

This metadata describes the compilation practices, sources and methodology in use in 2003. Please refer to the contact person below for details of any changes that may have been introduced by the country since that time.

Tunisia:

Direct Investment Compilation Practices, Data Sources and Methodology

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Direct Investment in Tunisia

- **Balance of Payments (“Transactions Data”)**
- **International Investment Position (“Position Data”)**

Direct Investment Abroad

- **Balance of Payments (“Transactions Data”)**
- **International Investment Position (“Position Data”)**

DIRECT INVESTMENT IN TUNISIA

BALANCE OF PAYMENTS (“INWARD TRANSACTIONS”) DATA

A. Compilation Practices and Data Sources

Data Availability

Separately identifiable annual (calendar year) data are compiled by the Central Bank of Tunisia (BCT) within the balance of payments framework on (a) one of the three components of direct investment income, namely income on equity (dividends and distributed branch profits), and (b) the components of direct investment financial flows: (i) equity capital, and (ii) other capital. These data are disseminated with a timeliness of 6 weeks after the end of the reference period on the following BCT website www.bct.gov.tn/Indicateurs/publications. The data are also reported to the IMF for publication.

Data on the other two components of direct investment income (i) reinvested earnings, and (ii) income on debt (interest), are not compiled

Revision Practices

The data are preliminary when first released. The data are revised once to take account of the more comprehensive survey results and the revised data are disseminated 6 months after the end of the reference period. At this time the data are considered to be final, that is, 4.5 months after their first release.

The revised status of the data is clearly identified in the disseminated data and the general public are informed of the reasons for major revisions. The historical data are revised back five years in instances of major changes in methodology or data collection systems. The public are also informed of major changes in methodology or data collection systems.

There are no differences in the revision practices between the data disseminated in the national publications and those reported to the IMF for publication.

Data Coverage

No major sectors of the economy or elements within those economic sectors are excluded from the data.

There are no differences in the sectoral coverage between the data disseminated in the national publications and those reported to the IMF for publication.

Data Collection Method

The data are collected using a mixture of an individual transactions basis (an international transactions reporting system [ITRS]) and an aggregate basis (enterprise surveys). The reporting requirements are compulsory.

Data Sources

An international transactions reporting system (ITRS), which covers cash transactions made through the domestic banking system, but not cash transactions made through the foreign bank accounts of enterprises, or noncash transactions, is used as a primary data source for the data for all components. Information from investment approval authorities on actual investments made is also used as a primary data source for the data on equity capital. An annual enterprise survey is used as a primary data source for the data on other capital, and as a secondary data source for the data on equity capital and income on equity (dividends and distributed branch profits). Information from exchange control authorities is also used as an additional data source for the data on equity capital.

There are no differences in the data sources between the data disseminated in the national publications and those reported to the IMF for publication.

A business register of enterprises involved in direct investment is used to compile the inward direct investment transactions data. The register is maintained by the investment approval authorities and is updated on an ongoing basis using information from (i) the international trade system's list of exporters/importers, (ii) the ITRS's list of transactors, (iii) registers maintained by government licensing and regulatory authorities, the tax authorities, the stock exchange authorities, and other departments within the BCT, (iv) a debt register, (v) the financial press, and (vi) compulsory direct investment surveys. The same business register is used to compile the inward direct investment transactions and position data, but a different register is used for the outward direct investment transactions and position data.

Geographic Classification

Annual data showing breakdowns by country for the direct investment income and the direct investment financial flows data are compiled by the BCT with a timeliness of 6 months after the end of the reference period. The data on direct investment financial flows are disseminated once a year with a timeliness of 9 months after the end of the reference period on the following BCT website www.bct.gov.tn/Indicateurs/publications. The data on direct investment income are not disseminated, but are available on request with a timeliness of 9 months after the end of the reference period. The data cover 50 countries and bilateral data are not used in the compilation of the data.

