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Tunisia's Manufacturing Sector
# Machinery, Electronics, and Chemical Sector Potential

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# An overview of Tunisia

A study of Tunisia's product space reveals that the country should focus on facilitating the development of new complex products in the machinery/electrical clusters and a few products in the chemical and plastic rubber communities, particularly those that are most attractive in terms of the tradeoff between distance and complexity or Complexity Outlook Gain. Table 1 lists the target sectors that the methodology identifies as those strategic for Tunisia's future development.[1]

The community with the greatest number of target products is the machinery/electrical cluster, with 15 products (HS2:84-85). The next clusters with the highest number of target products are the foodstuff cluster (with a total of 12 products, HS2:16-24) and textiles (with a total of seven products, HS2:50-63), whose products are closer in distances in terms of the country's productive knowledge and capabilities, but have on average, lower complexity. The methodology also identifies seven products in the chemical & allied industries cluster (HS2:28-38) and five in the plastics/rubbers community (HS2:39-48). Interestingly, if we consider the threshold to be at 10B, it can be seen in the table that Tunisia currently has a presence in all except two of the product categories (at the HS2 level) in the target communities.

Table 1   **Summary of target sectors**

| HS2 | Product name | Product Targets | Product World Exports ($) |
|---|---|---|---|
| 84 | Machinery and Mechanical Appliances, Computers, Boilers, Nuclear Reactors | 15 | 1680 B |
| 85 | Electrial Machinery | 4 | 607 B |
| 34 | Soaps, Waxes, Candles | 3 | 50 B |
| 20 | Preps. of Vegs, Fruits, Nuts, Etc. | 3 | 39 B |
| 22 | Beverages, Spirits and Vinegar | 3 | 88 B |
| 21 | Misc. Edible Preparations | 3 | 47 B |
| 32 | Putty and Inks, Dyes, Pigments, Paints and Putty | 3 | 75 B |
| 39 | Plastic and Articles Thereof | 3 | 321 B |
| 54 | Man-Made Filaments, Inc. Yarns and Woven Etc. | 2 | 41 B |
| 96 | Misc. Manufactured Articles | 2 | 18 B |
| 55 | Man-Made Staple Fibers, Inc. Yarns Etc. | 2 | 31 B |
| 40 | Rubbers and Articles Thereof | 2 | 186 B |
| 19 | Preps. of Cereals, Flour, Starch or Milk | 2 | 21 B |
| 64 | Footwear/Gaiters and Such | 1 | 19 B |
| 31 | Fertilizers | 1 | 51 B |
| 16 | Ed. Prep of Meat, Fish, Crustaceans, Etc. | 1 | 28 B |
| 58 | Special Woven Fabrics, Tufted Text. Lace | 1 | 5 B |
| 60 | Knitted/Crocheted Fabrics | 1 | 3 B |

| HS2 | Product name | Product Targets | Product World Exports ($) |
|---|---|---|---|
| 56 | Wadding, Felt and Nonwovens, Special Yarns, Twine, Cordage, Ropes and Cables and Articles | 1 | 16 B |
| 94 | Furniture, Bedding, Lighting, Prefabricated Buildings | 1 | 80 B |
| 52 | Cotton, Yarns, Woven Fabrics Thereof | 1 | 26 B |
| 24 | Tobacco and Manuf. Tobacco Subs. | 1 | 40 B |
| 17 | Sugars and Confectionery | 1 | 43 B |
| 59 | Impregnated, Coated, Covered, or Laminated Text. Prod | 1 | 21 B |
| 30 | Pharmaceutical Products | 1 | 456 B |
| 18 | Cocoa and Cocoa Preps | 1 | 42 B |

**K = thousand, M = million, B = billion**

Figure 1 **Evolution of Tunisia's complexity, GDP and exports**
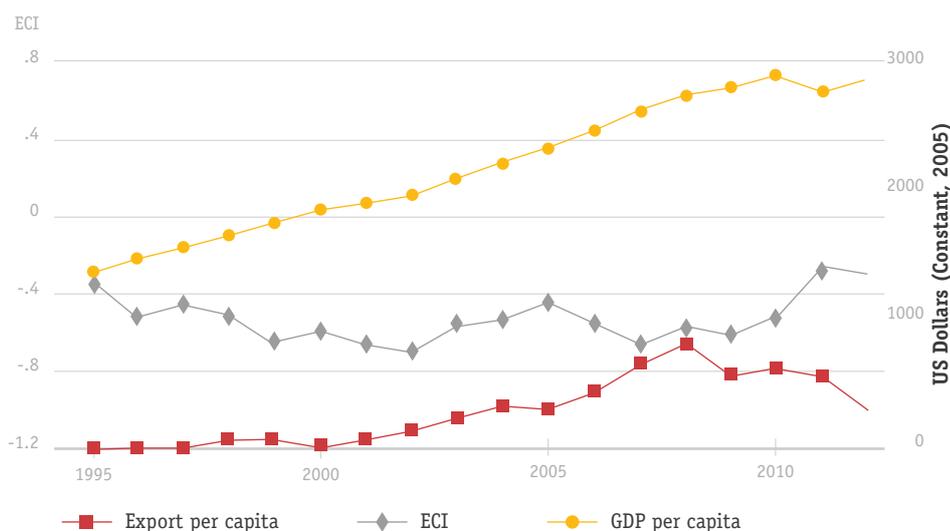


Note **Own calculation using HS4-level trade data from United Nations COMTRADE, and the World Development Indicators from the World Bank Database.**

Tunisia's GDP per capita increased steadily between 1995 and 2012, and only began slowing after 2008. Exports per capita also increased steadily until 2008, but has since decreased significantly. This year coincides with the global finical crisis. Tunisia's Economic Complexity Index (ECI), on the other hand, has been largely stagnant over the same period, only rising after 2008. Given that increases in exports were not associated with higher ECI, this suggests that the country was diversifying into less complex products or the country increased its exports in already existing products.

Figure 2  **Summary of Tunisia in the product space**

Although Tunisia's ECI has been stagnant, it is in a good position given Tunisia's GDP per capita and natural resource exports. Tunisia has the potential to climb the stairway to heaven by jumping short distances to more complex products. Therefore, Tunisia is located in the upper left quadrant of the figure, calling for what is termed parsimonious industrial policy or industrial policy 'in the small'. Countries in this quadrant should focus on providing support and public inputs (such as infrastructure, regulation, etc.) to existing industries with the aim of improving their productivity and ability to jump to nearby opportunities.

