III. SERVICES

A. TRANSPORT

Despite adverse international conditions, marked in particular by soaring prices for energy products and ever greater competition, the transport sector grew at a sustained pace in 2008. Added value was up by 5.5% in real terms (compared to 5.3% in 2007), which pushed the sector's contribution to economic growth up to 6.2% vs. 4.5% a year earlier. Investment in the sector rose at the same 15% rate of growth as the year before, reaching 1,800 MTD or 14.4% of all gross fixed capital formation. This led to an increase in job creation (including the communications sector) of 11,300 new posts, up from 10,000 in 2007.

Such good performance was made possible by implementation of the reforms outlined in the XI^{th} Development Plan, the goal being to give the sector a greater role in the economy and provide better services to users. These reforms focus mainly on strengthening and modernisation of basic infrastructure and promotion of new information and communication technologies, so as to offer higher quality/more competitive transport services and develop mass transit, both public and private, the ultimate goal being to provide reasonably priced transport and rationalize energy consumption while also preserving the environment and promoting multi-modal transport.

In the area of maritime transport, the Merchant Marine and Port Authority (OMMP) in 2008 obtained two certificates of conformity: to international norms ISO 9001 (version 2000) for maritime activities at the ports of the Goulette and Rades and for passenger reception at the Goulette maritime station.

As for air transport, 2008 was marked by opening of the new Gabes-Matmata airport, where there will be three domestic flights a week between Gabes and Tunis. Meanwhile, the national carrier TUNISAIR continued to implement its modernisation programme by signing a letter of acceptance concerning the purchase of 19 new Airbus aircraft, 16 under firm order and 3 under option. And in order to meet international standards in terms of use of new communication technologies, this company created in August 2008 a joint venture with the International Aeronautical Telecommunications Company (SITA) and the Tunisian company specialised in integrating computer systems (Med soft).

Land transport continued to develop infrastructure in 2008, notably by start up of service for the El Mourouj metro line and improvement of service and speed on trains between the capital and Sfax and Sousse. The Tunisian national railways company (SNCFT) acquired 10 trains (3 of which are already operational on the Tunis-Sousse line) further to start up of service for the first train linking Kasserine and Kalaa El Khasba. As for road transport, the third segment of the highway between Tunis and Sfax (that linking Msaken and Sfax) was opened to traffic.

In the framework of strategy to promote multimodal transport, which consists of using various modes of transport, a new freight transport station was opened in Sousse on 15 March 2008 that can handle 1,000 containers and that has the capacity to handle three trains at the same time.

1. MARITIME TRANSPORT

Despite a 3.4% increase in the overall volume of trade abroad to 32.1 million tonnes, maritime activity did not evolve at the same pace in 2008. The number of ships tying up at the seven national commercial ports fell from 7,898 for gross tonnage[1] of 88.9 million in 2007 to 7,871 ships carrying 89.8 million tonnes in 2008. This drop was especially evident at the ports of Rades (-2.7%), Gabes (-16.8%) and Zarzis (-1.4%). But there were increases in the number of ships berthing at the ports of Sfax (11.4%), Bizerte (4.5%) and Sousse (2.2%).

NUMBER OF SHIPS ENTERING TUNISIAN PORTS (Units)

Description	2005	2006	2007	2008	Variation in %	
					2007/2006	2008/2007
Tunis-Goulette-Rades	3,016	2,997	3,066	2,945	2.3	-3.9
of which : Rades	*1,582*	*1,531*	*1,583*	*1,540*	*3.4*	*-2.7*
Sfax	1,359	1,321	1,608	1,792	21.7	11.4
Bizerte	428	548	533	557	-2.7	4.5
Gabes	691	667	720	599	7.9	-16.8
Sousse	626	797	962	983	20.7	2.2
Zarzis	570	923	1,009	995	9.3	-1.4
Total	**6,690**	**7,253**	**7,898**	**7,871**	**8.9**	**-0.3**

Source : Merchant Marine and Port Authority (OMMP)

The structure of ship traffic changed somewhat compared to 2007, with a lower share for cruise ships (5.9% vs. 6.4% in 2007), car ferries (8.3% vs. 10.3%), conventional ships (24.8% vs. 25.1%) and container ships (8.2% vs. 8.5%). And although bulk carriers and oil and gas tankers maintained shares in total of about 10% and 4% respectively, that of special and roll-on/roll-off ships went up from 25.1% to 27% for the former and from 10.9% to 11.9% for the latter.

Overall maritime freight traffic, including coastal activity, dipped by 1.6% (incoming and outgoing), compared to an 11% increase in 2007 to 28.4 million tonnes. This drop was due to a 5.2% decrease in international freight traffic and a 26% drop in coastal traffic.

As for international traffic, the volume of merchandise unloaded in 2008 went up by 4.2% to 15.9 million tonnes, following an increase in imports of hard wheat, vegetable oil, crude oil, non refined sulphur, certain steel and electrical products, and plastic materials and plastic made items. Inversely, the volume of shipped merchandise went down by 5.2% to 11.2 million tonnes, especially because of the drop in exported quantities of olive oil, phosphates and its by-products, and oil. The drop in international traffic was due to activity at the ports of Sfax (-9.2%), Gabes (-10.4%), Skhira and offshore drilling platforms (-14.7%).

Coastal transport, mainly involving energy products, was down by 26% to 668,000 tonnes. This was influenced in particular by lower figures for the ports of Rades and Skhira.

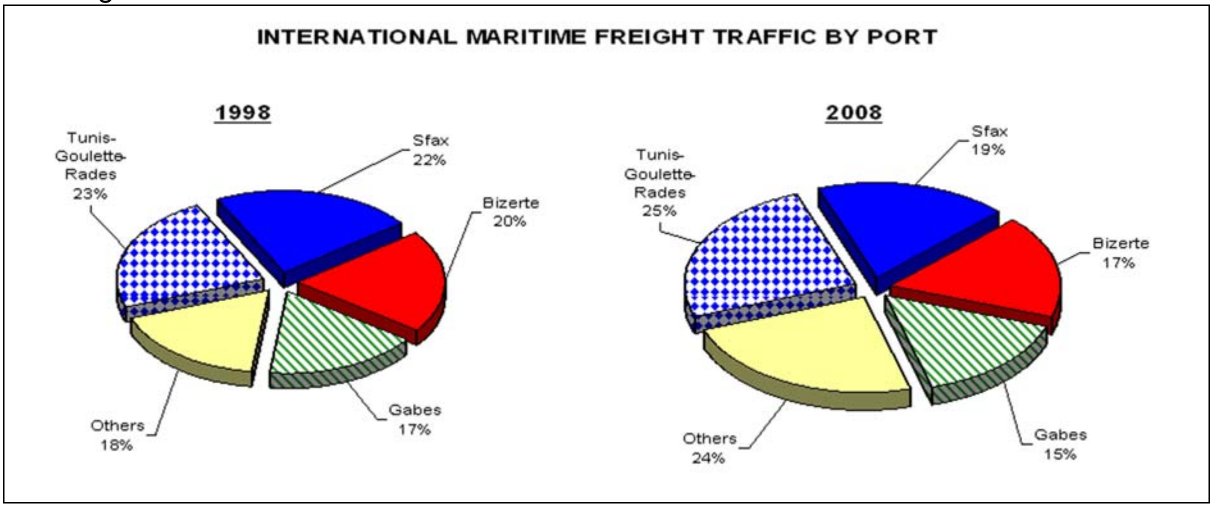
[1] International unit of volume to gage ships, corresponding to 2.83 cubic metres.

