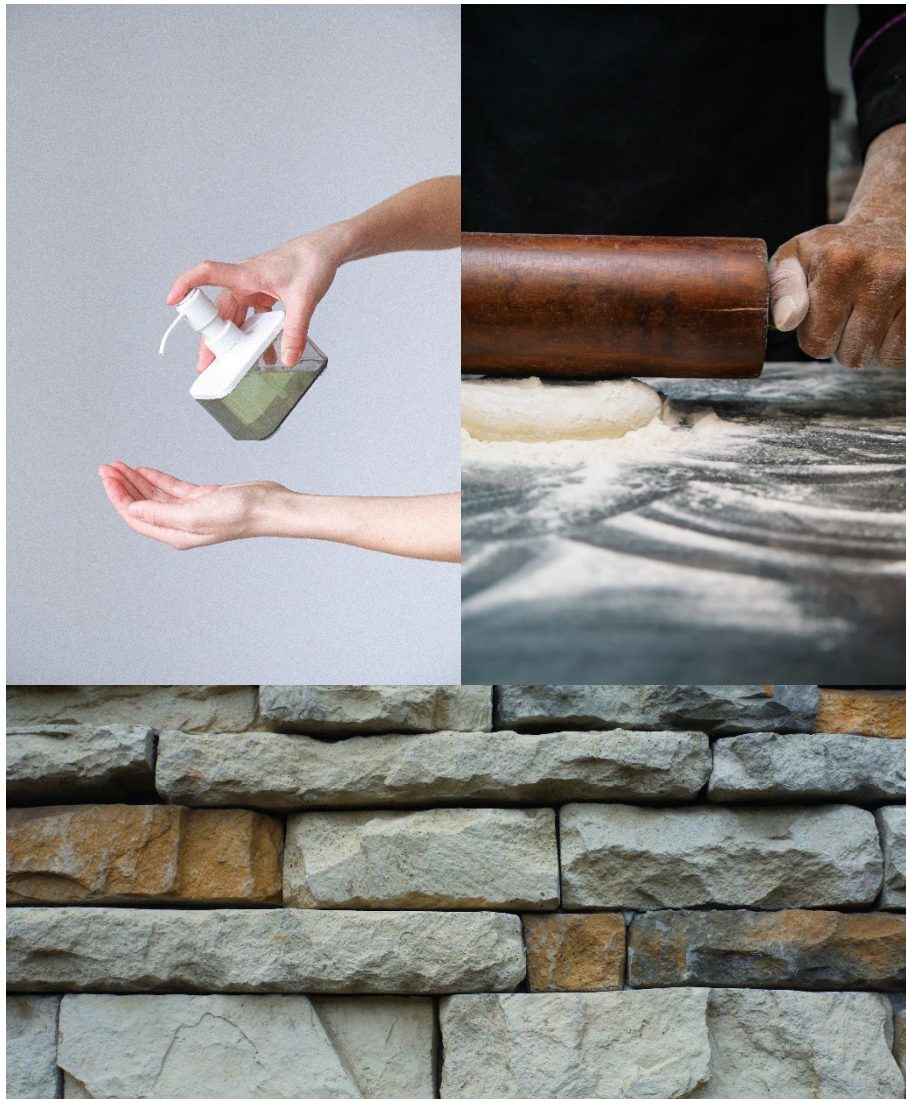


# Intra-regional value chains: Opportunities for Tunisia in the COMESA market



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## Introduction

The Common Market for Eastern and Southern Africa (COMESA) opens up trade opportunities within a liberalized market encompassing 21 countries and over 580 million consumers, projected to reach 982 million by 2043. In this context, the intra-regional integration of value chains will help to increase added value and diversification, as well as improving the competitiveness of countries in the region, particularly Tunisia, thanks to the new trading opportunities and economies of scale that a large market such as COMESA can offer.

This brief study identifies opportunities for strengthening and developing Tunisia's intra-regional value chains with those countries in the region with the greatest commercial potential.

This report is organized as follows. The first part gives an overview of Tunisia's trade, particularly its commercial relations in Africa. The second part presents Tunisia's export potential to other COMESA member countries, and opportunities for value chain integration with other countries in the region. These opportunities are identified using a methodology developed for this purpose by the International Trade Centre (ITC), which is explained in detail in the appendix. Tunisia's Ministry of Trade and Export Development has selected a list of six countries in the region with the aim of strengthening the development of regional value chains and Tunisian exports. The selected countries are Mauritius, Madagascar, Kenya, Ethiopia, Sudan and Rwanda. The third part sets out in greater detail for each of the 6 selected partner countries, their macroeconomic profile, Tunisia's export potential - realized and unrealized - in the sectors with the greatest potential, as well as the value chains in which these countries and Tunisia can participate. The analysis enabled:

- To show that tariff liberalization, and the expected growth in GDP and population, should increase **trade potential within COMESA by \$112 million**. While the elimination of other frictions or barriers to trade could contribute to the realization of a currently untapped **intra-regional trade potential of \$190 million**.
- Identify **26 value chains of established export products** in which Tunisia could collaborate with African partners in the COMESA region.
- Provide an overview of **Tunisia's** macroeconomic situation and **opportunities** in terms of export potential and integration into regional value chains **in the six selected countries**.

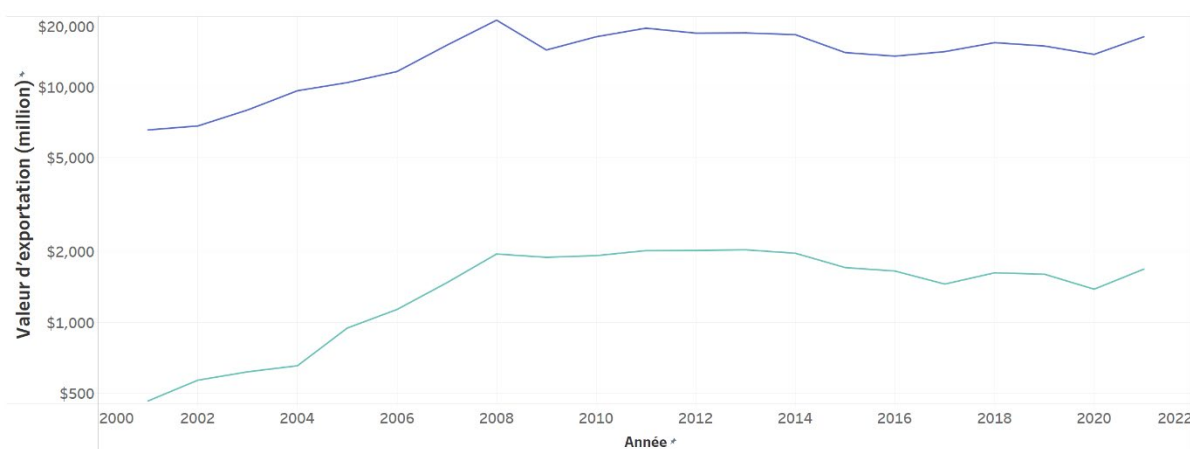
## Overview of Tunisian trade

### Intra- and extra-regional trade

Tunisia's exports to Africa and the rest of the world have followed a similar trend over the years. Between 2000 and 2008, strong growth was observed. Exports then stagnated for six years, before gradually declining. It can be observed that during the period of stagnation, between 2008 and 2014, exports to Tunisia's partners in Africa were somewhat more resilient than those to the world.

Since 2000, exports to Tunisia's partners in Africa have more than tripled, rising from \$460 million to \$1.6 billion in 2021. Exports to the rest of the world have more than doubled, reaching \$16 billion in 2021.

Figure 1: Tunisia's annual exports to Africa and the world (2000-2021)

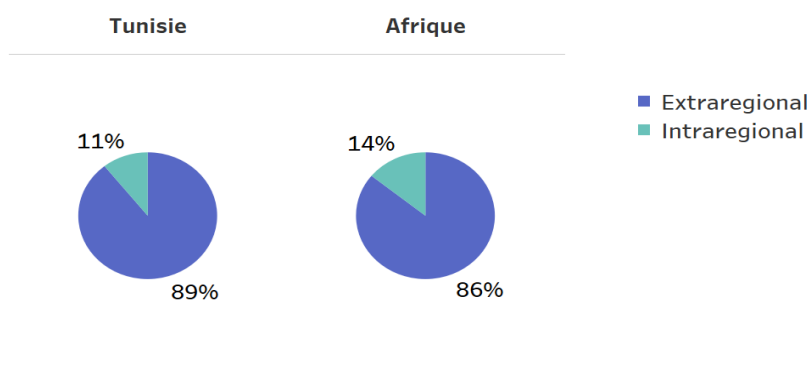


Source: ITC team calculations based on Trade Map data reported by Tunisia.

11% of Tunisia's exports go to Africa and 89% to the rest of the world. On a continental level, the share of intra-African trade is slightly higher, at 14% of African exports. This may seem low in comparison with Europe, for example, where 33% of exports are intra-continental. However, the low level of intra-African trade can be partly explained by the fact that Africa is not a major importer. It accounts for just 3% of world imports. When market size is taken into account, Africa's intra-regional exports are comparable with those of other continents.<sup>1</sup> Similarly, Africa remains a relatively important destination for Tunisian exports in relation to the size of this market.

<sup>1</sup> ITC, UNCTAD (2021). *Unlocking Regional Trade Opportunities in Africa for a more Sustainable and Inclusive Future*. Available at: [https://umbraco.exportpotential.intracen.org/media/1255/regionaltradeafrica\\_20211206.pdf](https://umbraco.exportpotential.intracen.org/media/1255/regionaltradeafrica_20211206.pdf).

Figure 2: Intra-regional trade - Exports from Tunisia and Africa<sup>2</sup>

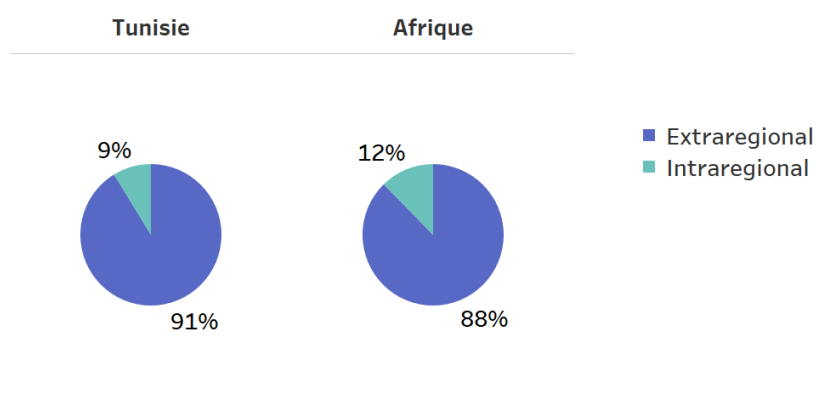


Source: ITC team calculations based on Trade Map data.

The share of Tunisian imports from Africa is slightly smaller. In fact, of Tunisia's \$19 billion in imports, only \$1.7 comes from Africa, corresponding to around 9%. Tunisia's trade balance with Africa is slightly negative at around \$1 million, or 2.6% of total trade with the continent. Intra-African imports account for 12% of the continent's total imports.

Overall, Africa is a significant source of imports and export market for Tunisia, and weighs relatively more in Tunisia's trade relations than in world trade. However, Tunisia is slightly less interconnected with other African countries than the continent average. This is also the case for the share of products that can be used as inputs in value chains that are imported from the continent: it represents 15% of African input imports, compared with 11% of Tunisian input imports. However, this share varies significantly between different value chains, as will be detailed in the second part of this study.

Figure 3: Intra-regional trade - Imports from Tunisia and Africa



Source: ITC team calculations based on Trade Map data.

<sup>2</sup> The trade data used for Figures 2 to 8 are weighted averages of the years 2016-2020, giving greater weight to more recent years. The underlying trade data, sourced from ITC Trade Map, has undergone extensive processing, including the use of direct and mirror data, to ensure reliability.

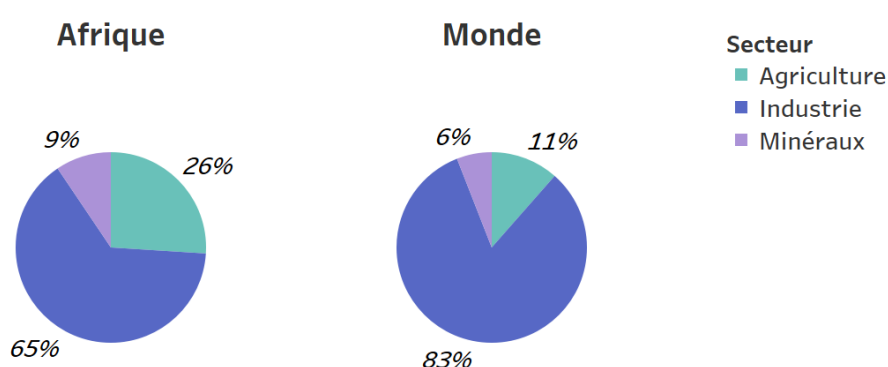
## Sectors, products and level of processing

The breakdown of exports by sector shows that industry accounts for the largest share of Tunisia's exports to Africa and the rest of the world. However, their percentages differ. 83% of Tunisian exports worldwide come from the industrial sector, compared with 65% for exports to Africa.

Agricultural products come in second position. A quarter of Tunisia's exports to Africa are from this sector. It should be noted that a higher proportion of agricultural products are exported to Africa than to the rest of the world. The need for short transport routes for perishable goods could be one factor explaining this trend.

Finally, the minerals sector is the least exported, though with a more pronounced export flow to Africa as well.

Figure 4: Tunisian exports by sector

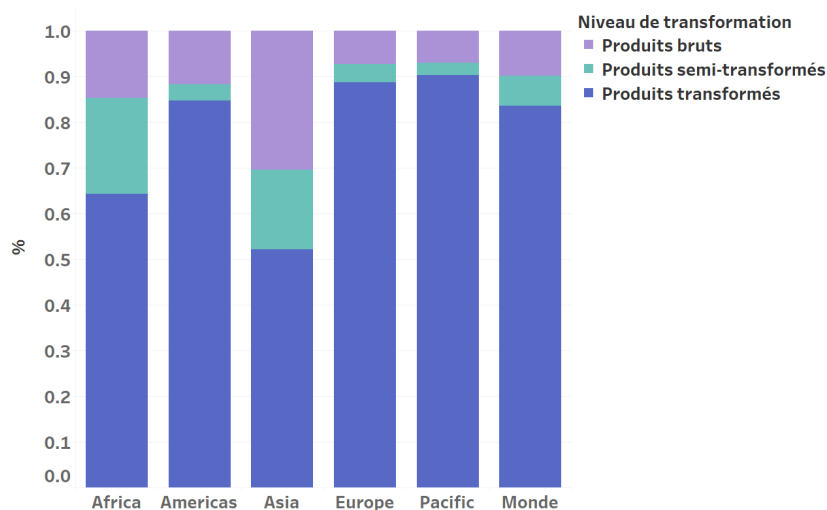


Source: ITC team calculations based on Trade Map data.

These observations are confirmed by analysis according to the level of processing of exported products. Overall, Tunisia exports less processed products to Africa. This contrasts with the overall situation on the African continent, which generally exports a higher proportion of processed products to its own regions than to the rest of the world.<sup>3</sup> However, Tunisian exports to most regions of the world are largely dominated by processed products, which account for 83% of its exports. The only exception is exports to Asia, where the share of processed products is 52%, and the share of raw products is even higher than in exports to Africa.

<sup>3</sup> ITC, UNCTAD (2021). *Unlocking Regional Trade Opportunities in Africa for a more Sustainable and Inclusive Future*. Available at: [https://umbraco.exportpotential.intracen.org/media/1255/regionaltradeafrica\\_20211206.pdf](https://umbraco.exportpotential.intracen.org/media/1255/regionaltradeafrica_20211206.pdf).

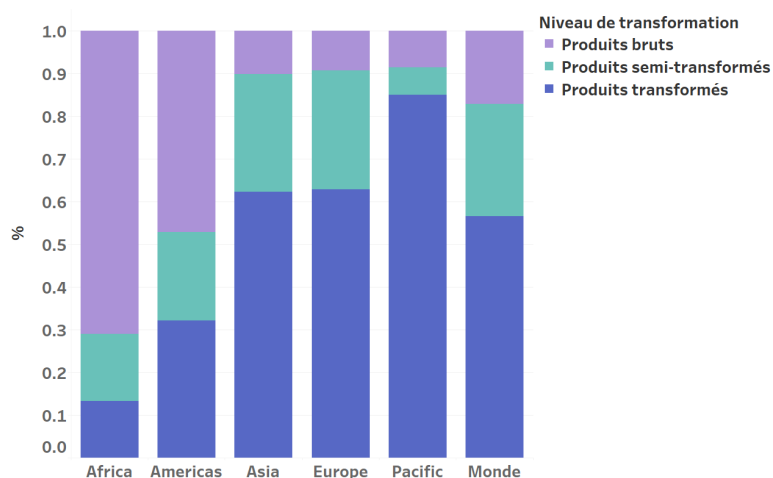
Figure 5: Level of processing of Tunisian exports by region



Source: ITC team calculations based on Trade Map data.

