



The Rebirth: Tunisia's potential development pathways to 2040

Basic Infrastructure

Jakkie Cilliers and Stellah Kwasi

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Basic Infrastructure

Tunisia has a relatively well-developed basic infrastructure system. Basic utilities and services like water, sanitation, electricity, telecommunications and transport were rolled out in the 1980s as part of the broader push on economic and human development.

Water and sanitation

Water scarcity has long been a challenge in North Africa, complicated by rapid urbanisation and climate change. Nonetheless, Tunisia has achieved significant success in expanding access to improved water sources and sanitation facilities. [1] In 2018, an estimated 14.2% of the population lacked access to safe water [2] and only 3% lacked access to an improved sanitation facility — a major improvement from 2000, when 20% of Tunisians lacked access to an improved sanitation facility. [3]

On the Current Path, all Tunisians will have access to safe water by 2028. The generally good health outcomes, particularly with regard to communicable diseases described in the previous section, can be attributed to adequate provision of services like water and sanitation in the country.

However, the growing population and increased demand for water for agriculture are straining the country's water resources. Between 2012 and 2013, water use grew by 12%, mainly owing to the rise in the urban population of Tunis. [4] In the summer of 2013 the Greater Tunis area, with a population of 2.5 million people, experienced its first water cuts due to shortages.

To avoid future water shortages, Tunisia needs to reduce inefficiency in water use by modernising infrastructure, implementing modern farming practices and launching public awareness campaigns on sustainable water use.

Energy and electricity

The energy sector in Tunisia is heavily subsidised through a complex system. In 2005, energy subsidies accounted for 3% of GDP. By 2012, this had risen to 12% of GDP (TND 5 600 million). The IMF and the World Bank have pushed for Tunisia to limit energy subsidies, which they argue mostly benefit the affluent, and to curb the high levels of government expenditure. [5] Nonetheless, Tunisia has achieved near universal electricity access.

Currently, about 97% of Tunisia's electricity generation comes from fossil fuels, mostly from domestic and imported natural gas, almost half of which comes from Algeria. The energy law of 2015 encourages independent power producers (IPPs) to invest in renewable energy.

Since 2017, the government has awarded private companies 12 solar projects of 10 MW each and four wind projects of 30 MW each, all of which are still under construction. By 2018, Tunisia had an installed capacity of about 240 MW of wind power, 10 MW of solar, and 62 MW of hydroelectric, making up 5.7% of national energy production. [6]

The government aimed to source 11% of electricity from renewable sources by 2016 and 30% by 2030. [7] According to IFs, Tunisia will only achieve that target by 2040, indicating the need for a much more aggressive push on renewables.

Information and communications technology

Tunisia has one of the most developed telecommunications infrastructures in North Africa, with some of the continent's highest market penetration rates. In 2019, ICT was estimated to contribute 4.5% of GDP. The mobile sector in particular has experienced exceptional growth since competition was introduced in 2002. By 2017, Tunisia had recorded 14.2 million mobile subscribers with over 124 subscriptions per 100 people.

A nationwide fibre-optic backbone and international access via submarine cables have supported the rapid development of the Internet sector. [8] In 2017, an estimated 7.4 million people were connected to mobile broadband.

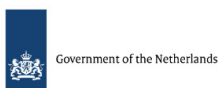
However, the sector is characterised by low levels of competition owing to entry barriers in an industry where private sector participation is common. Because of limited competition and restrictions on inter-operator services, Tunisian consumers pay very high prices, which affect firms' competitiveness and efficiency. [9]

As a result, ICT is largely confined to basic communications and not fully integrated into the economy. Tunisia is thus not reaping the full benefits of ICT, in spite of the fact that its value-added contribution to the economy is comparable to that in UMICs and two percentage points above the average for OLMICs.

Endnotes

1. 'Improved drinking water sources are those which, by nature of their design and construction, have the potential to deliver safe water. The Joint Monitoring Program (JMP) subdivides the population using improved sources into three groups according to the level of service provided. In order to meet the criteria for a safely managed drinking water service, people must use an improved source meeting three criteria: it should be accessible on premises, water should be available when needed, and the water supplied should be free from contamination.' WHO/UNICEF JMP, [Drinking water](#),
2. WHO/UNICEF JMP, [Drinking water](#),
3. UNICEF, [MICs survey, 2019](#)
4. World Bank, [Water: Tunisia's other development challenge](#), 4 September 2014
5. Energypedia, [Tunisia energy situation](#)
6. Energypedia, [Tunisia energy situation](#); IMF, [Frequently asked questions on Tunisia](#), 18 July 2019
7. International Energy Agency (IEA), [Renewable Energy Law for Electricity Production \(No. 74/2013\)](#)
8. Tunisia Live, [Tunisia and Ghana Lead Africa's Telecom Growth](#), June 2019
9. World Bank, [The Unfinished Revolution: Bringing Opportunity, Good Jobs and Greater Wealth to All Tunisians](#), May 2014,

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About the authors

Dr Jakkie Cilliers is the ISS's founder and former executive director of the ISS. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria office of the ISS. 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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