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The 3 questions

1. **What are the main criteria used by an investor to locate its investment in a given foreign country?**

Quels sont les critères principaux qu'utilise un investisseur pour localiser son investissement dans un pays étranger donné?

2. **What could be the government strategy to attract the Foreign Direct Investment?**

Quelle stratégie gouvernementale pour attirer les IDE?

3. **Which regional organization to boost investment in Tunisia ?**

Quelle organisation régionale pour développe les IDE en Tunisie?



To Locate Added Value FDI, 6 Criteria Are Taken Into Account By Investors



Criteria

- 1 Proximity to the customer base
- 2 Trust in business making conditions & rules
- 3 Country Infrastructure development level
- 4 The labor pool and skill level & availability
- 5 Local Sourcing potential
- 6 Costs & incentives

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The Fosbury Flop : How To Do Different ?



Saut en ciseaux



Saut façon Fosbury

High

2.45

High Jump Worldwide record

2.25

2.05

1.85

1910

1925

1935

1941

1955

1960

1968

1970

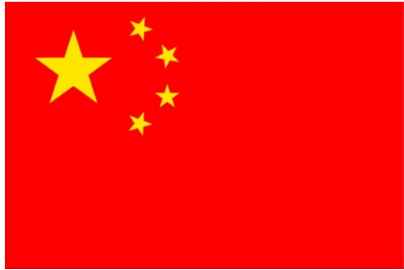
1980

1993

Technically difficult but it is the only way to stay in the game



What Is The Tunisian Challenge To Attract FDI ?



Mass Production

- Volume Based Strategy
- Low value added
- Long Supply Chain
- Low Staff Qualification
- Big Local Market



Personalized Production

- Small Batch sizes
- High Value Added
- High Reactivity
- High skills & competencies
- Small Local Market

Investors will come to Tunisia not for the same reasons why they go to China or Thailand



What Strategy To Attract FDI ?



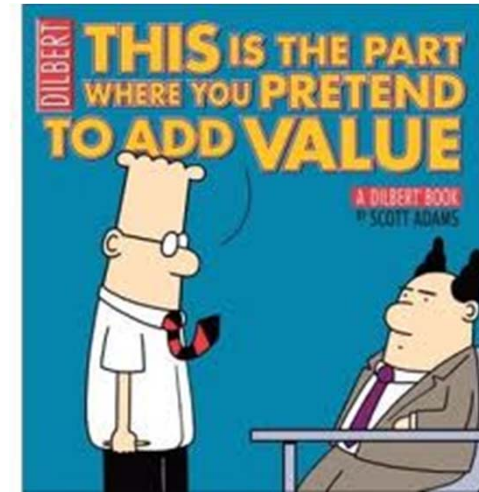
The locomotive based strategy

it is the locomotive that pulls the wagons and not the wagons that push the locomotive



The Laser Beam based strategy

being focused in a narrow beam, limited to a narrow range of waves that are in phase with each other.



The Value Added based strategy

The history of the industry change shows that low VA industries do not bind to a given territory and relocate easily



How Regional organization can boost the Industrial development in Tunisia



6 Development Regions :

- ➔ Having a critical size
- ➔ Geographical continuity with access to the sea and/or a border
- ➔ Having an Infrastructure allowing to reach a port and/or airport in less than 3 hours
- ➔ Having at least 2-3 Development Domains of Focus
- ➔ Hosting the entire Value Chain of the selected domains

With enough autonomy through a Development Council:

- ➔ To develop FDI, PPP and attract local investors
- ➔ To build the required infrastructure
- ➔ To adjust the education & training systems to the regional development needs

Role of the development council:

- ➔ Build the Mid/Long term Development plan
- ➔ Assess FDI opportunities
- ➔ Be proactive in attracting FDI development "locomotives"