When we look at Tunisian imports by level of processing, we see that on average Tunisia imports products that are less processed than those it exports, with the exception of imports from Asia.

Figure 6: Level of processing of Tunisian imports by region



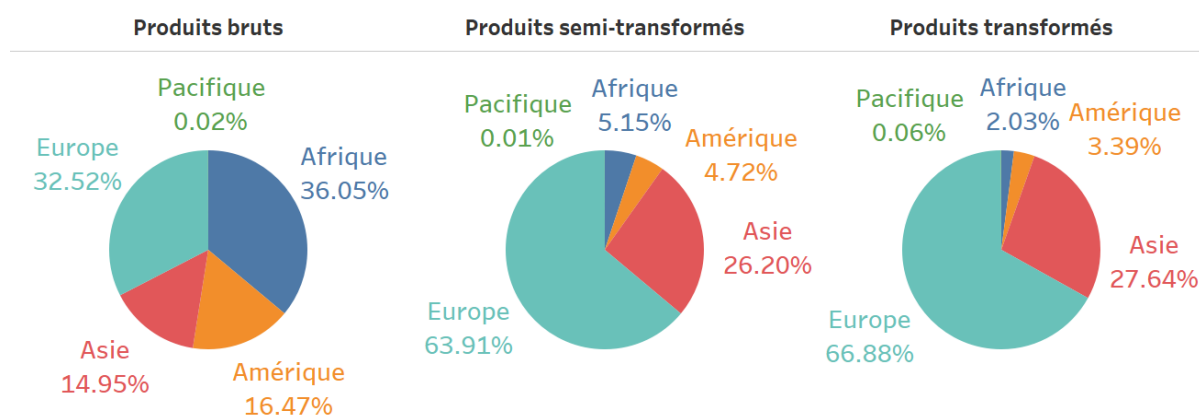
Source: ITC team calculations based on Trade Map data.

This result can be explained by Tunisia's integration into global value chains. Indeed, regional trade agreements with the European Union and other structural reforms have enabled Tunisia to attract foreign investment and build an industrial sector attractive to exporters. As a result, a large proportion of foreign investors import their raw materials into Tunisia for further processing and re-export. Tunisia could therefore be described as a processing or assembly center, specializing in the final stage of production.<sup>4</sup> Indeed, as will be shown below, the products most exported by Tunisia are those considered final, such as sets of wiring, pants, oil or aircraft parts.

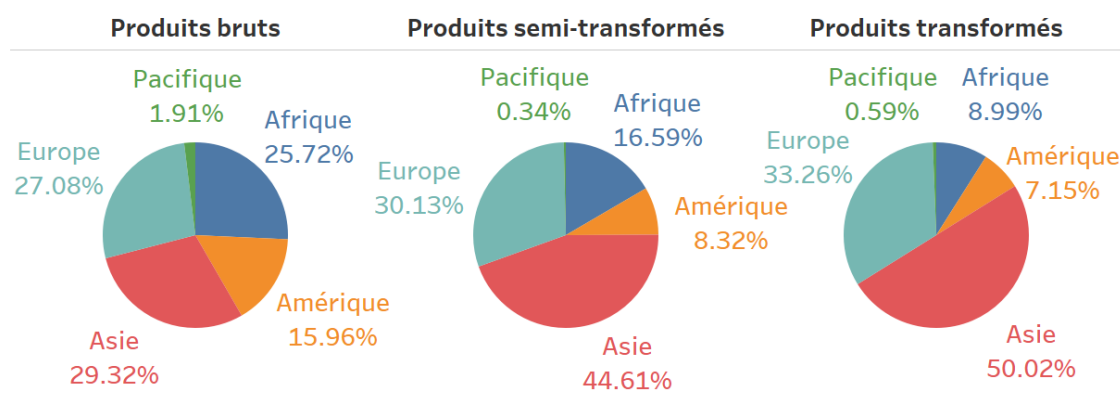
<sup>4</sup> Sammoud and Dhaoui (2019). *The Tunisian Integration into Global Value Chains*. EMNES Working Paper No. 21. Available at: <https://emnes.org/publication/the-tunisian-integration-into-global-value-chains-the-role-of-offshore-regime-fdi/>

Figure 7: Import regions by processing level

Imports from Tunisia



Imports from Africa



Source: ITC team calculations based on Trade Map data.

The two graphs below show the products in the chapters<sup>5</sup> of the Harmonized Commodity Description and Coding System (HS) that account for more than 5% of Tunisia's exports.

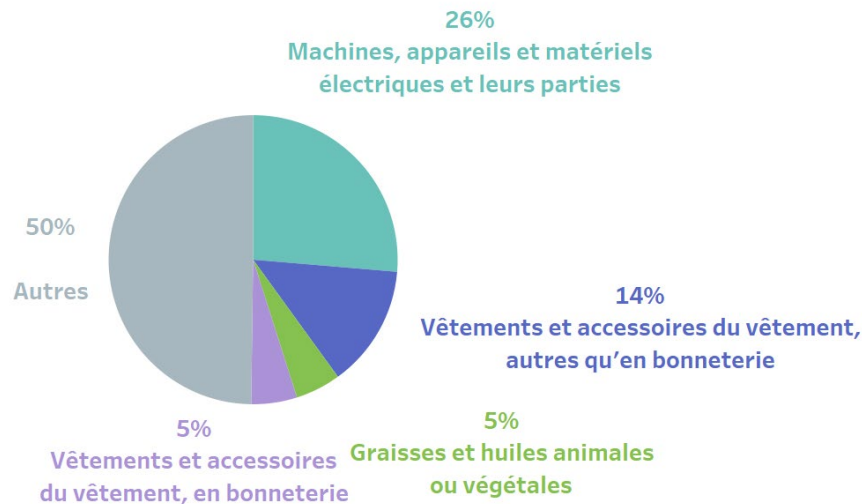
Three types of products together account for half of Tunisia's exports. The first is machinery, appliances and electrical equipment. These products make up a quarter of Tunisia's exports to the world. Next come clothing and accessories. First, "other than knitwear", with 14% of exports, then "knitwear" with 5% of exports. Finally, in third place are animal and vegetable fats and oils, which are also important products in Tunisian exports to Africa.

Despite the apparent concentration in the HS chapter, Tunisia is one of the African countries with the most diversified exports to the world, with South Africa and Kenya according to the Herfindahl-Hirschmann index. This is thanks to the diversity of exported products that make up the various chapters. In terms of HS position (four digits), the most important product (wires and cables for

<sup>5</sup> The Harmonized System is a nomenclature structure comprising two-digit chapters subdivided into four-digit headings and five- and six-digit subheadings.

electrical purposes) accounts for 13% of total exports. The other most exported products each account for 5% or less of total exports.

Figure 8: Tunisia's exports to the world in terms of Harmonized System (HS) chapters



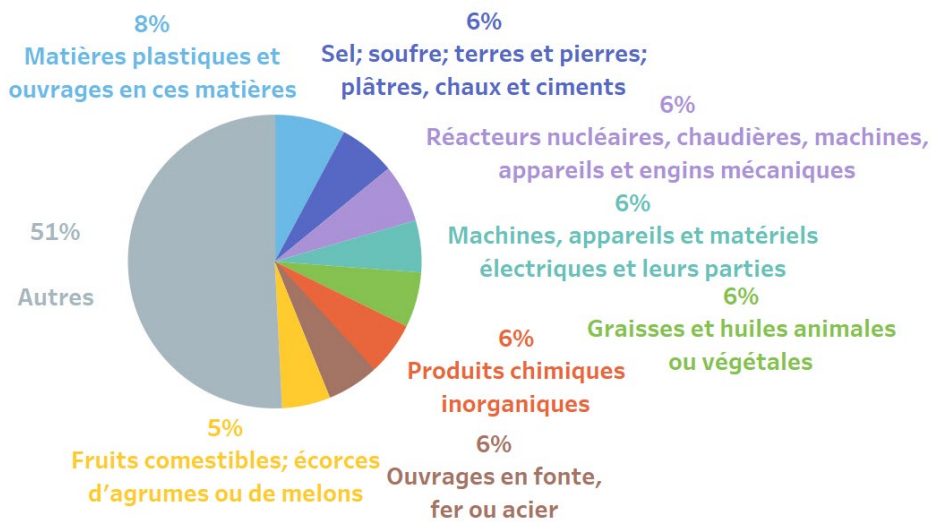
Source: ITC team calculations based on Trade Map data.

Tunisia's exports to Africa are even more diversified than those to the rest of the world. In terms of four-digit HS products, no product exceeds 5% of total exports. The Herfindahl-Hirschmann index confirms this: on the African continent, only Kenya occupies a higher position in the ranking.

The leading Tunisian export to Africa is plastic and plastic products. Next come materials such as salt, sulfur, earth, stone, plaster, lime and cement, which account for 7% of exports to Africa. Five products share third place, two of which are also among the world's most exported products. These are electrical machinery and animal and vegetable fats and oils, which account for as many of the top exports to Africa as to the rest of the world. Articles made from metals such as cast iron and steel account for 6% of exports. The same percentage is observed for inorganic chemicals and nuclear reactors, boilers, machinery and mechanical appliances. Finally, edible fruits such as citrus peel and melons are the only food industry products to top the ranking, accounting for 5% of exports.

What emerges from this initial analysis is the prominence of industrial goods, such as electrical machinery, lime and cement. Next, in the agri-food industry, animal and vegetable oils and edible fruits stand out. Finally, clothing is exported mainly outside Africa.

Figure 9: Tunisia's exports to Africa by Harmonized System (HS) chapter



Source: ITC team calculations based on Trade Map data.

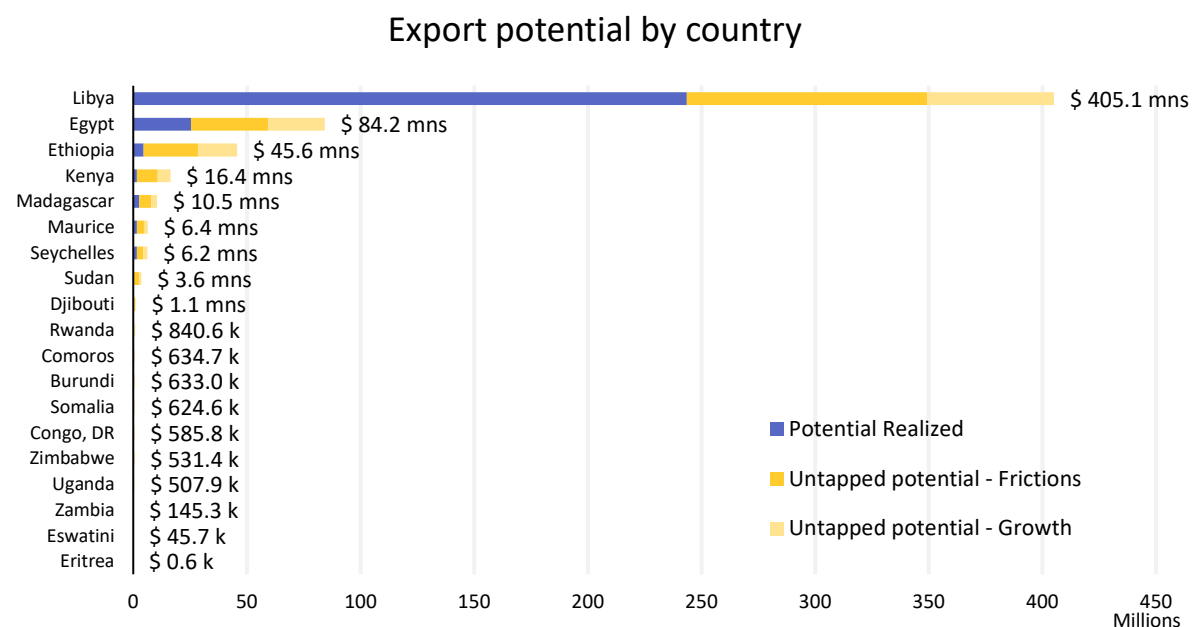
## Tunisia's export potential and value chain development opportunities in the COMESA market

### Tunisia's export potential to the COMESA market

Tunisia's total export potential to the COMESA market is around \$586 million, of which \$302 million is currently untapped.<sup>6</sup> Among the most important markets for Tunisia, Libya comes first, with an estimated potential of \$405 million, followed by Egypt and Ethiopia, relatively far behind, with estimated potentials of \$84 and \$46 million respectively.

Although Libya is a partner of choice for Tunisia, trade between the two countries has not yet reached its full potential. Indeed, Tunisia's export potential to Libya could increase by more than \$150 million. For many of Tunisia's other trading partners, the untapped export potential is also significant, and in most cases greater than the potential already realized. This is particularly true of Egypt, Ethiopia, Kenya and Madagascar, as shown in figure 10.

Figure 10: Tunisia's export potential to COMESA countries



Source: ITC team calculations based on Export Potential Map data.

Notes: (a) Malawi is not shown here, as Tunisia has no export potential in this market. (b) Untapped export potential includes both dynamic and static untapped export potential. Dynamic or growth-based unexploited export potential refers to unexploited export potential arising from expected GDP growth, expected population growth or expected tariff reductions. Static or friction-based unexploited export potential includes non-measurable trade frictions such as lack of market research, difficulties in complying with non-tariff measures, difficulties in finding buyers, and so on. For detailed definitions of export potential indicators, see Appendix I.

Of the 19 countries shown in the figure above, the top six account for 97% of Tunisia's total export potential to COMESA, estimated at around \$568 million.

<sup>6</sup> Of the \$302 million in untapped potential, \$112 million corresponds to untapped potential estimated on the basis of projections of expected GDP and population growth, and \$190 million corresponds to potential that could be exploited following the elimination of frictions or obstacles in the intra-regional market.

## Tunisia-COMESA value chains and opportunities

The value chain analysis, based on a methodology developed by ITC<sup>7</sup>, suggests 26 established product value chains that Tunisia could establish with strategic partners in the COMESA common market. These value chains are present in 14 different sub-sectors, the most important of which is food products with 6 value chains. Opportunities for developing links with countries in the COMESA region exist in value chains using Tunisia's traditional export products, such as olive oil. Next come the chemicals and minerals sub-sectors, with 3 value chains each. In 11 of these value chains, Tunisia would produce the outputs (the finished products), while in the other 15, it would supply inputs to the production of another COMESA member country. The inputs that Tunisia could supply in these value chains are very varied. They include agricultural products such as milk and olive oil, mineral products such as marble, and manufactured goods such as inorganic chemicals. The same applies to the inputs it would need to source from its African partners, which include products such as tuna, leather, wood and aluminum.

In half of these value chains, 16 promising collaborative links with a single regional strategic partner exist, while others offer the possibility of creating synergies with up to 5 COMESA countries. This is notably the case for the value chain based on mineral products such as wood and copper (inductors), as well as the value chain based on wood (sanitary paper). The strategic partners with whom there are the greatest number of value chain integration opportunities Egypt (11 value chains), followed by Kenya (8) and Zambia (6), as shown in figure 11

Out of the 26 value chains selected, four stand out for their importance in terms of export value, notably the value chains in the chemicals sector (miscellaneous chemical industry products and surface-active washing preparations, washing and cleaning aids). Each of them exports over \$220 million worth of finished products. Soaps also represent an interesting opportunity, as it requires the same inputs as the value chains mentioned above, namely the use of inorganic chemicals. The value chain for tunas, prepared or in cans, also represents a considerable opportunity for Tunisian exports of finished products in this category, since exports by all suppliers exceed 280 million dollars, with the possibility for Tunisia to collaborate with three other COMESA member countries. Egypt participates in three of the region's most important value chains, notably in chemicals, minerals and beauty products and perfumes. Kenya and Libya are also potential partners in two and one of the largest value chains, respectively.

Among the selected value chains, three countries can make a complementary contribution. Mauritius can be involved in 14 value chains, three of which as an output supplier complementing other countries. Madagascar can contribute to seven value chains, mainly as an input supplier. Sudan can contribute as a complementary partner providing inputs to 6 value chains.

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<sup>7</sup> The methodology used to determine value chain opportunities can be found in Appendix II.