# Tunisia's productive structure

In 2012, Tunisia exported almost $10 billion (figure 3a). A few stylized facts emerge from the figures below. First, the country has great diversity in the products it exports, especially compared to other countries included in the report. Second, its main exports are in electronics and textiles, together accounting for more than half of total net exports. Third, figure 3c shows that the petroleum industry has gained importance in Tunisia's export basket, particularly after 2005. Perhaps more interestingly, this was also the case with machinery/electrical and chemical products, although this last group of products lost its share recently. Finally, olive oil production is a relatively large sector in the country. Given the Mediterranean climate, it can also be a springboard for building up downstream industries.

Figure 3    **Tunisia's trade structure 2012 and evolution exports per capita of Tunisia (1995-2012)**

a    **Exports of Tunisia**



**Tunisian exports totaling approximately $15.3 billion**

**b**    **Net exports of Tunisia**



| | | |
|---|---|---|
| Men's suits, not knit 9% | Women's suits, not knit 7% | T-shirts |
| | | |

Petroleum oils, crude 14%

Mineral or chemical fertilizers, mixed

Olive oil, virgin 4%

Insulated wire; optical fiber cables 12%

Monitors and projectors; reception apparatus for television 4%

Footwear, with leather body 4%

Dates, figs, pineapples, avocados, guavas and mangoes

Copper waste and scrap

Molluscs

Active wear, not knit 3%

**Tunisian net exports totaling approximately $9.7 billion**

**c**    **Evolution of exports**



Mineral Products

Textiles

Machinery / Electrical

Chemicals &...

Per Capita Constant

Year

Figure 4 **Tunisia on the product space**
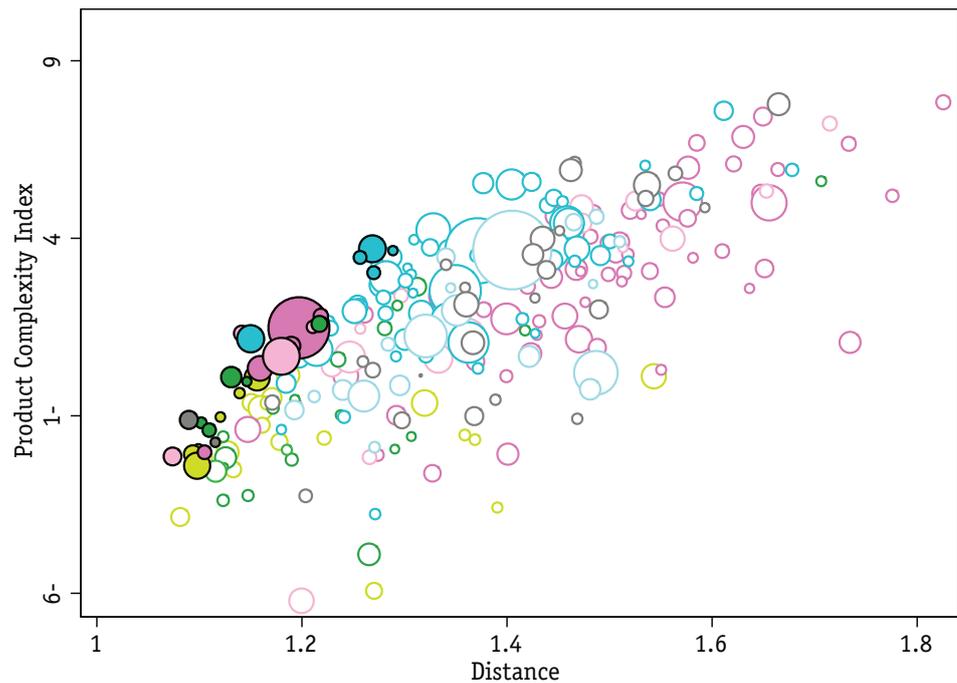
a    **1995**
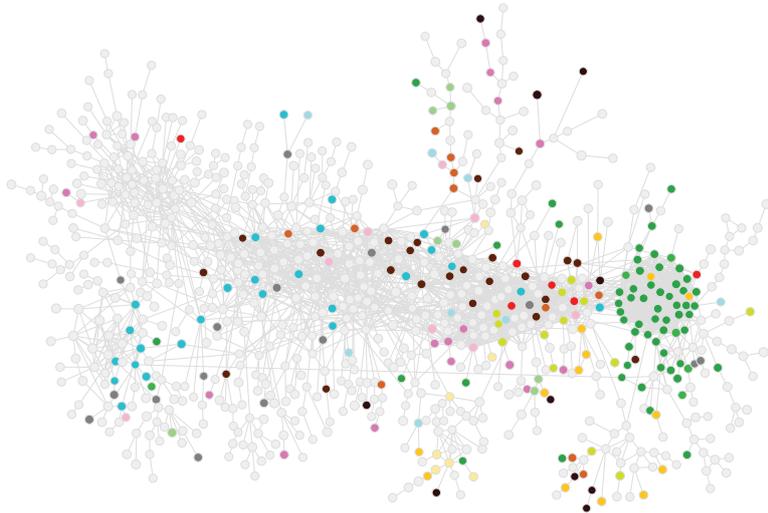


b    **2012**
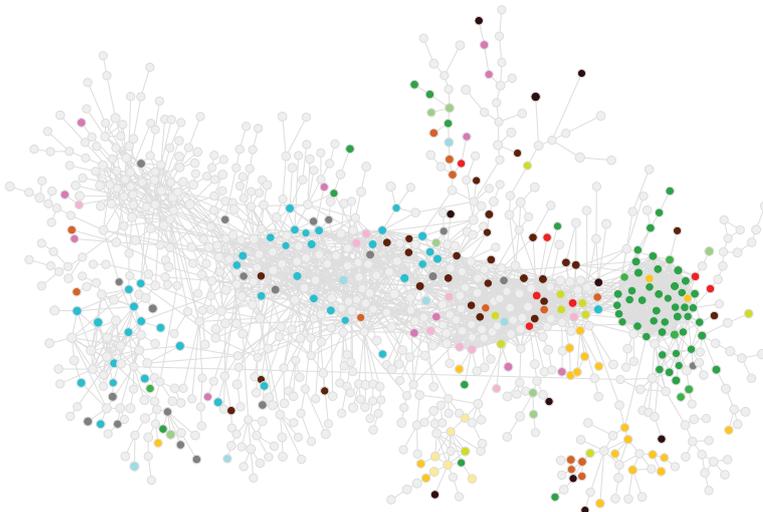




Note **Own calculation using HS4-level trade data from United Nations COMTRADE. Node size is proportional to world trade. Solid colored nodes indicate the products in which Tunisia is competitive in world markets (i.e. RCA> 1). The nodes are colored according to the communities that they belong to.**

Figure 4a and 4b show Tunisia's product space in 1995 and 2012, giving a glimpse of the productive knowledge present in the country, its change over time, and what products may be nearby. Tunisia is in a good position in the product space, having a competitive presence in many products at the center. Additionally, most of the new products that have emerged since 1995 belong to the complex part of the space, like those belonging to the mechanical/electronic (blue) and chemical clusters (purple). These products can work as springboards for further diversification. Interestingly, Tunisia had, in 1995, fully captured the textile (green) cluster, and unlike other countries included in the report, still holds its presence in this industry.