The debtor/creditor principle is used as the basis for the geographic allocation of the data. The five countries with the largest amount of direct investment income from investment in Tunisia during 2002 (ranked in descending order) were: the United Kingdom, the United States, Germany, Italy, and France. The five countries with the largest amount of direct investment financial flows into Tunisia during 2002 (ranked in descending order) were: France, Italy, the United States, Germany, and the United Kingdom.

In addition to the data showing country breakdowns, annual data are compiled by the BCT showing breakdowns of both the direct investment income and direct investment financial flows for the following regions/economic zones: (i) the EU-15, (ii) the OECD, (iii) NAFTA, (iv) the OPEC countries, (v) the G-7 countries, (vi) the Arab nations, (vii) Arab northern Africa, and (viii) Latin America. The data for the direct investment flows are disseminated once a year with a timeliness of 9 months after the end of the reference period on the following BCT website www.bct.gov.tn/Indicateurs/publications. The data on direct investment income are not disseminated but are available on request with a timeliness of 9 months after the end of the reference period.

There are no differences in the data coverage, sources, etc. between the inward transactions data showing geographic breakdowns disseminated in the national publications and the aggregate inward data on direct investment income and direct investment financial flows reported to the IMF for publication.

Industrial Classification

Annual data showing breakdowns by industrial activity for the direct investment financial flows are compiled by the BCT are compiled with a timeliness of 6 months after the end of the reference period. The data are not disseminated, but are available on request. The data show a breakdown for 4 industrial activities. The classification used broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC). Data showing breakdowns by industrial activity for the direct investment income data are not compiled

The data on direct investment financial flows are classified on the basis of the industrial activity of the resident direct investment enterprises. The four industrial activities with the largest amount of direct investment financial flows into Tunisia during 2002 (in descending order) were: (i) energy, (ii) manufacturing, (iii) tourism and real estate, and (iv) other sectors (comprising mainly agriculture and fishing, finance, telecommunications, and services).

Annual data showing a breakdown by both industrial activity and main partner country for the direct investment financial flows data are compiled by the BCT with a timeliness of 6 months after the end of the reference period. The data are not disseminated, but are available on request. The five highest ranking partner countries during 2002 (ranked in descending order) for which breakdowns by industrial activity are disseminated were: France, Italy, the United States of America, Germany, and the United Kingdom.

In addition, data are compiled by the BCT with a timeliness of 6 months after the end of the reference period for the direct investment financial flows data showing a breakdown by both industrial activity and region/economic zone. These data are not disseminated, but are available on request.

There are no differences in the data coverage, sources, etc. between the inward transactions data showing industrial activity breakdowns made available on request and the aggregate inward data on direct investment financial flows reported to the IMF for publication.

B. Methodology

Definition of Direct Investment Enterprises in Tunisia

In accordance with the international standards, the basic criterion for defining direct investment enterprises in Tunisia is 10 percent ownership by a nonresident investor, regardless of whether the investor has an effective voice in management—that is, enterprises in which the nonresident direct investor owns 10 percent or more but does not have an effective voice in management are included, while enterprises in which the nonresident investor owns less than 10 percent but has an effective voice in management are not included. Contrary to the international standards, the 10 percent ownership is calculated by combining the holdings of all nonresident investors in a specific enterprise or from a specific country, rather than being based on the ownership of each individual nonresident investor or group of related nonresident investors. No value threshold is used to identify resident direct investment enterprises, and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly Owned Direct Investment Enterprises

The “Fully Consolidated System” (FCS) recommended in the international standards is partially applied. Specifically, (i) the direct investment earnings data include the relevant share of some, but not all, indirectly-owned direct investment enterprises (data on reinvested earnings, and income on debt [interest] are not compiled), and (ii) the direct investment financial flows data include some, but not all, equity capital and other capital transactions made directly between resident enterprises of a related group as defined in the FCS and nonresident enterprises of the same group, without consideration of the percentage of equity directly held by these enterprises in each other, and including those enterprises that share a common direct investor but have no ownership in each other.