Table 1: Overview of established product value chains

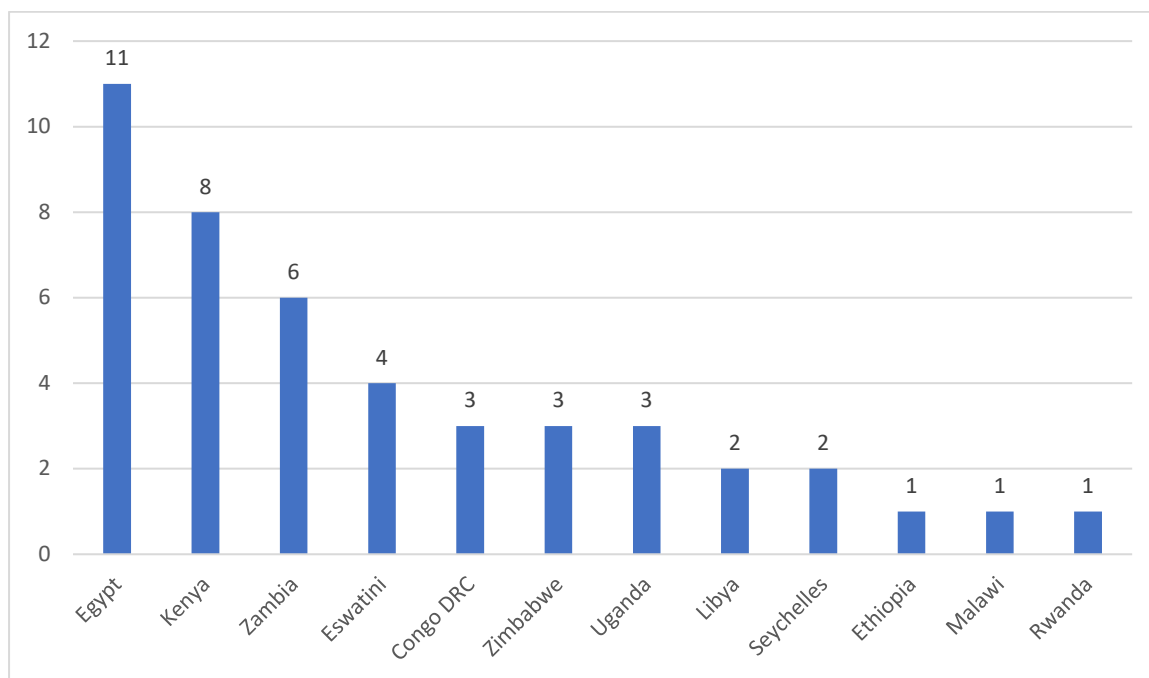
Sector	chain	Tunisia supplies the finished product(s)	Exports from supplier(s) of finished product(s) (\$ mio)	Number of strategic partners	Partner(s)	Main inputs supplied
Chemical products	Miscellaneous chemical products	No	225	1	Eswatini	Inorganic chemicals, polymers
Processed meat	Infant food preparations	No	27	2	Rwanda, Kenya	Milk, olive oil, cereals, fruit, vegetables, meat, fish
Plant residues and fodder	Soybean oil cake	No	72	2	Malawi, Zambia	Soybean oil
Food products	Protein concentrates & other food preparations	No	64	1	Kenya, Madagascar*	Milk and cream, inorganic chemicals
Food products	Bread, pastries	No	10	1	Ethiopia	Milk, olive oil, cereals, fats, sugars
Metal products	Aluminium products	Yes	38	1	Egypt, Mauritius*	Aluminium bars, raw aluminium
Fishing products	Tuna, prepared or canned	Yes	284	2	Seychelles, Libya, Mauritius*	Tuna
Chemical products	Surfactants, washing preparations, washing and cleaning aids	No	288	3	Kenya, Egypt, Zambia, Mauritius*	Inorganic chemicals, polymers

Paper products	Household/sanitary paper	Yes	62	5	Eswatini, Congo DRC, Uganda, Zambia, Zimbabwe	Wood
Mineral products	Marble, granite and other building stones	No	200	1	Egypt	Marble and building stone
Food products	Sauce mixes and prepared sauces	Yes	18	1	Mauritius*, Sudan*, Uganda	Milk, cereals, sugars
Machinery, electricity	Inductors	Yes	45	5	Congo DRC, Zambia, Kenya, Egypt, Zimbabwe, Madagascar*, Sudan*, Mauritius*.	Gold, copper
Beauty products and fragrances	Soap, incl. medicated products	No	144	3	Egypt, Kenya, Mauritius*, Uganda	Inorganic chemicals, polymers, essential oils
Hides, skins and leather products	Leather goods (compound)	Yes	53	1	Zambia, Madagascar*, Sudan*, Mauritius*.	Cereals, hides and skins, prepared leather
Mineral products	Insulating material made of stone	No	33	1	Egypt	Marble, bitumen, inorganic chemicals
Beverages (non-alcoholic)	Non-alcoholic beverages	Yes	12	1	Egypt, Madagascar*, Sudan*, Mauritius*.	Roasted coffee substitutes, sugars

Food products	Cereals in grain or flakes or other worked, pre-cooked or otherwise prepared grains	No	28	2	Egypt, Kenya	Olive oil, cereals
Food products	Edible mixtures of fats, oils and fractions, chemically modified	No	13	1	Egypt	Olive oil, chemicals, vegetable fats, corn oil
Fishing products	Prepared or preserved fish, incl. caviar and roe	Yes	12	1	Seychelles, Madagascar*, Mauritius* .	Fish, tuna
Paper products	Notebooks, diaries, binders and similar stationery	Yes	22	3	Eswatini, Congo DRC, Zimbabwe, Madagascar*, .	Wood
Food products	Fruit jams nut pastes	No	13	1	Eswatini, Madagascar*	Milk, fruit
Beverages (non-alcoholic)	Fruit or vegetable juices, unfermented	No	6	1	Kenya	Fruits
Shoes	Shoes with leather uppers and soles	Yes	22	1	Zambia, Sudan*, Mauritius*	Cereals, hides and skins, prepared leather
Pharmaceutical components	First aid boxes and kits	Yes	8	2	Egypt, Libya, Sudan*, Mauritius* .	Alcohols, adhesive dressings
Chemical products	Cirages & similar	No	6	1	Kenya, Mauritius*	Inorganic chemicals, polymers
Mineral products	Tiles and paving stones	No	12	1	Egypt	Marble

Notes: (\*) means that the country is a potential partner that can partially contribute to an existing value chain. (a) The value chains presented in this column are made up of all the products that enter into a transformation process from inputs to finished products (outputs). These value chains have been identified by our methodology on a regional scale - see Appendix II for more details. (b) If Tunisia is the producer of the finished product in the value chain, "yes" is indicated. For example, in the value chain for shoes with leather soles and uppers, Tunisia may supply one or more of these products. On the other case, Tunisia supplies inputs: it does not supply jams, but may supply fruit and/or milk needed to manufacture the finished product. (c) This column represents exports of the finished product (in millions of dollars) by all COMESA suppliers of the finished product, which may include part, all or none of Tunisia's exports of the finished product concerned. (d) This column shows the number of partners who could participate with Tunisia in the development of the value chain in question. (e) This column specifies the main products used to manufacture the finished product corresponding to each value chain.

Figure 11: COMESA's strategic partners in the identified value chains



Note: The countries in this list are considered strategic partners in at least one of the 26 value chains selected .

It should be stressed that these results are the product of a purely quantitative analysis that is limited to the last stage of production, i.e. only to the immediate inputs as they appear in the input-output tables. The analysis cannot therefore take into account all the factors relevant to the development of value chains with COMESA, which include other economic, political, social and environmental factors.

The following section of this report focuses on six countries selected by the Ministry of Trade and Export Development to explore business opportunities in these markets.

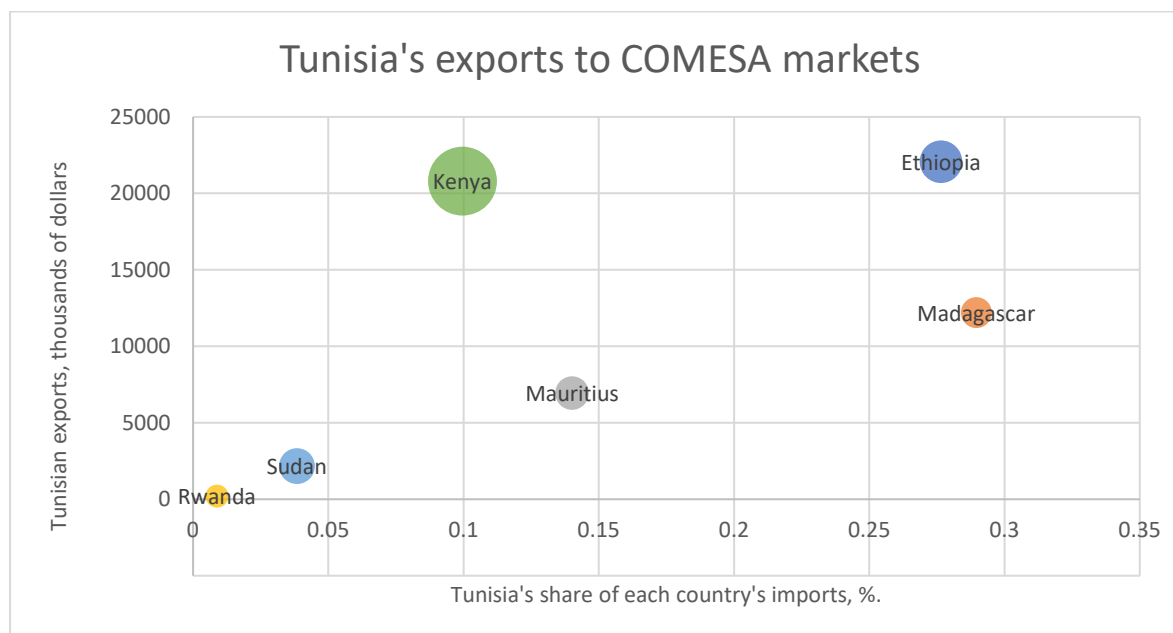
## Country files

The Tunisian Ministry of Trade and Export Development has selected a number of promising countries to strengthen the development of regional value chains and increase exports to these markets. These countries are examined in more detail in this section, providing their macroeconomic profile, Tunisia's export potential to these markets and opportunities for participation in value chains. For Madagascar and Mauritius, which are high-potential markets (over \$6 million), there is scope for them to make a minor contribution to some of the value chains selected in our analysis by supporting existing strategic partners. These countries alone are not in a position to participate in value chains. The same applies to Sudan.

Before turning to the export potential and value chain opportunities of each country, we present here Tunisia's general trade profile with the six selected countries. First of all, we note that Tunisia's overall trade volume with these countries is relatively low.

Figure 12 shows that Ethiopia ranks as Tunisia's leading import market among these six countries, with an import value of \$22 million, closely followed by Kenya, whose imports from Tunisia amount to \$21 million. The main Tunisian products imported by Ethiopia include *plastic articles (HS 392690)*, *uncooked pasta (HS 190219)* and *couscous (HS 190240)*. Kenya imports mainly *paper used for toilet paper, make-up remover towels, hand towels (HS 480300)*. Madagascar is the third most important market for Tunisia among these six countries, with imports mainly of *uncooked pasta (HS 190219)* and *electrical conductors (HS 854449)*. Figure 12 also reveals that Kenya and Ethiopia are largest overall importers among these markets. However, Tunisia remains a relatively small exporter to all these markets, accounting for less than 0.5% of total imports for each country.

Figure 12: Tunisia's exports to the six COMESA markets



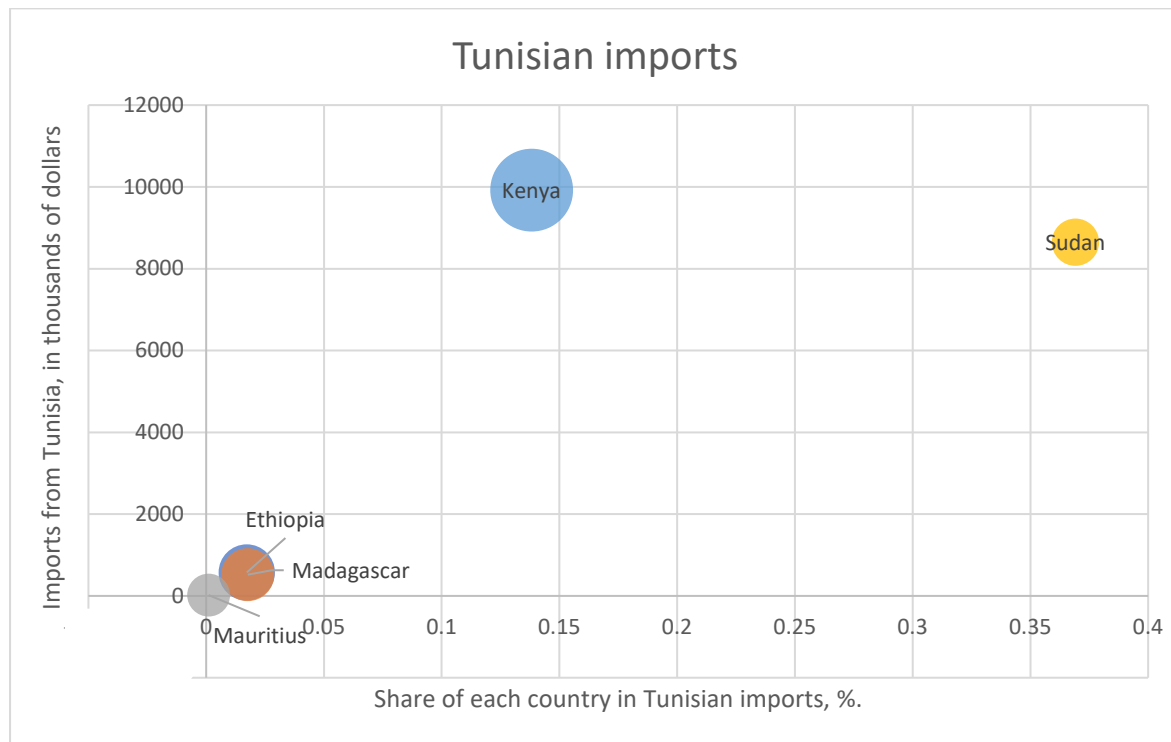
Source: ITC team calculations based on Trade Map data. Note: The size of the bubbles represents each country's imports from around the world.

Figure 13 below shows that Tunisian imports from the five COMESA countries<sup>8</sup> represent less than 1% of Tunisia's total imports. Of these countries, Kenya and Sudan export the most to Tunisia, at around \$10 million and \$9 million respectively. Tunisia mainly imports processed products from Kenya, such

<sup>8</sup> At present, Rwanda does not export to Tunisia.

as parts of drilling and boring machines (HS 843143), as well as other HS 84 products. Tunisian imports from Sudan consist mainly of agricultural products, in particular *sesame seeds* (HS 120740), which account for over 90% of Tunisian imports from Sudan.

Figure 13: Tunisia's imports from the six COMESA markets



Source: ITC team calculations based on Trade Map data. Note: The size of the bubbles represents each country's exports to the world.

In terms of opportunities for Tunisia to collaborate with the six selected countries in regional value chains, Kenya stands out as the most important strategic partner. As presented in the previous section, Tunisia and Kenya have significant synergies in eight value chains. Ethiopia and Rwanda can be considered as strategic partners for the establishment of one value chain each. For Madagascar and Mauritius, which are high-potential markets (over \$6 million), it is possible for them to make a complementary contribution to some of the value chains selected in our analysis by supporting existing strategic partners. It is not possible for Tunisia to establish regional value chains in partnership with these countries alone. The same applies to Sudan.

Tunisia faces different challenges in integrating value chains with countries in the COMESA region, depending on whether these are food or non-food value chains. In the case of food value chains such as infant formula, fruit and vegetable juices, bread and pastries, Tunisia is competitive on certain inputs such as olive oil, dates, tomatoes and onions. However, it faces competition from neighboring countries on the Kenyan, Ethiopian and Rwandan markets, particularly in the perishables segment such as dairy products, fresh fruit and vegetables, and fish. To become a competitive supplier of these products to these markets, Tunisia will need to carry out further research to determine whether it can meet the challenges associated with exporting products that must respect the cold chain. This will enable it to overcome logistical problems and strengthen its position on these markets. In non-food value chains, Tunisia is relatively competitive. However, competition in this sector is mainly international, with Asian countries being the main suppliers of manufactured goods.

It would be desirable to take proactive steps to understand and address the reasons behind Tunisia's competitive position as an input and output supplier in the value chains identified as promising for the region. This would require engagement with relevant stakeholders, in particular companies operating in the sector in question. Understanding their perspectives, challenges and preferences will provide valuable information on existing dynamics. This will help determine whether there are specific challenges that Tunisia needs to address, such as improving product quality, strengthening product standards and certifications, adjusting pricing strategies, logistical considerations or removing trade barriers. It is important to prioritize the issues that can have the most significant impact on reorienting the various stages of value towards Tunisia

## Mauritius

### Macroeconomic profile

Despite a GDP of 11.5 billion euros, the lowest of all the countries, Mauritius has a strong presence in international trade, as indicated by its high trade openness rate of 60%. This is mainly due to imports, which account for 43% of GDP and are set to increase by 11% up to 2026, suggesting a strong dependence on imports for growth.

Although Mauritius experienced a negative GDP growth rate in 2020, the economy has rebounded with positive growth rates since then. The consumer price index reflects moderate levels of inflation in the country.<sup>9</sup>

### Export potential

Among COMESA countries, Mauritius ranks sixth among destinations with the highest export potential for Tunisia, exceeding \$6 million (see figure 10). The machinery and electronic equipment sector has an export potential for Tunisia in excess of 1 million dollars, of which around 73% is currently untapped. In this sector, Tunisia has, in particular, a strong potential to increase its exports of *electrical conductors (HS 8544)*. Tunisia ranks 37<sup>th</sup> among the countries with export potential to the Mauritian market in this sector, its main competitor being China, which has an export potential of 405 million dollars.