TRENDS IN MARITIME FREIGHT TRAFFIC (In thousands of tonnes)

Description	2007		2008		Variation in %	
	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing
International traffic	**15,218**	**11,779**	**15,853**	**11,162**	**4.2**	**-5.2**
Port of Tunis-Goulette-Rades	5,224	1,399	5,253	1,498	0.6	7.1
of which : Port of Rades	*4,544*	*1,240*	*4,577*	*1,271*	*0.7*	*2.5*
Port of Sfax	2,566	2,504	2,720	2,273	6.0	-9.2
Port of Bizerte	3,267	1,091	3,540	1,114	8.4	2.1
Port of Gabes	2,524	1,727	2,601	1,547	3.1	-10.4
Port of Sousse	1,471	655	1,545	806	5.0	23.1
Port of Zarzis	166	499	194	594	16.9	19.0
Port of Skhira and offshore drilling Platforms[1]	0	3,904	0	3,330		-14.7
Coastal[2]	**903**	**903**	**668**	**668**	**-26.0**	**-26.0**
Port of Tunis-Goulette-Rades	212	0	7	0	-96.7	
of which : Port of Rades	212	*0*	7	*0*	-96.7	
Port of Sfax	31	44	41	58	*32.3*	31.8
Port of Bizerte	612	65	606	48	-1.0	-26.2
Port of Gabes	8	3	6	0	-25.0	-100.0
Port of Sousse	0	0	0	0		
Port of Zarzis	40	0	8	0	-80.0	
Port of Skhira and secondary ports	0	791	0	562		-29.0
Total	**16,121**	**12,682**	**16,521**	**11,830**	**2.5**	**-6.7**

Source : Merchant Marine and Port Authority (OMMP)

The volume of merchandise transported by the Tunisian Navigation Company (CTN) remained about the same in 2008, posting 1,880,000 tonnes, despite higher figures for regularly scheduled lines between Tunisia and other Mediterranean countries. Thus CTN's contribution to maritime commercial traffic, exclusive of coastal traffic, remained more or less unchanged at about 7%.



Maritime passenger traffic incoming and outgoing at national ports went down by 0.3% to 689,000 travellers, 357,000 of which were arrivals. Almost all of this traffic continued to be at the port of Tunis-Goulette, despite efforts over the last few years to increase use of the ports of Bizerte and Sousse.

[1] Crude oil only.
[2] Coastal shipping here involves only national commercial ports. But since the number of entries of merchandises is higher than exits, the gap is absorbed under the heading "Port of Skhira and secondary ports".

PASSENGERS ENTERING THE PORT OF TUNIS-GOULETTE (In thousands of passengers)

Description	2005	2006	2007	2008	Variation in %	
					2007/2006	2008/2007
Passenger incoming	312	349	350	355	0.3	1.4
Passenger outgoing	288	304	333	332	9.5	-0.3
Total	**600**	**653**	**683**	**687**	**4.6**	**0.6**

Source : Merchant Marine and Port Authority (OMMP)

The number of passengers travelling with cars came to 132,400 vehicles arriving and 116,200 departing vs. 134,300 and 112,800 respectively a year earlier. As is also the case for passenger traffic, that of passengers with vehicles continued to use the port of la Goulette almost exclusively, for a total of some 248,000 vehicles recorded. The difference in numbers between arrivals and departures corresponds to vehicles that are being imported permanently, especially by Tunisians working abroad. There were 16,200 such vehicles in 2008, down from 21,500 in 2007.

Passenger transport activity handled by CTN, mainly on the Tunis-Marseille and Tunis-Genoa lines, involved 314,000 passengers (45.6% of total) vs. 323,000 passengers (46.7%) a year earlier. 115,700 vehicles were transported by this company (46.5% of total), down from 122,100 (49.4%) in 2007.

Cruise traffic went down by 6.5% in 2008 to 701,300 tourists, some 99% (695,000) of whom went through the port of la Goulette.

2. AIR TRANSPORT

The increase in tourism in 2008 had a positive influence on air transport, as reflected in both number of aircraft and number of passengers at the country's international airports. There were more planes arriving and departing throughout Tunisia, up by 6% vs. 4.9% in 2007, to 109,200 units. This increase involved all airports except Monastir-Skanes and Gafsa-Ksar. Passenger air traffic grew at a slower pace (3.3% vs. 4.7% a year earlier), to 11.4 million. It continued to be provided mainly (about 95%) by international carriers, especially charter flights (57% vs. 59.3% in 2007). Passenger air traffic on domestic airlines went up by 5.2%, with the 536,000 passengers using mainly the Tunis-Carthage Airport (40.3%) and the Jerba-Zarzis Airport (34.4%).

COMMERCIAL AIRCRAFT AND PASSENGER TRAFFIC AT INTERNATIONAL AIRPORTS

(In thousands)

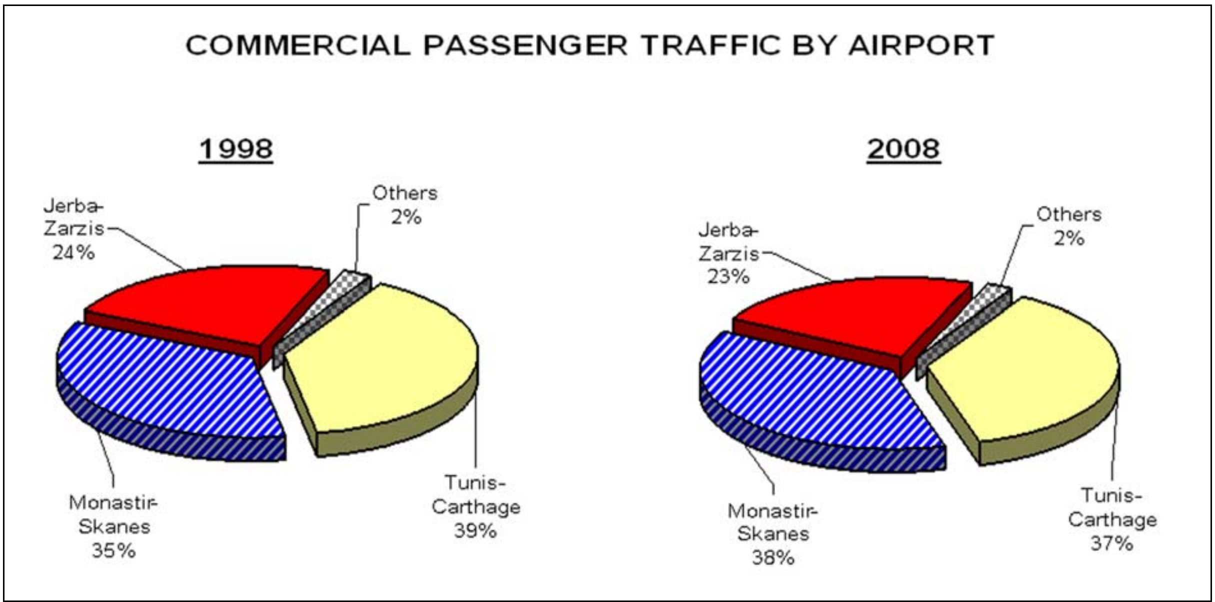
Description	2007		2008		Variation 2008/2007 in %	
	Aircrafts[1]	Passengers[2]	Aircrafts[1]	Passengers[2]	Aircrafts[1]	Passengers[2]
Tunis-Carthage	40.8	3,930.7	44.0	4,218.3	7.8	7.3
Monastir-Skanes	31.4	4,279.2	31.2	4,262.3	-0.6	-0.4
Jerba-Zarzis	22.4	2,555.2	22.5	2,621.9	0.4	2.6
Sfax-Thyna	5.7	80.8	7.9	98.9	38.6	22.4
Tozeur-Nefta	1.5	80.7	1.6	74.9	6.7	-7.2
Tabarka-November 7th	0.8	60.1	1.2	70.6	50.0	17.5
Gafsa-Ksar	0.4	10.0	0.4	7.7	0.0	-23.0
Gabès-Matmata	0.0	0.0	0.4	10.2		
Total	**103.0**	**10,996.7**	**109.2**	**11,364.8**	**6.0**	**3.3**

Source : Civil Aviation and Airport Authority (OACA)

[1] Number of aircrafts recorded upon arrival and departure.

[2] Number of passengers recorded upon arrival and departure and in transit.