Figure 5 **Recommendations - Strategic bets for Tunisia**

a **Product Complexity Index**

b　**Complexity Outlook Gain**
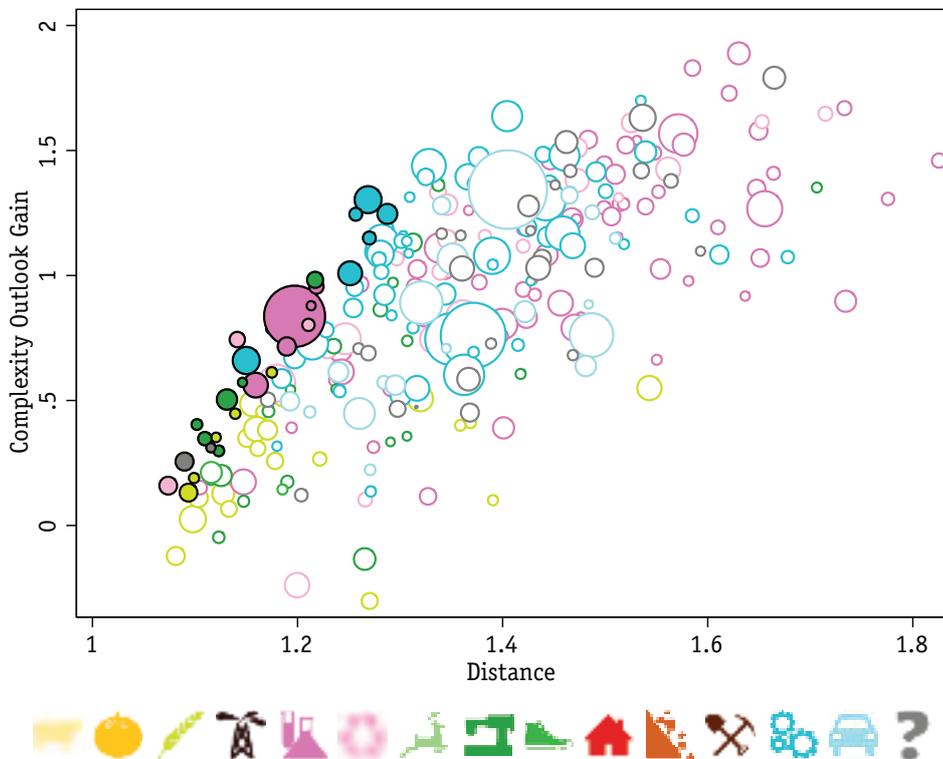


Note **Own calculation using HS4-level trade data from United Nations COMTRADE. Node size is proportional to world trade. Solid colored nodes indicate the strategic bets. The nodes are colored according to the communities that they belong to.**

To shed light on how to increase the average complexity of a country's production, the product space analyzed above, and especially some of the emergent activities, can provide clues about what new products are feasible given Tunisia's constraints. Figures 5a and 5b highlight the products that are attractive based on PCI and Complexity Outlook Gain, respectively. A detailed description of the products in the target list is provided in table 2. These products signal to strategic clusters in Tunisia for which a parsimonious industrial policy should aim to provide support and public inputs to improve their productivity and ability to jump to new opportunities.

From the figures above it is possible to see that opportunities are mainly in the machinery, electronics, and chemical clusters. There are also several opportunities in the textile community. As a group, this community is relatively close in terms of the country possessing the inputs required for its production and therefore should be easier to 'conquer'. It should be considered, however, that these products have lower PCI or Complexity Outlook Gain, making them less desirable. On the other hand, most of the products belonging to the machinery

cluster are farther in distance. Therefore, they are harder to develop based on the present productive knowledge in the country, but have higher values of PCI and Complexity Outlook Gain. New products belonging to this community would increase the average complexity of Tunisia's export basket, compensating for the cost of developing them. In between these two clusters are a few strategic products in the chemical community which are closer in distance than most machinery products, but have higher PCI and Complexity Outlook Gain than the textile bets. By considering the tradeoff between existing productive knowledge (distance), complexity of a new product, and future diversification possibilities that the new productive knowledge will bring, a country is more likely to be successful in diversifying its product space.

Interestingly, when looking at the table, Tunisia has some presence in most of the products included in the target list (RCA>0), and 13 products with RCA>0.5. This leads us to believe that Tunisia is well poised to grow in these industries.