In the agricultural products sector, Tunisia could increase its exports of *margarine (HS 151710)*, *virgin olive oil (HS 150910)* and other vegetable oils to the Mauritian market, since the untapped potential for these two products is 100% and 68% respectively. Tunisia is also already exploiting its export potential for other agricultural products, such as *dates (HS 080410)* and *processed olive oil (HS 150990)*. Ranking 29<sup>th</sup> among countries with an export potential to Mauritius in the vegetable products sector, Tunisia can therefore continue to maintain its position on the Mauritian market for these products. Its main competitor is India, with an export potential of \$25 million to Mauritius.

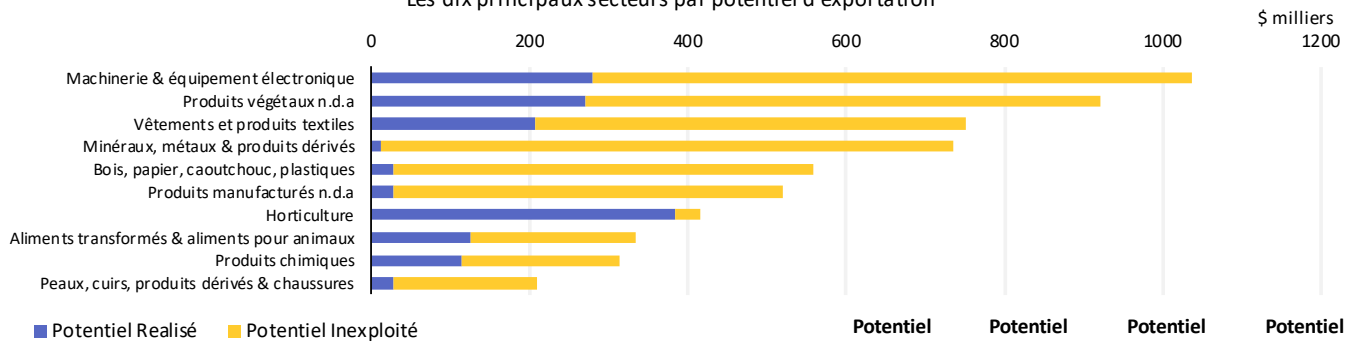
The textile sector also offers opportunities for increasing Tunisian exports to Mauritius, since less than 30% of its potential is currently exploited. However, Tunisia is already a well-established exporter in this sector, ranking 22<sup>th</sup> among countries with export potential to Mauritius. Tunisia could export a variety of garments, including *men's cotton pants (HS 620342)*, *men's tracksuits (HS 621139 and HS 621149)*, and *women's jerseys (HS 621112 and HS 611249)*. China will be its main competitor, with an export potential of \$68 million in clothing and textile exports to Mauritius.

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<sup>9</sup> Source: Economist Intelligence Unit.



## Les dix principaux secteurs par potentiel d'exportation



	Potentiel d'Exportation	Potentiel Réalisé	Potentiel Inexploité	Potentiel Inexploité (%)
<b>Machinerie &amp; équipement électronique</b>	<b>\$ 1.04 mns</b>	<b>\$ 278.6 k</b>	<b>\$ 757.6 k</b>	<b>73%</b>
8528Xc - Appareils récepteurs de télévision	\$ 209.2 k	\$ 1.19 mns	0	0%
854449 - Conducteurs électriques, pour tension <=1000V, sans pièces de connexion	\$ 164.5 k	\$ 0.4 k	\$ 164.1 k	100%
85XXb - Appareils pour la transmission ou réception de données	\$ 86.2 k	\$ 1.4 k	\$ 84.8 k	98%
854442 - Conducteurs électriques, pour tension <=1000V, avec pièces de connexion	\$ 61.0 k	\$ 0.9 k	\$ 60.1 k	98%
853690 - Appareillage pour le branchement ou la connexion des circuits électriques	\$ 40.9 k	\$ 7.9 k	\$ 32.9 k	81%
842123 - Appareils pour la filtration des huiles minérales & carburants	\$ 40.2 k	\$ 12.0 k	\$ 28.2 k	70%
853710 - Tableaux & appareils simil., pour la commande ou distribution électrique	\$ 34.5 k	\$ 0.5 k	\$ 34.0 k	98%
853650 - Interrupteurs, sectionneurs & commutateurs, pour une tension <=1000V	\$ 32.2 k	\$ 8.1 k	\$ 24.2 k	75%
854460 - Conducteurs électriques, pour tension >1000V	\$ 28.9 k	0	\$ 28.9 k	100%
853890 - Parties reconnaissables destinées aux appareils des n° 8535, 8536 ou 8537	\$ 27.5 k	\$ 2.0 k	\$ 25.6 k	93%
<b>Produits végétaux n.d.a</b>	<b>\$ 920.9 k</b>	<b>\$ 270.3 k</b>	<b>\$ 650.6 k</b>	<b>71%</b>
150910 - Huile d'olive vierge & ses fractions, à partir des fruits de l'olivier	\$ 572.6 k	\$ 182.6 k	\$ 390.1 k	68%
151710 - Margarine	\$ 201.0 k	0	\$ 201.0 k	100%
150990 - Huile d'olive & ses fractions, traitées mais non chimiquement modifiées	\$ 74.7 k	\$ 418.8 k	0	0%
151000 - Huiles & leurs fractions, à partir d'olives & mélanges de ces huiles	\$ 24.3 k	\$ 6.3 k	\$ 18.0 k	74%
150790 - Huile de soja & ses fractions, non chimiquement modifiées	\$ 21.4 k	0	\$ 21.4 k	100%
151529 - Huile de maïs & ses fractions, non chimiquement modifiées	\$ 6.1 k	0	\$ 6.1 k	100%
180690 - Préparations alimentaires contenant du cacao, d'un contenu <=2kg	\$ 6.1 k	\$ 15.2 k	0	0%
180632 - Chocolat & autres préparations alimentaires contenant du cacao, non-fourrés	\$ 3.9 k	\$ 0.5 k	\$ 3.4 k	87%
180631 - Chocolat & autres préparations alimentaires contenant du cacao, fourrés	\$ 3.0 k	0	\$ 3.0 k	100%
151620 - Graisses & huiles végétales & leurs fractions, préparées	\$ 2.8 k	0	\$ 2.8 k	100%
<b>Vêtements et produits textiles</b>	<b>\$ 750.2 k</b>	<b>\$ 207.3 k</b>	<b>\$ 542.9 k</b>	<b>72%</b>
620342 - Pantalons & simil., de coton, pour hommes ou garçonnetts	\$ 71.6 k	\$ 25.7 k	\$ 45.8 k	64%
621139 - Survêtements de sport, de matières textiles, pour hommes ou garçonnetts	\$ 65.8 k	\$ 0.1 k	\$ 65.7 k	100%
621112 - Maillots, culottes & slips de bain, pour femmes ou fillettes	\$ 60.4 k	\$ 9.8 k	\$ 50.7 k	84%
630790 - Articles de matières textiles, confectionnés	\$ 47.6 k	\$ 2.6 k	\$ 45.0 k	95%
621149 - Survêtements de sport, de matières textiles, pour femmes ou fillettes	\$ 44.6 k	\$ 1.9 k	\$ 42.7 k	96%
621132 - Survêtements de sport & vêtements, de coton, pour hommes ou garçonnetts	\$ 27.7 k	\$ 1.0 k	\$ 26.7 k	96%
611249 - Maillots & slips de bain, de matières textiles, pour femmes ou fillettes	\$ 26.3 k	\$ 6.4 k	\$ 19.8 k	76%
620462 - Pantalons & simil., de coton, pour femmes ou fillettes	\$ 24.1 k	\$ 26.9 k	0	0%
610910 - T-shirts & maillots de corps, en bonneterie, de coton	\$ 20.4 k	\$ 4.3 k	\$ 16.1 k	79%
620449 - Robes de matières textiles, pour femmes ou fillettes	\$ 20.1 k	\$ 6.5 k	\$ 13.6 k	68%
<b>Produits d'autres secteurs avec le plus grand potentiel d'exportation</b>	<b>\$ 3.67 mns</b>	<b>\$ 827.5 k</b>	<b>\$ 2.84 mns</b>	<b>77%</b>
080410 - Dattes, fraîches ou sèches	\$ 383.2 k	\$ 595.4 k	0	0%
252329 - Ciment Portland normal ou modéré	\$ 369.7 k	0	\$ 369.7 k	100%
902830 - Compteurs d'électricité	\$ 136.1 k	\$ 0.1 k	\$ 136.0 k	100%
961900 - Serviettes & tampons hygiéniques, couches & linges pour bébés	\$ 102.1 k	\$ 10.3 k	\$ 91.9 k	90%
901890 - Instruments & appareils pour la médecine, chirurgie ou l'art vétérinaire	\$ 91.3 k	0	\$ 91.3 k	100%
392690 - Ouvrages en matières plastiques & en autres matières des nos 3901 à 3914	\$ 88.3 k	\$ 1.8 k	\$ 86.5 k	98%
480300 - Papiers utilisés pour papiers de toilette, en rouleaux d'une largeur >36cm	\$ 88.3 k	\$ 8.5 k	\$ 79.9 k	90%
640340 - Chaussures, à semelles extérieures en caoutchouc & dessus en cuir naturel	\$ 77.1 k	\$ 1.2 k	\$ 75.9 k	98%
040630 - Fromages fondus	\$ 70.4 k	\$ 22.8 k	\$ 47.5 k	68%
6403XX - Chaussures à semelles extérieures à dessus en cuir naturel	\$ 63.4 k	\$ 10.9 k	\$ 52.5 k	83%

## Value chain opportunities

Mauritius is not a strategic partner in the regional value chains that Tunisia could establish with other COMESA countries. However, it can contribute to some as a secondary partner if these value chains are established by Tunisia and its strategic partners.

It can supply certain inputs for ten value chains:

- Leather goods: Mauritius could supply knitted/crocheted fabrics of various types, cotton fabrics, as well as soap and surface-active preparations, washing and cleaning aids.
- Aluminum products: Mauritius could supply inputs such as aluminum bars, rods and profiles.
- First-aid boxes and kits: Mauritius could export alcohol solutions to Tunisia to complement exports from Egypt and Libya.
- Shoes with leather soles and uppers: Mauritius could supply Tunisia with knitted/crocheted fabrics and yarns of various types and special fabrics.
- Inductors: Mauritius would contribute to this value chain with Tunisia, supplying copper and plastic inputs to complement exports from key potential partners such as Congo DRC, Zambia, Kenya, Egypt and Zimbabwe.
- Sauce mixes and soft drinks: Mauritius could supply raw and refined sugar.
- Notebooks, diaries, binders and similar stationery: Mauritius would contribute to this value chain with Tunisia by supplying plastic inputs and strip wood.
- Fish and tuna preparations and preserves: Mauritius could supply Tunisia with various types of fish, including tuna.

In addition, Mauritius can participate in the production of outputs for four value chains:

- Shoe polish and similar products, to complement s production
- Soap, including medicinal products, to complement production by Tunisia's strategic partners (Egypt, Kenya, Uganda).
- Surfactants, washing preparations, washing and cleaning aids, to complement production by Tunisia's strategic partners (Kenya, Egypt, Zambia).
- Stone tiles and paving stones to complement the production of Egypt

## Madagascar

### Macroeconomic profile

Madagascar has a relatively open economy, as evidenced by its GDP of 14 billion and its high trade openness rate. However, a comparative analysis reveals that Madagascar has a higher import ratio (imports/GDP) than countries in the COMESA region, indicating a notable dependence on imported goods. Nevertheless, there are indications of a potential shift towards greater domestic production, as projected imports for 2026 are set to fall compared with 2021.

Although Madagascar experienced a negative GDP growth rate in 2020, the economy has demonstrated resilient recovery trends and is poised to maintain an upward trajectory. Projections suggest a growth rate of around 4.6% for 2023 and 4.1% for 2024. In addition, inflation, although rising modestly in 2022 (8%), should stabilize at 5.7% in 2023 and then return to pre-2022 levels.<sup>10</sup>

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<sup>10</sup> Source: Economist Intelligence Unit.

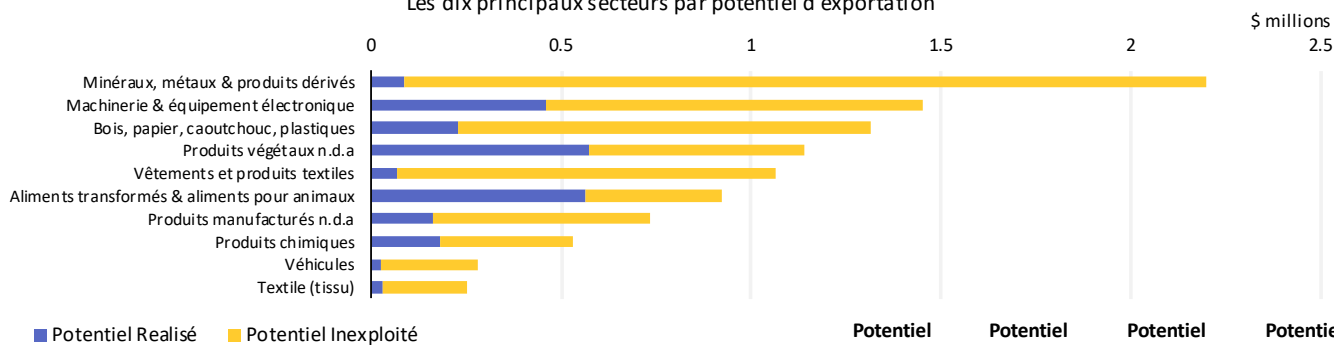
## Export potential

Madagascar is the fifth-largest destination in the COMESA region, with the largest export opportunities for Tunisia, worth over 10 million dollars. The minerals, metals and derivatives sector offers the greatest export potential, the majority of which remains untapped. Tunisia currently exports products in this sector worth less than 100,000 dollars, whereas it could increase its exports by more than 2 million dollars, and this for a majority of the products mentioned in the table below (*cement, rolled products, iron or steel leaf springs*, etc.). Tunisia ranks 24<sup>th</sup> among the countries with export potential to the Madagascar market in this sector, its main competitor being China, which has an export potential of \$405 million.

As regards machinery and electronic equipment, the untapped potential is 68%, which means that Tunisia could make new exports to Madagascar, notably of *television receivers (HS 8528)*. Tunisia is already successful in exporting certain electrical conductors, particularly those without connection parts (*HS 854449*). It currently exports very little of the same good with connecting parts (*HS 854442*), whose untapped potential is 98%. Tunisia ranks 30<sup>th</sup> among countries with export potential to Madagascar in this sector. Its main competitor is China, which has an export potential of \$342 million to Madagascar in the same sector.

Tunisia already exports a significant number of processed agricultural to this market, such as *margarine (HS 151710)* and *uncooked pasta (HS 190219)*. It can therefore continue to strengthen its position in this market. Other products in the food sector are also likely to be successfully exported to Madagascar, notably *cane or beet sugar (HS 170199)*, *virgin olive oil (HS 150910)* and *animal feed preparations (HS 230990)*. In the food sector, Tunisia also ranks 30<sup>th</sup> among countries with export potential to Madagascar, including its main competitor, France, which has an export potential of \$32 million.

