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Tunisia

Combined Agenda 2063 scenario

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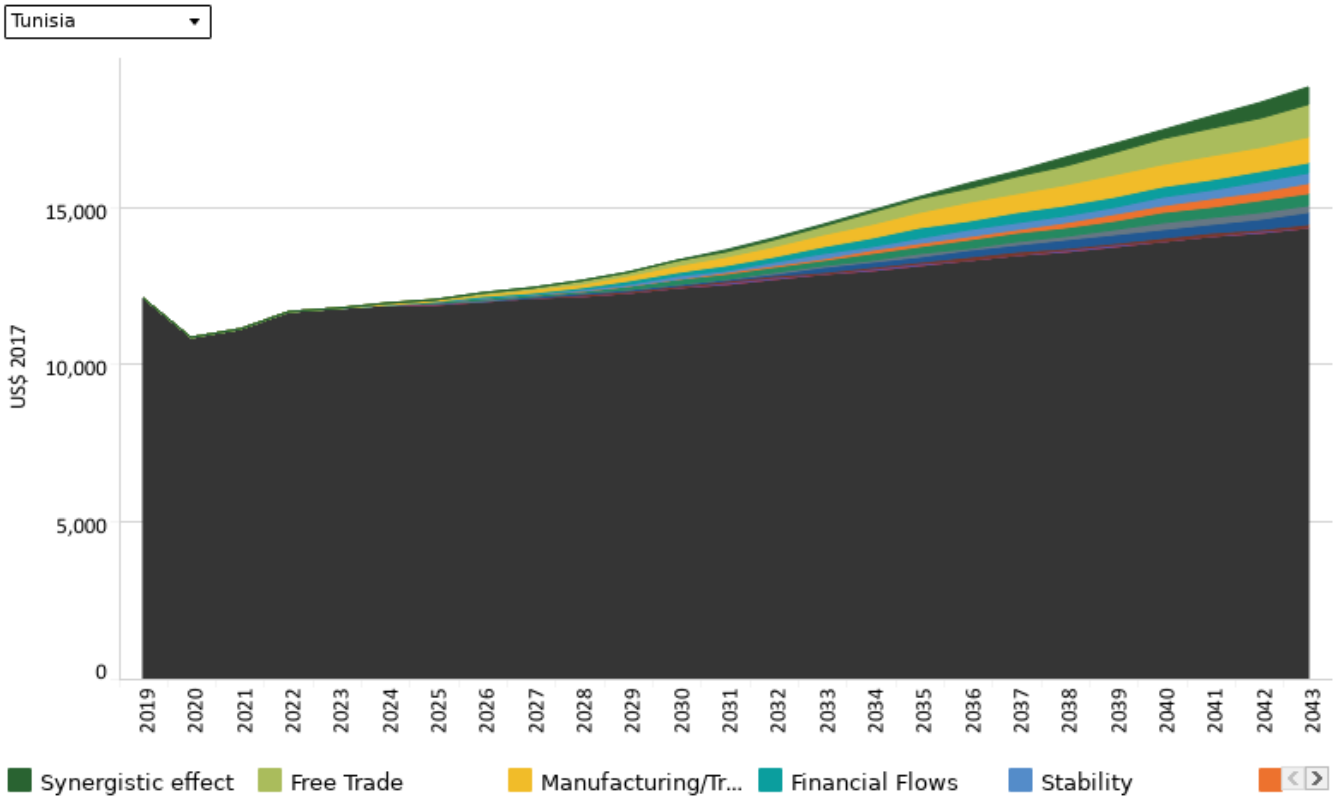
Combined Agenda 2063 scenario

Chart 55: GDP per capita in CP and scenarios, 2019–2043
Additional GDP per capita per scenario, purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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The Combined Agenda 2063 scenario consists of the combination of all 11 sectoral scenarios presented above, namely the Stability, Demographics, Health/WaSH, Agriculture, Education, Manufacturing/Transfers, Leapfrogging, Free Trade, Financial Flows, Infrastructure and Governance scenarios. The cumulative impact of better education, health, infrastructure, etc. means that countries get an additional benefit in the integrated IFs forecasting platform that we refer to as the synergistic effect. Chart 55 presents the contribution of each of these 12 components to GDP per capita in the Combined Agenda 2063 scenario.

