

**TRENDS IN THE GENERAL EQUALISATION FUND OUTLAYS**

(In MTD)

Description	2007	2008	2009	2010	2011*
Cereals/cereal-based products	474.2	873.0 <sup>1</sup>	687.3	466.7	..
Vegetable oil	111.5	167.5	108.4	112.7	..
Milk	7.3	2.8	0.0	0.0	..
School paper	5.0	4.6	4.3	4.3	..
<b>Total</b>	<b>598.0</b>	<b>1,047.9</b>	<b>800.0</b>	<b>583.7</b>	<b>1,100.0</b>

\* Supplementary finance law forecasts.

Source : Ministry of Commerce and Tourism

**SECTION 5 – JOB MARKET AND WAGES**

Job promotion and measures to counter unemployment have for many years been a major challenge for Tunisia's economic policy, with far too few jobs to meet new demand, especially from the growing number of graduates of higher education. Because of the slow pace of economic growth and private investment, the pro-active employment policy that began to be implemented in early 2009 has not managed to reach its objectives, especially those pertaining to insertion of graduates of higher education in the active population and reducing the number of unemployed, who at the end of 2010 numbered almost half a million. The unemployment rate came to 13% at the end of 2010, compared to 13.3% a year earlier, while that of graduates of higher education is estimated at 23.3%.

**For 2011**, new pressure appeared on the job market, influenced by a drop in the pace of economic activity, the inflow of new graduates of higher education and vocational training, and the return of a large number of Tunisians who had been working in Libya. This situation is likely to push up unemployment, despite efforts by the State to create 20,000 jobs in the civil service and to implement the new "Amal" programme to promote employment among graduates of higher education.

**1. Job market**

After a particularly difficult year in 2009 during which a large number of jobs disappeared (especially in manufacturing industries where some 38,000 jobs were lost) and total net new jobs came to 43,500 for 85,000 additional demands, the job market in 2010 recovered, favoured by brisker growth in private investment and in the pace of exporting industries' activity. From one year to the next, 78,500 new jobs were created (+80%), thanks in particular to net recovery in manufacturing industries, especially those meant for export. Inversely, net job creation was down in agriculture and fishing because of a poor agricultural season. This was also the case in mining, energy and tourism.

Although the number of jobs created in construction and civil engineering picked up compared to 2009 (thanks to steadily higher growth of investment in housing and progress in community facilities), there was a drop in new job creation in the Administration and especially in market services other than tourism.

It should be noted that more than three quarters of net new jobs were in manufacturing industries and construction/civil engineering, while in 2009 almost half had been in agriculture and fishing, influenced by a good agricultural season, particularly for cereal production.

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<sup>1</sup> Excluding the 70 MTD allocation from the State budget in 2007, which was blocked in the general Treasury for the Cereals Board and spent in 2008.

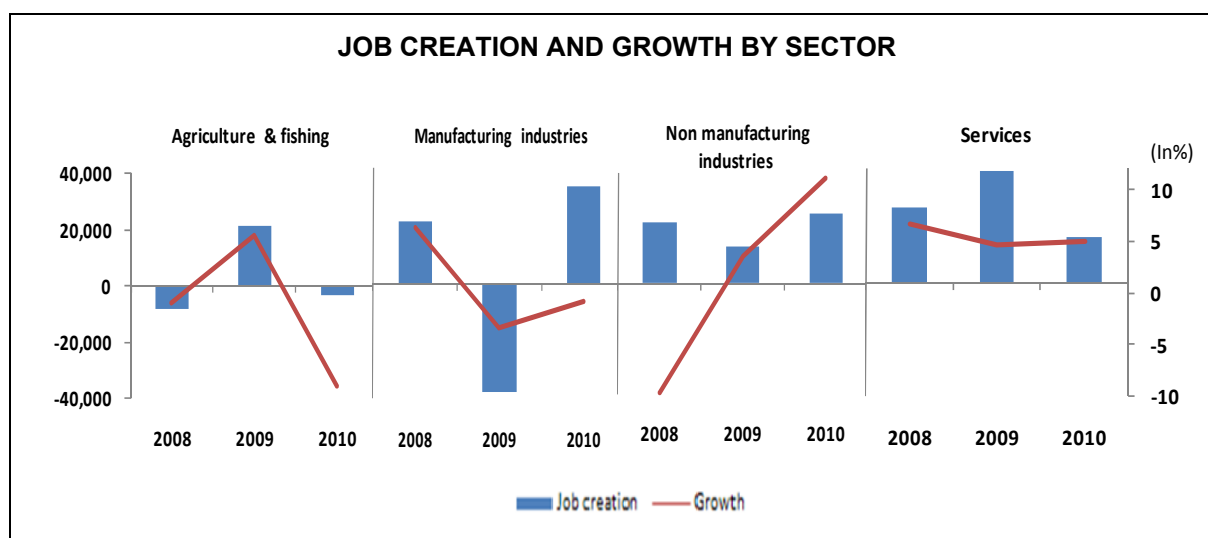
## JOB CREATION

(In units)