## Les dix principaux secteurs par potentiel d'exportation



	Potentiel d'Exportation	Potentiel Réalisé	Potentiel Inexploité	Potentiel Inexploité (%)
<b>Minéraux, métaux &amp; produits dérivés</b>	<b>\$ 2.20 mns</b>	<b>\$ 86.4 k</b>	<b>\$ 2.11 mns</b>	<b>96%</b>
252329 - Ciment Portland normal ou modéré	\$ 1.43 mns	0	\$ 1.43 mns	100%
721049 - Produits laminés plats, en fer, d'une largeur >=600mm, non ondulés	\$ 114.6 k	0	\$ 114.6 k	100%
732010 - Ressorts à lames & leurs lames, en fer ou en acier	\$ 96.2 k	0	\$ 96.2 k	100%
830910 - Bouchons-couronnes en métaux communs	\$ 78.8 k	0	\$ 78.8 k	100%
730840 - Matériel d'échafaudage, de coffrage ou d'étayage, en fer ou en acier	\$ 59.5 k	\$ 0.1 k	\$ 59.4 k	100%
730890 - Constructions & parties de constructions, en fonte, fer ou acier	\$ 56.2 k	\$ 356.8 k	0	0%
732690 - Ouvrages en fer ou en acier	\$ 43.6 k	\$ 17.9 k	\$ 25.7 k	59%
721710 - Fils en fer ou en aciers non alliés, enroulés, non revêtus	\$ 28.3 k	0	\$ 28.3 k	100%
731021 - Boîtes en fer ou en acier, contenance <50l, à fermer par soudage	\$ 24.6 k	0	\$ 24.6 k	100%
731100 - Récipients en fonte, fer ou acier, pour gaz comprimés ou liquéfiés	\$ 19.5 k	0	\$ 19.5 k	100%
<b>Machinerie &amp; équipement électronique</b>	<b>\$ 1.45 mns</b>	<b>\$ 457.8 k</b>	<b>\$ 992.0 k</b>	<b>68%</b>
854449 - Conducteurs électriques, pour tension <=1000V, sans pièces de connexion	\$ 353.0 k	\$ 1.11 mns	0	0%
8528Xc - Appareils récepteurs de télévision	\$ 173.0 k	\$ 3.3 k	\$ 169.7 k	98%
842123 - Appareils pour la filtration des huiles minérales & carburants	\$ 113.2 k	\$ 19.6 k	\$ 93.6 k	83%
854442 - Conducteurs électriques, pour tension <=1000V, avec pièces de connexion	\$ 75.9 k	\$ 1.2 k	\$ 74.7 k	98%
85XXXb - Appareils pour la transmission ou réception de données	\$ 70.8 k	\$ 0.1 k	\$ 70.7 k	100%
853710 - Tableaux & appareils simil., pour la commande ou distribution électrique	\$ 63.7 k	0	\$ 63.7 k	100%
853690 - Appareillage pour le branchement ou la connexion des circuits électriques	\$ 48.1 k	\$ 8.7 k	\$ 39.4 k	82%
854470 - Câbles de fibres optiques constitués de fibres optiques gainées	\$ 46.6 k	\$ 0.8 k	\$ 45.8 k	98%
853650 - Interrupteurs, sectionneurs & commutateurs, pour une tension <=1000V	\$ 33.3 k	\$ 10.7 k	\$ 22.6 k	68%
850710 - Accumulateurs au plomb, pour le démarrage des moteurs à piston	\$ 26.7 k	0	\$ 26.7 k	100%
<b>Bois, papier, caoutchouc, plastiques</b>	<b>\$ 1.31 mns</b>	<b>\$ 229.1 k</b>	<b>\$ 1.08 mns</b>	<b>83%</b>
482020 - Cahiers pour l'écriture, en papier ou carton	\$ 402.2 k	\$ 41.1 k	\$ 361.1 k	90%
392690 - Ouvrages en matières plastiques & en autres matières des nos 3901 à 3914	\$ 186.9 k	\$ 2.2 k	\$ 184.7 k	99%
961900 - Serviettes & tampons hygiéniques, couches & langes pour bébés	\$ 177.3 k	\$ 20.5 k	\$ 156.8 k	88%
390750 - Résines alkydes, sous formes primaires	\$ 83.2 k	\$ 138.8 k	0	0%
480300 - Papiers utilisés pour papiers de toilette, en rouleaux d'une largeur >36cm	\$ 66.9 k	\$ 1.2 k	\$ 65.7 k	98%
392010 - Plaques, feuilles, pellicules, bandes & lames, en polymères de l'éthylène	\$ 58.6 k	0	\$ 58.6 k	100%
391739 - Tubes & tuyaux souples, en matières plastiques, renforcés d'autres matières	\$ 33.5 k	\$ 12.2 k	\$ 21.2 k	63%
391729 - Tubes & tuyaux rigides, en matières plastiques	\$ 26.2 k	\$ 0.8 k	\$ 25.4 k	97%
481920 - Boîtes & cartonnages, pliants, en papier ou en carton non ondulé	\$ 18.8 k	\$ 0.1 k	\$ 18.7 k	99%
490700 - Timbres-poste, fiscaux & analogues; titres d'actions & titres simil.	\$ 17.3 k	\$ 17.3 k	0	0%
<b>Produits d'autres secteurs avec le plus grand potentiel d'exportation</b>	<b>\$ 5.52 mns</b>	<b>\$ 1.78 mns</b>	<b>\$ 3.74 mns</b>	<b>68%</b>
621410 - Châles & articles simil., de soie ou de déchets de soie	\$ 654.2 k	0	\$ 654.2 k	100%
151710 - Margarine	\$ 482.9 k	\$ 925.4 k	0	0%
190219 - Pâtes alimentaires non-cuites ni farcies, ne contenant pas d'oeufs	\$ 408.0 k	\$ 1.79 mns	0	0%
170199 - Sucres de canne ou betterave & saccharose chimiquement pur, à l'état solide	\$ 271.0 k	0	\$ 271.0 k	100%
230990 - Préparations utilisées pour l'alimentation des animaux	\$ 268.3 k	0	\$ 268.3 k	100%
150910 - Huile d'olive vierge & ses fractions, à partir des fruits de l'olivier	\$ 241.0 k	\$ 38.3 k	\$ 202.8 k	84%
902830 - Compteurs d'électricité	\$ 131.5 k	\$ 0.2 k	\$ 131.2 k	100%
640340 - Chaussures, à semelles extérieures en caoutchouc & dessus en cuir naturel	\$ 118.9 k	\$ 1.4 k	\$ 117.5 k	99%
110100 - Farines de froment [blé] ou de méteil	\$ 105.0 k	\$ 23.2 k	\$ 81.9 k	78%
8708XX - Parties & accessoires, pour tracteurs & véhicules à usages spéciaux	\$ 99.9 k	\$ 1.2 k	\$ 98.6 k	99%

## Value chain opportunities

As in the case of Mauritius, Madagascar cannot participate in the selected value chains as a strategic partner, but it can contribute to some of them as a secondary partner if these value chains are established by Tunisia and its strategic partners.

In particular, Madagascar can partially supply certain inputs for six value chains:

- Leather goods: Madagascar could supply embroidery.
- Inductors: Madagascar would contribute to this value chain with Tunisia, supplying gold to complement exports from key potential partners such as Congo DRC, Zambia, Kenya, Egypt and Zimbabwe.
- Non-alcoholic beverages: Madagascar could supply raw sugar.
- Notebooks, diaries, binders and similar stationery: Madagascar would contribute to this value chain with Tunisia by supplying plant materials for braiding.
- Fish and tuna preparations and preserves: Madagascar could supply Tunisia with various types of fish and shellfish, including tuna.

It can also participate in the production of output for a value chain:

- Fruit or similar jams and nut pastes, to complement Eswatini production

## Kenya

### Macroeconomic profile

Kenya boasts a substantial GDP of 110.3 billion euros, making it one of the countries with the highest GDP in the data set. This indicates a relatively larger economy with significant development potential. In terms of GDP growth, Kenya experienced a slight decline in 2020, but posted positive growth in subsequent years. In particular, Kenya's growth rates in 2021 were among the highest of the other countries on the list. Forecasts predict stable growth of around 5.4% per annum over the next few years.

Among the countries on the list, Kenya has one of the lowest levels of trade openness, indicating a lower level of engagement in international trade. The country also boasts a moderate import ratio (imports/GDP), suggesting a dependence on imported goods, which nevertheless remains relatively lower than other countries.

In terms of inflation, Kenya's rates indicate a moderate level, suggesting a relatively stable price environment in the country.<sup>11</sup> The value of 1 Tunisian dinar (TND) has appreciated by around 14% against the Kenyan shilling (KES), rising from KES 39.4 in 2021 to KES 44.8 in 2023.

### Export potential

Kenya is the fourth most promising market for the development of Tunisian exports, with a total potential of over \$16 million, particularly in the sectors of (i) chemicals, (ii) machinery and electronic equipment, and (iii) wood, paper, rubber and plastics.

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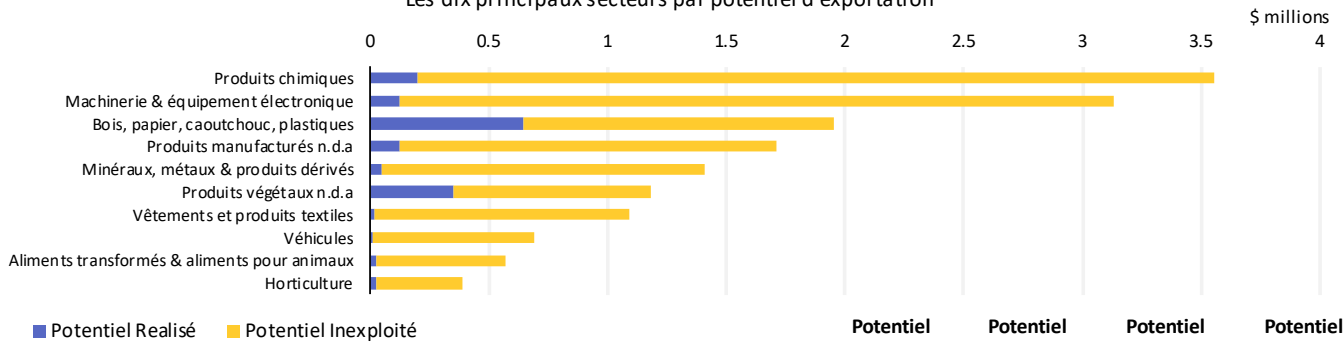
<sup>11</sup> Source: Economist Intelligence Unit.

For chemicals, the scope for export growth is significant, with untapped potential estimated at around 94%. At present, Tunisia does not export *diammonium hydrogen orthophosphate (HS 310530)* to Kenya, although the export potential is considerable and could reach over 2 million dollars. Other chemical products are not exported to this destination either, but present opportunities. In this sector, Tunisia ranks 49<sup>th</sup> among countries with export potential to Kenya. Its main competitor is China, which has an export potential of \$574 million in chemical products.

Similarly, in the machinery and electronic equipment sector, untapped potential represents more than \$3 million, and Tunisia ranks 45<sup>th</sup> among countries with export potential in this sector to Kenya. The Kenyan market presents opportunities for Tunisian exports of *television receivers (HS 8528)*, electrical conductors (HS 854449) and other electrical appliances. Tunisia's main competitor is once again China, which has an export potential of \$2.4 billion to Kenya in the machinery and electronic equipment sector.

In the wood, paper, rubber and plastics sector, Tunisia is already successful in the distribution of *toilet paper (HS 480300)*, where current Tunisian exports exceed the export potential. Nevertheless, Tunisia is the 62<sup>nd</sup> country with the greatest export potential to Kenya in this sector. China ranks first, with an export potential of \$788 million.

In addition to these three sectors, other food products could be exported more successfully, including *virgin olive oil (HS 150910)*, *dates (HS 080410)* and *uncooked pasta (HS 190219)*.

**Les dix principaux secteurs par potentiel d'exportation**


	Potentiel d'Exportation	Potentiel Réalisé	Potentiel Inexploité	Potentiel Inexploité (%)
<b>Produits chimiques</b>	<b>\$ 3.55 mns</b>	<b>\$ 198.7 k</b>	<b>\$ 3.35 mns</b>	<b>94%</b>
310530 - Hydrogénoorthophosphate de diammonium	\$ 2.27 mns	0	\$ 2.27 mns	100%
283525 - Hydrogénoorthophosphate de calcium [phosphate dicalcique]	\$ 249.8 k	\$ 70.1 k	\$ 179.7 k	72%
3004Xb - Médicaments constitués par des produits mélangés ou non	\$ 174.1 k	\$ 31.9 k	\$ 142.2 k	82%
283526 - Phosphates de calcium, n.d.a	\$ 146.4 k	\$ 40.8 k	\$ 105.7 k	72%
280920 - Acides (poly)-phosphoriques	\$ 120.7 k	0	\$ 120.7 k	100%
283650 - Carbonate de calcium	\$ 116.4 k	0	\$ 116.4 k	100%
283531 - Triphosphate de sodium [tripolyphosphate de sodium]	\$ 63.8 k	0	\$ 63.8 k	100%
330129 - Huiles essentielles, déterpénées ou non	\$ 30.7 k	\$ 44.7 k	0	0%
291732 - Orthophtalates de dioctyle	\$ 28.6 k	0	\$ 28.6 k	100%
382319 - Acides gras monocarboxyliques industriels; huiles acides de raffinage	\$ 28.5 k	0	\$ 28.5 k	100%
<b>Machinerie &amp; équipement électronique</b>	<b>\$ 3.13 mns</b>	<b>\$ 126.1 k</b>	<b>\$ 3.01 mns</b>	<b>96%</b>
8528Xc - Appareils récepteurs de télévision	\$ 500.2 k	0	\$ 500.2 k	100%
854449 - Conducteurs électriques, pour tension <=1000V, sans pièces de connexion	\$ 393.9 k	\$ 6.4 k	\$ 387.5 k	98%
85XXXb - Appareils pour la transmission ou réception de données	\$ 332.1 k	\$ 0.5 k	\$ 331.5 k	100%
842123 - Appareils pour la filtration des huiles minérales & carburants	\$ 200.2 k	\$ 6.1 k	\$ 194.1 k	97%
853710 - Tableaux & appareils simil., pour la commande ou distribution électrique	\$ 171.9 k	\$ 0.2 k	\$ 171.7 k	100%
854442 - Conducteurs électriques, pour tension <=1000V, avec pièces de connexion	\$ 134.3 k	\$ 0.1 k	\$ 134.1 k	100%
854430 - Jeux de fils pour bougies d'allumage, pour moyens de transport	\$ 96.4 k	\$ 0.4 k	\$ 96.0 k	100%
850140 - Moteurs à courant alternatif, monophasés	\$ 85.9 k	0	\$ 85.9 k	100%
850421 - Transformateurs à diélectrique liquide, puissance <=650kVA	\$ 75.7 k	0	\$ 75.7 k	100%
853890 - Parties reconnaissables destinées aux appareils des n° 8535, 8536 ou 8537	\$ 74.8 k	\$ 1.0 k	\$ 73.8 k	99%
<b>Bois, papier, caoutchouc, plastiques</b>	<b>\$ 1.95 mns</b>	<b>\$ 646.7 k</b>	<b>\$ 1.31 mns</b>	<b>67%</b>
961900 - Serviettes & tampons hygiéniques, couches & linges pour bébés	\$ 480.2 k	\$ 44.5 k	\$ 435.7 k	91%
480300 - Papiers utilisés pour papiers de toilette, en rouleaux d'une largeur >36cm	\$ 437.6 k	\$ 6.43 mns	0	0%
392690 - Ouvrages en matières plastiques & en autres matières des nos 3901 à 3914	\$ 178.7 k	\$ 0.2 k	\$ 178.5 k	100%
392010 - Plaques, feuilles, pellicules, bandes & lames, en polymères de l'éthylène	\$ 119.6 k	0	\$ 119.6 k	100%
390750 - Résines alkydes, sous formes primaires	\$ 82.9 k	\$ 179.8 k	0	0%
391729 - Tubes & tuyaux rigides, en matières plastiques	\$ 80.3 k	0	\$ 80.3 k	100%
3907Xa - Poly«éthylène téréphtalate», sous formes primaires	\$ 43.6 k	0	\$ 43.6 k	100%
391739 - Tubes & tuyaux souples, en matières plastiques, renforcés d'autres matières	\$ 40.0 k	0	\$ 40.0 k	100%
390390 - Polymères du styrène, sous formes primaires	\$ 37.9 k	\$ 231.0 k	0	0%
481920 - Boîtes & cartonnages, pliants, en papier ou en carton non ondulé	\$ 35.8 k	\$ 239.3 k	0	0%
<b>Produits d'autres secteurs avec le plus grand potentiel d'exportation</b>	<b>\$ 7.75 mns</b>	<b>\$ 607.3 k</b>	<b>\$ 7.15 mns</b>	<b>92%</b>
150910 - Huile d'olive vierge & ses fractions, à partir des fruits de l'olivier	\$ 972.3 k	\$ 288.0 k	\$ 684.4 k	70%
902830 - Compteurs d'électricité	\$ 935.7 k	0	\$ 935.7 k	100%
080410 - Dattes, fraîches ou sèches	\$ 344.4 k	\$ 21.6 k	\$ 322.8 k	94%
252310 - Ciments non pulvérisés	\$ 262.1 k	0	\$ 262.1 k	100%
8708XX - Parties & accessoires, pour tracteurs & véhicules à usages spéciaux	\$ 259.5 k	\$ 2.8 k	\$ 256.7 k	99%
252020 - Plâtres	\$ 234.6 k	0	\$ 234.6 k	100%
721391 - Fil machine en fer, enroulé en couronnes irrégulières, de diamètre <14mm	\$ 227.1 k	0	\$ 227.1 k	100%
190219 - Pâtes alimentaires non-cuites ni farcies, ne contenant pas d'oeufs	\$ 220.3 k	0	\$ 220.3 k	100%
901890 - Instruments & appareils pour la médecine, chirurgie ou l'art vétérinaire	\$ 183.2 k	\$ 22.6 k	\$ 160.6 k	88%
6304XX - Articles d'ameublement en bonneterie	\$ 183.2 k	0	\$ 183.2 k	100%

## Value chain opportunities

Kenya offers the greatest number of opportunities for strategic partnerships in various value chains. Tunisia and Kenya can strengthen their commercial ties through the development of eight value chains, seven of which involve Tunisia supplying Kenya inputs, and one of which involves Kenya supplying Tunisia with inputs for the production of inductors. In all of these value chains, Kenya is a strategic partner, and for three value chains in particular, protein concentrates and other food preparations, fruit or vegetable juices, shoe polishes and the like, where Kenya proves to be Tunisia's only potential partner for the supply of output. Tunisia could supply Kenya with bread, milk, pasta, and inorganic chemicals for Kenya's production of protein concentrates. Its current exports of these products to the world are worth around \$400 million. For the fruit or vegetable juice value chain, Tunisia could contribute with its fruit production, which is currently exported to the tune of \$840 million. Tunisia's fruit and vegetable exports could also contribute to Kenya's infant formula production. Thanks to its exports of inorganic chemicals and polymers, Tunisia would participate with Kenya in various value chains such as surfactant washing preparations, soaps and shoe polishes.