**Table 2** Recommendations for Tunisia - PCI

| HS4 | Product name | RCA-2012 | Distance | PCI | Target rank | W. Trade ($) | Top Importers | Top Exporters |
|---|---|---|---|---|---|---|---|---|
| 3925 | Plastic builders' ware | 0.7 | 1.1 | 1.3 | 1 | 9 B | USA FRA DEU | CHN DEU POL |
| 8418 | Refrigerators, freezers | 0.1 | 1.1 | 1.2 | 2 | 38 B | USA DEU FRA | CHN MEX ITA |
| 8419 | Machinery, plant or laboratory equipment involving a change of temperature such as heating, cooking, roasting | 0.4 | 1.3 | 3.7 | 3 | 37 B | USA CHN DEU | DEU USA CHN |
| 8417 | Industrial or laboratory furnaces and ovens, including incinerators | 0.5 | 1.3 | 3.5 | 4 | 5 B | RUS CHN IND | DEU CHN ITA |
| 1601 | Sausages | 0.0 | 1.2 | 1.4 | 5 | 4 B | GBR DEU JPN | DEU USA ITA |
| 9404 | Mattress supports; articles of bedding | 0.5 | 1.1 | -1.1 | 6 | 13 B | USA JPN DEU | CHN POL DEU |
| 5402 | Synthetic filament yarn | 0.1 | 1.1 | 0.1 | 7 | 18 B | TUR USA CHN | CHN TWN IND |
| 5512 | Woven fabrics of > 85% synthetic staple fibers | 0.4 | 1.1 | -1.2 | 8 | 3 B | HKG CHN DEU | CHN TWN KOR |
| 3004 | Medicaments, packaged | 0.1 | 1.2 | 1.5 | 9 | 331 B | USA DEU BEL | DEU USA CHE |
| 5601 | Wadding of textile materials | 0.1 | 1.1 | -0.0 | 10 | 2 B | RUS FRA JPN | ITA CHN NLD |
| 3402 | Cleaning products | 0.1 | 1.2 | 0.3 | 10 | 29 B | DEU FRA GBR | DEU USA FRA |
| 2104 | Soups and broths | 0.1 | 1.1 | -0.4 | 12 | 3 B | USA GBR MEX | USA DEU CAN |
| 3924 | Plastic tableware, kitchenware or other household products | 0.7 | 1.1 | -2.1 | 13 | 13 B | USA FRA DEU | CHN DEU ITA |
| 5509 | Yarn of synthetic staple fibers | 1.0 | 1.1 | -1.4 | 14 | 6 B | TUR KOR HKG | CHN IDN IND |
| 2007 | Jams, jellies | 0.1 | 1.1 | -1.0 | 14 | 2 B | USA DEU FRA | FRA DEU BEL |
| 2201 | Waters natural | 0.1 | 1.1 | -1.9 | 16 | 3 B | HKG USA JPN | FRA CHN ITA |
| 2008 | Fruit, nuts and edible plants preserved with sugar | 0.3 | 1.1 | -2.1 | 18 | 13 B | USA DEU JPN | CHN USA THA |
| 2105 | Ice cream | 0.0 | 1.2 | 0.6 | 18 | 3 B | GBR FRA DEU | DEU FRA BEL |
| 3214 | Glaziers' putty | 0.5 | 1.2 | 1.8 | 18 | 7 B | DEU RUS CAN | DEU USA BEL |
| 4011 | New pneumatic tires, of rubber | 0.6 | 1.2 | 0.7 | 20 | 86 B | USA DEU FRA | CHN JPN DEU |
| 3916 | Monofilament | 0.2 | 1.2 | 1.5 | 20 | 5 B | FRA DEU USA | DEU TUR CHN |
| 3405 | Polishes and creams | 0.0 | 1.2 | 1.6 | 22 | 2 B | KOR TWN DEU | JPN USA DEU |
| 2106 | Food preparations not elsewhere specified | 0.7 | 1.2 | 0.1 | 23 | 31 B | USA GBR DEU | USA DEU NLD |
| 3208 | Paints and varnishes, nonaqueous | 0.1 | 1.2 | 1.0 | 24 | 13 B | RUS CHN DEU | DEU JPN USA |
| 9607 | Slide fasteners and parts thereof | 0.9 | 1.1 | -1.7 | 25 | 2 B | CHN HKG VNM | CHN JPN TWN |
| 3401 | Soap | 0.4 | 1.1 | -2.0 | 27 | 6 B | USA CAN FRA | IDN DEU USA |
| 8530 | Electric signal, safety and traffic controls, railways, waterways, parking or airfields | 0.2 | 1.3 | 3.7 | 27 | 2 B | USA CHN DEU | DEU SWE ESP |
| 5903 | Textile fabrics impregnated with plastics | 0.1 | 1.2 | 1.6 | 27 | 9 B | CHN USA MEX | CHN KOR DEU |
| 8514 | Industrial or laboratory electric furnaces | 0.0 | 1.3 | 3.0 | 29 | 5 B | CHN USA KOR | DEU JPN USA |
| 1701 | Raw sugar, cane | 0.0 | 1.1 | -2.4 | 30 | 35 B | USA CHN IDN | BRA THA IND |
| 6001 | Pile fabrics, including long pile fabrics and terry fabrics, knitted or crocheted | 0.1 | 1.1 | -1.6 | 31 | 3 B | KGZ MEX CHN | CHN KOR TWN |

| HS4 | Product name | RCA-2012 | Distance | PCI | Target rank | W. Trade ($) | Top Importers | Top Exporters |
|---|---|---|---|---|---|---|---|---|
| 8402 | Steam or other vapor generating boilers | 0.5 | 1.2 | 1.6 | 33 | 6 B | SAU IDN TUR | CHN KOR USA |
| 4008 | Plates, sheets, strip, rods and profile shapes, of vulcanized rubber | 0.1 | 1.3 | 3.5 | 33 | 4 B | USA DEU NLD | DEU USA CHN |
| 2009 | Fruit juices | 0.1 | 1.1 | -2.2 | 33 | 15 B | USA DEU NLD | BRA CHN NLD |
| 2401 | Tobacco, raw | 0.1 | 1.1 | -3.9 | 36 | 13 B | CHN USA DEU | BRA USA IND |
| 8415 | Air conditioners | 0.9 | 1.3 | 3.2 | 36 | 37 B | USA JPN DEU | CHN THA JPN |
| 2203 | Beer | 0.0 | 1.2 | -0.6 | 36 | 12 B | USA FRA GBR | MEX NLD DEU |
| 8450 | laundry-type washing machines | 0.0 | 1.3 | 2.1 | 38 | 14 B | USA JPN DEU | CHN KOR ITA |
| 8424 | Mechanical appliances for dispersing liquids or powders; fire extinguishers; spray guns; steam or sand blasting machines | 0.2 | 1.3 | 3.5 | 38 | 17 B | USA CHN DEU | CHN DEU USA |
| 8432 | Agricultural, forestry machinery for soil preparation | 0.1 | 1.2 | 1.5 | 40 | 8 B | USA FRA RUS | DEU USA ITA |
| 8462 | Machine tools for working metal by forging; machine tools for working metal by bending, folding, straightening or flattening | 0.1 | 1.3 | 2.1 | 41 | 11 B | CHN USA IND | JPN DEU ITA |
| 8502 | Electric generating sets and rotary converters | 0.1 | 1.3 | 1.9 | 42 | 27 B | USA RUS GBR | CHN USA DEU |
| 1901 | Malt extract | 0.1 | 1.2 | -0.5 | 43 | 15 B | CHN GBR USA | NLD FRA DEU |
| 8416 | Furnace burners for liquid fuel | 0.0 | 1.3 | 4.0 | 44 | 2 B | CHN RUS FRA | DEU ITA CHN |
| 3102 | Mineral or chemical fertilizers, nitrogenous | 0.2 | 1.1 | -1.4 | 46 | 30 B | USA IND BRA | RUS CHN UKR |
| 2208 | Alcoholic preps for beverages | 0.0 | 1.2 | -0.8 | 46 | 28 B | USA CHN RUS | GBR FRA USA |
| 3209 | Paints and varnishes, aqueous | 0.1 | 1.2 | 0.9 | 46 | 6 B | CAN DEU FRA | DEU USA ITA |
| 1904 | Cereal foods | 0.2 | 1.2 | -0.6 | 48 | 5 B | USA CAN FRA | DEU USA GBR |
| 9603 | Brooms, brushes, floor sweepers, mops | 0.8 | 1.2 | -0.6 | 50 | 7 B | USA DEU JPN | CHN DEU USA |
| 8474 | Machinery for working earth, stone, and other mineral substances | 0.3 | 1.2 | 0.7 | 50 | 19 B | RUS USA CHN | DEU CHN USA |
| 1806 | Cocoa powder, sweetened | 0.2 | 1.2 | 0.1 | 50 | 23 B | USA FRA DEU | DEU BEL ITA |