Description	2008	2009	2010
Agriculture and fishing	-8,100	21,100	-3,100
Mines and energy	2,200	-1,400	-1,700
Construction & civil engineering	20,100	14,700	27,300
Manufacturing Industries	21,500	-37,900	33,500
Transport and communications	3,800	8,200	5,100
Tourism	3,500	4,400	-4,600
Other market services	18,800	26,700	15,300
Administration	8,500	7,700	6,700
<b>Total</b>	<b>70,300</b>	<b>43,500</b>	<b>78,500</b>

Source : Ministry of Planning and International Cooperation

Broken down by gender, 18.9% of women were unemployed at the end of 2010, and 10.9% of men. Worth of note that there was also an increase in unemployment for 20-24 year olds (27.5% in 2010) and for graduates of higher education with the unemployment rate rising from 18.7% to 23.3% between 2007 and 2010. The high level of unemployment among graduates of higher education has been caused by the gap between training provided and the needs of the job market, economic growth that is not strong enough to make a dent in unemployment, and the large number of small and medium-sized businesses where the executive rate has not progressed as expected. The limited possibilities for emigration have also been a factor.



Source : Ministry of Planning and International Cooperation

Broken down by region, the unemployment rate inside the country was higher than 18% while it came to an average 9% in coastal regions.

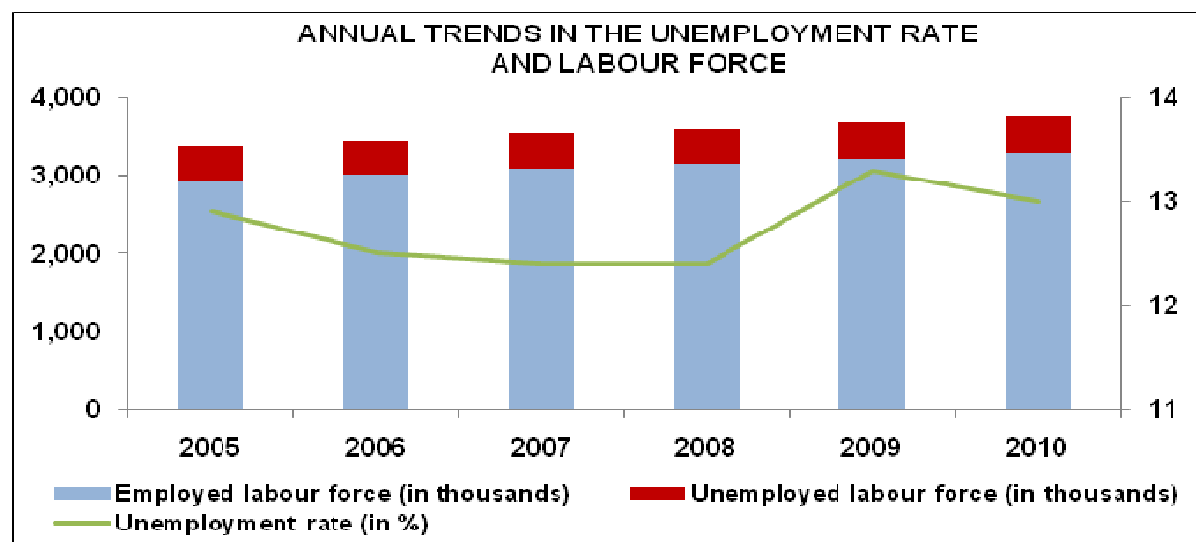
The increase in those of working age 15 and up (estimated at some 8 million people) and the increase in the labour force put the global activity rate (total labour force as a ratio of those of working age) at 46.9% in 2010, compared to 46.5% the previous year.

## MAIN JOB INDICATORS

Description	2007	2008	2009	2010	Variation in %	
					2009/08	2010/09
- Working age 15 and more (in thousands)	7,689	7,800	7,934	8,037	1.7	1.3
- Labour force (in thousands)	3,522	3,604	3,689	3,769	2.4	2.2
- Global activity rate (in %)	45.8	46.2	46.5	46.9		
- Employed Labour force (in thousands)	3,085	3,155	3,199	3,277	1.4	2.4
- Employment rate (in %)	40.1	40.4	40.3	40.8		
- Unemployed Labour force	437	449	490	492	9.1	0.4
- Additional demand (in thousands)	87	82	85	80	3.7	-5.9
- Job creation (in thousands)	80.2	70.3	43.5	78.5	-38.1	80.5
- Rate of coverage of additional demand (in%) <sup>1</sup>	92.2	85.7	51.2	98.1		
- Global unemployment rate (in %) <sup>1</sup>	12.4	12.4	13.3	13.0		
- Unemployment rate among higher education graduates (in %) <sup>1</sup>	18.7	20.6	23.4	23.3		