In the infant formula value chain, Tunisia's main competitors for the supply of inputs to the Kenyan market are Kenya's neighbor Uganda and South Africa, with exports to Kenya of \$62 million and \$17 million respectively. Uganda mainly exports milk and cream to Kenya, and is relatively more competitive on these products than Tunisia on a global level, as Tunisia exports relatively little milk and cream to the world. On the other hand, Tunisia is more competitive than Uganda for tomatoes and oranges, as it exports many more tomatoes internationally, with a value 25 times higher, as well as oranges, with a value 8 times higher. Tunisia's tomato exports also exceed those of South Africa. In the same value chain, South Africa, Kenya's second-largest supplier of inputs, exports to this market mainly fresh apples and grapes, which Tunisia exports relatively little of internationally. Tunisia already exports dates and olive oil to Kenya competitively, except in comparison with Egypt, which exports more to Kenya, even though its worldwide exports represent less than 20% of Tunisia's total.

In the fruit and vegetable juice value chain, the main supplier of fruit to the Kenyan market is South Africa, which exports apples, grapes and oranges, while Tunisia exports less than South Africa internationally.

In non-food value chains, notably soaps, surfactant washing preparations and shoe polishes, the main suppliers to the Kenyan market are China and India, which export mainly inorganic chemicals to this destination. These two countries are also major exporters worldwide, with export values 52 and 4 times higher than those of Tunisia.

Tunisia also has the opportunity to produce outputs and, in particular, to develop its inductor value chain by sourcing copper and gold from Kenyan companies. Kenyan exports, mostly gold rather than copper, are worth \$129 million. Tunisian exports of inductors currently stand at \$49 million, positioning Tunisia as a major player in this value chain in Africa. Indeed, Tunisia contributes more than three quarters of the continent's total exports in this field.

In addition to these eight value chains, Kenya could contribute to other value chains, as a complementary partner supplying inputs for leather goods, aluminum, footwear, notebooks and paper, soft drinks, sauce preparations and fish.

Number of value chains in which **Kenya** can participate: 8

Value chains in which **Kenya** supplies the output :

Value chain	Exports of finished product (\$ Millions)	African exports of finished products (\$ Millions)	Worldwide exports of finished product (\$ Millions)	Inputs supplied by Tunisia	Input exports from Tunisia (\$ Millions)
Infant food preparations	6	107	12,293	Fruits, vegetables, fish, meat, dairy products	1,112
Fruit or vegetable juices, unfermented	6	206	5,000	Fruits	840
Cereals in grain or flakes or other worked, pre-cooked or otherwise prepared grains	5	122	6,983	Cereals, milk, olive oil	713
Protein concentrates & other food preparations	65	517	49,805	Bread, milk, pasta, inorganic chemicals	398
Soap, incl. medicated products	75	460	13,395	Inorganic chemicals, glycerol, essential oils, polymers	353
Cirages & similar	6	35	2,025	Inorganic chemicals, polymers	348
Surfactants, washing preparations, washing and cleaning aids	31	561	33,521	Inorganic chemicals, polymers	348

Value chains in which **Kenya** supplies inputs:

Value chain	Inputs supplied	Input exports (\$M)	Output exports from Tunisia (\$M)	Output exports from Africa	Output exports worldwide
Inductors	Copper, gold	129	45	66	11,348

## Ethiopia

### Macroeconomic profile

Ethiopia is the country with the highest GDP among the selected countries, reaching \$111.27 billion in 2021. The country's GDP growth has been stable and is expected to continue growing at an annual rate of around 6%. Remarkably, Ethiopia managed to avoid the recession caused by the COVID-19 pandemic. Although inflation has been a concern since 2019, early forecasts indicate that it will stabilize at around 30% by 2023 and fall further by 2024.<sup>12</sup>

In terms of trade, Ethiopia's trade openness and import ratios (exports/GDP and imports/GDP) are relatively low compared to other countries. However, projected imports are set to reach 14.73 billion in 2026, representing an 84% increase on 2021 imports.

As regards the nominal exchange rate, the value of 1 Tunisian dinar (TND) has appreciated against the Ethiopian birr (ETB), rising from 15.63 ETB in 2021 to 17.8 ETB in 2023. Although this is not the highest increase, it is still substantial compared with other countries. As a result, importing goods from Ethiopia has become relatively more affordable, benefiting Tunisian businesses and consumers who depend on Ethiopian products. Conversely, exporting Tunisian products to Ethiopia has become relatively more expensive, which could have an impact on Tunisian companies involved in exports to Ethiopia.

### Export potential

Ethiopia is the third most promising market for Tunisia, with an untapped potential of over 45 million dollars. The most promising sectors are machinery and electronic equipment, with an export potential for Tunisia to Ethiopia of around 12 million dollars. Tunisia is the 25<sup>th</sup> country with the greatest export potential in this sector to Ethiopia. However, China, its main competitor, has an export potential to Ethiopia around a hundred times greater in the same sector. However, the majority of Tunisia's potential could be realized in the absence of friction and in anticipation of Ethiopia's GDP and population growth. Tunisia is not currently exploiting this sector in the Ethiopian market. The products with the greatest potential are *electrical conductors (HS 854449)*, *switchboards and devices for electrical control or distribution (HS 853710)*, *television receivers (HS 8528)* and *devices for filtering mineral oils and fuels (HS 842123)*.

Other manufactured products can be exported to Ethiopia in considerable quantities, such as electricity meters (HS 902830), which are not currently exported by Tunisia to this market, and which have a potential value of over 2.6 million dollars. Other products in this category also include goods from Chapter 90 of the Harmonized System. With an export potential of \$6 million in this sector, Tunisia ranks 23<sup>rd</sup> among countries with export potential in the same sector to Ethiopia. Its main competitor is China, with an export potential of \$323 million.

The wood, paper, rubber and plastics sector is the 3<sup>rd</sup> most important in terms of export potential for Tunisia, which is already partially exploiting it with exports of over \$17 million worth of *plastic articles (HS 392690)*. Other products, such as writing notebooks (HS 482020) and plastic pipes and tubes (HS 391729), could also be successfully exported from Tunisia to Ethiopia. In this market, Tunisia ranks

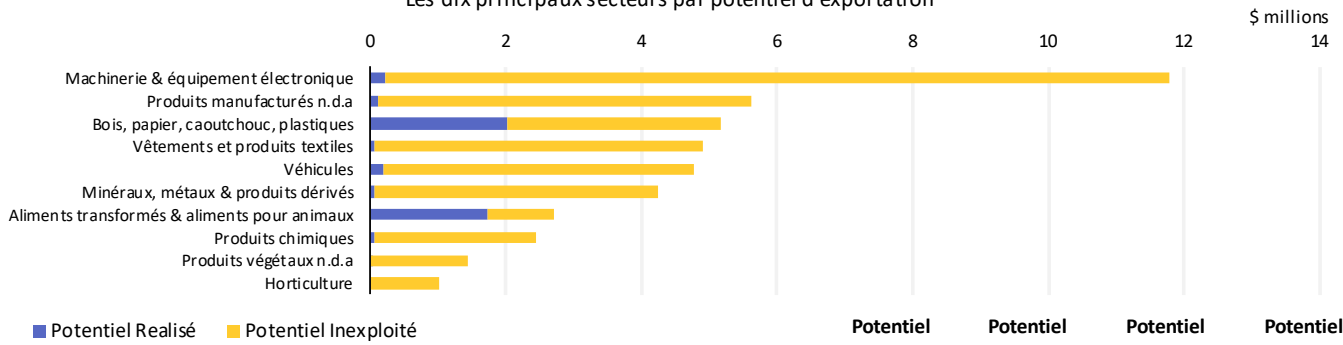
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<sup>12</sup> Source: Economist Intelligence Unit.

30<sup>th</sup> among countries with export potential in the wood, paper, rubber and plastics sector. Once again, China is the main competitor, with an export potential of \$355 million.

In addition to these three sectors, individual products are also likely to be exported to Ethiopia, in particular *aircraft and helicopter parts (HS 830330)*, *tractor parts and accessories (HS 8708)* and processed agricultural products such as *couscous (HS 190240)*.

## Les dix principaux secteurs par potentiel d'exportation



	Potentiel d'Exportation	Potentiel Réalisé	Potentiel Inexploité	Potentiel Inexploité (%)
<b>Machinerie &amp; équipement électronique</b>	<b>\$ 11.78 mns</b>	<b>\$ 231.4 k</b>	<b>\$ 11.55 mns</b>	<b>98%</b>
854449 - Conducteurs électriques, pour tension <=1000V, sans pièces de connexion	\$ 1.98 mns	0	\$ 1.98 mns	100%
853710 - Tableaux & appareils simil., pour la commande ou distribution électrique	\$ 1.08 mns	0	\$ 1.08 mns	100%
8528Xc - Appareils récepteurs de télévision	\$ 904.9 k	0	\$ 904.9 k	100%
842123 - Appareils pour la filtration des huiles minérales & carburants	\$ 805.7 k	0	\$ 805.7 k	100%
854442 - Conducteurs électriques, pour tension <=1000V, avec pièces de connexion	\$ 681.0 k	\$ 3.8 k	\$ 677.2 k	99%
854430 - Jeux de fils pour bougies d'allumage, pour moyens de transport	\$ 605.5 k	0	\$ 605.5 k	100%
850421 - Transformateurs à diélectrique liquide, puissance <=650kVA	\$ 401.8 k	0	\$ 401.8 k	100%
853690 - Appareillage pour le branchement ou la connexion des circuits électriques	\$ 377.7 k	\$ 0.5 k	\$ 377.2 k	100%
854460 - Conducteurs électriques, pour tension >1000V	\$ 330.6 k	0	\$ 330.6 k	100%
850140 - Moteurs à courant alternatif, monophasés	\$ 279.1 k	\$ 0.1 k	\$ 279.0 k	100%
<b>Produits manufacturés n.d.a</b>	<b>\$ 5.62 mns</b>	<b>\$ 112.1 k</b>	<b>\$ 5.51 mns</b>	<b>98%</b>
902830 - Compteurs d'électricité	\$ 2.63 mns	0	\$ 2.63 mns	100%
901890 - Instruments & appareils pour la médecine, chirurgie ou l'art vétérinaire	\$ 764.9 k	\$ 11.5 k	\$ 753.3 k	98%
960810 - Stylos & crayons à bille	\$ 373.1 k	0	\$ 373.1 k	100%
902890 - Parties & accessoires de compteurs de gaz, de liquides ou d'électricité	\$ 274.1 k	0	\$ 274.1 k	100%
940190 - Parties de sièges	\$ 226.5 k	0	\$ 226.5 k	100%
903210 - Thermostats pour la régulation ou le contrôle automatiques	\$ 148.2 k	0	\$ 148.2 k	100%
9406 - Constructions préfabriquées	\$ 127.8 k	\$ 7.2 k	\$ 120.6 k	94%
901580 - Instruments & appareils de géodésie & simil.	\$ 94.7 k	0	\$ 94.7 k	100%
6907 - Carreaux & dalles de pavement ou de revêtement, en céramique	\$ 88.6 k	0	\$ 88.6 k	100%
902110 - Appareils d'orthopédie ou pour fractures	\$ 83.4 k	\$ 140.3 k	0	0%
<b>Bois, papier, caoutchouc, plastiques</b>	<b>\$ 5.16 mns</b>	<b>\$ 2.01 mns</b>	<b>\$ 3.15 mns</b>	<b>61%</b>
392690 - Ouvrages en matières plastiques & en autres matières des nos 3901 à 3914	\$ 1.59 mns	\$ 17.20 mns	0	0%
482020 - Cahiers pour l'écriture, en papier ou carton	\$ 548.9 k	0	\$ 548.9 k	100%
391729 - Tubes & tuyaux rigides, en matières plastiques	\$ 326.8 k	0	\$ 326.8 k	100%
392010 - Plaques, feuilles, pellicules, bandes & lames, en polymères de l'éthylène	\$ 321.3 k	\$ 0.1 k	\$ 321.2 k	100%
961900 - Serviettes & tampons hygiéniques, couches & langes pour bébés	\$ 295.4 k	\$ 15.9 k	\$ 279.5 k	95%
390750 - Résines alkydes, sous formes primaires	\$ 268.2 k	\$ 5.4 k	\$ 262.8 k	98%
390910 - Résines uréiques & résines de thiourée, sous formes primaires	\$ 156.9 k	0	\$ 156.9 k	100%
391739 - Tubes & tuyaux souples, en matières plastiques, renforcés d'autres matières	\$ 150.7 k	\$ 1.12 mns	0	0%
481910 - Boîtes & caisses en papier ou en carton ondulé	\$ 147.1 k	\$ 327.7 k	0	0%
480300 - Papiers utilisés pour papiers de toilette, en rouleaux d'une largeur >36cm	\$ 122.5 k	0	\$ 122.5 k	100%
<b>Produits d'autres secteurs avec le plus grand potentiel d'exportation</b>	<b>\$ 23.07 mns</b>	<b>\$ 2.15 mns</b>	<b>\$ 20.92 mns</b>	<b>91%</b>
880330 - Parties d'avions ou d'hélicoptères	\$ 2.60 mns	0	\$ 2.60 mns	100%
8708XX - Parties & accessoires, pour tracteurs & véhicules à usages spéciaux	\$ 1.22 mns	\$ 191.9 k	\$ 1.03 mns	84%
190240 - Couscous	\$ 1.12 mns	\$ 1.64 mns	0	0%
080410 - Dattes, fraîches ou sèches	\$ 962.2 k	0	\$ 962.2 k	100%
151000 - Huiles & leurs fractions, à partir d'olives & mélanges de ces huiles	\$ 636.2 k	\$ 10.7 k	\$ 625.5 k	98%
190219 - Pâtes alimentaires non-cuites ni farcies, ne contenant pas d'oeufs	\$ 590.3 k	\$ 5.68 mns	0	0%
721049 - Produits laminés plats, en fer, d'une largeur >=600mm, non ondulés	\$ 589.9 k	0	\$ 589.9 k	100%
730890 - Constructions & parties de constructions, en fonte, fer ou acier	\$ 523.2 k	\$ 17.7 k	\$ 505.4 k	97%
310559 - Engrais minéraux ou chimiques contenant azote & phosphore	\$ 517.9 k	0	\$ 517.9 k	100%
3004Xb - Médicaments constitués par des produits mélangés ou non	\$ 498.3 k	0	\$ 498.3 k	100%

### Value chain opportunities

Ethiopia can participate as a strategic partner in a value chain with Tunisia thanks to its bread and pastry exports, currently worth around \$10 million. Tunisia would contribute to this value chain by supplying cereals, dairy products, olive oil and sugar. The main competitor in this value chain with Ethiopia is the United States, which exports inputs worth around \$18 million. They are followed by Uganda and South Africa, with bread and pastry input exports of around 3.5 and 2.3 million dollars respectively. By way of comparison, for this value chain, Tunisia exports around \$50,000 to Ethiopia, more than half of which corresponds to olive oil exports.

Ethiopia could also contribute as a secondary partner to other value chains, notably by supplying certain inputs for leather goods, footwear, soft drinks and sauce preparations. Ethiopia could also contribute to the export of soybean oil cake with Malawi and Zambia, with inputs such as soybean oil supplied by Tunisia.

Number of value chains in which **Ethiopia** can participate: 1

Value chains in which **Ethiopia** supplies the output :

Value chain	Finished product exports (\$M)	African exports of finished products (\$M)	Worldwide exports of finished product (\$M)	Inputs supplied by Tunisia	Input exports from Tunisia (\$M)
Bread and pastries	10	288	39,341	Cereals, dairy products, olive oil, sugar	774

At present, Ethiopia sources mainly from the USA for products used in the production of bread and pastries, in particular vegetable fats and oils. The value of US exports of this product to the Ethiopian market exceeds that of Tunisia's total exports, suggesting that Tunisian production capacity may not be sufficient to meet demand in this market.

Tunisia appears to have an international competitive advantage in the distribution of olive oil and yoghurt over Ethiopia's main supplier of these products, Turkey. Indeed, Tunisian exports of these products to the world exceed those of Turkey, estimated at around \$700 million and \$167 million respectively. Given that Tunisia and Turkey benefit from the same tariffs on these products on the Ethiopian market, and that their geographical distance from Ethiopia is similar, it would be relevant to carry out a more in-depth analysis of this sector in order to better understand why Ethiopia favours imports from Turkey.

