

Annex A

Tunisian Product Performance to Date

Analysis of trade performance harmonized system (HS) for exports and imports of Tunisia are detailed below by class (2016).

Class	Description	Tunisia's Performance
07	Edible Vegetables	<p>Tomatoes and dried vegetables lead the way on exports, with more than \$43 million.</p> <p>Class 070129 (Dried Herbs and Vegetables) had \$228,712 of imports into the United States duty free under Chapters 10 and 18.</p>
08	Edible Fruits – Dates	<p>Dates fall under this category and are the lead Tunisian trade in this class, with 2016 exports of \$239,365 million accounting for 1.74 percent of all Tunisian export trade.</p> <p>Other key products in this classification include citrus, apricots, cherries, melons, and dried fruit.</p> <p>In class 08, the United States accounts for 7.47 percent of Tunisia's exports, with Morocco (20.74 percent), France (18.35 percent), and Germany (9.71 percent) having a larger share.</p> <p>Class 080410 (Dates) had \$30,182,762 in exports to the United States in 2016, with \$22,254,498 claimed under the GSP program (74 percent).</p> <p>ITC's study ranked Tunisia as the number four country with opportunities to increase exports of dates to the United States, behind Israel, Pakistan, and Saudi Arabia.</p>
09	Spices, including coffee and tea	<p>Primarily because of the high value of coffee and tea imports into the country, Tunisia runs a significant trade deficit in these products, in excess of \$44 million.</p> <p>The export data, however, documents nearly \$3 million in exports of products in HS code 0910 (ginger, saffron, turmeric, thyme, bay leaves, and curry) and another \$2.3 million in class 0904 (pepper, peppers, and capsicum).</p> <p>These two categories (0910 and 0904) are areas where exports may be subject to increases with the right support and achievement of competitive or comparative advantages.</p> <p>In 2016, Tunisia exported \$554,000 worth of capsicum (peppers) to the United States. This is an increase from \$181,000 in 2015.</p>
12	Oil seed, oleag fruit, grain, seed, fruit, etc, nes.	<p>Exports in this class reflect \$4.219 million of medicinal plants, \$1.6 million in locust beans, and \$1.016 million in oil seed.</p> <p>Medicinal plant exports is an area that should be explored further. They are labor intensive, and the low wages and high unemployment in Tunisia give the country an advantage in the production of these products.</p> <p>In this class, two HS codes 1211909280 (herbal teas) and 1211909290 (cosmetic perfumery) had duty-free imports (10) into the United States of \$483,804.</p>
15	Olive oil and its fractions	<p>Strongest class for Tunisian agriculture exports overall and to the United States. This class includes olive oil and its fractions, which account for \$445.8 million in exports during 2016 (\$78.2 million in olive oil). Olive oil exports have a significant opportunity for increase.</p> <p>Tunisia accounts for 6.06 percent of global olive oil trade. The trade balance for this classification is off-set by the fact that Tunisia imports in excess of \$91 million in soybean oil, another \$38 million in other vegetable oils, \$25 million in palm oil, and \$8.6 million in coconut oil.</p> <p>Tunisian exports from this class are focused on Italy (\$174.6 million) and Spain (\$83.7 million) contributing 53 percent of the total exports in this class. The United States follows with 16.44 percent of total exports (\$78.259 million). France and Canada round out the top five countries.</p> <p>Olive oil is typically a commodity with one origin substituting for another without the consumer noticing a difference. This is particularly true in the United States where olive oil consumption per capita is less than one litre versus Italian consumption of 12.5 litres or Spanish at nearly 15 litres per capita. This low consumption translates to poor consumer knowledge of differences in olive oil quality.</p> <p>With the purchase of only 1 litre per year, consumers often do not recall the brand they purchased last time or the quality of one brand versus another. Therefore, much of the difference in consumer preferences in the United States is perceived differences with priorities going to Italian or Spanish olive oil depending upon their upbringing.</p> <p>Figures 12, 13 and 14 provide additional data on global olive oil consumption and quality standards.</p>
16	Meat, fish, and seafood preparations	<p>There are \$19.8 million in exports in class 1604, prepared/preserved fish. This is off-set by imports of \$22 million. Furthermore, there is an additional \$460,000 of exports of prepared/preserved crustaceans and molluscs. Of this \$19.8 million of exports, only \$145,000 went to the United States in 2017, down from more than \$700,000 in each of the two prior years.</p> <p>In class 16, U.S. Customs recorded \$2.49 million in imports from Tunisia, with 93 percent (\$2.3 million) falling under the GSP or duty free under HS Chapter 10.</p> <p>In 2016, the United States was the number two destination for Tunisian exports of class 16 meat, fish, and seafood food preparations with \$1.734 million of products, but this accounted for only 8.76 percent of Tunisian exports in this class. Italy lead the class with nearly 66 percent of total imports (exceeding \$13 million). France (\$1.55 million), Macedonia (\$702,000), and Algeria (\$593,000) finish the top five importers.</p> <p>Exports from Tunisia of class 16041319010 prepared or preserved sardines, etc. to the United States in 2016 were \$646,000. Other products in this category were limited to class 16041448010 preparations and preserves and other tunas, whole or in pieces, with only \$38,000 dollars to the United States, while exporting \$961,000 to other markets in this class.</p> <p>UN data for export potential to the United States in class 16 demonstrates a significant opportunity to increase sales of frozen shrimp and prawns, ranking them as the 25th greatest opportunity for increased exports to the United States. Other opportunities in class 16 include prepared and preserved sardines, molluscs and other aquatic invertebrates, and anchovies.</p>

