Interview: Habib Gaïda – Managing Director, Tunisian-French Chamber of Commerce and Industry (CTFCI)

"The country's recent economic stabilization is confirmed by the 2.7% GDP growth forecasts for 2017."

20.09.2017

Tags: Tunisia, France, CTFCI, Chamber of Commerce, Association, Investment,

Habib Gaïda, general manager of the Tunisian-French Chamber of Commerce and Industry, shares his determination to encourage the return of French companies in Tunisia to counterbalance the presence of new incumbents in the country such as China and Turkey. The chamber is primarily concerned with the promotion of partnerships and commercial relations between the two countries. They encourage the establishment of French companies in Tunisia and vice versa, by bringing operators together and highlighting the advantages of conducting operations in Tunisia.

Could you introduce the Tunisian-French Chamber of Commerce and Industry (CTFCI) and its evolution since the 2011 revolution?

The CTFCI was established 74 years ago and boasts a list of 1600 members, half of which are French companies based in Tunisia. The Chamber's field of action is twofold. First, helping French companies prospect and settle in Tunisia. We are committed to assist these companies in their dealings with the Tunisian administration. On another level, we help our Tunisian members to establish themselves in the French market. As part of these two missions, the CTFCI organizes monthly events for our members to meet. During the revolution, our action helped avoid the departure numerous foreign companies. At the time, the Chamber of Commerce and the French Embassy in Tunisia had set up an operational task-force team to advise companies facing difficulties such as strikes.

Leveraging upon Tunisia’s significant progress in terms of security and economy, our actions have helped Tunisia build a solid reputation for its business ecosystem. Many companies have chosen to return to Tunisia and the United Kingdom has lifted travel restrictions on Tunisia. The country’s recent economic stabilization is confirmed by the 2.7% GDP growth forecasts for 2017. In fact, the sectors of tourism and agriculture have already partly recovered. Looking closer into the health sector, our government and foreign nations have agreed upon the construction of public hospitals and private clinics. Moreover, international institutions such as the IMF or the World Bank are positive about the reforms implemented. They have returned as financial supporters of the Tunisian economy and call for deeper reforms, than can foster sustainable growth in the long run.

How do you encourage French companies to return to their prior operations on the Tunisian territory?

[Featured_in]

As far as we are concerned, our mission is to highlight the business opportunities and partnership possibilities across all the sectors to French companies. French regional trade chambers invite us to the events they hold to present business and partnership opportunities in Tunisia and Maghreb. We use these opportunities reinforce the sense of Tunisia’s economic stability, favorable business environment, and to establish contacts with professional organizations. These events allow us to constitute contact files, which we can use to make direct contact with the company and suggest they invest in Tunisia. As a matter of fact, the Tunisian-French Chamber of Commerce and Industry is in direct relation with the French Medicines Enterprises association (LEEM) and we are looking forward to collaborate with them.

In the rare cases where we receive help requests from companies already established in Tunisia, we do not retreat to lend our assistance. If they happen to find that certain administrative procedures at the Ministry of Health, Customs or the central bank slow down their activities, the chamber intervenes directly as a privileged intermediary to unblock the situation.

I hope the numerous opportunities in the region will continue to attract more people in the region. Libya for example, will be a land of opportunities once it has stabilized politically. The need to reconstruct the country’s infrastructure, coupled with a tremendous financial capacity should get managers to consider Libya as a serious business development possibility. Companies having established a presence in Tunisia could use their offices here as a hub to tackle the Libyan market. Those with a Tunisian partner could capitalize on the strong ties between the two cultures to accelerate their market penetration.

How would you describe the status of Tunisian-French economic relations?

From the trade point of view, France is undeniably Tunisia’s first economic partner. With over 1,350 French companies directly involved in Tunisia, it is also the case in terms of companies established in the country. I reckon Franco-Tunisian relationship ties go beyond simple commercial relations. Both countries are historically linked and France remains the first donor fund to Tunisia. Indeed, France has reconverted part of its public debt to finance the construction of a hospital in Gafsa governorate. The British, on the other hand, occupy the first place in terms of direct investment in Tunisia since BP made a significant investment in the hydrocarbon sector.

How do both countries collaborate to increase trade between France and Tunisia?

A new investment law has been enforced in April 2017. It grants more flexibility at all phases of the creation and opening of new offices in Tunisia. Additionally, the creation of a Tunisian investment body (FIPA), with the exclusive responsibility of investment advising will contribute to shorten the deadlines and the effective start-up of new projects under the best conditions.

[related_story]

The CTFCI calls on the French and Tunisian authorities involved in international trade to strengthen relations between the two countries. I am convinced that the development of the French presence in Tunisia is a good thing. Our chamber directs is actions and multiple initiatives to stimulate French and Tunisian investment in both directions. Today, there is a decline in the share of investments in Tunisian GDP that can be attributed in part to the decline in the activity of companies with French participation. If nothing is done, we risk seeing the weight of the French presence in Tunisia crumble to the benefit of countries with ultra-rapid development such as Turkey or China, which historically, would be a cause of disappointment.

What are the most common difficulties encountered by French companies in their addressing the Tunisian Market? Where do you see growth opportunities for these companies?

As a consequence of Tunisia’s has recovery from the post-revolutionary economic turbulence, international competition has intensified somewhat more sharply than in the past. French companies are now facing competition from the Italian, German, Chinese, Turkish and American offer to mention only the most powerful players in Tunisia. Companies from these countries intend to strengthen their activities in the region using Tunisia as a regional hub to fuel their growth in North Africa and the Middle East. They are aware of the great commercial opportunities that Libya

will offer in the near future. Boeing, for example, has invested in a manufacturing plant in Tunisia and no longer hides its ambitions for the region. I believe the construction, capital goods, industrial supplies, health, transport and digital sectors will be particularly dynamic. Our action program for 2018 reflects our desire to attract French companies again.

What is the impact of these companies in the Tunisian health sector?

The influence of French investment goes beyond the pharmaceutical sector. Both countries have set up agreements between the their social affairs Ministries and pension funds to facilitate migration from one country to another. In the private sector, the Chamber has recently registered French investors of a new type. It is both satisfying and rewarding to see the French are still willing to take upon different types of opportunity Tunisia has to offer. For example, a French investor, Carthagea, has invested in the construction of a medical residence for French seniors capitalizing on the mild climate with a high rate of sunshine, and cost competitive labor. The latter will allow mobilizing a nurse per person.

What is your long-term vision?

We have set ourselves quite an ambitious goal. My team and I are looking forward to increase the number of companies with French participations established in Tunisia so it exceeds the symbolic threshold of 1,500. Additionally, our services should help French companies gain market shares in Tunisia and reach a level of contribution similar to that of prior to the revolution, despite the intensified competition.

See more interviews