### Rwanda

#### Macroeconomic profile

Rwanda stands out among countries with a lower GDP by displaying a higher level of trade openness than other COMESA countries with similar economic indicators. Despite this, Rwanda's projected imports for 2026 will increase significantly

Rwanda's economic outlook is also optimistic. Forecasts predict a remarkable GDP growth rate of around 6.2% for 2023 and 7.5% for 2024. This growth rate exceeds that of other countries, indicating a flourishing economy with potential for expansion and development.

Like other countries, Rwanda experienced a period of high inflation in 2022. However, inflation is expected to decline in 2023 and 2024, albeit at a slower pace than in other countries.<sup>13</sup> In addition, the exchange rate of the Rwandan currency has remained relatively stable.

### Export potential

Tunisia's export potential to the Rwandan market stands at around \$840,000, putting this destination in tenth place among markets with the most opportunities. Machinery and electronic equipment is the sector with the greatest export potential, 93% of which is currently untapped. Tunisia could thus increase its exports of *electrical conductors (HS 854449 and HS 854442)*, *switchboards and similar devices for electrical control or distribution (HS 853710)* and other equipment. Tunisia ranks 44<sup>th</sup> among the countries with export potential to the Rwandan market in this sector, its main competitor being China, which has an export potential of 205 million dollars.

The second sector is the manufactured goods category, which has a potential of around \$130,000 and is currently under-exploited. Tunisia could export *electricity meters (HS 902830)*, *medical instruments and appliances (HS 901890)* and other HS 90 goods. At present, Tunisia is the 47<sup>th</sup> country with the greatest export potential in this sector to Rwanda. China, its main competitor, has an export potential of 79 million to the same country.

In agricultural products, Tunisia exports very little to Rwanda, although opportunities do exist, particularly for *olive-based oils (HS 150910 and HS 151000)*. Tunisia ranks 40<sup>th</sup> among countries with export potential in the plant products sector to Rwanda. However, its main competitor in this African sector is Uganda, in first place with an export potential of \$33 million.

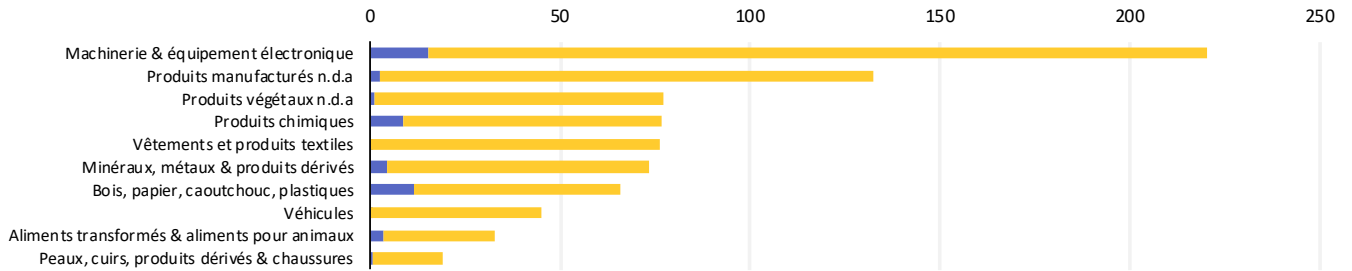
Other products in various categories also present export opportunities for Tunisia, notably chemicals and metal construction products.

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<sup>13</sup> Source: Economist Intelligence Unit.

## Les dix principaux secteurs par potentiel d'exportation

\$ milliers



■ Potentiel Réalisé ■ Potentiel Inexploité

	Potentiel d'Exportation	Potentiel Réalisé	Potentiel Inexploité	Potentiel Inexploité (%)
<b>Machinerie &amp; équipement électronique</b>	<b>\$ 220.1 k</b>	<b>\$ 15.3 k</b>	<b>\$ 204.8 k</b>	<b>93%</b>
854449 - Conducteurs électriques, pour tension <=1000V, sans pièces de connexion	\$ 45.9 k	0	\$ 45.9 k	100%
853710 - Tableaux & appareils simil., pour la commande ou distribution électrique	\$ 31.2 k	0	\$ 31.2 k	100%
854442 - Conducteurs électriques, pour tension <=1000V, avec pièces de connexion	\$ 20.5 k	\$ 1.7 k	\$ 18.8 k	92%
85XXb - Appareils pour la transmission ou réception de données	\$ 16.1 k	\$ 0.7 k	\$ 15.4 k	96%
8528Xc - Appareils récepteurs de télévision	\$ 11.9 k	0	\$ 11.9 k	100%
853690 - Appareillage pour le branchement ou la connexion des circuits électriques	\$ 10.7 k	\$ 0.1 k	\$ 10.6 k	99%
854460 - Conducteurs électriques, pour tension >1000V	\$ 10.4 k	0	\$ 10.4 k	100%
850421 - Transformateurs à diélectrique liquide, puissance <=650kVA	\$ 6.3 k	\$ 6.3 k	0	0%
850300 - Parties destinées aux moteurs & machines génératrices électriques	\$ 5.5 k	0	\$ 5.5 k	100%
853720 - Tableaux & appareils simil., pour la commande ou distribution électrique	\$ 5.4 k	0	\$ 5.4 k	100%
<b>Produits manufacturés n.d.a</b>	<b>\$ 132.6 k</b>	<b>\$ 2.7 k</b>	<b>\$ 129.9 k</b>	<b>98%</b>
902830 - Compteurs d'électricité	\$ 73.1 k	0	\$ 73.1 k	100%
901890 - Instruments & appareils pour la médecine, chirurgie ou l'art vétérinaire	\$ 21.8 k	0	\$ 21.8 k	100%
902890 - Parties & accessoires de compteurs de gaz, de liquides ou d'électricité	\$ 10.6 k	0	\$ 10.6 k	100%
701090 - Récipients en verre pour le transport ou l'emballage commercial	\$ 3.9 k	0	\$ 3.9 k	100%
901580 - Instruments & appareils de géodésie & simil.	\$ 2.2 k	\$ 0.1 k	\$ 2.1 k	97%
902110 - Appareils d'orthopédie ou pour fractures	\$ 2.1 k	0	\$ 2.1 k	100%
960810 - Stylos & crayons à bille	\$ 1.3 k	0	\$ 1.3 k	100%
902820 - Compteurs de liquides	\$ 1.1 k	0	\$ 1.1 k	100%
650610 - Coiffures de sécurité	\$ 1.0 k	0	\$ 1.0 k	100%
6907 - Carreaux & dalles de pavement ou de revêtement, en céramique	\$ 1.0 k	\$ 1.0 k	0	0%
<b>Produits végétaux n.d.a</b>	<b>\$ 77.3 k</b>	<b>\$ 1.2 k</b>	<b>\$ 76.1 k</b>	<b>98%</b>
150910 - Huile d'olive vierge & ses fractions, à partir des fruits de l'olivier	\$ 41.6 k	\$ 0.1 k	\$ 41.5 k	100%
151000 - Huiles & leurs fractions, à partir d'olives & mélanges de ces huiles	\$ 20.6 k	0	\$ 20.6 k	100%
150990 - Huile d'olive & ses fractions, traitées mais non chimiquement modifiées	\$ 9.0 k	\$ 0.1 k	\$ 8.9 k	99%
151620 - Graisses & huiles végétales & leurs fractions, préparées	\$ 1.5 k	0	\$ 1.5 k	100%
150790 - Huile de soja & ses fractions, non chimiquement modifiées	\$ 1.2 k	0	\$ 1.2 k	100%
151710 - Margarine	\$ 1.0 k	0	\$ 1.0 k	100%
151219 - Huiles de tournesol ou carthame & leurs fractions	\$ 0.9 k	\$ 0.9 k	0	0%
151529 - Huile de maïs & ses fractions, non chimiquement modifiées	\$ 0.9 k	0	\$ 0.9 k	100%
180690 - Préparations alimentaires contenant du cacao, d'un contenu <=2kg	\$ 0.1 k	0	\$ 0.1 k	100%
151590 - Graisses & huiles végétales & leurs fractions, non chimiquement modifiées	\$ 0.1 k	0	\$ 0.1 k	100%
<b>Produits d'autres secteurs avec le plus grand potentiel d'exportation</b>	<b>\$ 410.6 k</b>	<b>\$ 29.5 k</b>	<b>\$ 381.1 k</b>	<b>93%</b>
310530 - Hydrogénoorthophosphate de diammonium	\$ 44.1 k	0	\$ 44.1 k	100%
730890 - Constructions & parties de constructions, en fonte, fer ou acier	\$ 20.6 k	\$ 0.1 k	\$ 20.5 k	99%
8708XX - Parties & accessoires, pour tracteurs & véhicules à usages spéciaux	\$ 18.5 k	0	\$ 18.5 k	100%
621133 - Survêtements de sport, de fibres synthétiques ou arti., pour hommes	\$ 14.2 k	0	\$ 14.2 k	100%
6403XX - Chaussures à semelles extérieures à dessus en cuir naturel	\$ 11.4 k	0	\$ 11.4 k	100%
390750 - Résines alkydes, sous formes primaires	\$ 11.2 k	0	\$ 11.2 k	100%
392690 - Ouvrages en matières plastiques & en autres matières des nos 3901 à 3914	\$ 11.2 k	\$ 8.7 k	\$ 2.5 k	23%
160413 - Préparations & conserves de sardines, sardinelles, sprats ou esprints	\$ 8.8 k	\$ 0.4 k	\$ 8.4 k	95%
3004Xb - Médicaments constitués par des produits mélangés ou non	\$ 8.5 k	\$ 8.5 k	0	0%
721049 - Produits laminés plats, en fer, d'une largeur >=600mm, non ondulés	\$ 8.5 k	0	\$ 8.5 k	100%

### Value chain opportunities

Rwanda is seen as a strategic partner in a value chain with Tunisia as a supplier of infant formula, whose current exports amount to \$21 million, representing a fifth of African exports of these finished products. For this value chain, Tunisia could supply several inputs, including fruit, vegetables, fish, meat and dairy products, which it already exports to a value of over one billion dollars. Tunisia's main competitors on the Rwandan market for inputs in this value chain are Uganda, Tanzania, Turkey and Kenya, which export to Rwanda to the tune of 7 million dollars for Uganda and between 1 and 1.2 million dollars for the others.

Rwanda could also participate as a secondary partner in several value chains, as an input supplier for leather goods (cattle hides and skins), aluminum goods, footwear (cattle hides and skins, sheep, etc.), inductors (gold, ceramics), soft drinks (cane and beet sugar), sauce preparations (dairy products, oils and sugar), and fish (frozen). The country could also contribute to regional value chains for bread and pastries, infant formulas, fruit and vegetable juices, shoe polish, soap and surfactant washing preparations.

Number of value chains in which Rwanda can participate: 1

Value chains in which Rwanda provides the output :

Value chain	Exports of finished product (\$ Millions)	African exports of finished products (\$ Millions)	Worldwide exports of finished product (\$ Millions)	Inputs supplied by Tunisia	Input exports from Tunisia (\$ Millions)
Infant food preparations	21	107	12,293	Fruits, vegetables, fish, meat, dairy products	1,112

Uganda is the main supplier of inputs to the Rwandan market, exporting cereal flours, milk and cream, and fish fillets and meat. These products are also exported more extensively by Uganda than by Tunisia. On the other hand, Tunisia exports larger quantities of olive oil to Rwanda than to Uganda, as it does to other destinations around the world. It could also export tomatoes and onions to this market, as Tunisia is more competitive on these products worldwide than Uganda. However, Uganda has a geographical advantage when it comes to perishable products, which is difficult for Tunisia to surpass due to its relatively great distance from the Rwandan market. Tunisia could consider exporting cereal flours to Rwanda, which is also supplied by Tanzania, which is less competitive than Tunisia on the world market. Although Rwanda is mainly supplied by member countries of the East African Community (EAC), which enjoy preferential access to the Rwandan market, customs tariffs on cereal flours under the COMESA agreement are zero. Tunisia would therefore benefit from the same tariff as other countries in the EAC region on these products, currently imported from Uganda, Tanzania and Kenya among others.

## Sudan

### Macroeconomic profile

Sudan has a moderate level of trade openness, with a relatively balanced ratio of exports to GDP. The country also has a moderate import ratio, although it is one of the lowest among the countries on the list. However, import projections for 2027 indicate a potentially significant increase in demand for imported goods, which is set to rise by 71% to 2026.

In terms of GDP growth, Sudan experienced negative growth in 2020, but recovered slightly in subsequent years. However, its growth rates in 2021 and 2022 were relatively lower than those of the other countries on the list.

Additional information reveals that Sudan has a substantial GDP of 34.3 billion, placing it among the highest GDP countries on the list. Nevertheless, the Sudanese economy faces challenges in terms of development and self-sufficiency.

Indeed, Sudan is grappling with an extremely high inflation rate, reaching around 360% by 2021. The intense conflict between military factions has caused considerable damage to infrastructure and public property, severely affecting economic activity in all sectors. The conflict has also led donors to reconsider their presence in Sudan, making it unlikely that the external financial aid previously planned will materialize. Without external support, the economic crisis is expected to worsen, leading to hyperinflation and rapid currency depreciation (31.4% over the last two years), as the central bank is forced to monetize the government's deficits.<sup>14</sup>

### Export potential

Sudan ranks eighth among the destinations with the greatest potential for Tunisian exports, worth over \$3 million. The leading sector is clothing and textile products, which are currently totally untapped, despite having a potential value of \$1.2 million. Tunisia could export *men's cotton pants (HS 620342)*, *men's cotton shirts (HS 620520)* and other cotton garments to the Sudanese market. Tunisia is relatively well placed at 27<sup>th</sup> among countries with export potential in the clothing and textiles sector to Sudan. Its main competitor is China, which has an export potential of \$372 million in the Sudanese market.

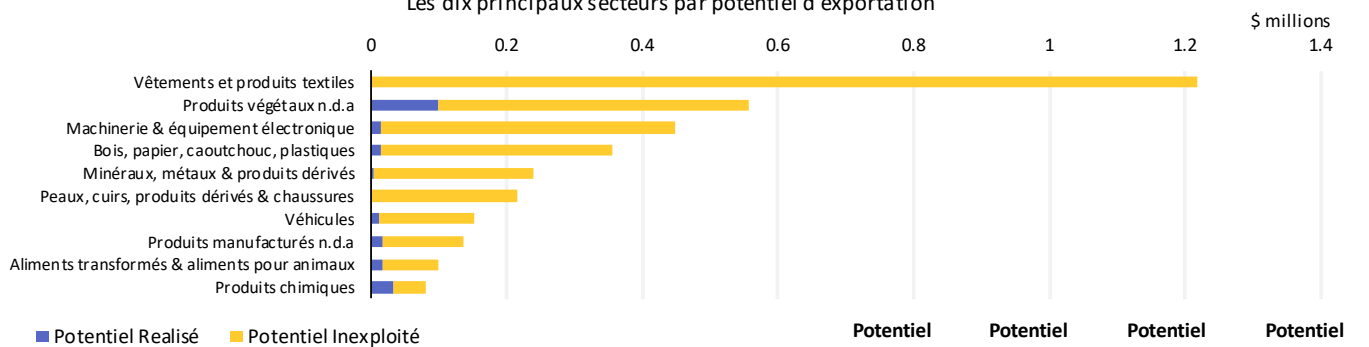
The second sector, with an export potential of around \$556,000, includes processed agricultural products, notably *cane and beet sugar (HS 170199)*, *virgin olive oil (HS 150910)* *other olive oils (HS 151000)* and *margarine (HS 151710)*. *Olive oils and mixed fractions (HS 151000)* are already exported to Sudan. Tunisia ranks 46<sup>th</sup> among the countries with export potential to the Sudanese market in this sector, its main competitor being India, which has an export potential of 284 million dollars.

Machinery and electronic equipment products also offer opportunities currently untapped by Tunisia, despite ranking 58<sup>th</sup> among countries with export potential to Sudan. The goods with the most potential are *electrical conductors (HS 854449 and HS 854442)*, *mineral oil and fuel filtration equipment (HS 842123)*, *single-phase AC motors (HS 850140)* and others. China, its main competitor, has an export potential of \$655 million in machinery and electronic equipment for the Sudanese market.

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<sup>14</sup> Source: Economist Intelligence Unit.



