

Investing in democracy

INTERVIEW WITH RIADH BETTAIEB

MINISTER FOR INVESTMENT AND INTERNATIONAL COOPERATION, TUNISIA



RIADH BETTAIEB graduated from the National School of Engineers. He joined the Ennahda Party in 1979 and was forced into exile in Paris in 1991, where he became head of the Paris-based Tunisian Solidarity Association. He returned to Tunisia following the 2011 Revolution and was appointed Minister of Investment and International Cooperation.

What are the main responsibilities and priorities of your Ministry?

In Tunisia there has been a structural weakness in the proportion of private investment to public investment. If you compare Tunisia to similar countries like Morocco, Egypt and maybe Turkey, the proportion of private investment in Tunisia is much smaller. So, what we want to do is change the economic development model that we have in Tunisia to encourage private investment. This is the main duty of our ministry.

We work on different fronts, the first being the business climate. We want to improve our investment environment to be attractive to investors by promoting transparency, the rule of law, and protection of investor rights.

The second front is the development of a long-term investment strategy for the country. This includes focusing on certain sectors that are important to the country, especially the high value-added sectors. We are also working on revising the investment code to improve the laws and remove much of the red tape and other obstacles that face investors. Importantly, we wish to open up our market and integrate Tunisia into the world economy. Our incentive system would have four aims: the first is raising the value of all

the sectors of the economy; secondly focusing on the quality of human resources; thirdly promoting industries with sustainable regional development; and fourthly promoting hi-tech industries.

Which sectors are your investment priorities?

We can talk about five key areas: electro-mechanic and electronics – and included in this is the making of car parts. Tunisia is the second largest exporter of car components to Europe and the first African country with manufactured exports to Europe. Then we also have agriculture and IT. Healthcare is a burgeoning sector here in Tunisia which includes the sub-sectors of pharmaceuticals, cosmetic surgery, and medical treatment. We have thousands of patients from Africa, the Middle East, and now increasingly also from Europe, receiving different treatments in Tunisia. The surgery here is world-class as our surgeons have been trained at the best international universities.

What do you think the connection is between foreign investment flows and the international image of your country?

A number of facets must work in parallel. On the political front, we must have a democratic process



The ancient city of Carthage: Tourism is still a major contributor to the Tunisian economy

to produce political stability, fight corruption and provide economic and social stability. Secondly, we're working on the laws that govern investment to provide an attractive investment climate and investment laws. Third is the provision of good infrastructure, and fourth is providing qualified personnel. People may not know much about the opportunities that exist in Tunisia, but Tunisia compared to the rest of the region is the place where stability exists, as does the rule of law. We need to work on all of the facets outlined above in order to build and project a good brand for our country.

What do you hope to achieve in this one-year interim government with regard to investment and the business climate?

Before the end of the year we hope to finalise the new investment code and to present it to the Assembly for approval. Secondly, after over a year of instability, we hope to put the economy back on its feet and on an upward trend. We hope also to promote inclusive growth, so that the growth does not simply cover one part of the country but includes all regions, to reduce unemployment and deprivation. We believe in a multiplicity of economic partnerships. Tunisia traditionally has economic relationships with just five countries in Europe, but we believe that this doesn't have to be the case. We want to open up our economy to build partnerships with additional partners in Europe and also in new markets in Asia, Africa, North America, Latin America and the Middle East. We want to invite fresh investors to Tunisia and show them the opportunities that we have here.

What reassurance would you give to a reluctant British investor?

Tunisia is an open country. Investing in Tunisia now is like investing in any democratic country. There will be high returns, many opportunities, guarantees and protection. We've developed strong partnerships with British companies and we've seen that, for example, British Gas and other companies have continually expanded their work because of the confidence they have in Tunisia. We want to invite investors from different sectors, not just oil and gas, but also in services, in manufacturing and industry, tourism and financial services. Tunisia is very close to Europe and we have a long experience in providing an attractive climate for foreign investors. We have a history of economic openness going back 40 years. We're not starting from scratch. We've had a framework that was good, but we want to develop it and to open it up even further to be more attractive and more competitive for foreign investment.

The Ennahda Party is currently the most popular party in Tunisia. It is based on democratic principles but also on Islamic values. How do the Islamic values reflect the business and investment ethics in Tunisia?

Our belief that there is the general compatibility between Islam and democracy is important in terms of business and investment. More specifically, Islam promotes the values of good work ethic, hard work, respect for the rule of law and respect for agreements. E

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Riadh Bettaieb wants to diversify the Tunisian economy and attract investment from a 'multiplicity of partners'