The previous exercise for the year 2000 is now repeated to identify target products given a hybrid rank that combines the ease and attractiveness of the product and to compare its results with data from 2010 to analyze whether they were developed. Figures 6a and 6c show that Tunisia has been relatively successful in jumping into products identified on the target list. It reached the benchmark of RCA>1.0 in 11 of the products on the list (red). Additionally, the country also achieved some longer jumps, especially in the machinery cluster, for example with electrical boards and panels for protecting electrical circuits (8537), electrical insulators of any material (8546), and electric motors and generators (8501). These industries could be used as anchors for further diversification in this cluster. Nevertheless, there are several products (in blue), particularly in the machinery and food preparation clusters, that have high attractiveness and are also relatively easy to conquer, which were not developed in Tunisia by 2010. These are interpreted as missed opportunities. These blue products warrant special attention as they might also hint to the presence of market failures in the country. As can be seen in figures 6a and 6c, while there are products from the textile and chemical communities, most of them are in the machinery cluster. A detailed description of these products is provided in table 3.

From the table it is possible to see that even though they do not reach the benchmark RCA>1, many products identified increased their revealed comparative advantage value significantly, implying that the country is on the right track. Only nine products (out of the 50 identified) decreased their RCA from 2000 to 2010.

Figure 6   **Strategic bets for Tunisia in year 2000**

a     **Complexity Outlook Gain**
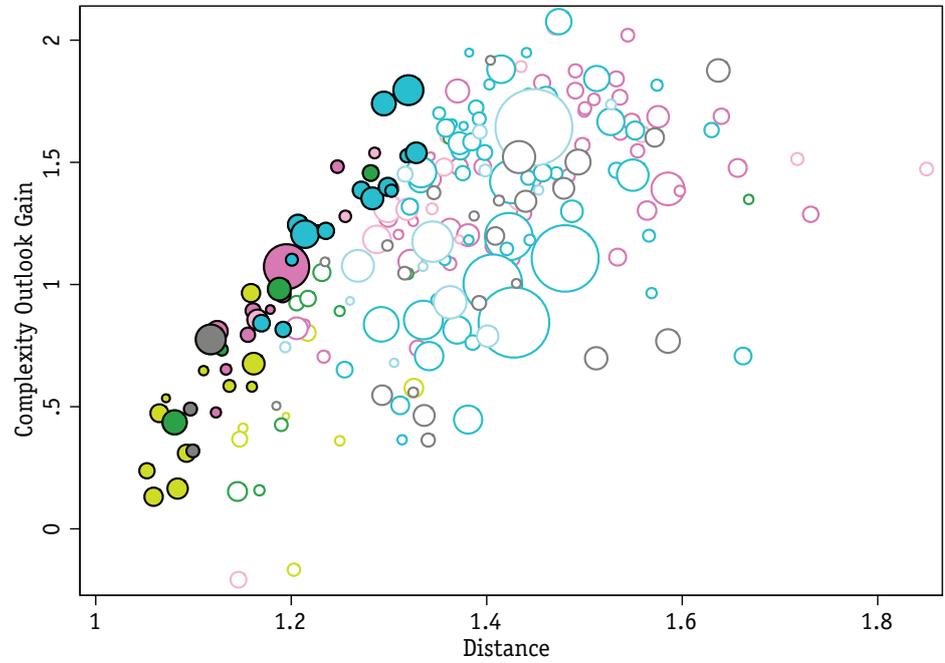


b     **Complexity Outlook Gain**
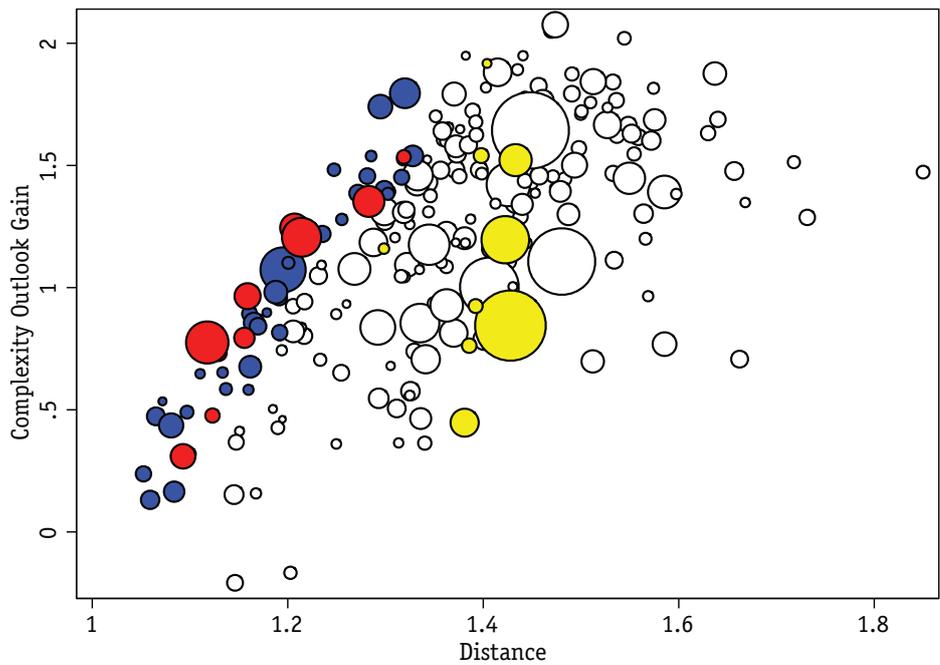
c Product Complexity Index