Tunisia is moving rapidly through its demographic transition without having achieved the associated benefits that typically accompany high levels of urbanisation, improved health outcomes and high levels of education. Income and overall economic growth have deteriorated and job opportunities in the formal sector are scarce. The impediment, it would seem, is the country's opaque economic system, which is dominated by strong vested interests that allow little competition and few new opportunities. Despite the impressive human capital outcomes, the Tunisian economy has under-delivered in terms of employment and economic inclusion. As a result, the country finds itself at a crossroad that requires radical but necessary economic and socio-political reforms if it is to achieve inclusive development.

The government faces numerous challenges, not least crafting a coherent development vision amongst the fragmented parties represented in parliament. Tackling the macroeconomic challenges faced in the country will require great understanding, sacrifices and tough decisions by all Tunisians.

When the sectoral scenarios are combined and their impact on GDP per capita is compared, trade, manufacturing, agriculture and leapfrogging make the greatest contribution to additional income for Tunisians.

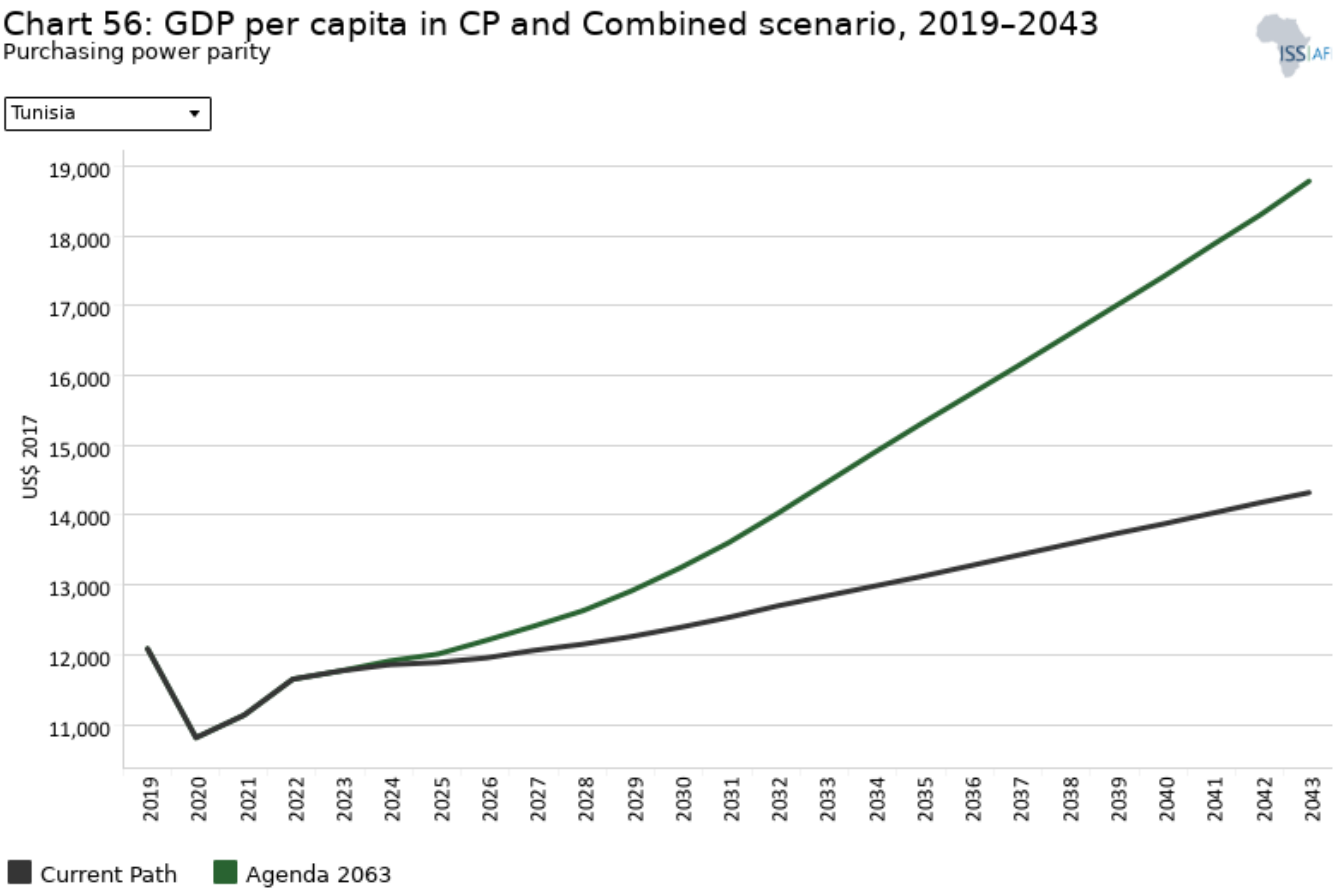
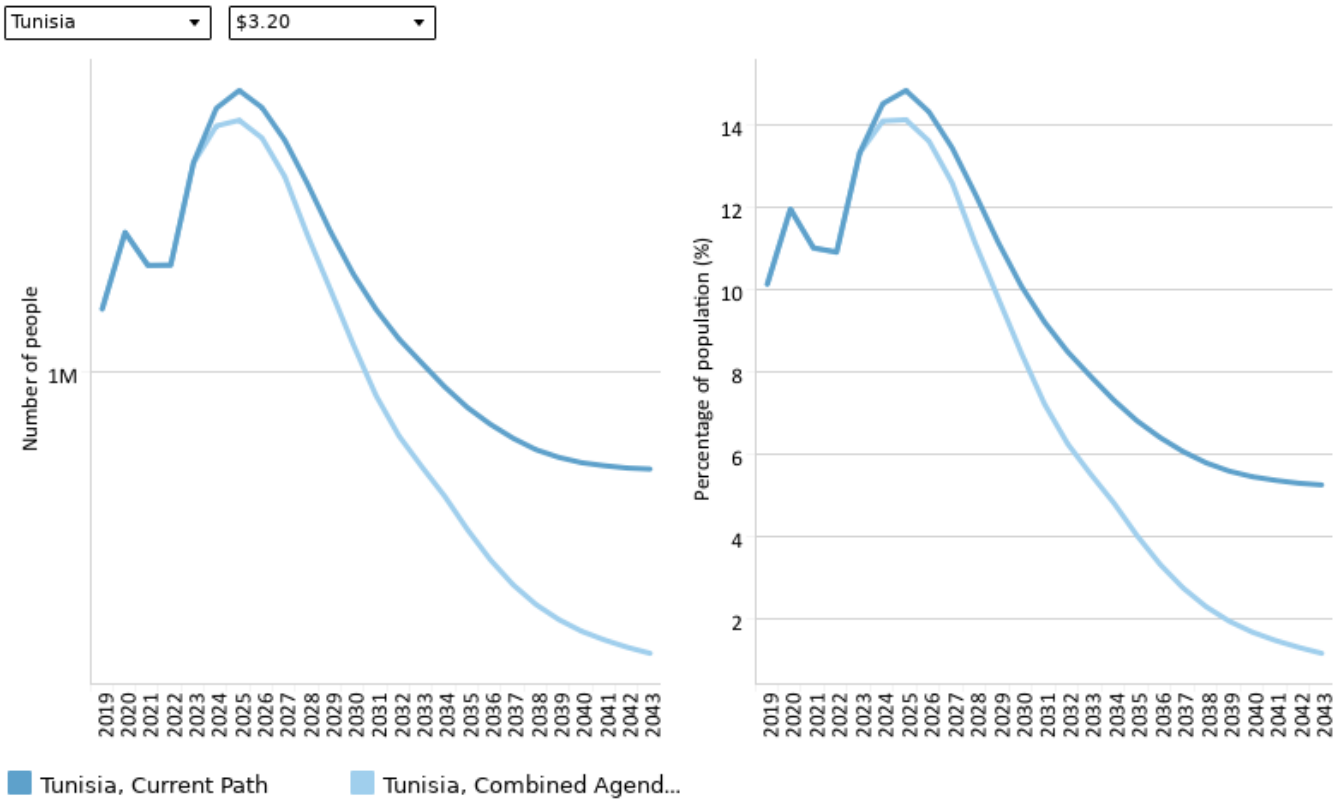


Chart 55 presents a stacked area graph on the contribution of each scenario to GDP per capita as well as the additional benefit or synergistic effect, whereas Chart 56 presents only GDP per capita in the Current Path forecast and the Combined Agenda 2063 scenario.

The combined impact of all scenarios on GDP per capita yields about US$14 552 over the Current Path's US$12 840 in 2033. By 2043, per capita income is projected at US$19 086, roughly US$4 763 more than in the Current Path forecast in the same year.