**Les dix principaux secteurs par potentiel d'exportation**


	Potentiel d'Exportation	Potentiel Réalisé	Potentiel Inexploité	Potentiel Inexploité (%)
<b>Vêtements et produits textiles</b>	<b>\$ 1.22 mns</b>	<b>0</b>	<b>\$ 1.22 mns</b>	<b>100%</b>
620342 - Pantalons & simil., de coton, pour hommes ou garçonnets	\$ 454.0 k	0	\$ 454.0 k	100%
620520 - Chemises & chemisettes, de coton, pour hommes ou garçonnets	\$ 116.6 k	0	\$ 116.6 k	100%
620349 - Pantalons & simil., de matières textiles, pour hommes ou garçonnets	\$ 58.1 k	0	\$ 58.1 k	100%
621139 - Survêtements de sport, de matières textiles, pour hommes ou garçonnets	\$ 53.4 k	0	\$ 53.4 k	100%
621132 - Survêtements de sport & vêtements, de coton, pour hommes ou garçonnets	\$ 51.6 k	0	\$ 51.6 k	100%
610910 - T-shirts & maillots de corps, en bonneterie, de coton	\$ 51.1 k	0	\$ 51.1 k	100%
621133 - Survêtements de sport, de fibres synthétiques ou arti., pour hommes	\$ 49.0 k	0	\$ 49.0 k	100%
620590 - Chemises & chemisettes, de matières textiles, pour hommes ou garçonnets	\$ 34.3 k	0	\$ 34.3 k	100%
620442 - Robes de coton, pour femmes ou fillettes	\$ 27.6 k	0	\$ 27.6 k	100%
630790 - Articles de matières textiles, confectionnés	\$ 26.1 k	0	\$ 26.1 k	100%
<b>Produits végétaux n.d.a</b>	<b>\$ 555.7 k</b>	<b>\$ 98.4 k</b>	<b>\$ 457.4 k</b>	<b>82%</b>
170199 - Sucres de canne ou betterave & saccharose chimiquement pur, à l'état solide	\$ 307.3 k	0	\$ 307.3 k	100%
150910 - Huile d'olive vierge & ses fractions, à partir des fruits de l'olivier	\$ 159.8 k	\$ 51.0 k	\$ 108.8 k	68%
151000 - Huiles & leurs fractions, à partir d'olives & mélanges de ces huiles	\$ 47.4 k	\$ 47.4 k	0	0%
151710 - Margarine	\$ 11.2 k	0	\$ 11.2 k	100%
151620 - Graisses & huiles végétales & leurs fractions, préparées	\$ 9.9 k	0	\$ 9.9 k	100%
150990 - Huile d'olive & ses fractions, traitées mais non chimiquement modifiées	\$ 7.8 k	0	\$ 7.8 k	100%
151590 - Graisses & huiles végétales & leurs fractions, non chimiquement modifiées	\$ 7.0 k	0	\$ 7.0 k	100%
151529 - Huile de maïs & ses fractions, non chimiquement modifiées	\$ 2.3 k	0	\$ 2.3 k	100%
180690 - Préparations alimentaires contenant du cacao, d'un contenu <=2kg	\$ 0.9 k	0	\$ 0.9 k	100%
180632 - Chocolat & autres préparations alimentaires contenant du cacao, non-fourrés	\$ 0.9 k	0	\$ 0.9 k	100%
<b>Machinerie &amp; équipement électronique</b>	<b>\$ 447.3 k</b>	<b>\$ 15.3 k</b>	<b>\$ 431.9 k</b>	<b>97%</b>
854449 - Conducteurs électriques, pour tension <=1000V, sans pièces de connexion	\$ 57.0 k	0	\$ 57.0 k	100%
854442 - Conducteurs électriques, pour tension <=1000V, avec pièces de connexion	\$ 43.4 k	0	\$ 43.4 k	100%
842123 - Appareils pour la filtration des huiles minérales & carburants	\$ 43.1 k	0	\$ 43.1 k	100%
850140 - Moteurs à courant alternatif, monophasés	\$ 38.7 k	0	\$ 38.7 k	100%
85XXXb - Appareils pour la transmission ou réception de données	\$ 29.4 k	\$ 7.2 k	\$ 22.2 k	75%
854460 - Conducteurs électriques, pour tension >1000V	\$ 19.2 k	0	\$ 19.2 k	100%
850421 - Transformateurs à diélectrique liquide, puissance <=650kVA	\$ 18.1 k	\$ 2.1 k	\$ 16.0 k	89%
853650 - Interrupteurs, sectionneurs & commutateurs, pour une tension <=1000V	\$ 16.5 k	0	\$ 16.5 k	100%
853710 - Tableaux & appareils simil., pour la commande ou distribution électrique	\$ 16.0 k	0	\$ 16.0 k	100%
850710 - Accumulateurs au plomb, pour le démarrage des moteurs à piston	\$ 15.7 k	0	\$ 15.7 k	100%
<b>Produits d'autres secteurs avec le plus grand potentiel d'exportation</b>	<b>\$ 1.34 mns</b>	<b>\$ 99.0 k</b>	<b>\$ 1.24 mns</b>	<b>93%</b>
6403XX - Chaussures à semelles extérieures à dessus en cuir naturel	\$ 134.6 k	0	\$ 134.6 k	100%
392690 - Ouvrages en matières plastiques & en autres matières des nos 3901 à 3914	\$ 100.5 k	0	\$ 100.5 k	100%
8708XX - Parties & accessoires, pour tracteurs & véhicules à usages spéciaux	\$ 89.1 k	0	\$ 89.1 k	100%
961900 - Serviettes & tampons hygiéniques, couches & linges pour bébés	\$ 56.0 k	\$ 2.9 k	\$ 53.1 k	95%
732010 - Ressorts à lames & leurs lames, en fer ou en acier	\$ 49.0 k	0	\$ 49.0 k	100%
640340 - Chaussures, à semelles extérieures en caoutchouc & dessus en cuir naturel	\$ 34.9 k	0	\$ 34.9 k	100%
902830 - Compteurs d'électricité	\$ 32.3 k	0	\$ 32.3 k	100%
720916 - Produits laminés plats, en fer, enroulés, d'une épaisseur >1mm mais <3mm	\$ 28.8 k	0	\$ 28.8 k	100%
392010 - Plaques, feuilles, pellicules, bandes & lames, en polymères de l'éthylène	\$ 26.8 k	0	\$ 26.8 k	100%
630533 - Sacs & sachets d'emballage, de polyéthylène ou polypropylène	\$ 23.9 k	0	\$ 23.9 k	100%

### Value chain opportunities

Sudan cannot participate in the selected value chains as a strategic partner, but it can contribute to some of them as a secondary partner. In particular, it can supply certain inputs for six value chains in collaboration with other partner countries:

- Leather goods and footwear with leather soles and uppers: Sudan could supply Tunisia with sheepskins and hides, in addition to other suppliers such as Zambia and other secondary partners such as Madagascar and Mauritius.
- First-aid boxes and kits: Sudan can export alcohol solutions to Tunisia to complement exports from Egypt and Libya.
- Inductors: Sudan would contribute to this value chain with Tunisia by supplying gold to complement exports from key potential partners such as Congo DRC, Zambia, Kenya, Egypt and Zimbabwe. Sudan's export potential for gold is around \$2.3 million.
- Sauce mixes and soft drinks: Sudan could export cereals (except wheat) and oilseeds to Tunisia to participate in this value chain with other countries such as Uganda and Egypt. The export potential for these two products is around \$30,000 each.

## Appendix I: Indicators of export potential

**Export potential:** The potential export value of product  $k$  supplied by country  $i$  to market  $j$ , in dollars, is calculated by combining three factors: supply  $\times$  demand (corrected by market access)  $\times$  bilateral ease of trade. Supply and demand are projected into the future, based on GDP and population forecasts, demand elasticities and forward-looking tariffs. The estimated dollar value is used as a reference for comparison with actual exports. This value should not be interpreted as a maximum value, as the value of actual exports may be higher or lower than the potential value.

**Realized potential:** This value captures the extent to which export potential has already been utilized for this product, market or exporter. At the most disaggregated level, by country, product and market, realized potential corresponds to the difference between potential and actual exports (in %) when potential exceeds actual exports, and to 100% otherwise. At the aggregate level (e.g. export potential to a regional market or for an economic sector), realized potential may be less than 100% even if aggregate actual exports exceed potential exports. This occurs when exporter-product-market combinations retain an under-utilized potential. This should not be masked by the fact that other combinations have exceeded their potential.

**Untapped potential:** This indicator measures the deviation between potential and actual exports. Observed exports may be higher or lower than the potential value. When observed exports exceed potential exports, this may be due to an exporter's exceptional export performance to certain markets while neglecting others. On the contrary, the value of untapped potential signals the scope for export growth if frictions, for example in the form of regulations or incompatibilities between buyers and sellers, can be overcome.

## Appendix II: Methodology

Regional value chains presenting development opportunities for Tunisia are identified using a new methodology developed by ITC. As a first step, over 400 global value chains are constructed. Each is made up of an output and one or more inputs that contribute in a certain proportion to the production of the output. Trade data are then used to identify the value chains presenting development opportunities for a specific country or region. These two steps are explained in detail below.

### Building global value chains

The ITC's approach to building global value chains, which lays the foundations for identifying both feasible and promising value chains, begins by categorizing the 5,353 products in the HS classification at subheading level. They are defined as finished products (outputs) if they are processed and non-intermediate goods, and as inputs in all other cases. Information on the level of processing comes from the WTO's classification of products by level of processing. Data on intermediate goods are taken from the OECD's end-use classification.

Sector-level input-output tables for the USA, Mexico and the Philippines provide the starting point for identifying the links between finished products (outputs) and inputs.<sup>15</sup> Firstly, the tables are expanded at product level. Figure 2 illustrates how this expansion works with four hypothetical sectors, two input sectors (I1 and I2), two finished product sectors (O1 and O2) and their corresponding products. The first step in the expansion is to assign the technical coefficients of their respective sectors to the finished products. The technical coefficient represents the input requirement per unit of output. The second expansion step repeats this procedure for the inputs.<sup>16</sup> At this stage, all inputs from one sector are considered as potential inputs for all finished products in the sector to which they contribute. For example, frozen beef and pork carcasses are in the same finished product sector, while beef and pork animals are in the same input sector. Indeed, matrix expansion alone would imply that pigs are considered an input for frozen beef carcasses.

Secondly, erroneous links between finished products and inputs are removed when a correct link is identified using one of three approaches: word matching in product descriptions, information on links between finished products and inputs from the rules of origin of over 70 trade agreements and non-preferential regimes, and manual corrections. In the example cited above, the correspondence between the words carcass "bovines" and animals "bovines" allows us to conclude that bovine animals are used to produce bovine carcasses (whereas porcine animals are not).

Thirdly, the technical coefficients are reallocated to the inputs corresponding to each output. "Bovine" therefore receives the full technical coefficient for frozen bovine carcasses, and "porcine" obtains the full technical coefficient for frozen porcine carcasses. This redistribution provides a more accurate representation of the share of each input in the production of the output. Finally, the technical

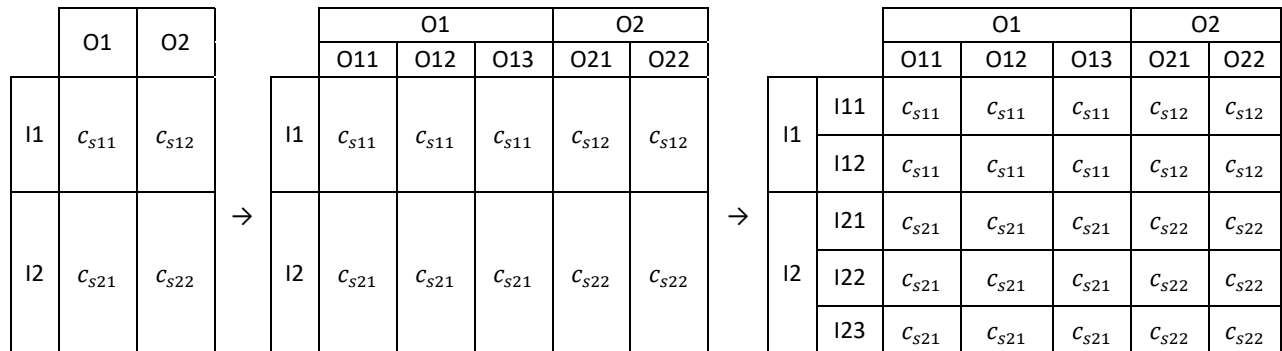
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<sup>15</sup> The input-output tables for these three countries are among the most detailed available, and therefore enable the production process to be represented at a more disaggregated level than would be possible with the table for Tunisia. Combining the three makes it possible to bridge differences in economic structure and obtain a more global representation of input-output relations. The analysis assumes that the proportions of inputs required for production in Tunisia are close to those of the average of these three countries, which is justified by the fact that it only takes into account goods (and not other factors of production such as capital or labor).

<sup>16</sup> Note that technical coefficients at sub-sector level are not precisely represented in Figure 4, as their reaggregation would not give the same result as the original sector technical coefficient.

coefficients of the three input-output tables are aggregated and weighted by the output's market share in each country.

Figure 1: Expansion of input-output tables to products based on the Harmonized System



Note: the I1 input sector corresponds to products I11 and I12, while the I2 input sector corresponds to products I21, I22 and I23. For finished products, O1 corresponds to products O11, O12 and O13, while O2 corresponds to products O21 and O22.

Similar finished products are then aggregated to create a single value chain, again using matching word techniques, HS heading level and additional information including, among others, the World Customs Organization (WCO) classification of medical products. In the case of the garment sector, finished products and inputs are grouped into value chains according to their main material: cotton garments, wool garments, etc...

The result is over 400 global value chains identified with all finished products, their corresponding inputs, and technical coefficients that capture the relative importance of each input in the production of each output. At this stage, the methodology identifies only the immediate inputs, i.e. only those used in the last stage of production of the output in question. For example, in the case of cotton garments, immediate inputs include cotton fabric and yarn, but not raw cotton.

In order to represent the entire production process, indirect inputs must also be considered. For each output, the technical coefficients of the direct inputs are multiplied by the technical coefficients of the indirect inputs. The technical coefficients are then added together at input level.

In the example of cotton garments, cotton is used as a direct input for both yarn and fabric. The proportion of cotton in the yarn is multiplied by the proportion of yarn in the cotton garment. The same process is applied to the fabric. Finally, the results are added together to obtain the proportion of cotton used in cotton garments.

Thanks to this final step, the 400 global value chains identified with all finished products, their inputs and technical coefficients capture the entire production process, including indirect inputs.

#### Selection of promising African value chains for Tunisia

Among the global value chains identified, the methodology selects those that are promising for the integration of regional value chains between Tunisia and other African countries in the COMESA common market. It identifies the strengths of Tunisia and its potential partners through international trade data linked to the value chains defined above.

#### Value chains for established products

A value chain is considered feasible if Tunisia and its potential COMESA partners together have the capacity to produce a significant proportion of the necessary inputs as well as the output. The analysis

focuses on potential synergies by identifying situations in which one country can produce the output of a value chain and its partner can contribute one or more inputs that the producer of the finished product lacks.

#### *Output*

To determine whether a country can produce the output of a value chain, two criteria are considered:

- Comparative advantage revealed
- Export potential

**Revealed comparative advantage (RCA)** compares the proportion of a product in a country's exports with the proportion of the same product in world exports. If a product represents a larger share of a country's exports than of world exports, then the measure takes on a value greater than 1, and the country is said to have a revealed comparative advantage in the export of that product. To ensure the consistency of potential supply, the RCA is calculated here using a weighted average of exports between 2017 and 2021<sup>17</sup>, and retains only those products that have been exported continuously over the last three years. If Tunisia or one of its partners has a comparative advantage greater than 1 in a product, then they will be considered as suppliers of that output.

**The export potential indicator** identifies export potential values, for each exporter of a given product or market, based on an economic model that combines the exporter's supply, the target market's demand, market access conditions and bilateral relations between the two countries. It is considered that a value chain can reach a significant economic size, if a country (in this case, Tunisia or its partner) has a global export potential of at least \$10 million for an output. In this case, this country will be considered as the supplier of the output.

In short, a country is considered an output supplier if it has a comparative advantage greater than 1 and an export potential greater than \$10 million for this output.

#### *Inputs*

**Balance of trade** and **export potential** are used to determine whether a country can supply one or more inputs to a value chain. The trade balance is the difference between a country's exports and its imports. A positive trade balance implies that a country's exports of a good are higher than its imports. To be considered an input supplier, Tunisia or its partner must have a positive trade balance of at least 20% of its total trade in the same product. In addition, Tunisia or its partner must have an export potential of over \$500,000 of the separate inputs it supplies.

#### *Synergies between strategic partners*

Synergies exist when each country in a pair can provide the other with something it lacks in a specific value chain. This is the case when

- a) One country is a supplier of finished products. The other country cannot supply the output, but it can supply one or more inputs that the output supplier cannot supply itself and which represent at least 20% of the total inputs required, or
- b) Both countries are suppliers of finished products, and each can provide inputs that the other does not possess, representing at least 20% of the required inputs.

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<sup>17</sup> Weighting gives greater weight to more recent data.

This analysis therefore focuses on situations where synergies exist, and where regional value chains are not only feasible but also enable countries to produce goods that they could not produce themselves.

For example, Tunisia has a comparative advantage in the export of aluminum products, with an export potential in excess of \$10 million. However, it does not supply the main inputs for this value chain. Egypt has a positive trade balance of over 20% for raw aluminum, one of the main inputs for aluminum products, but no comparative advantage or significant export potential for the final product. Consequently, there are synergies between Tunisia and Egypt in the production of aluminum products that the partners can exploit in a regional value chain. These two countries are therefore considered as strategic partners that could collaborate in the establishment of a regional value chain in aluminum products.