Enterprises in Tunisia are required by law to (i) produce consolidated accounts covering their subsidiaries and associate companies, both foreign and domestic, and (ii) identify all transactions with the parent company. However, these data are not available for statistical purposes.

Measurement of Direct Investment Earnings

In accordance with the international standards, the “Current Operating Performance Concept” (COPC) is fully used to calculate direct investment earnings. Specifically, (i) deductions are made for depreciation of capital, and for provisions for host-country income and corporation taxes, (ii) realized and unrealized capital gains and losses, write-offs, and realized and unrealized exchange rate gains and losses are not included, (iii) interest receivable/payable is included, and (iv) debt repayments receivable/payable are excluded.

Treatment of Income on Equity (Dividends and Distributed Branch Profits)

The data on dividends and distributed branch profits cover both incorporated enterprises and unincorporated enterprises. Contrary to the international standards, (i) dividends and distributed branch profits for both incorporated and unincorporated enterprises are not recorded on the date they are declared payable, but instead are recorded primarily on the date they are paid, with the remainder being recorded on the date they are payable (due for payment), and (ii) dividends and distributed branch profits are recorded net, rather than gross, of any withholding taxes. In accordance with the international standards, (i) the data include equity capital transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (ii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and other affiliated financial intermediaries and affiliated banks.

Treatment of Reinvested Earnings and Undistributed Branch Profits

Not applicable. Data on reinvested earnings and undistributed branch profits are not compiled.

Treatment of Income on Debt (Interest)

Not applicable. Data on income on debt (interest) are not compiled.

Treatment of Equity Capital

The equity capital transactions data cover (i) listed voting stocks (shares), (ii) unlisted voting stocks (shares), (iii) participating preference [preferred] shares, (iv) other non-voting stocks (shares), and (v) noncash acquisitions of equity, such as through the provision of capital equipment. In accordance with the international standards, (i) the data include equity transactions between affiliated banks and between affiliated financial intermediaries, (ii) the data include equity transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks.

Treatment of Other Capital

The other capital transactions data cover: (i) long-term loans, (ii) short-term loans, (iii) trade credits, and (iv) financial leases. The data do not cover bonds and money market instruments. In accordance with the international standards, the data exclude (i) loan/debt guarantees provided by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) transactions between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. (Financial derivatives have not occurred to date.) In accordance with the international standards, (i) the data include non-participating preference [preferred] shares, (ii) the data include other capital transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks. Contrary to the international standards, the data do not include transactions associated with permanent debt between affiliated banks and between affiliated financial intermediaries.

In instances when a loan/debt guarantee provided by a direct investor or related direct investment enterprise is invoked following default by a direct investment enterprise, the entire amount of the loan/debt guarantee outstanding is treated as direct investment lending by the guarantor and recorded under "Direct Investment in Tunisia: Other Capital: Increase in Liabilities to Direct Investors" at the time the guarantee is invoked.

Treatment of Reverse Investment

Transactions involving reverse investment are not treated in accordance with the international standards in all instances.

Assuming that the direct investment enterprise is a resident of Tunisia and the direct investor is a nonresident, when the direct investment enterprise owns at least 10 percent of its nonresident direct investor, and has therefore established a direct investment relationship in its own right, in accordance with the international standards, equity transactions are recorded as "Direct Investment Abroad: Equity Capital: Increase in Claims on Affiliated Enterprises" and loan transactions are recorded as "Direct Investment Abroad: Other Capital: Increase in Claims on Affiliated Enterprises".

Assuming that the direct investment enterprise is a resident of Tunisia and the direct investor is a nonresident, when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, contrary to the international standards, equity transactions are recorded as "Direct Investment Abroad: Equity Capital: Increase in Claims on Affiliated Enterprises", rather than as "Direct Investment in Tunisia: Equity Capital: Increase in Claims on Direct Investors", and loan transactions are recorded as "Direct Investment Abroad: Other Capital: Increase in Claims on Affiliated Enterprises", rather than as "Direct Investment in Tunisia: Other Capital: Increase in Claims on Direct Investors".