Source : National Statistics Institute

The gainfully employed labour force went up by 2.4% to 3,277,000, bringing about a slight improvement in the employment rate (gainfully employed labour force /working-age population) to 40.8%, thanks to recovery in job creation. The latter allowed for coverage of more than 98% of additional job demand, up from 51.2% in 2009. There was a slight increase in the share of self-employment (independent work) in the total of the gainfully employed labour force, posting 25.6% in 2010, contrary to that of salaried jobs, which came to 68.5%.



Source : National Statistics Institute

**For 2011**, the new “Amal” programme has been launched by the transitional government to benefit graduates of higher education. It provides coaching and support, especially for graduates in fields where employability is low and unemployment an all-too-real probability. The programme offers a monthly stipend of 200 dinars for a maximum duration of one year or until a permanent job is obtained. Training in fields where employability is high is available to graduates covered by this programme. They can also participate in internships in various fields and they receive medical coverage for the duration of training.

On the other hand and in order to increase skilled job intensity, structure of the economy is expected to change so as to help emergence of high-added value activities and a move towards an innovative growth pattern. This will allow for the creation of some 500 thousand jobs between 2012 and 2016 for

<sup>1</sup> As per norms of the International Job Bureau.

an additional demand estimated at 390 thousand over this period. The global unemployment rate will be down thus to 10.5% in 2016 compared to 14.5% expected for 2011<sup>1</sup>.

## 2. Wages

In the framework of periodic review of legally mandated minimum wage and implementation of the final portion of the three year 2008-2010 convention between management and employees, all socio-professional categories received their scheduled wage increase in 2010.

The decision was made to further raise the guaranteed minimum interprofessional wage *SMIG* by 4.5% for the 48 hour work week and by 4.4% for the 40 hour work week, bringing monthly wages to 272.480 and 235.040 dinars respectively, starting July 2011. The guaranteed minimum daily agricultural wage *SMAG* was raised as of this same date by 4.5% or 361 millimes per workday to 8.380 dinars. Specialised and qualified agricultural workers received an increase in their technicity premium, which went up by 540 and 1015 millimes per workday respectively. These wage increases were applicable to some 280,000 workers.

### TRENDS IN MINIMUM LEGAL WAGES

(In dinars unless otherwise indicated)

Description	July 2008	August 2009	July 2010	May 2011	Variation in %	
					July 2010 Aug. 2009	May 2011 July 2010
<b>Guaranteed minimum interprofessional wage (SMIG)</b>						
-Hourly SMIG (in millimes)						
. 48-hr week	1,211	1,253	1,310	1,375	4.5	5.0
. 40-hr week	1,257	1,299	1,356	1,421	4.4	4.8
-Monthly SMIG <sup>2</sup>						
. 48-hr week	251.888	260.624	272.480	286.000	4.5	5.0
. 40-hr week	217.880	225.160	235.040	246.306	4.4	4.8
<b>Guaranteed minimum daily agricultural wage (SMAG)</b>	<b>7.749</b>	<b>8.019</b>	<b>8.380</b>	<b>9.000</b>	<b>4.5</b>	<b>7.4</b>

Source : Official Journal of the Tunisian Republic

The daily premium for casual labour on public worksites was also increased.

Furthermore, with a view to improving living conditions for needy social categories, State aid to families without support, to the aged and to the unemployed handicapped went up by 20 dinars starting July 2010, to 190 dinars per quarter.

There was also an increase in the retirement benefits drawn by some 500,000 beneficiaries of the national social security fund *CNSS*, at about the same rate as the increase in *SMIG*.

**For 2011**, negotiations between management, employees and the State have yielded an agreement on new wage increases for the civil service, public establishments and enterprises as well as the private sector. There was also an increase in legally mandated minimum wages, with the *SMIG* going up by 5% for a 48 hour workweek to 286 dinars per month and by 4.8% for a 40 hour workweek to 246.306 dinars per month. The *SMAG* went up by 7.4% to 9 dinars per workday. Specialised agricultural workers enjoyed a 40 millimes increase in their technicity premium to 9.580 dinars per workday and that of qualified agricultural workers went up by 75 millimes to 10.090 dinars per workday.

<sup>1</sup> As per the economic and social Programme elaborated by the Ministry of Planning and international cooperation.

<sup>2</sup> Excluding the monthly TND 5 transport allowance instituted in July 1986 and raised up to 10 dinars as of May 2011.