d Product Complexity Index

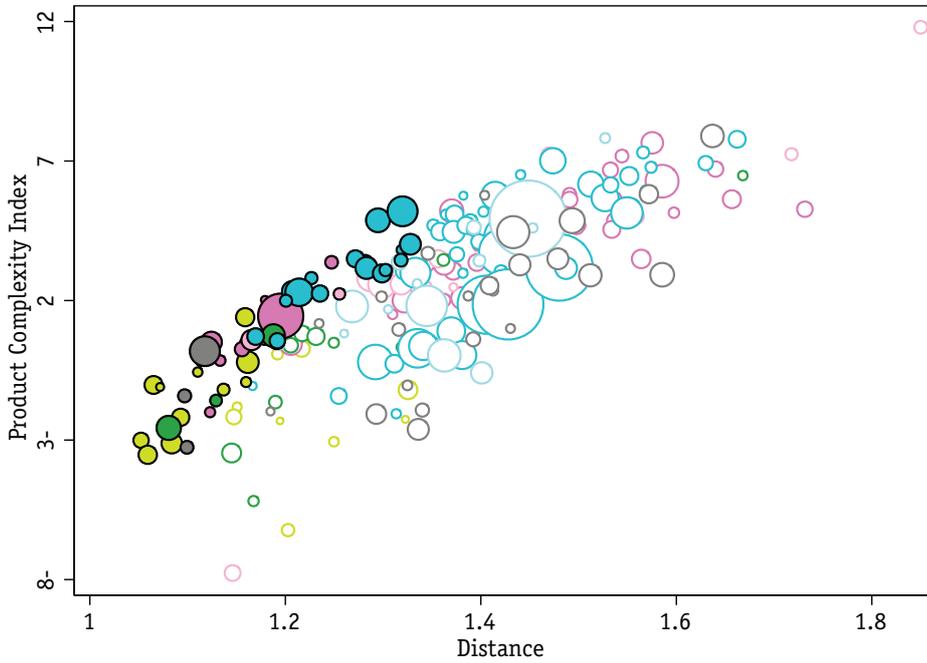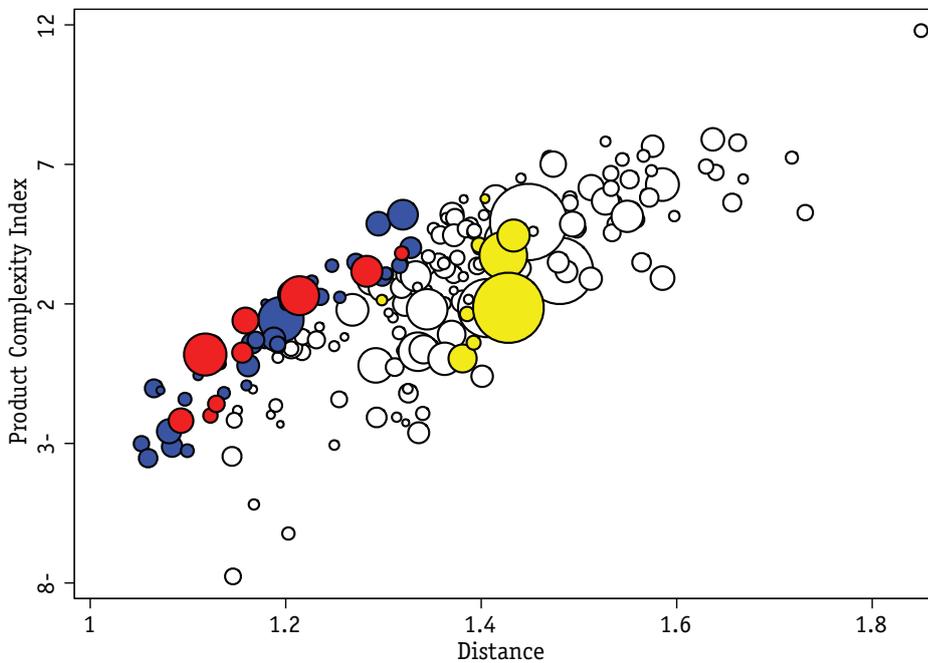Table 3   **Strategic bets for Tunisia in year 2000**

