

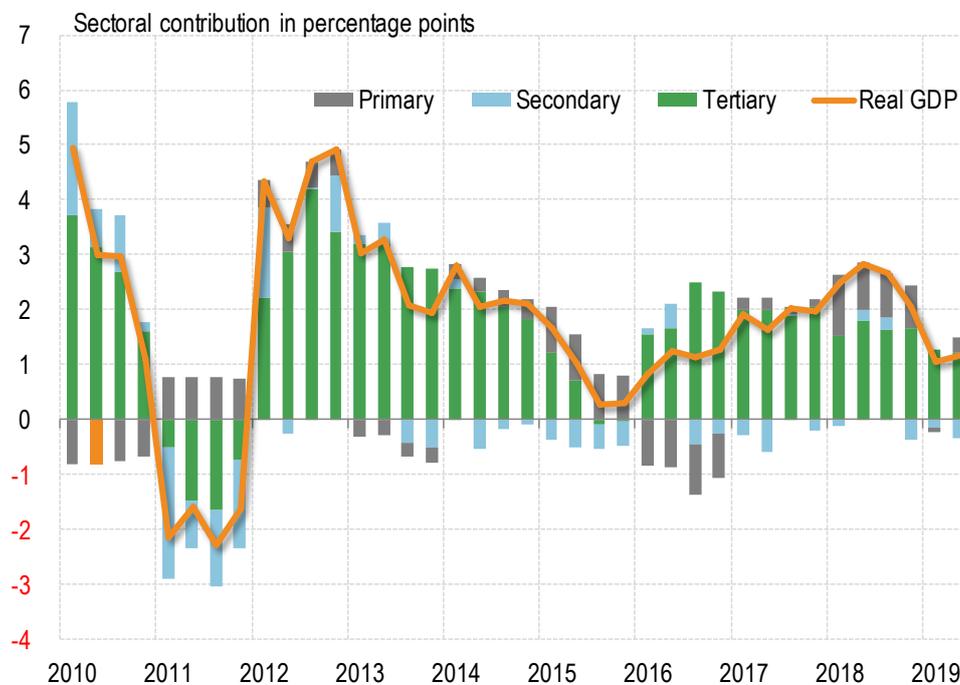


Tunisia: Sluggish economic growth

The government's 2019 budget growth target of 3.1% is clearly out of reach. Indeed, real GDP growth stood at only 1.1% during the first six months of the year. Except tourism and to a lesser extent agriculture, most sectors have stalled, or even contracted (industry).

Headwinds will remain powerful in the coming months, starting with the subdued demand from European countries. Despite signs of inflation stabilization, the monetary environment will also remain restrictive amid strong pressure on external accounts. Above all, uncertainties linked to presidential and parliamentary elections scheduled in September-October will continue to weigh on the business climate and thus investment. The economic recovery expected in 2020 will greatly rely on a steadfast implementation of reforms. The task is huge.

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Source: INS