Chart 57: Poverty in CP and Combined scenario, 2019–2043

Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

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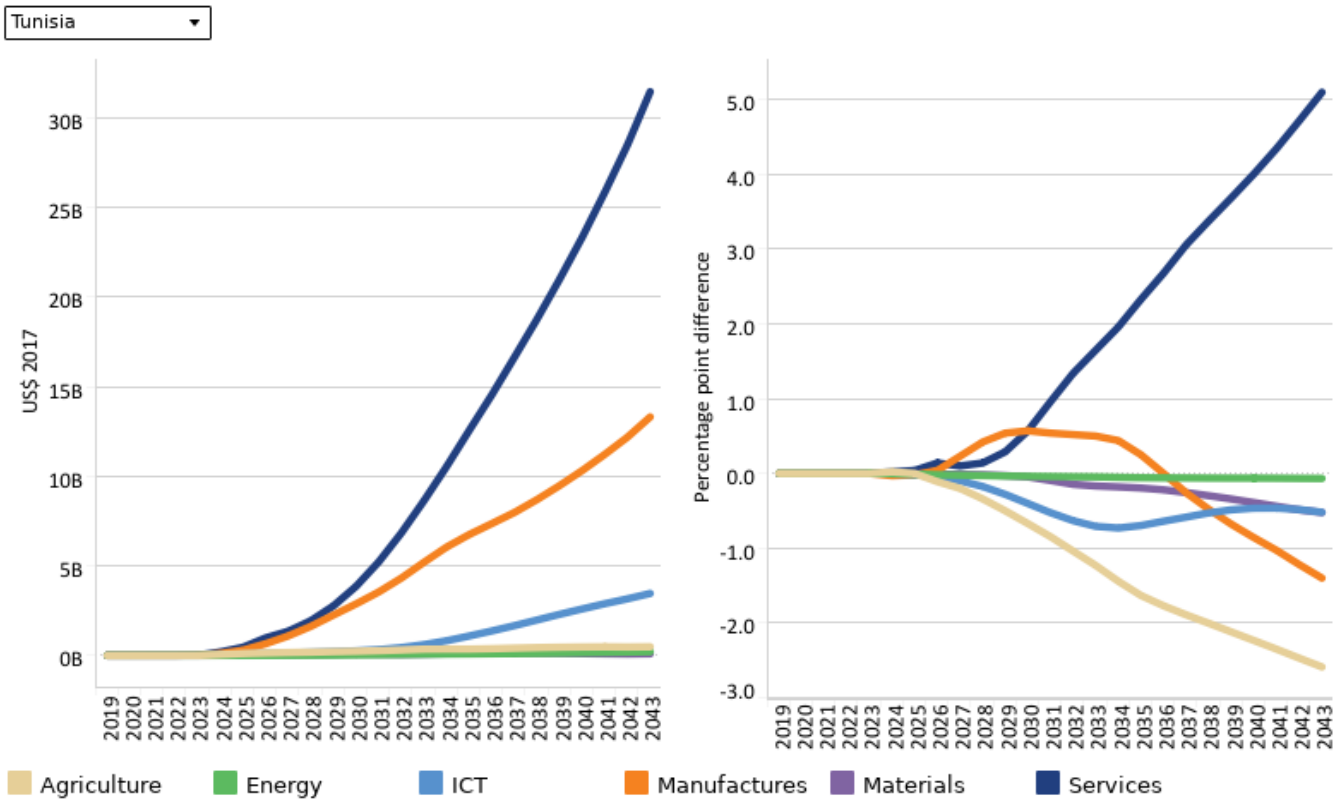
In the Combined Agenda 2063 scenario, by 2043, only about 1.1% of Tunisians will be living in extreme poverty (at the US$3.20 threshold) compared to 5.3% in the Current Path forecast. This represents about 561 000 fewer people living in extreme poverty relative to 710 000 in the Current Path forecast.