| HS4 | Product name | RCA-2000 | RCA-2010 | Distance | PCI | COG | W. Trade ($) | Target rank |
|------|--------------|----------|----------|----------|-----|-----|--------------|-------------|
| 8419 | Machinery, plant or laboratory equipment involving a change of temperature such as heating, cooking, roasting | 0.2 | 0.3 | 1.3 | 4.9 | 1.7 | 14 B | 1 |
| 1806 | Cocoa powder, sweetened | 0.2 | 1.0 | 1.2 | 1.4 | 1.0 | 7 B | 2 |
| 3214 | Glaziers' putty | 0.5 | 0.6 | 1.2 | 3.4 | 1.5 | 3 B | 3 |
| 3402 | Cleaning products | 0.4 | 1.0 | 1.1 | 0.5 | 0.8 | 10 B | 4 |
| 8481 | Appliances for thermostatically controlled valves | 0.2 | 0.8 | 1.3 | 5.2 | 1.8 | 25 B | 5 |
| 3814 | Organic composite solvents and thinners | 0.3 | 0.2 | 1.2 | 2.0 | 1.1 | 707 M | 6 |
| 9401 | Seats | 0.8 | 1.7 | 1.1 | 0.2 | 0.8 | 25 B | 7 |
| 2009 | Fruit juices | 0.2 | 0.3 | 1.1 | -1.0 | 0.5 | 6 B | 8 |
| 4012 | Retreaded or used pneumatic tires of rubber | 0.9 | 0.5 | 1.1 | -0.2 | 0.7 | 940 M | 9 |
| 2007 | Jams, jellies | 0.3 | 0.7 | 1.1 | -1.1 | 0.5 | 758 M | 10 |
| 5603 | Nonwoven textiles | 0.3 | 0.1 | 1.3 | 3.4 | 1.5 | 5 B | 11 |
| 2104 | Soups and broths | 0.2 | 0.2 | 1.1 | -0.6 | 0.6 | 1 B | 13 |
| 8480 | Molding boxes for metal foundry | 0.4 | 1.0 | 1.2 | 2.3 | 1.2 | 9 B | 13 |
| 8462 | Machine tools for working metal by forging; machine tools for working metal by bending, folding, straightening or flattening | 0.2 | 0.2 | 1.3 | 3.5 | 1.4 | 6 B | 13 |
| 4008 | Plates, sheets, strip, rods and profile shapes, of vulcanized rubber | 0.1 | 0.2 | 1.3 | 3.4 | 1.5 | 2 B | 15 |
| 3307 | Shaving products | 0.4 | 1.2 | 1.2 | 0.4 | 0.9 | 4 B | 16 |
| 8402 | Steam or other vapor generating boilers | 0.0 | 0.0 | 1.2 | 2.8 | 1.2 | 2 B | 17 |
| 3904 | Polymers of vinyl chloride or of other halogenated olefins, in primary forms | 0.1 | 0.1 | 1.2 | 0.6 | 0.9 | 9 B | 18 |
| 9603 | Brooms, brushes, floor sweepers, mops | 0.8 | 0.7 | 1.1 | -1.4 | 0.5 | 3 B | 19 |
| 8501 | Electric motors and generators | 0.2 | 3.0 | 1.2 | 2.3 | 1.2 | 20 B | 20 |
| 2008 | Fruit, nuts and edible plants preserved with sugar | 0.1 | 0.3 | 1.1 | -3.0 | 0.2 | 4 B | 21 |
| 8425 | Pulley tackle and hoists; winches and capstans; jacks | 0.5 | 0.4 | 1.2 | 2.0 | 1.1 | 2 B | 22 |
| 3306 | Dental hygiene products | 0.0 | 0.1 | 1.1 | -0.2 | 0.7 | 2 B | 23 |
| 3305 | Hair products | 0.4 | 1.4 | 1.2 | 0.3 | 0.8 | 4 B | 24 |
| 5407 | Woven fabrics of synthetic filament yarn | 0.3 | 1.5 | 1.1 | -2.6 | 0.4 | 14 B | 24 |
| 5402 | Synthetic filament yarn | 0.2 | 0.3 | 1.2 | 0.7 | 1.0 | 12 B | 26 |
| 5806 | Narrow woven fabrics | 0.4 | 2.0 | 1.1 | -1.6 | 0.7 | 2 B | 27 |
| 8474 | Machinery for working earth, stone, and other mineral substances | 0.3 | 0.3 | 1.2 | 0.7 | 0.8 | 5 B | 28 |
| 3405 | Polishes and creams | 0.0 | 0.1 | 1.2 | 0.6 | 0.9 | 949 M | 29 |
| 2401 | Tobacco, raw | 0.5 | 0.3 | 1.1 | -3.5 | 0.1 | 7 B | 30 |
| 8537 | Electrical Boards and panels for protecting electrical circuits | 0.7 | 1.4 | 1.3 | 3.2 | 1.4 | 11 B | 31 |

| HS4 | Product name | RCA-2000 | RCA-2010 | Distance | PCI | COG | W. Trade ($) | Target rank |
|------|--------------|----------|----------|----------|------|------|-------------|-------------|
| 8546 | Electrical insulators of any material | 0.1 | 1.5 | 1.3 | 3.8 | 1.5 | 1 B | 32 |
| 1604 | Prepared or preserved fish | 0.5 | 1.7 | 1.1 | -2.2 | 0.3 | 6 B | 33 |
| 1601 | Sausages | 0.0 | 0.0 | 1.2 | 2.0 | 1.1 | 1 B | 33 |
| 3004 | Medicaments, packaged | 0.1 | 0.1 | 1.2 | 1.4 | 1.1 | 74 B | 35 |
| 3003 | Medicaments, not packaged | 0.2 | 0.1 | 1.2 | 0.5 | 1.0 | 5 B | 36 |
| 2101 | Extracts of coffee, tea or mate | 0.4 | 0.2 | 1.1 | -1.2 | 0.6 | 2 B | 37 |
| 1701 | Raw sugar, cane | 0.0 | 0.3 | 1.1 | -3.1 | 0.2 | 9 B | 38 |
| 8465 | Machine tools for working wood | 0.1 | 0.2 | 1.2 | 2.3 | 1.2 | 5 B | 39 |
| 8406 | Steam turbines and other vapor turbines | 0.0 | 0.1 | 1.3 | 3.4 | 1.5 | 3 B | 40 |
| 3406 | Candles | 0.0 | 1.2 | 1.1 | -2.0 | 0.5 | 1 B | 41 |
| 9706 | Antiques older than one hundred years | 0.6 | 0.3 | 1.1 | -3.3 | 0.3 | 3 B | 42 |
| 3916 | Monofilament | 0.1 | 0.1 | 1.3 | 2.2 | 1.3 | 2 B | 43 |
| 8424 | Mechanical appliances for dispersing liquids or powders; fire extinguishers; spray guns; steam or sand blasting machines | 0.1 | 0.2 | 1.3 | 3.0 | 1.4 | 7 B | 44 |
| 2208 | Alcoholic preps for beverages | 0.4 | 0.2 | 1.2 | -0.2 | 0.7 | 11 B | 45 |
| 2201 | Waters natural | 0.5 | 0.2 | 1.2 | -0.9 | 0.6 | 1 B | 46 |
| 8426 | Ships' derricks; cranes | 0.1 | 0.2 | 1.2 | 0.6 | 0.8 | 4 B | 47 |
| 8459 | Machine tools for drilling, boring or milling by removing metal | 0.1 | 0.9 | 1.3 | 3.1 | 1.4 | 2 B | 48 |
| 8466 | Parts and accessories for metal working machines | 0.0 | 0.6 | 1.3 | 4.0 | 1.5 | 9 B | 49 |
| 8607 | Parts of railway locomotives | 0.0 | 0.0 | 1.3 | 3.4 | 1.5 | 4 B | 50 |

## Tunisia's export destinations

Lastly, possible export markets for Tunisia are analyzed. As can be observed in Figure 7a, Tunisia mainly exports to European countries. The major destination of Tunisia's exports is France, where 30% of its exports go, followed by Italy (19%) and Germany (12%). Figure 7b shows that exports to Middle Eastern, North American, and Asian countries are relatively low.

