over the coming years. Ensuring that these free trade agreements meet the needs of the Tunisian private sector means involving these businesses in the negotiations and in the implementation of the agreement.

Our approach

The project "Promotion of export activities to new markets in sub-Saharan Africa" (PEMA II) project builds on the results achieved during its first phase (2018 to 2020) and continues to support

Project title	Promotion of export activities to new markets in sub-Saharan Africa (PEMA II)
Commissioned by	Federal Ministry for economic cooperation and development (BMZ)
Country	Tunisia
Objective	Tunisian small and medium-sized enterprises are increasingly in a position to exploit the business potential of new markets in sub-Saharan Africa.
Implemented by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Partner	Ministry of Commerce and Export Development
Duration	01/2021 - 12/2023

Tunisian small and medium-sized enterprises (SMEs), enabling them to exploit the commercial potential of markets in sub-Saharan Africa.

The project offers a range of services and support measures to companies in collaboration with its partner, the Tunisian Export Promotion Center (CEPEX). With an emphasis on business partnerships, such as consortia, that enable businesses to work together in exploring new markets, digital approaches and networking formats, and the promotion of public-private dialogue the project proposes an array of coordinated measures.

With this support, companies will be in a better position to tackle the impact of the COVID-19 crisis. The measures have been designed to meet the needs of businesses and targets the whole of sub-Saharan Africa. The project targets Tunisian SMEs, with a particular focus on companies managed by women, which are under-represented and do not generally operate in the export field.



Photo left: Employees of COMAF, a founding company of the Tunisia Building Partner (TBP) consortium.

Photo right: Employees of Oilyssa, one of the founding companies of the Taste Tunisia consortium (TT).

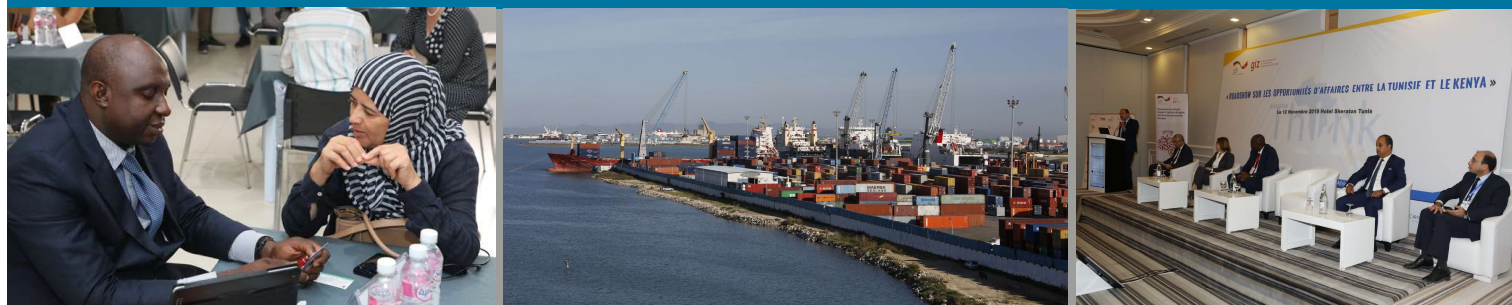


Photo left: Business meeting during a roadshow of Ivorian companies in Sousse; Photo middle: Port of Rades at the gates of Tunis; Photo right: Investment panel of a roadshow of the project in Kenya.



Four sectoral export consortia were supported in devising individual strategies to develop exports to sub-Saharan Africa. The consortia

- **Tunisia Building Partner** (construction),
- **Taste Tunisia** (agrifood),
- **Tunisia Health Alliance** (health) and
- **Get'IT** (information and communication technology)

are now ready to harness the potential offered by sub-Saharan African markets and will be supported by the project to put their plans into action.

The project collaborates with CEPEX to design appropriate services to improve the conditions for trade between Tunisia and sub-Saharan Africa and enable businesses to make better use of the commercial opportunities represented by African markets. The team supports CEPEX in devising services that target women, in developing new digital services and in organising B2B exchange formats for Tunisian companies to meet with African counterparts.

The project team works with the Tunisian Ministry of Trade and Export Development on improving information channels and creating public-private platforms for dialogue that will involve the country's SMEs in the negotiations and implementation of ZLECAF and COMESA. The project strengthens Tunisia's regional integration with the aim of improving the export conditions for Tunisian companies.

Finally, the PEMA II project aims to support Tunisian exporters in responding to the economic impact of the COVID-19 crisis.

The Impact

So far, more than 650 companies from across Tunisia have benefited from a range of B2B events focusing on sub-Saharan Africa. Eighty-seven per cent of the companies in the four consortia receiving support during the first phase of the project (Tunisia Building Partner, Taste Tunisia, Tunisia Health Alliance, and Get'IT) have confirmed that their scope for investment in and exports to new markets in Africa has improved. 110 companies have now forged at least one new contractual business relationship with partners in sub-Saharan Africa and 50 companies have created a total of 152 new jobs to help them access new markets in Africa; 55 of these jobs (36%) were held by women.



An example from the field

In late 2020, the first **Tunisia-Africa E-business Meetings** event brought together almost 1,100 Tunisian and African businesses via the b2match matchmaking platform. The event gave businesses a virtual format for discussions that enabled them to overcome the restrictions imposed by the COVID-19 pandemic. At this first digital Tunisian-African business event, 550 Tunisian companies were able to hold discussions with potential trading partners in sub-Saharan Africa. A total of 2,872 B2B meetings took place over three days. The event demonstrated how digitalisation can be a catalyst for exports to sub-Saharan Africa..

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Project Promotion of export activities to new markets in Sub-Saharan Africa (PEMA II)

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