After a year of diminishing activity, the national carrier TUNISAIR recovered in 2008 with more flight time and a greater number of passengers. The Tunisair fleet which consists of 29 aircrafts, following the retirement of an A-320 aircraft, had clocked 97,400 flight hours. This was 6.3% more than in 2007. The plane occupancy rate went up slightly, from 69.3% in 2007 to 70% in 2008. The number of travellers on this airline rose by 5.6% to 3.8 million passengers, which represented a third of overall air traffic to and from Tunisia. Such progress was made possible by good performance on the part of regularly scheduled traffic, including supplementary flights, up by 11.1%, with share increasing from 56.7% to 59.4%. Charter activity dipped by a slight 0.6%. The number of pilgrims flying on Tunisair rose by 10.8% in 2008 to some 26,000. Thus Tunisair's market share in international passenger traffic went up by a percentage point to 35.3%, despite competition from other airlines, especially in the framework of Tunisia's new 'open sky' policy.



Nouvelair, which is specialised in charter flights, provided transport for 1.8 million passengers in 2008, clocking 53,200 flight hours. This represents increases of 2% and 11% respectively compared to 2007 figures. Thus market share for Nouvelair in overall charter traffic to and from Tunisia went up slightly, from 27.2% in 2007 to 27.9% in 2008, with the majority of this company's activity being on the French market. Nouvelair's fleet was expanded for high tourist season by acquisition of an A-320 airbus aircraft.

Sevenair, which flies both domestically and internationally, transported 299,300 passengers, 249,800 of which on regularly-scheduled flights (mainly domestic). This corresponds to increases of 11.6% and 8.9% respectively compared to 2007. The number of flight hours went up by 21.5% to 7,700 hours: 6,200 hours for regularly scheduled flights and 1,500 for charter flights. Sevenair's fleet was expanded in June 2008 by acquisition of an ATR 72 seventy-seat aircraft.

On the other hand, Karthago, which specialises in non regularly scheduled international flights, experienced a fall-off in activity in 2008, both in terms of number of passengers and number of flight hours. It carried 638,200 passengers and clocked 15,700 flight hours, compared to 728,200 passengers and 18,700 hours a year earlier.

As for commercial freight, the volume of freight loaded and unloaded at various airports throughout the country went up by 15.5% to 19,400 tonnes. Of this total, some 96% or 18,700 tonnes went through Tunis-Carthage International Airport. Tunisair's share in this traffic continued to fall, down from 11,100 tonnes (66.1%) in 2007 to 10,800 (55.7%) in 2008.

3. LAND TRANSPORT

a. Rail transport

Freight transported by rail, handled by the Tunisian national railway company SNCFT, fell by 5.6% in 2008 (vs. +1.1% the year before) to 2.1 billion tonnes-kilometres or the equivalent of 10.5 million tonnes transported. This drop involved in particular phosphates (-7.1%), foodstuffs (-20.5%) and energy (-11.9%), keeping in mind that these products together represent more than 75% of the tonnage of goods transported by rail. On the other hand, rail traffic of fertiliser and sulphur as well as building materials went up by 2.7% and 2.4% respectively.

RAIL FREIGHT (In million tonnes-kilometres)

Description	2006	2007	2008	Variation in %	
				2007/2006	2008/2007
Phosphate	1,550	1,598	1,484	3.1	-7.1
Iron ore[1]	2	3	3	50.0	0.0
Building materials	134	124	127	-7.5	2.4
Fertiliser and sulphur	247	223	229	-9.7	2.7
Foodstuffs (mainly Cereals)	103	88	70	-14.6	-20.5
Energy	98	126	111	28.6	-11.9
Others	39	35	49	-10.3	40.0
Total	**2,173**	**2,197**	**2,073**	**1.1**	**-5.6**

Source : SNCFT

Passenger rail traffic handled by SNCFT was up at a slower pace than a year earlier (1% vs. 2.9%) to 39.2 million passengers. This slower pace was due to a 1.6% drop in traffic on long distance lines and slower growth in short-distance traffic (1.5% vs. 2.5% in 2007). As in the past, the latter continued to represent the highest share in overall traffic, i.e. almost 85% or 33.2 million travellers.

DEVELOPMENT IN RAIL PASSENGER TRAFFIC (In million travellers)

Description	2005	2006	2007	2008	Variation in %	
					2007/2006	2008/2007
Tunisian National Railway Company (SNCFT)	**36.4**	**37.7**	**38.8**	**39.2**	**2.9**	**1.0**
-Long distance routes	5.2	5.8	6.1	6.0	5.2	-1.6
-Short distance routes	31.2	31.9	32.7	33.2	2.5	1.5

Source : SNCFT

Urban rail transport handled by the Tunis transport company TRANSTU is made up mainly of metro lines. Traffic was down by 1.7% over the 2007 figure to 109.6 million travellers.

[1] This includes iron, lead and zinc.

b. Road transport

Passenger road transport, handled by public as well as private companies, went down by 0.4% in 2008 to 695.5 million travellers (16.6% vs. 22.3% in 2007), despite a major increase in the traffic handled by private companies. Of this total, 395.5 million travellers were transported by regional companies for a total of some 136 million kilometres covered, compared to 388.8 million travellers and 133.6 million kilometres a year earlier. The 275.4 million people transported by Transtu constituted a drop of 4.2% despite an increase from 1,146 buses at end 2007 to 1,159 at end 2008. Traffic handled by the national interurban transport company SNTRI, which offered services to users between the capital and the various regions of the country went down by 5.4% to 3.5 million travellers. Rolling stock at this company was strengthened by acquisition of 20 buses while 13 old buses were withdrawn from the fleet. Private mass transit, which is provided by the five companies listed below, saw activity grow by 16.6% to 21.1 million travellers.

- TCV (travellers mass transit) carried 10% more passengers for a total of 3.3 million people, almost half on the Marsa-Tunis line. TCV has 52 buses, up from 51 the year before
- TUT (Tunisia urban transport) carried 29% more passengers for a total of 4 million, taking advantage of a new line and acquisition of four new coaches
- STC (mass transit company) carried 68.4% more passengers
- TUS (urban and suburban transport) carried 5% more passengers
- STCI (inter urban comfort transport) carried 14.9% more passengers

The share of other private operators in passenger road transport continued to rise. Statistics at the Ministry of Transport relating to new licenses granted in 2008 show 638 new taxi licenses (for a new total of 24,768), 428 new rural transport licenses (for a new total of 10,059), and 203 new long-distance collective taxi licenses (for a new total of 8,692).

Freight transported by road on behalf of others continued to grow, as reflected in the overall number of registration certificates for this activity, up from 1,437 in 2007 to 1,585 in 2008. The overall useful loads for this type of transport came to 166,200 tonnes vs. 142,400 in 2007.

There was a slight increase in licenses for international road transport, up to 63 authorisations for useful loads of 8,200 tonnes, compared to 62 authorisations and 6,900 tonnes a year earlier.

B. COMMUNICATIONS

National strategic orientations in the field of information and communication technologies (ICT) seek to further boost this sector, which increasingly contributes to higher productivity and greater innovation from one year to the next. Efforts continued in 2008 to promote a knowledge-based economy through new businesses and new jobs, greater investment in sectors with high scientific content, and the common use of technology in all economic and social activities. The result was a set of structural transformations in the economic make up of the country, aspects of which are beginning to gradually change the sectoral breakdown of economic activity, investment and foreign trade.

Major ongoing changes in ICT have helped achieve good rankings for Tunisia. The Davos World Economic Forum for the second straight year placed Tunisia first in Africa and 35th in a world ranking of 127 countries, according to the Networked Readiness Index, an indicator of aptitude to use ICT. It is also ranked second out of 115 countries in the area of success of ICT promotion policy.

