



# Tunisia

Creation of targeted funds to support SMEs is reinforced by voluntary solidarity measures by the private sector

- With the COVID-19 outbreak, the Tunisian government on 22 March announced a series of socio-economic and fiscal measures amounting to an estimated **TND 2.5 billion (around 2.2% of GDP)**.
- A central priority of the government has been to preserve jobs, guarantee the income of workers and civil servants, and reduce financial pressure for businesses impacted by the lockdown.

Several **FUNDS** were created by **THE GOVERNMENT** to support **THE PRIVATE SECTOR** including:



**TND 1.5 billion credit guarantee fund** for private sector companies that are unable to obtain bank credit to maintain their business. The state guarantee will amount to 70%-90% of the total credit amount, via the Tunisian Guarantee Company (SOTUGAR). The tourism sector (hotels, travel agencies, restaurants, craftsmen, transport, culture) is particularly set to benefit from this measure.



**TND 300 million support fund for SMEs** The decision to take charge by the State of part of the interest rate (until 3%) on investment loans.



**TND 500 million emergency investment fund** to strengthen companies' capital and safeguard jobs.



**TND 100 million bridging fund** to facilitate share redemption of investment funds on companies operating in strategic sectors and having difficulties.



**TND 100 million bridging fund** to finance the acquisition of equipment for hospitals and public health institutions.

- A private sector support unit was launched in May 2020 by **the Ministry of Development, Investment and International Cooperation** as a platform for investors and the private sector to make queries and requests for information and assistance
- On top of government support to ease the burden of the private sector, the country's private sector itself has also contributed significantly to the COVID-19 response. Those initiatives ranged from financing a solidarity fund against COVID-19, purchasing medical equipment and supplies, supporting with digitalization efforts, and providing hotel rooms for confining quarantined individuals\*. The contribution of 230 surveyed companies is estimated to be worth **TND114,677 million** – including the contribution of interviewed financial institutions.
- The Tunisian Professional Association of Banks (APTBEF) also issued a statement underlining the social role that banks intend to play, confirming that the banking sector committed **TND112.0 million** in support measures for businesses and low-income families.
- In a joint press release published on 8 May 2020, the Finance Ministry indicated that the total citizen and company donations into the national fund created to limit the economic and social impact of the pandemic (known as that 1818 Fund, in reference to the SMS number used to donate) amounted to **TND198.3 million**.

\* Based on a UTICA report which surveyed 230 private sector representatives of medium and large companies