

## PRESS DISCLOSURE

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### **Tunisia's tourism industry needs policy and enforcement rethink to promote competition by tackling heavy licensing procedures and complex operating requirements says OECD report.**

**Paris, 6 JUNE 2023** – The Organisation for Economic Co-operation and Development today launched the report *OECD Competition Assessment Reviews: Tunisia 2023\** at an event held under the auspices of the office of Tunisian Prime Minister Najla Bouden.

The report, supported by the Delegation of the European Union in Tunisia, was requested by the government of Tunisia and is part of a broader project to examine the current state of the country's competition policy framework and to support competitive reforms in the country.

Tunisia is one of the most popular tourist destinations in Africa. The country's tourism industry contributes approximately 5% of its GDP and represents a vital source of local employment. The industry is poised to benefit from a rebound in travel and to assume even greater importance as the effects of the Covid-19 pandemic fade and activity resumes. But it stands at a crossroads.

Tunisia's tourism industry faces significant regulatory obstacles to becoming a much more powerful engine of growth than it could be, depriving the country and its people of valuable economic and employment opportunities.

The OECD carried out its assessment of competition in the sector to identify the specific rules and regulations that hinder its competitive and efficient functioning, and thereby limit its ability to contribute to Tunisia's prosperity.

The OECD's assessment identified 447 potential regulatory barriers to competition in the tourism industry and offers 351 recommendations to make the sector more pro-competitive in segments ranging from transport to food and beverage service, from accommodation to cultural services, and a number of other fields.

The OECD estimates that, in the most conservative possible scenario, benefits worth EUR 418 million annually would arise as a result of the implementation of its recommendations, a figure equivalent to 1.2% of Tunisia's 2018 GDP that would almost certainly be much higher when dynamic effects such as intra-company productivity growth and reallocations of resources are taken into account.

OECD Competition Committee Chair Frédéric Jenny said: "This study, which complements and adds to last year's OECD's Peer Review of Competition Law and Policy in Tunisia, provides further compelling evidence of the considerable potential of regulatory change to usher in major economic benefits for Tunisia by allowing competition and the dynamism of local entrepreneurship to thrive. If implemented, its recommendations also pave the way for increased foreign investment in the

country, which has so much to offer its people and the rest of the world as travel and international cultural exchanges return to normal following the Covid-19 pandemic.”

Commenting on the review, Marcus Cornaro, the European Union’s Ambassador to Tunisia, said: “Tunisia’s rich and varied tourism offering has long beguiled travellers from all over the world, and it is capable of attaining even greater heights of appeal and accessibility, for both foreign and domestic visitors, and for those who make their living by facilitating the activities of those visitors. This OECD competition assessment of Tunisia’s tourism sector highlights a wide range of opportunities that better regulation can open up, unlocking new possibilities for the industry as tourism businesses can benefit from a more level playing field, small enterprises become able to escape the confines of the informal economy, and greater prosperity follows.”

Tunisian Tourism Minister Mohamed Moez Belhassine said: “We welcome the OECD’s latest examination of competition in Tunisia, particularly as it focuses on one of our most important industries and vital sources of foreign exchange. The OECD has provided a valuable assessment of regulatory circumstances in our country that have held this mainstay industry back from achieving its full potential and delivering increased employment opportunities and growth for all Tunisians. We look forward to working with our colleagues not only to bring this hugely important sector back to its pre-pandemic performance, but to ensuring that it contributes even more than before to our economy and society as regulatory barriers to its full fruition are removed and new opportunities created.”

#### **\*About OECD Competition Assessment Reviews**

OECD Competition Assessment Reviews present an analysis of regulatory restrictions on competition in the countries reviewed and make specific policy recommendations for reform. They help governments eliminate barriers to competition while identifying less restrictive measures that still achieve government policy objectives. Using the OECD Competition Assessment Toolkit to structure the analysis, the regulations in sectors identified as targets for reform – such as construction, gas, media, liberal professions, pharmaceuticals, retailing, tourism and transport – are systematically reviewed one by one for any restriction to competition. The resulting recommendations allow governments to introduce more competition into the economy and foster long-lasting growth.

The OECD Competition Assessment Review of Tunisia was prepared by a team led by Saïd Kechida composed of Sophie Flaherty, Cristina Volpin, Yosuke Jin and Richard May of the OECD’s Competition Division.

#### **\*About EU’s Programme d’Appui à la Gouvernance Économique (PAGE)**

The “*Programme d’Appui à la Gouvernance Économique*” implemented by the EU delegation to Tunisia aims to i) support the government's efforts to improve the country's investment climate and boost economic performance, and ii) stimulate demand for economic reform by supporting the various dimensions of the public debate on key economic issues.

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**Press contact:** OECD – Spencer WILSON - [spencer.wilson@oecd.org](mailto:spencer.wilson@oecd.org)

**OECD Competition Assessment Reviews: Tunisia 2023**

Click here <https://oe.cd/ca-tunisia> to access the full report.