TRENDS IN THE MAIN INDICATORS OF THE COMMUNICATIONS SECTOR

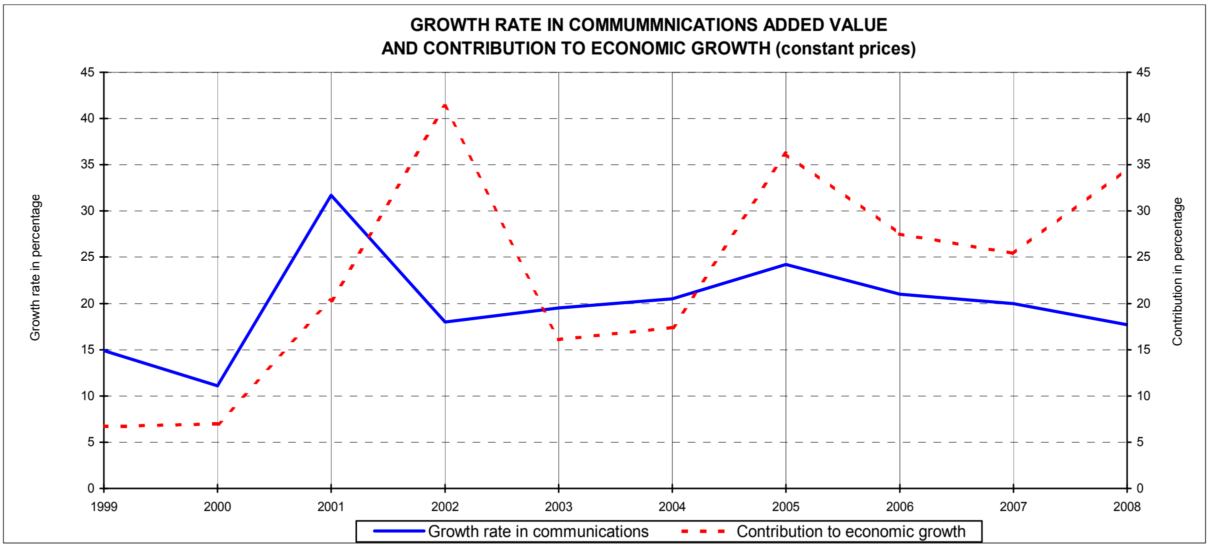
Description	2004	2005	2006	2007	2008
Real growth of added value (%)	**20.5**	**24.2**	**21.0**	**20.0**	**17.7**
Added value in current prices/GDP (%)	**3.6**	**4.3**	**4.7**	**5.1**	**5.5**
Investments (in MTD)	**655**	**586**	**650**	**700**	**740**
- Variation (%)	10.4	-10.5	10.9	7.7	5.7
- Share in overall GFCF (%)	8.2	7.0	6.7	6.4	5.9
Number of subscribers to land phone (thousands)	**1,204**	**1,257**	**1,268**	**1,273**	**1,239**
Number of subscribers to mobile phone *(thousands)*	**3,736**	**5,681**	**7,339**	**7,849**	**8,569**
Number of phone lines (land and mobile) per 100 inhabitants	**49.5**	**69.2**	**85.0**	**89.0**	**94.8**
Number of subscribers to internet (thousands)	**121.0**	**150.2**	**179.4**	**253.1**	**281.3**
Number of subscribers to internet per 1000 inhabitants	**12.2**	**15.0**	**17.7**	**24.7**	**27.2**
Number of internet users per 1000 inhabitants	**83.7**	**94.6**	**127.1**	**167.7**	**270.2**
Number of public centres of communications technology (units)	**11,000**	**11,903**	**12,375**	**12,275**	**11,526**
Postal coverage (number of inhabitants per post office)	**7,100**	**7,058**	**7,047**	**7,056**	**7,096**

Sources : Ministry of development and international cooperation and Ministry of communication technology

In this context, the communications sector continued to post a two-digit growth rate in 2008 : 17.7% in real terms vs. 20% the year before. Its contribution to the country's economic growth rose from 25.4% to 34.6% or 1.6 percentage point for each of the two years. The sector's share in GDP at constant prices also went up, from 9.1% in 2007 to 10.2% in 2008, compared to 3.9% in 2001, the goal being to increase this figure to 13.5% by the end of 2011.

6,700 new specialised jobs were created by the communication technologies sector in 2008, compared to 7,400 a year earlier. This figure, which does not include indirect jobs linked to the impact of this activity on other sectors, remains significant. Its effect on global employment is comparable to that generated by changes in certain traditional sectors, notably construction and civil engineering.

In the area of investment, the communications sector received some 740 MTD in 2008, 5.7% more than the year before, representing 5.9% of overall gross fixed capital formation, up from 7.7% and 6.4% respectively in 2007. Such investment helped increase telephone density, up from 89 subscribers per 100 inhabitants in 2007 to 95 subscribers per 100 inhabitants in 2008, one of the highest levels in Africa. This occurred because of the remarkable increase in number of subscribers to cell phone networks (8.6 million vs. 7.8 million in 2007). Similarly, the number of computers country-wide shot up from 767,500 in 2007 to 997,000 in 2008, very near the goal of 1 million set for 2009.



The sector also made a qualitative leap in development and diversification of mobile phone services, lower rates, a more extensive telephone network throughout the country, an increase in the number of relay stations for cell phones, as well as the creation of 24 units for quality control. These actions helped reduce heavy and at times saturated traffic on the telephone network during peak periods, aligning with prevailing international norms.

Such results, obtained thanks to development of a climate favourable to competition, competitiveness and investment, will be further enhanced following launching in 2008 of an international call for bids for attribution of a new telecommunications license, with a view to establishing and operating new landline, internet and second and third generation of cell phone networks. This will help boost greater competition, more diversified supply, more highly developed digital content, and lower rates.

As for internet and data transmission, Tunisia has encouraged their use by economic operators and households by introducing ongoing rate reductions, a wide choice of technologies, and deployment of quality infrastructure. In effect, national telecommunication infrastructure is made up mainly of an optic fibre network covering almost 9,000 kilometres, over all coastal and inland towns throughout the country, along with underwater cables to link Tunisia to international telecommunication networks.

The capacity of Tunisia's passing band to connect to the international internet network was upgraded in 2008 to 11.3 Gbit/s, up from 3.1 Gbit/s the year before, in order to keep up with the dynamic increase in use of the internet. The number of internet users in Tunisia has been growing continually, up from 1.7 million in 2007 to 2.8 million in 2008. The number of subscribers went up by some 11% to 281,300. There was an 86% increase in the number of subscribers to ADSL to 212,500, in line with a 70% increase in capacity, which can now support more than 330,000 subscribers. The structure of subscription has changed considerably, with an increase in the share of subscribers for debit of more than 512 kb/s rising from 12% in 2007 to 46% in 2008. There was also an increase in the number of subscribers to debit exceeding 1 Mb/s, up from 7,800 in 2007 to 36,000.

The gradual move to high-speed service was made by various economic operators, such as university, research and educational institutions. There have been considerable efforts at the corporate level, given the positive impact of using technological and communication aids on productivity and competitiveness. In this optic, WIMAX high-speed internet services were used for the first time in 2008 by 1,000 companies. Furthermore, 420 companies subscribed to satellite data transmission via communication companies, especially those that export software and computer systems, as well as call centres. A programme was launched to connect 300 economic and administrative zones throughout the country using optic fibres, in the framework of development of very high-speed connections devoted to economic companies and administrative establishments. On another front, creation of web sites in 2008 rose by almost 12% to 6,467 sites. There were 11,501 domains, up from 10,031 in 2007.

The advent of e-administration was encouraged by developing and using on-line services likely to favour transition to a high performing administration adapted to citizens' and businesses' needs. A programme to make computerisation the rule throughout the Tunisian administration is being implemented, with specialised computer centres being set up and computer systems being installed in various areas, aimed at students, the health sector, and various services, all in the framework of facilitating relations with the public. Work to set up an integrated administrative network moved ahead, with progress in carrying out scheduled activities such as e-mail and electronic transfer of documents and data between public institutions.

On the strength of this progress, the Economic Commission for Africa (ECA) in May 2009 awarded to Tunisia the prize for use of information and communication technologies in public administration in Africa.

Electronic commerce was the object of a number of efforts to develop electronic commerce on the domestic market and to extend use thereof to support exports. Aside from creation of trading sites, financial and organisational incentives were introduced to intensify electronic trade and favour the emergence and sustainability of new businesses in the e-services sector. In this framework, a business incubator for electronic service initiatives was set up to encourage young graduates to launch new innovative businesses in the field of electronic commerce.

