

COUNTRY PROFILE



Tunisia

GLOBAL RANK: 49th of 104



Tunisia ranks in the middle of the Index, scoring 52nd place in both Comparative Liveability and Economic Competitiveness to achieve a position of 49th overall. The country scores poorly in community life and education, but moderately well in terms of both health-adjusted life expectancy and satisfaction with personal health.

● BACKGROUND

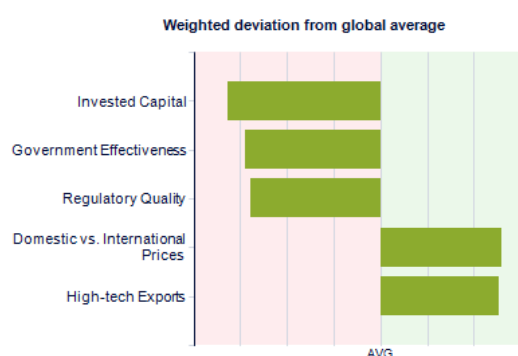
Tunisia is noted for its relative stability and prosperity compared to other North African countries. Although Tunisia's population is overwhelmingly Muslim, it has a secular political and judicial system, and women are granted equal rights under the constitution. Over the past decade, market reform has resulted in sustained economic growth and rising incomes, and in 2008 Tunisia became the first Maghreb country to sign a free trade agreement with the EU. Tunisia is officially a pluralist democracy, but it is in reality a one-party state in which political opposition is suppressed and freedom of speech and assembly restricted.

FAST FACTS

Population:	10.4 million (2008 est.)	FDI (net inflow):	7.06% (2006 est.)
Life Today	5.3 (2007 est.)	Exports	37.33% (2006 est.)
GDP (PPP)	\$77 billion (2007 est.)	Imports	48.20% (2006 est.)
GDP (Growth)	6.3% (2007 est.)	Unemployment:	14.1% (2007 est.)
GDP (per Capita)	\$7,500 (2007 est.)	Life Expectancy	75.56 years (2008 est.)
Political System:	Republic		
Foreign Aid:	1.23% (2006 est.)		

● KEY SCORE DRIVERS

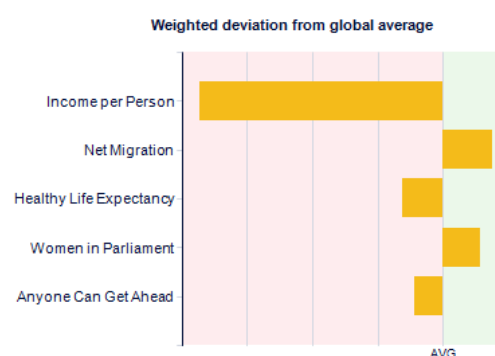
ECONOMIC COMPETITIVENESS



In material terms, Tunisia ranks highest in North Africa, and even higher than Turkey. The country's diverse economy includes significant agricultural, mining, energy, tourism, and manufacturing sectors, avoiding dependence on the export of commodities. However, Tunisia has been slow to move to higher value-added activities, and high-tech exports are somewhat lacking. The paucity of mass education and low number of patents filed suggest this will be difficult to remedy and may become a hindrance to long-term progress.

However, local entrepreneurship is vibrant and this creates high levels of competitiveness in Tunisia's markets. The government is pursuing

COMPARATIVE LIVEABILITY



Tunisia has the highest rank for Comparative Liveability in North Africa, surpassing even some European states, despite relatively low average per capita income levels. However, the lack of political rights and civil liberties remains a major concern as the government relies heavily on the military and on security services to control the population.

Although freedom of association and assembly are guaranteed in the constitution, several political parties, social movements and civil organisations are restricted, and public figures critical to the regime have been imprisoned. Even academic freedom is limited: debates and discussions of politically sensitive topics are constrained and

gradual economic reforms, which were enhanced by the country's 1998 association agreement with the European Union. Currently, Tunisia guarantees considerable business freedom. The labour market is fairly flexible, and governance is generally effective. Total government expenditures, including consumption and transfer payments, make up less than one third of the country's GDP.

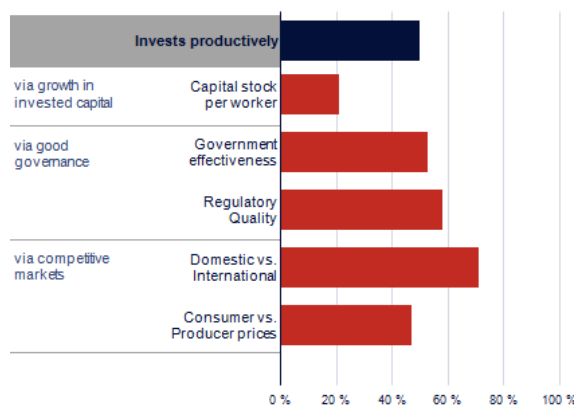
However, there are regulatory obstacles that hinder the economy's openness and integration into the world economy. Foreign ownership of agricultural land is prohibited, and onshore companies generally require government authorisation. Furthermore, foreign investment is screened by the state and restricted in some sectors, contributing to the low levels of capital investment.

ensorship is common.