Treatment of Quasi-corporations

In accordance with the international standards, the direct investment data include the activities of quasi-corporations involving the operation in Tunisia by nonresidents of (i) construction enterprises, and (ii) mobile equipment, such as ships, aircraft and drilling rigs.

Treatment of Offshore Enterprises

In accordance with the international standards, the activities of offshore enterprises established in Tunisia by nonresidents are included in the direct investment data.

Treatment of Special Purpose Entities (SPEs)

Not applicable. There are no SPEs established in Tunisia by nonresidents at present.

Treatment of Land and Buildings

In accordance with the international standards, the equity capital data include purchases and sales of land and buildings in Tunisia by nonresident enterprises and nonresident individuals. Land and buildings purchased in Tunisia by nonresident enterprises and nonresident individuals on long-term leases are included. (Long-term leases are defined as being leases with a duration of more than one year.)

Treatment of Natural Resources Exploration

In accordance with the international standards, (i) expenditure related to natural resources exploration in Tunisia by nonresidents is included in the equity capital data, (ii) expenditure on bonus payments made by nonresidents to the host country for the right to undertake exploration for natural resources is included in the equity capital data when there is a clear intention to establish a direct investment enterprise, and (iii) in instances of the shutdown of a direct investment enterprise established in Tunisia by nonresidents for natural resource exploration, no transactions are shown in the balance of payments statistics.

Exchange Rate Conversion

Most transactions are converted to the unit of account at average monthly exchange rate for the month in which the transactions were recorded. However, some transactions are recorded at the exchange rate prevailing on the day of the transaction, and others are converted at the average exchange rate for the year.

DIRECT INVESTMENT IN TUNISIA

INTERNATIONAL INVESTMENT POSITION LIABILITIES (“INWARD POSITION DATA”)

A. Compilation Practices and Data Sources

Data Availability

Separately identifiable annual (calendar year) data are compiled by the Central Bank of Tunisia (BCT) within the international investment position (IIP) framework on (a) equity capital, and (ii) other capital. (Prior to 2002, data on equity capital were not compiled.) The data are disseminated once a year with a timeliness of 6 months after the end of the reference period on the following BCT website www.bct.gov.tn/Indicateurs/publications. The data are also reported to the IMF for publication. Data on reinvested earnings are not compiled.

Revision Practices

The data are final when first released.

There are no differences in the revision practices between the data disseminated in the national publications and those reported to the IMF for publication.

Data Coverage

No major sectors of the economy or elements within those economic sectors are excluded from the data.

There are no differences in the sectoral coverage between the data disseminated in the national publications and those reported to the IMF for publication.

Data Collection Method

The data are collected using a mixture of an individual transactions basis (an international transactions reporting system [ITRS]) and an aggregate basis (enterprise surveys). The reporting requirements are compulsory.

Data Sources

The position data are compiled from the annual transactions data using the perpetual inventory method (a method for deriving position data from transactions data). Adjustments are made for price changes, exchange rate changes, and other nontransaction changes, using the gross fixed capital formation deflator. An international transactions reporting system (ITRS), which covers cash transactions made through the domestic banking system, but not cash transactions made through the foreign bank accounts of enterprises, or noncash transactions, is used as a primary data source for the transactions data on equity capital and other capital. Information from investment approval authorities on actual investments made is also used as a primary data source for the transactions data on equity capital. An annual enterprise survey is used as a primary data source for the transactions data on other capital, and as a secondary data source for the transactions data on equity capital. Information from exchange control authorities is used as an additional data source for the transactions data on equity capital.

There are no differences in the data sources between the data disseminated in the national publications and those reported to the IMF for publication.

A business register of enterprises involved in direct investment is used to compile the inward direct investment position data. The register is maintained by the investment approval authorities and is updated on an ongoing basis using information from (i) the international trade system's list of exporters/importers, (ii) the ITRS's list of transactors, (iii) registers maintained by government licensing and regulatory authorities, the tax authorities, the stock exchange authorities, and other departments within the BCT, (iv) a debt register, (v) the financial press, and (vi) compulsory direct investment surveys. The same business register is used to compile the inward direct investment transactions and position data, but a different register is used for the outward direct investment transactions and position data.