Similarly, the security of electronic networks and platforms was enhanced by growing interest in being part of the intangible economy dynamic. The national computer security board has been doing more to certify computer auditors. 2008 was also marked by launching of an initiative to certify private enterprises in the field of computer system security and audit, the ultimate goal being to help sectors that use computer networks and applications in support of their activities.

Electronic certification evolved in a remarkable manner in 2008, in line with the development of remote electronic services for citizens and businesses. The number of certificates for electronic signature almost doubled, up from 1,512 in 2007 to 2,927.

To provide what is needed by a knowledge-based economy, notably qualified manpower that can keep up with technological progress, high priority has been given to training skilled national specialists. Efforts made in this framework took the form of support to future branches, diversification of scientific specialisations, greater integration of ICT in educational programmes by pursuing generalisation of computer courses, a higher rate of coverage for computer equipment at all levels of education, and enhanced training of specialists in the field of ICT.

The number of students registered in the various branches of information and communication technologies has been increasing steadily, up from 43,100 for the school year 2006-2007 to 46,300 in 2007-2008, bringing the proportion of students in these specialties to 13.2% of total. There was also an increase in the number of graduated students including those with postgraduate diplomas, up from almost 8,000 in 2007 to 9,500 in 2008. Furthermore, efforts continue to promote Tunisia as a technological destination, further attract foreign companies, increase the number of new businesses and develop research and innovation in the field of ICT. The communication technologies pole, El Ghazala, was home to 70 companies specialised in this field in 2008, 26 of which exported their entire production, up from 51 and 19 respectively the year before. To improve the environment for corporate investment and competitiveness, this technopole set up a one-stop shop for communication technologies where administrative procedures for certification and technical control can be quickly and easily accomplished, as well as a unit to provide assistance to investors. It was also decided to expand the technopole in the governorates of Ariana and Manouba, tapping investment of some 100 MTD, with a view to improving capacity to support new technological initiatives and companies, an expansion that could provide more than 5,000 new jobs initially.

Tunisia's attraction as a site for foreign ICT companies to set up business has been made even greater by dynamic activity in call centres, especially call centres working on foreign markets. There were 203 call centres at the end of 2008 providing 17,600 jobs, especially for university graduates, compared to 150 centres and 12,800 jobs the year before. Particular attention has been given to extending the technological platform country-wide and boosting the role of the ICT sector in regional development and job promotion in inland areas. In 2008 there were seven regional remote work centres grouping 51 companies, seeking to draw in innovative projects in the communications and computer sector. An additional eight centres are being set up, to be finalised in 2009.

In the area of postal services, notable achievements have been made :

- a high growth rate for this sector has been maintained, with faster growth in postal activity following diversification of services and products, which made up some 29% of turnover vs. just 1% in 1999 ;

- development and diversification of financial products, notably electronic transfers (both domestic and international), postal savings, postal insurance, postal checks, money services and internet-based electronic payments ;

- evolution of electronic postal services, particularly for urgent telegrams using the electronic «webtelegram» network and hybrid mail that lets major companies exchange a high volume of emails with their clients ;

- enhanced quality of services to clients, as reflected in ISO 9001 version 2000 certification for a number of post offices ; and

- modernisation of the postal network, which counted 1,024 post offices, especially introduction of integrated computer applications that can provide postal and financial services in real time, hook up of 200 post offices by internet to facilitate remote university registration, and extension of the network of cash machines, the number of which rose from 88 in 2007 to 104 in 2008, in an effort to facilitate cash withdrawals and decongest post offices.

2008 saw ongoing efforts to develop and modernise radio/television broadcast so that it can provide a more diverse and stronger range of national audiovisual options that were boosted by the launching of the first religious television channel in Tunisia. A land based digital television mechanism was introduced to improve image and sound by digitalising broadcasting. The first step of this initiative was completed in 2008 at the level of broadcast of televised channels, tapping 41 broadcasting stations located in all governorates throughout the country.

C. TOURISM

World commodity prices (especially for energy) rose sharply until the summer of 2008, fanning inflation and putting a number of industrialised countries into recession, in the wake of the international financial crisis and in conjunction with waves of dismissals and fluctuating exchange rates. These developments had a considerable impact on world tourism. Like other tourist destinations, Tunisia suffered from the impact of the crisis in the last quarter of 2008, but not enough to keep tourism from posting better performance for the main parameters of tourism.

1. TRENDS IN WORLD TOURISM

There were 924 million tourists worldwide in 2008, an increase of 16 million (1.8% vs. 7.3% a year earlier). This slowdown was caused by a drop of 1% in the second half of the year, after a 5% increase in tourist flows over the first half of the year.

By region, Europe maintained its standing as the top tourist destination in the world, despite stagnation in the number of tourists in 2008 (488 million) with a market share just slightly down from 53.7% in 2007 to 52.8% in 2008. As usual, the Mediterranean region received the largest number of tourists (179 million, almost 20% of world total), followed by western Europe (153 million), central and eastern Europe (99 million) and northern Europe (57 million).

Eastern Asia and the Pacific remained in second place worldwide, with a market share unchanged at 19.2%, despite slower growth in tourist flows (1.7% vs. 10.6% in 2007). Northeast Asia continued to receive the majority of tourist entries : some 105 million or 59% of total. Southern Asia maintained practically the same volume of tourists at just over 11 million.

TRENDS IN WORLD TOURIST ARRIVALS

Regions	In millions of tourists		Share in %		Variation in %	
	2007	2008	2007	2008	2007/2006	2008/2007
Europe	488	488	53.7	52.8	5.2	0.0
Eastern Asia and Pacific	174	177	19.2	19.2	10.6	1.7
Americas	143	148	15.7	16.0	4.9	3.5
Middle East (including Egypt)	47	53	5.2	5.7	15.3	12.8
Africa[1]	45	47	5.0	5.1	8.5	4.4
South Asia	11	11	1.2	1.2	9.8	0.0
Total	**908**	**924**	**100.0**	**100.0**	**7.3**	**1.8**

Source : World Tourism Organisation

There were 148 million tourists visiting the western hemisphere, an increase of 3.5% vs. 4.9% in 2007. Its market share went up slightly (from 15.7% in 2007 to 16% in 2008) thanks to more dynamic tourist activity in the United States in the first eight months of 2008 and good performance for the main destinations in central and south America.

The Middle East posted the best performance in 2008, with a 12.8% increase in the number of tourists (vs. 15.3% in 2007) to 53 million. Its market share thus rose to 5.7% of world total, up from 5.2% the year before. Egypt in particular enjoyed an exceptionally good tourist season, with 12.8 million tourists, an increase of 15% between end 2007 and end 2008.

With 47 million tourist entries, Africa (exclusive of Egypt) recorded slower growth in the number of tourists in 2008 (4.4% vs. 8.5% in 2007), corresponding to a virtually unchanged market share of 5.1% in world total. There was slower growth in sub Saharan Africa (4.1% vs. 8.8% a year earlier) and especially in North Africa (5.3% vs. 7.9%). These two sub-regions took in some 30 million and 17 million tourists respectively. Morocco and Tunisia, the two main tourist destinations in North Africa, posted record levels of 7.9 million and 7 million tourists respectively.

2. TOURIST ACTIVITY IN TUNISIA

a. General trends

Despite the onset of recession in the main European countries from which tourists come (due to the effect of the world financial and economic crisis), tourist activity in Tunisia continued to enjoy sustained growth in 2008, posting record highs for certain indicators, especially non resident entries and foreign currency receipts.

Added value in the sector went up in real terms at a faster pace than the year before : 4% vs. 3.5%. Its share in GDP in current prices remained virtually unchanged at 5.3%. Investment in tourism rose by 40 MTD (13.3%) in 2008, after dropping by 9.1% a year earlier, reaching 340 MTD or 2.7% of global gross fixed capital formation. These funds went to renew and develop a number of existing hotels in the framework of the upgrading programme and to build new hotels, for an increase of more than 3,000 additional beds, amounting to 239,052 beds at the end of 2008. Foreign direct investment flows went up to 137 MTD, vs. some 64 MTD in 2007, essentially from Libya for acquisition of two existing hotels.

