

Mr. Mustapha Kamel NABLI, Governor of the Central Bank of Tunisia (BCT), held on Wednesday 16 February 2011 in Tunis, a press conference to guard against economic sliding.

He affirmed that after having focused on political and security matters over the last period, the current step requires, in priority, high concern about the economic aspect.

Mr. NABLI underlined that to avoid economic sliding, security situation should be improved and social claims should be dealt with according to their priorities, further to return back to normal cycle of production.

He pointed out that further to the need to fasten the pace of production and export recovery, there is currently an urgent need for preserving already existing jobs while seeing to create others and therefore promoting investment.

He added that now it is too early to assess the outlook of the Tunisian economy for 2011 in so far as many influential factors are still vague.

These factors account for rapidity of return to normal operation at productive businesses, their capacity to finance their activities and join back their place on the foreign markets, further to resumption of their clients' confidence and respect of their commitments while keeping competitiveness.

Mr. NABLI stated that a number of indicators reveal the national economy's capacity to face up to fallouts of the latest events, stressing the pursuit of transactions at the banking and the monetary levels.

He noted that banks pursue their activities and respect their commitments despite fire and pillaging caused at several bank branches (105) in the different regions of the country, further to deterioration of 280 cash dispensers (DAB). Worth of note that 74 of them were up to now repaired.

Mr. NABLI added that BCT provides banks regularly with liquidity, and the money market pursues its activity in normal conditions.

He noted also that the Tunisian currency maintains its value; and transactions on the foreign exchange market are at their normal level.

The Governor of the BCT indicated also that foreign currency reserves went from 13 billion dinars in December 2010, corresponding to 147 days of imports, to 12.2 billion dinars, corresponding to 139 days of imports. This regression in foreign currency reserves is due to a drop in exports.

He pointed out also that the decrease in certain companies' shares and that of financial market index are not alarming.

The latest audit operations carried out at the level of banks showed that loans given by public and private banks to businesses (182 companies belonging to 23 groups) and relatives of ousted president are estimated at 2 500 million dinars, 5% of overall bank financing, 1300 MTD of which were devoted to financing four companies i.e. "Ciment de Carthage", "Orange", "Tunisiana" and "Tunisie sucre".

Mr. Nabli declared that 71% (1770 MTD) of this financing is of a low risk in so far as it holds a real or financial guarantee, while 430 MTD represent a relatively important risk.

As for the impact of these risks (430 MTD) on the yield of banks concerned by this financing, Mr. NABLI expressed his worries about their repercussions, while showing confidence in capacity of these financial institutions to face up to risks incurred by these claims through recourse to their reserves.