Chart 58: Value added by sector in CP and Combined scenario, 2019–2043

Absolute and % point difference GDP



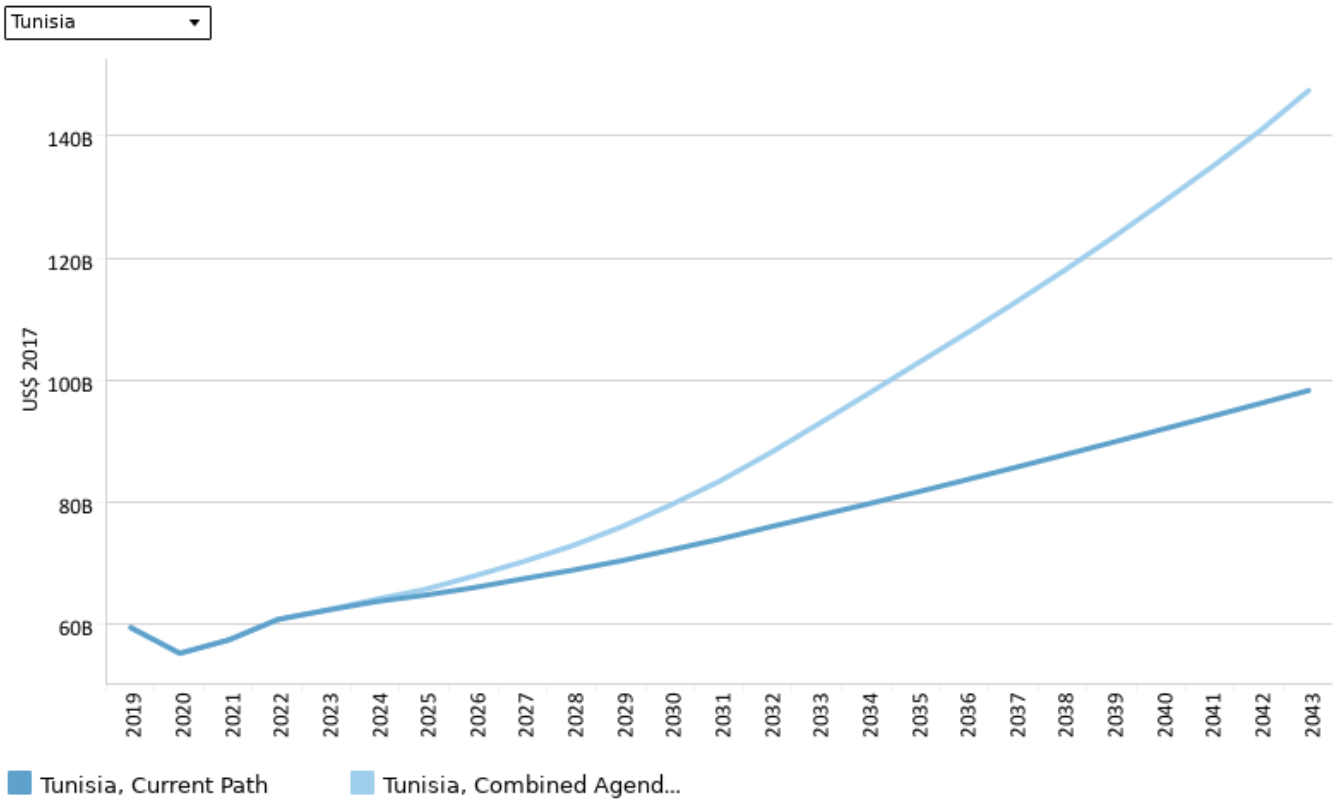
Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

See Chart 8 to view the Current Path forecast of the sectoral composition of the economy.

The service industry, already the largest contributor to GDP at 50.4% of GDP in 2019, will further increase its contribution to Tunisia's economy to 55.4% in 2043. The other sectors are expected to slightly decline in their contribution to GDP, agriculture in particular. However, in absolute dollar terms, all sectors will be larger in the Combined Agenda 2063 scenario in 2043 compared to the Current Path forecast for that year. Services and manufacturing will contribute the largest share to the economy in 2043, which will be followed by ICT, agriculture, energy and materials, respectively.