[1] Egypt excluded.

MAIN TOURISM INDICATORS

Description	Unit	2006	2007	2008	Variation in %	
					2007/2006	2008/2007
Real growth of added value	**%**	**3.8**	**3.5**	**4.0**		
Added value in current prices/GDP	**%**	**5.6**	**5.4**	**5.3**		
Investments						
-In value	MTD	330	300	340	-9.1	13.3
-In % of overall GFCF		3.4	2.8	2.7		
Direct job creation	**Unit**	**2,000**	**4,000**	**1,600**	**100.0**	**-60.0**
Available accommodation capacity (End of period)	**1,000 beds**	**232**	**236**	**239**	**1.7**	**1.3**
Operational accommodation capacity (monthly average)	**1,000 beds**	**196**	**198**	**198**	**1.0**	**0.0**
Non resident tourist entries	**1,000 pers.**	**6,550**	**6,762**	**7,049**	**3.2**	**4.2**
Overall bednights	**1,000 beds**	**36,840**	**37,361**	**38,112**	**1.4**	**2.0**
-Non resident tourist bednights	1,000 beds	34,086	34,546	35,049	1.3	1.5
-Resident bednights	1,000 beds	2,754	2,815	3,063	2.2	8.8
Occupancy rate [1]						
-Absolute	%	44.9	45.2	43.7		
-Relative	%	51.5	51.7	52.8		
Average length of stay	**Day**	**5.2**	**5.1**	**5.0**	**-1.9**	**-2.0**
Gross foreign currency receipts						
-In value	MTD	2,825	3,077	3,390	8.9	10.2
-Share in current receipts	%	11.9	10.8	9.9		
Expenditure per bednight						
-General average	TND	83	89	97	7.2	9.0
-Maghrebians excluded	TND	75	81	87	8.0	7.4
Expenditure per tourist						
-General average	TND	431	455	481	5.6	5.7
-Maghrebians excluded	TND	609	644	688	5.7	6.8

Sources : Tunisian National Tourism Board ; Ministry of Development and International Cooperation and BCT

1,600 new jobs were created directly by tourism, a sharp drop from the 4,000 jobs achieved a year earlier, due in particular to slowing activity in the sector starting in October. Thus there were some 100,000 jobs in the sector. But there were also another 350,000 jobs created indirectly, given the impact of tourist activity on other sectors.

55 dossiers were approved in 2008 in the framework of the programme to upgrade the tourist sector, corresponding to investment of 91 MTD and premiums of 8 MTD.

To further improve performance in the sector and boost the attractiveness of Tunisia as a tourist destination, a decision was taken on 13 February 2009 regarding a wide range of measures. Of primary importance was an increase in the promotional budget, strengthening of international and national air transport (especially to Tozeur), implementation of an upgrading programme addressing intangible areas, and modernisation of training centres,

[1] The absolute occupancy rate is calculated with reference to overall bednights and to available accommodation capacity, while the relative occupancy rate is determined in relation to the same bednights and the operational accommodation capacity.

quite aside from promotion of cultural tourism through development of itineraries to historic sites and international festivals.

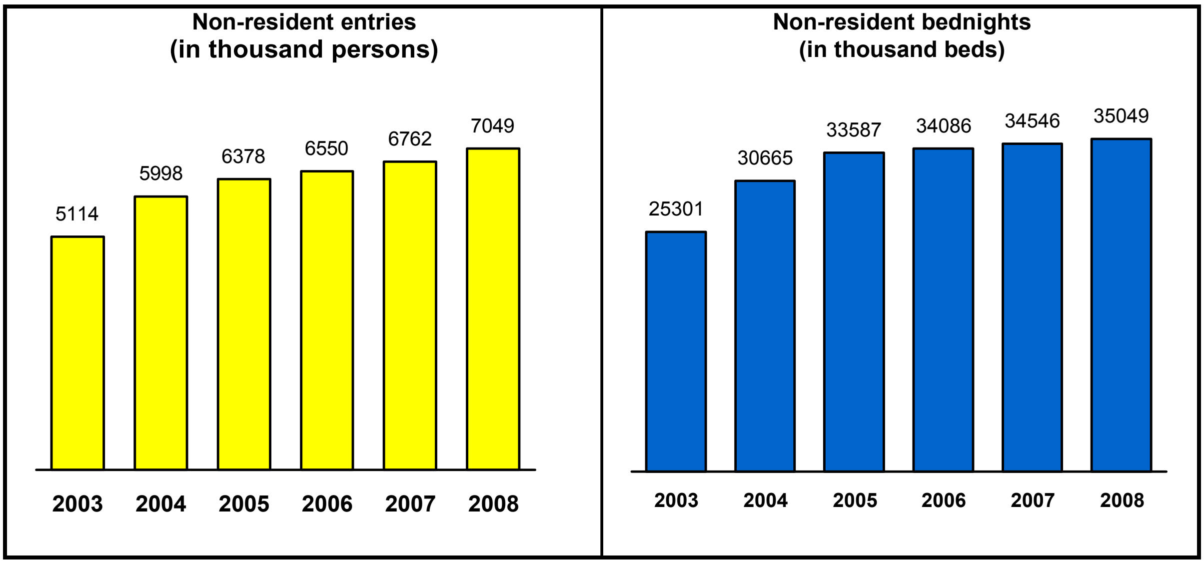
To face up to the impact of the international financial and economic crisis on tourist activity, a monitoring unit was set up at the Tunisian National Tourism Board (ONTT) to gather and analyse data from offices abroad and from various operators in the sector, and to take the various steps required.

b. International tourism

(i) Non resident entries

Tunisia in 2008 for the first time took in more than 7 million tourists, an increase of 4.2% vs. 3.2% the year before. This occurred despite lower growth in European tourist flows (1.5% vs. 2.3% in 2007), notably slower growth in entries of French, Russian and Scandinavian tourists and a greater drop for English, Czech, Spanish and Austrian tourists. On the other hand, there was slight recovery in the number of German and Italian tourists.

Tourists from the Maghreb went up overall in 2008, increasing by 8.4% vs. 4.3% the year before, in line mainly with a high increase in entries by Libyans (14.4% vs. 5%), coming to 1.8 million or about 25% of the total number of tourists.



(ii) Non resident bednights

The increase in non resident bednights in 2008 was very near that of the previous year (1.5% vs. 1.3%) for a total of some 35 million. The increase in European bednights (1.3% vs. 0.7% in 2007) concerned in particular the French (7% vs. 4.4%), the Germans (1.4% vs. -5.6%), the Russians (9.3% vs. 21.2%) and the Poles (29.2% vs. 10.1%).

Bednights for visitors from the Maghreb grew but at a slower pace (5.5% vs. 6.2% a year earlier), due to stagnation in bednights for Algerians, whose entries dropped by 1.3%. Despite the large number of Maghreb clients (almost 40% of the total number of tourists), share in bednights remained low at 3.3% vs. 3.1% in 2007.