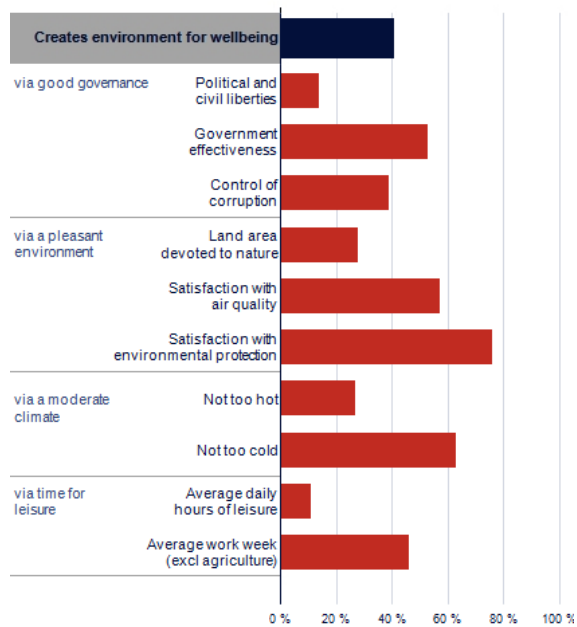
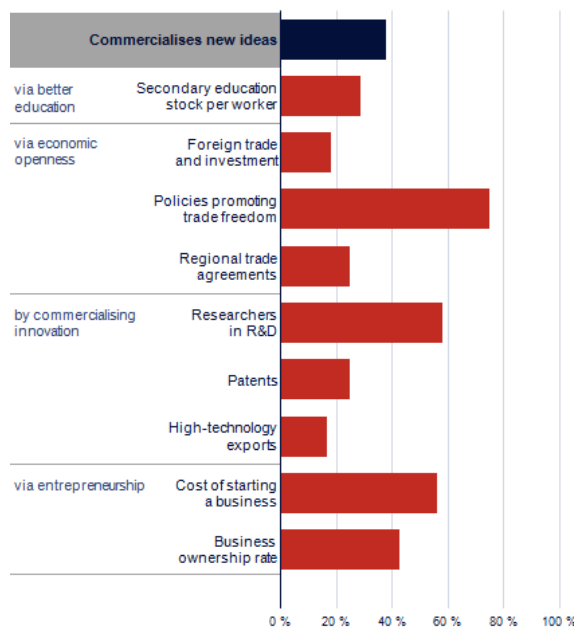
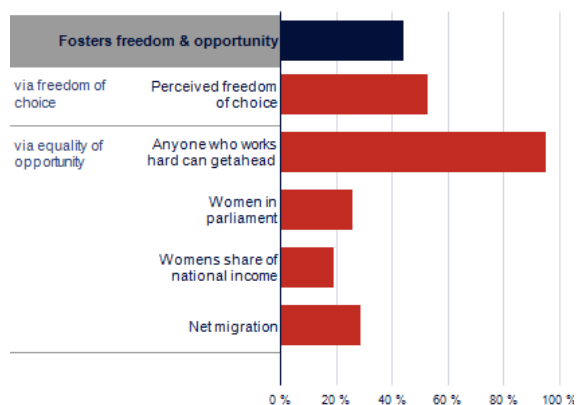
Perhaps as a consequence, community activities, especially charitable giving, score below the regional average, and social cohesion is weak. These factors, however, do not dampen the optimism of Tunisians, with 94%⁹ believing that they can get ahead through hard work, according to the Gallup World Poll -- perhaps a testimony to the country's relatively good economic progress.

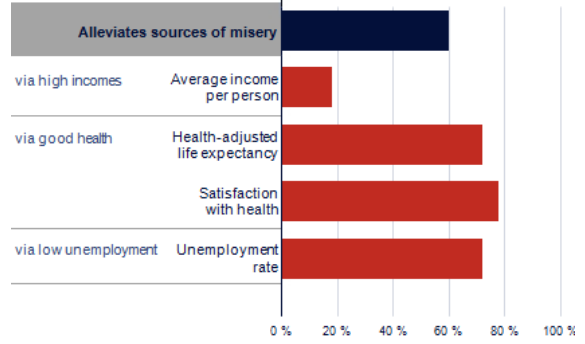
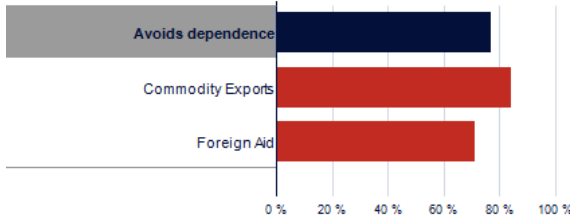
The regime provides relatively good social security and healthcare. Most Tunisians are satisfied with the efforts to preserve the environment, despite reporting dissatisfaction with the air quality. The satisfaction with personal health is echoed by a moderately high health-adjusted life expectancy of 62.5 years.

ECONOMIC COMPETITIVENESS: SCORECARD

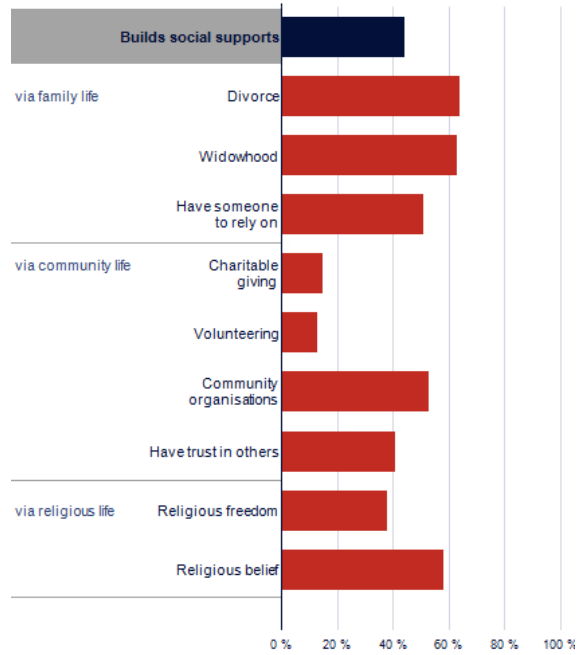


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.