Chart 59: GDP in CP and Combined scenario, 2019–2043

Billions US$ 2017, market exchange rates



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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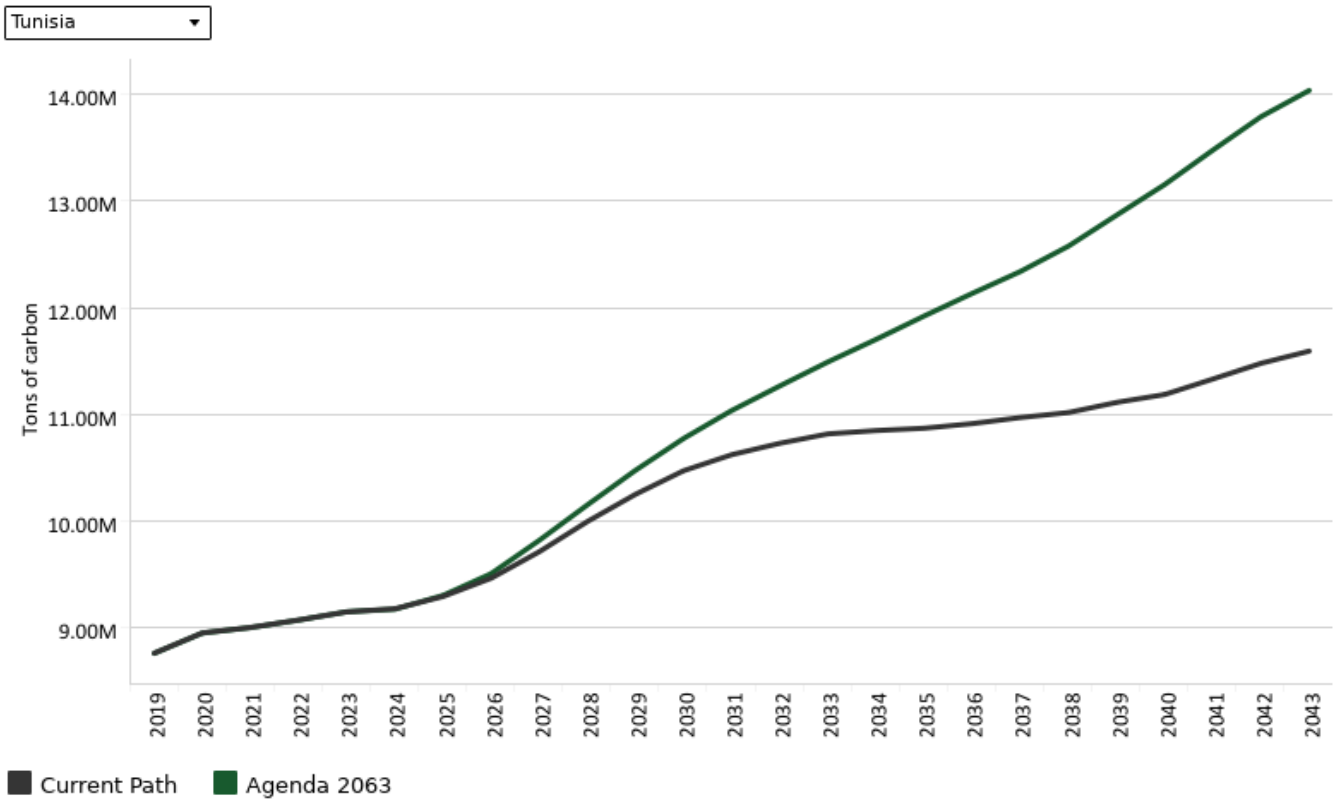
In this sustained push to implement all the policies, the size of the economy grows by an additional US$15.9 billion, relative to US$77.8 billion in the Current Path forecast by 2033. By 2043, the economy will be a whopping US$151 billion, relative to US$98 billion in the Current Path forecast, representing a 56.4% increase.

Chart 60: Carbon emissions in CP and Combined scenario, 2019–2043

Million tons of carbon (note, not CO_2 equivalent)



Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

There are greater carbon emissions in the Combined Agenda 2063 scenario. The environmental cost in this scenario is that carbon emissions increase by about 22.4% (14.2 million tons) compared to the Current Path forecast at 11.6 million tons of carbon by 2043.

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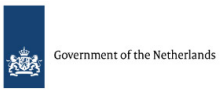

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About the authors

Dr Jakkie Cilliers is the ISS's founder and former executive director. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria oce of the Institute. His 2017 best-seller Fate of the Nation addresses South Africa's futures from political, economic and social perspectives. His three most recent books, Africa First! Igniting a Growth Revolution (March 2020), The Future of Africa: Challenges and Opportunities (April 2021), and Africa Tomorrow: Pathways to Prosperity (June 2022) take a rigorous look at the continent as a whole.

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