ENTRIES AND BEDNIGHTS OF NON RESIDENTS BY COUNTRY

Description	Entries (in thousand persons)			Bednights (in thousand units)			Variat. 2008/2007 in %	
	2006	2007	2008	2006	2007	2008	Entries	Bednights
Europe	**3,956**	**4,048**	**4,107**	**31,981**	**32,192**	**32,598**	**1.5**	**1.3**
of which :								
France	1,235	1,335	1,395	8,197	8,557	9,158	4.5	7.0
Germany	547	514	522	6,372	6,015	6,099	1.6	1.4
Italy	464	444	445	3,200	3,013	3,010	0.2	-0.1
Great Britain	351	313	255	3,274	2,970	2,529	-18.5	-14.8
Belgium	164	167	169	1,697	1,724	1,625	1.2	-5.7
Czech Repub	154	153	126	1,439	1,421	1,204	-17.6	-15.3
Russia	112	141	161	1,382	1,675	1,830	14.2	9.3
Spain	140	127	105	1,093	966	824	-17.3	-14.7
Poland	135	149	208	1,230	1,354	1,749	39.6	29.2
Scandinavia	83	103	115	669	768	834	11.6	8.6
Switzerland	103	106	106	656	668	644	0.0	-3.6
Austria	92	89	73	572	521	358	-18.0	-31.3
Netherlands	79	86	95	528	573	646	10.5	12.7
Maghreb	**2,458**	**2,564**	**2,780**	**1,022**	**1,085**	**1,145**	**8.4**	**5.5**
of which :								
Libya	1,472	1,545	1,767	268	286	340	14.4	18.9
Algeria	945	981	968	708	758	758	-1.3	0.0
Morocco	32	29	32	46	41	47	10.3	14.6
Middle East	**36**	**38**	**42**	**148**	**160**	**172**	**10.5**	**7.5**
America (USA & Canada)	**32**	**34**	**36**	**239**	**245**	**275**	**5.9**	**12.2**
Africa, Maghreb excluded	**23**	**25**	**29**	**109**	**115**	**124**	**16.0**	**7.8**
Miscellaneous	**45**	**53**	**55**	**587**	**749**	**735**	**3.8**	**-1.9**
Total	**6,550**	**6,762**	**7,049**	**34,086**	**34,546**	**35,049**	**4.2**	**1.5**

Source : Tunisian National Tourism Board

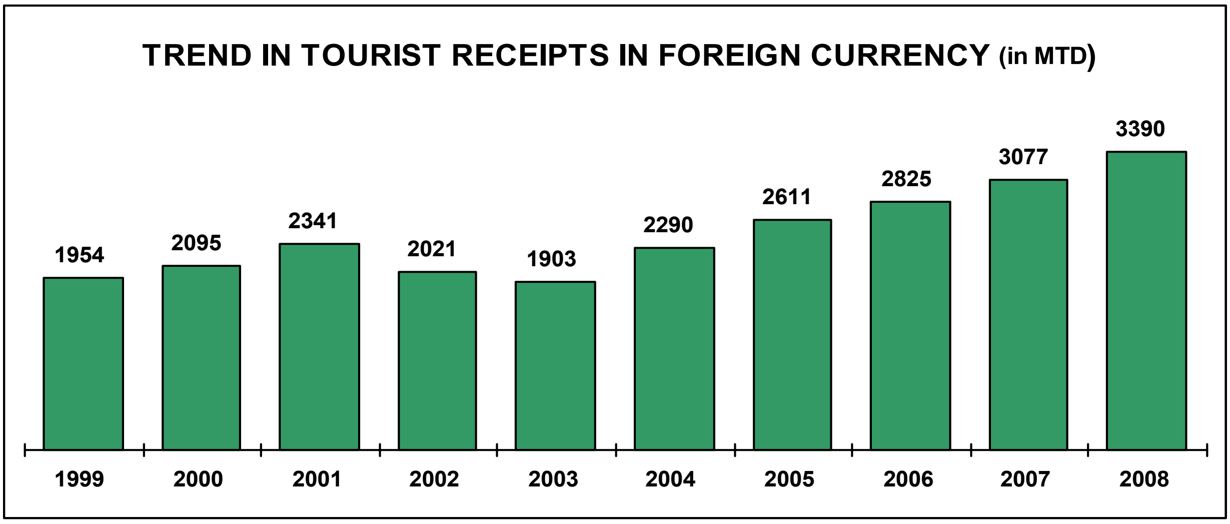
(iii) Average length of stay

On a downturn for the past four years, the average length of tourist stay in 2008 came to 5 days vs. 5.1 a year earlier. For Europeans, the figure fell from 8 to 7.9 days, while that of visitors from the Maghreb stagnated at 0.4 day. In comparison to some competing tourist destinations, the average stay in Tunisia is shorter than in Egypt (10 days) and Morocco (8 days).

(iv) Tourist receipts

Tourism is the leading supplier of foreign currency and in 2008 the sector generated income of 3,390 MTD, the equivalent of 2,754 million US dollars, an increase of 10.2% vs. 8.9% in 2007. If the foreign exchange effect is excluded, the increase comes to some 9.7% vs. 6.2% a year earlier. This income represented 9.9% of overall current receipts in the general balance of payments, compared to 10.8% a year earlier. Despite this sustained increase, income in foreign currency remained below levels in a number of competing countries, such as Morocco (7.2 billion dollars) and Egypt (11 billion dollars).

Average expenditure by tourist went up by 5.7% (about the same figure as in 2007) to 481 dinars. If visitors from the Maghreb are excluded, the average figure comes to 688 dinars (almost $560), up from 644 dinars in 2007. This level remains below that in the main competing countries, such as Morocco ($871), Egypt ($859) and Turkey ($708).



For visitors from the Maghreb, average expenditure by tourist rose to about 164 dinars (especially Algerians spending an average of 130 dinars and Libyans 183 dinars), compared to an average of 1,039 dinars for Germans, 878 dinars for the English, and 628 dinars for the French. One reason for this situation is the structure of tourist receipts in Tunisia. In effect, visitors from the Maghreb, who in 2008 represented a 40% share in the overall number of tourists, contributed just 13.4% or about 455 MTD to tourism receipts.

c. Domestic tourism

Resident bednights went up in 2008 by 8.8%, compared to 2.2% the year before, posting more than 3 million, 8% of overall bednights, an increase of 7.5% over the previous year's figure and a step in the right direction to meet the goal of 15% by 2011. Efforts already undertaken to boost domestic tourism should be pursued and further enhanced so as to ensure steady and sustainable development of tourism, which is so vulnerable to the whims of international conditions and which faces tough competition worldwide. To this end, particular attention should go to improved service and attractive prices for resident clients.

d. Analysis of regional tourism

Overall bednights came to 38 million in 2008, an increase of 2% vs. 1.4% a year earlier. This reflects faster growth than the year before in bednights in most tourist zones, such as Jerba-Zarzis (5.7% vs. 1.3%), Nabeul-Hammamet (0.8% vs. -2.3%), Tunis-Zaghouan (8.1% vs. 1%) and Tabarka-Ain Draham (12.9% vs. 1.4%). But bednights were down for Sousse-Kairouan (-3.3% vs. 3.6% in 2007), Yasmine-Hammamet (-0.2% vs. -0.5%), and Sbeitla-Kasserine (-10.4% vs. 77.8%).

In line with the above, the average occupancy rate went up by 1.1 percentage point over the 2007 figure to 52.8%. This improvement concerned the main tourist zones, such as Monastir-Skanes (6 percentage points), Nabeul-Hammamet (3.3 points) and Tunis-Zaghouan (3.2 points). Jerba-Zarzis had the best occupancy rate (60.2%), followed by Mahdia-Sfax (57.5%), Monastir-Skanes (56.7%) and Sousse-Kairouan (56.6%).

BREAKDOWN OF BEDNIGHTS AND RELATIVE OCCUPANCY RATE BY TOURIST ZONE

Zone	Overall bednights						Occupancy rate in %	
	2007		2008		Variation in %			
	In thousand	In % of the total	In thousand	In % of the total	2007/2006	2008/2007	2007	2008
Jerba-Zarzis	9,182	24.6	9,707	25.5	1.3	5.7	59.4	60.2
Sousse-Kairouan	8,118	21.7	7,853	20.6	3.6	-3.3	58.5	56.6
Nabeul-Hammamet	6,489	17.4	6,539	17.2	-2.3	0.8	47.9	51.2
Monastir-Skanes	4,096	11.0	4,128	10.8	2.8	0.8	50.7	56.7
Yasmine-Hammamet	3,123	8.3	3,118	8.2	-0.5	-0.2	60.8	54.9
Tunis-Zaghouan	2,309	6.2	2,495	6.5	1.0	8.1	36.5	39.7
Mahdia-Sfax	2,137	5.7	2,266	5.9	7.2	6.0	55.4	57.5
Gafsa-Tozeur	1,072	2.9	1,094	2.9	-1.7	2.1	35.4	33.6
Tabarka-Aïn Draham	567	1.5	640	1.7	1.4	12.9	30.5	33.4
Bizerte-Beja	220	0.6	229	0.6	4.3	4.1	24.4	25.8
Sbeïtla-Kasserine	48	0.1	43	0.1	77.8	-10.4	27.0	22.8
Total	**37,361**	**100.0**	**38,112**	**100.0**	**1.4**	**2.0**	**51.7**	**52.8**

Source : Tunisian National Tourism Board

3. IMPACT ON THE MAIN SECTORS LINKED TO TOURISM

The main economic activities linked to tourism, such as air transport, handicrafts, domestic trade and construction for the most part performed well in 2008, despite the impact of the international financial crisis. Added value in the transport sector (all modes of transport taken together) went up by 5.5% in real terms, compared to 5.3% in 2007, with a 3.3% increase in passenger air traffic vs. 4.7% a year earlier. The contribution of handicrafts to GDP went up in 2008 to 4%, with more than 7,000 new initiatives launched involving some 10,000 jobs. Direct and indirect exports generated some 520 MTD, up from 451 MTD a year earlier.