Geographic Classification

Not applicable. Data showing geographic breakdowns are not compiled for the inward position data.

Industrial Classification

Not applicable. Data showing breakdowns by industrial activity are not compiled for the inward position data.

B. Methodology

Definition of Direct Investment Enterprises in Tunisia

In accordance with the international standards, the basic criterion for defining direct investment enterprises in Tunisia is 10 percent ownership by a nonresident investor, regardless of whether the investor has an effective voice in management—that is, enterprises in which the nonresident direct investor owns 10 percent or more but does not have an effective voice in management are included, while enterprises in which the nonresident investor owns less than 10 percent but has an effective voice in management are not included. Contrary to the international standards, the 10 percent ownership is calculated by combining the holdings of all nonresident investors in a specific enterprise or from a specific country, rather than being based on the ownership of each individual nonresident investor or group of related nonresident investors. No value threshold is used to identify resident direct investment enterprises, and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly Owned Direct Investment Enterprises

The “Fully Consolidated System” (FCS) recommended in the international standards is partially applied. Specifically, the data include some, but not all, equity capital and other capital positions held directly by resident enterprises of a related group as defined in the FCS with nonresident enterprises of the same group, without consideration of the percentage of equity directly held by these direct investors or enterprises in each other, and including those enterprises that share a common direct investor but have no ownership in each other. (Data on reinvested earnings are not compiled.)

Enterprises in Tunisia are required by law to (i) produce consolidated accounts covering their subsidiaries and associate companies, both foreign and domestic, and (ii) identify all transactions with the parent company. However, these data are not available for statistical purposes

Treatment of Equity Capital and Reinvested Earnings

The equity capital position data cover (i) listed voting stocks (shares), (ii) unlisted voting stocks (shares), (iii) participating preference [preferred] shares, (iv) other non-voting stocks (shares), and (v) noncash acquisitions of equity, such as through the provision of capital equipment. In accordance with the international standards, (i) the data include equity positions between affiliated banks and between affiliated financial intermediaries, (ii) the data include equity positions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks.

Data on reinvested earnings are not compiled.

Treatment of Other Capital

The other capital position data cover: (i) long-term loans, (ii) short-term loans, (iii) trade credits, and (iv) financial leases. The data do not cover bonds and money market instruments. In accordance with the international standards, the data exclude (i) loan/debt guarantees provided by direct investors or related direct investment enterprises, (ii) loan/debt guarantees provided by direct investors or related direct investment enterprises, and (iii) positions between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. (Financial derivatives have not occurred to date.) In accordance with the international standards, (i) the data include non-

participating preference [preferred] shares, (ii) the data include other capital positions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks. Contrary to the international standards, the data do not include positions associated with permanent debt between affiliated banks and between affiliated financial intermediaries.

In instances when a loan/debt guarantee provided by a direct investor or related direct investment enterprise is invoked following default by a direct investment enterprise, the entire amount of the loan/debt guarantee outstanding is treated as direct investment lending by the guarantor and recorded under "Liabilities: Direct Investment in Tunisia: Other Capital: Liabilities to Direct Investors" at the time the guarantee is invoked.

Treatment of Reverse Investment

Positions involving reverse investment are not treated in accordance with the international standards in all instances.

Assuming that the direct investment enterprise is a resident of Tunisia and the direct investor is a nonresident, when the direct investment enterprise owns at least 10 percent of its nonresident direct investor, and has therefore established a direct investment relationship in its own right, in accordance with the international standards, equity positions are recorded as "Assets: Direct Investment Abroad: Equity Capital: Claims on Affiliated Enterprises" and loan positions are recorded as "Assets: Direct Investment Abroad: Other Capital: Claims on Affiliated Enterprises".