19	Cereal, flour, starch, milk preparations and products	<p>There are significant exports here, with \$12.4 million of breads and biscuits and another \$9.1 million in pasta and couscous. This is interesting given that Tunisia is not a major producer of wheat and imports (\$415 million of wheat in 2017).</p> <p>Wheat products and bread are subsidized by the government to keep them affordable for the public. Most wheat products are not labor intensive as pasta is produced mechanically, therefore finding a competitive advantage that allows for these exports is not readily identifiable.</p> <p>In 2016, the United States imported \$314,591 worth of pasta and couscous, with 98 percent (\$309,215) duty free.</p>
20	Preparations - vegetable, fruit, nut, etc.	<p>Vegetable, fruit, nut, etc. food preparations includes a wide range of products, with category 2004 being prepared or preserved vegetables (excluding frozen).</p> <p>In this category, 2016 recorded \$5.5 million in exports. Other important exports in this class are canned/preserved tomatoes, with \$1.766 million in export sales, and jams/jellies, with \$549 million.</p> <p>U.S. imports of class 20 were \$554,884, with \$286,526 (52 percent) under the GSP program.</p>
21	Miscellaneous edible preparations – harissa and other marinade products	<p>Class 2103 (sauces, mixed condiments, and mixed seasonings) would include most forms of harissa and other traditional Tunisian marinade products.</p> <p>Exports in this category exceeded \$15 million, with class 2106 (food preparations, nes) recording export sales in 2016 in excess of \$9.6 million, and yeast with sales of \$1.262 million.</p> <p>These are significant export opportunities, as these categories are value-added food items, many of which require significant labor to convert from raw materials to exportable products.</p> <p>Exports to the United States account for 4.31 percent of Tunisia's exports, with France (31.57 percent), Senegal (20.95 percent), Algeria (10.45 percent), and Germany (7 percent) having a larger share.</p> <p>Class 21 had 92 percent (\$2.3 million) of exports to the United States enter under the GSP program. This is a significant category, with total imports at \$2.5 million. In this class, 47 percent were under the HS code 2103908000, which would cover harissa and other sauces.</p>
22	Beverages, spirits, and vinegar	<p>In 2016, Tunisia exported in excess of \$13 million worth of non-alcoholic beverages, excluding water and juices. In addition, Tunisia exported \$1.777 million in wine.</p>
30	Seabass, fresh or chilled excluding liver, fillets and other fish meat	<p>This class (030) had 2017 imports into the United States of \$56,152, which entered the United States duty free under HS Chapters 1-98.</p> <p>Tunisian exports in class 030 had a significant fall in exports during the 2014 and 2015 seasons compared to 2012 and 2013, with a recovery in 2016.</p>