Figure 7 **Tunisia trade partners (2012)**

a     **Export destinations**
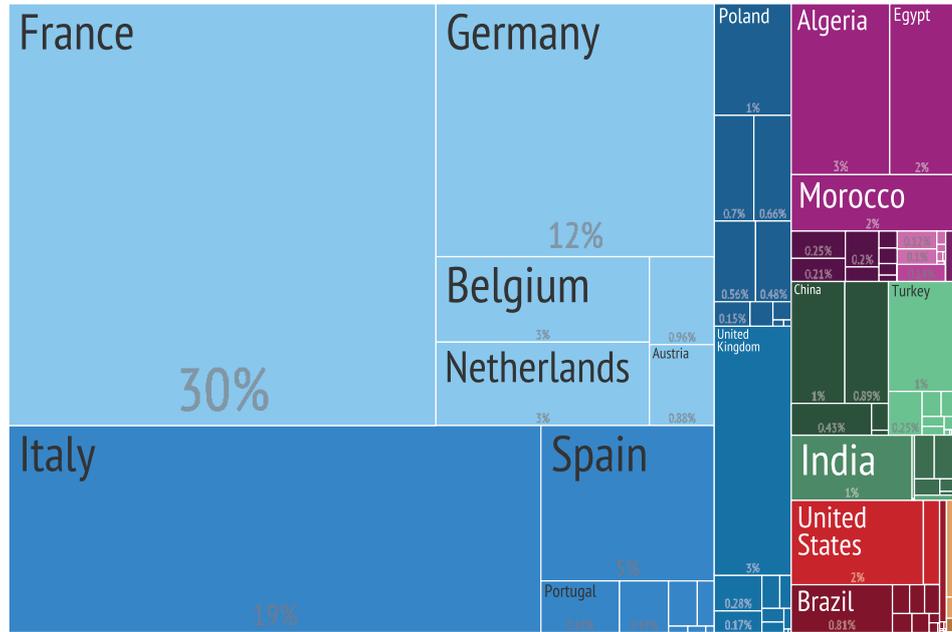


**Tunisian exports totaling approximately $15.3 billion**

b     **Evolution of export destinations**
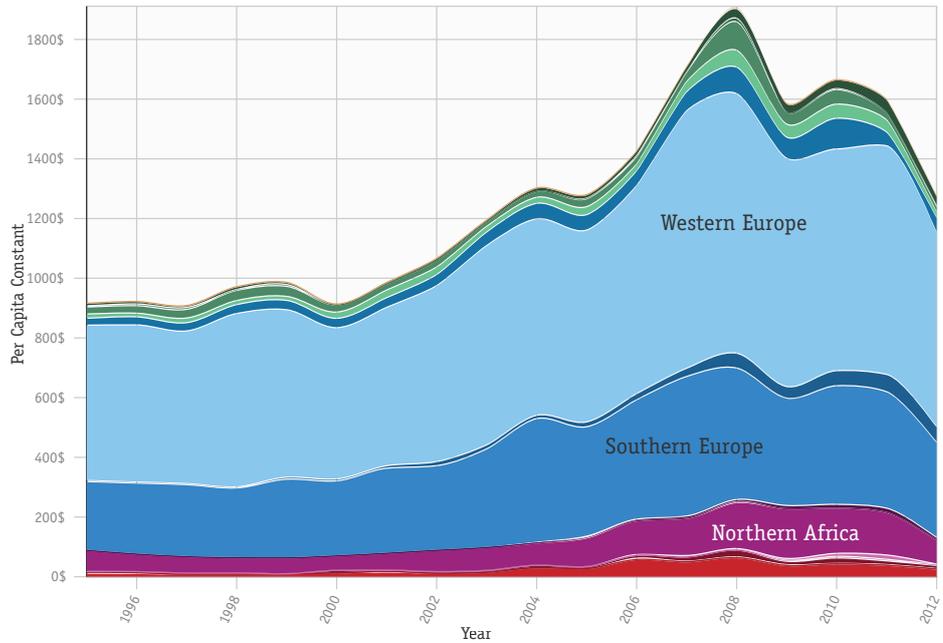


Note **Own calculation using HS4-level trade data from United Nations COMTRADE. Products are colored according to the communities that they belong according to the following legend:**

E Africa  Middle Africa  N Africa  S Africa  W Africa  N America  Caribbean  C America  S America  W Asia  C Asia  S Asia  SE Asia  E Asia

Australia and New Zealand  Melanesia  Micronesia  Polynesia  W Europe  S Europe  N Europe  E Europe

When taking into account the current trade of countries in eligible products versus potential, it is possible to identify top export destinations for a country. Table 4 presents potential trade with those export destination countries as well as the potential of other countries included in this report. From the table it follows that Tunisia can increase its trade with Arab countries and that there are unexploited markets in Eastern Asia. Additionally, its exports to major European countries, such as United Kingdom and Germany, are not at a very healthy level.

Table 4 **Trade potential**

| Importer | Trade Health | Number of Eligible Products | Potential in Eligible Products ($) | Current Trade in Eligible Products ($) | Total Trade ($) |
|----------|--------------|-----------------------------|-------------------------------------|-----------------------------------------|------------------|
| ARE | 0.1 | 37 | 88 M | 12 M | 40 M |
| CHL | 0.0 | 9 | 15 M | 189 K | 384 K |
| CHN | 0.4 | 8 | 13 M | 49 M | 73 M |
| DEU | 0.4 | 55 | 156 M | 1 B | 1 B |
| DZA | 0.8 | 30 | 4 M | 113 M | 233 M |
| EGY | 0.2 | 19 | 8 M | 72 M | 76 M |
| GBR | 0.4 | 48 | 259 M | 265 M | 338 M |
| HKG | 0.0 | 9 | 137 M | 3 M | 6 M |
| IRQ | 0.7 | 3 | 3 M | 5 M | 6 M |
| JOR | 0.9 | 15 | 3 M | 4 M | 8 M |
| JPN | 0.1 | 31 | 295 M | 45 M | 56 M |
| KWT | 0.0 | 2 | 171 K | 7 K | 548 K |
| LBN | 1.1 | 35 | 3 M | 10 M | 12 M |
| LBY | 1.1 | 38 | 3 M | 109 M | 257 M |
| SAU | 0.0 | 12 | 28 M | 59 M | 69 M |
| SYR | 1.1 | 4 | 74 K | 9 M | 11 M |
| TUR | 0.4 | 33 | 31 M | 303 M | 315 M |
| USA | 0.1 | 37 | 1 B | 88 M | 146 M |
| YEM | 0.5 | 3 | 547 K | 1 M | 2 M |

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