D. DOMESTIC TRADE

Trade activity in 2008 was somehow affected by slower economic growth in a context of difficult international conditions, especially over the closing months of the year. But reforms under way in the sector moved ahead, notably for upgrading and modernisation of distribution circuits and a more competitive environment. Market supply proceeded in a satisfactory manner, meeting ever growing consumer demand thanks to better supply of local products and recourse to imports.

1. GENERAL TRENDS

The reform process that began in 2004 to upgrade commerce and diversify distribution channels continued in 2008. Measures were taken in line with the sector's strategic development orientations, notably :

- promulgation of law n°12 of 11 February 2008, modifying and further elaborating law n°40 of 10 May 1999 governing legal metrology ;

- promulgation of decree n°2751 of 4 August 2008, setting the administrative and financial organisation of the national metrology agency and its operating procedures ;

- publication of a bylaw by the Ministry of Commerce and Handicrafts dated 15 December 2008 governing verification and hallmarking operations for measuring instruments in 2009 ;

- promulgation of law n°70 of 10 November 2008 creating the national consumption institute ;

- organisation of the 27th and 28th sessions of the national council for commerce, which reviewed various issues, notably revision of the law on distribution commerce and the study on supply of the domestic market and evolution of prices ;

- publication of two bylaws approving specifications for organising household appliance distribution commerce and repair of cell phones ;

- publication of a joint bylaw by the Ministries of Commerce/Handicrafts, Public Health, and Industry/Energy/Small-Medium Sized Businesses governing labelling and presentation of pre-packaged foodstuffs ; and

- extension of financing by the Tunisian Solidarity Bank (*BTS*) to the trade sector, which led to 1,982 loans being granted in 2008 worth some 17.5 MTD, helping to create 3,000 jobs.

As usual, a number of periodic trade events were held, providing consumers with a wide choice of products at reasonable prices.

Given the special context marking national economic activity, notably the impact of the worldwide financial crisis on certain sectors of activity, the trade sector posted slower growth in 2008, falling to 2.4% in real terms, down from 5.8% in 2007. Its contribution to the country's economic growth went down from 9% (0.6 percentage point) to 5% (0.2 percentage point).

At the same time, ongoing implementation of the upgrading/modernisation programme for the sector drew on a higher rate of investment. GFCF rose by 17.5% in 2008, up from 13.8% the year before, to 1,310 MTD (including certain tertiary services), accounting for more than 10% of the overall volume of investment.

MAIN PARAMETERS OF ACTIVITY IN THE TRADE SECTOR

Description	Unit	2006	2007	2008
Real growth rate	%	**3.9**	**5.8**	**2.4**
Contribution to economic growth	%	**7.3**	**9.0**	**5.0**
Investment [1]	MTD	**980**	**1,115**	**1,310**
- Variation	%	0.9	13.8	17.5
- Share in overall GFCF	%	10.1	10.2	10.5

Source : Ministry of Development and International Cooperation

2. MARKET SUPPLY AND DISTRIBUTION CHANNELS

Despite the adverse weather that marked the 2007-2008 agricultural season, notably a sharp deficit in rainfall, food supply continued to grow in 2008, both in terms of volume and diversity, allowing for smooth supply of the domestic market at prices consumer could afford. Buffer stocks were built up for periods of high consumption. Still, the imbalance between supply and demand for certain food products caused a fairly considerable increase in consumer prices, for example for vegetables and seafood. In particular, to make up for too

[1] Investment concerns trade and other tertiary services other than transport, communications, tourism and housing.

low supply of fish (which could become structural as production continues to fall), a presidential decision was taken to extend the period of prohibited fishing from one to three months.

There were imports of a number of sensitive food products for more or less large quantities of cereals, sugar, vegetable oil, red meat and milk/dairy products. The basic foodstuff storage programme was expanded in 2008, using price incentives to protect farmers from rising production costs (caused by the higher cost of inputs), with a view to meeting consumer demand during gap periods.

Higher production for most agricultural products had a favourable impact on the Bir el Kasaa national interest market, which in 2008 posted a 10.9% increase in quantities handled. But despite an increase in tonnage for fruits (+32.6%) and vegetables (+4.7%) compared to 2007 figures, supply of seafood was down by 5.5%. In terms of prices, supply and demand on this market showed an increase in prices for vegetables (+2%) and seafood (+17.6%), and a drop in prices for fruit (-13.4%). Overall, according to the National Institute of Statistics (*INS*), the overall price index for food consumption posted an increase of 6.2% in 2008, up from 2.8% the year before.

As for non food products, supply of the domestic market continued in a normal, satisfactory manner for most products, thanks to higher local production, but also because of imports, particularly iron rods for concrete and animal feed. Price trends on the domestic market were in line with higher world prices in effect until the summer of 2008, followed by an easing of prices over the remainder of the year.

3. TRENDS IN FINAL CONSUMPTION AND SAVINGS

Global final consumption, expressed in real terms, grew in 2008 by 4.8%, compared to 5.2% a year earlier. This slower pace involved both private (5%) and public (4%) consumption, down from 5.3% and 5% respectively in 2007.

In current terms, final consumption grew at a faster pace of 9.7%, up from 8.5% a year earlier, in line with the impact of imported inflation due to higher commodity prices on the world market and fluctuations in foreign exchange rates. It is important to note that this increase concerned in particular private consumption (up by 10.3% vs. 8.6% in 2007), while public consumption grew at a slower pace compared to the previous year (7.2% vs. 8.2%).

Average propensity to consume came to 76.7% of gross national disposable income (GNDI), compared to 76.9% in 2007. National savings went up in 2008 in line with higher income and ongoing implementation of active policy for the banking and financial system to mobilise resources from savings, which went up by 10.9% (vs. 12.8% in 2007) to 11,664 MTD. The savings rate went up from 23.1% of GNDI in 2007 to 23.3% in 2008.

As in the past, the level of national savings made it possible to finance a large portion of investment : 93.2% vs. 96.4% a year earlier.

MAIN INDICATORS OF FINAL CONSUMPTION AND SAVINGS

Description	Unit	2006	2007	2008
Progress of final consumption in current prices	**%**	**9.0**	**8.5**	**9.7**
-Public	%	6.5	8.2	7.2
-Private	%	9.6	8.6	10.3
Progress of final consumption in constant 1990 prices	**%**	**5.0**	**5.2**	**4.8**
-Public	%	5.3	5.0	4.0
-Private	%	4.9	5.3	5.0
Average propensity to consume	**% GNDI**	**77.5**	**76.9**	**76.7**
of which : households	" "	62.7	62.2	62.3
GNDI/Capita	**Dinar**	**4,100**	**4,440**	**4,832**
- Annual variation	%	9.5	8.3	8.8
Private consumption per capita	**Dinar**	**2,570**	**2,760**	**3,012**
- Annual variation	%	8.6	7.4	9.1
Gross national savings	**MTD**	**9,325**	**10,518**	**11,664**
- Annual variation	%	16.0	12.8	10.9
- Savings rate	% GNDI	22.5	23.1	23.3

Sources : Ministry of Development and International Cooperation and National Statistics Institute