Assuming that the direct investment enterprise is a resident of Tunisia and the direct investor is a nonresident, when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, contrary to the international standards, equity positions are recorded as "Assets: Direct Investment Abroad: Equity Capital: Claims on Affiliated Enterprises", rather than as "Liabilities: Direct Investment in Tunisia: Equity Capital: Claims on Direct Investors", and loan positions are recorded as "Assets: Direct Investment Abroad: Other Capital: Claims on Affiliated Enterprises", rather than as "Liabilities: Direct Investment in Tunisia: Other Capital: Claims on Direct Investors".

Treatment of Quasi-corporations

In accordance with the international standards, the direct investment data include the activities of quasi-corporations involving the operation in Tunisia by nonresidents of (i) construction enterprises, and (ii) mobile equipment, such as ships, aircraft and drilling rigs.

Treatment of Offshore Enterprises

In accordance with the international standards, the activities of offshore enterprises established in Tunisia by nonresidents are included in the direct investment data.

Treatment of Special Purpose Entities (SPEs)

Not applicable. There are no SPEs established in Tunisia by nonresidents at present.

Treatment of Land and Buildings

In accordance with the international standards, the equity capital data include ownership of land and buildings in Tunisia by nonresident enterprises and nonresident individuals. Land and buildings owned in Tunisia by nonresident enterprises and nonresident individuals on long-term leases are included. (Long-term leases are defined as being leases with a duration of more than one year.)

Treatment of Natural Resources Exploration

In accordance with the international standards, (i) expenditure related to natural resources exploration in Tunisia by nonresidents is included in the equity capital data, and (ii) expenditure on bonus payments made by nonresidents to the host country for the right to undertake exploration for natural resources is included in the equity capital data when there is a clear intention to establish a direct investment enterprise. Contrary to the

international standards, in instances of the shutdown of a direct investment enterprise established in Tunisia by nonresidents for natural resource exploration, an adjustment to reflect that shutdown is not made to the liabilities data on direct investment equity capital in the international investment position statistics.

Valuation of Assets and Liabilities

The position data for all components are valued using the following method: the sum of the direct investment financial flows for all years beginning from 1960 are added together and then deflated by the gross fixed capital formation deflator, using 1990 as the base year.

Exchange Rate Conversion

Most positions are converted to the unit of account at the exchange rate prevailing on the last business day of the year. Others are converted at the exchange rate prevailing on the date to which the position data relate.

DIRECT INVESTMENT ABROAD

BALANCE OF PAYMENTS (“OUTWARD TRANSACTIONS”) DATA

A. Compilation Practices and Data Sources

Data Availability

Separately identifiable annual (calendar year) data are compiled by the Central Bank of Tunisia (BCT) within the balance of payments framework on (a) one of the three components of direct investment income, namely income on equity (dividends and distributed branch profits), and (b) the components of direct investment financial flows: (i) equity capital, and (ii) other capital. (Prior to 2002, data on other capital were not compiled.) These data are disseminated with a timeliness of 6 weeks after the end of the reference period on the following BCT website www.bct.gov.tn/Indicateurs/publications. The data are also reported to the IMF for publication. Data on the other two components of direct investment income, (i) reinvested earnings, and (ii) income on debt (interest), are not compiled.

Revision Practices

The data are preliminary when first released. The data are revised once to take account of the more comprehensive survey results and the revised data are disseminated 6 months after the end of the reference period. At this time the data are considered to be final, that is, 4.5 months after their first release.

The revised status of the data is clearly identified in the disseminated data and the general public are informed of the reasons for major revisions. The historical data are revised back five years in instances of major changes in methodology or data collection systems. The public are also informed of major changes in methodology or data collection systems.

There are no differences in the revision practices between the data disseminated in the national publications and those reported to the IMF for publication.

Data Coverage

No major sectors of the economy or elements within those economic sectors are excluded from the data.

There are no differences in the sectoral coverage between the data disseminated in the national publications and those reported to the IMF for publication.

Data Collection Method

The data are collected using a mixture of an individual transactions basis (an international transactions reporting system [ITRS]) and an aggregate basis (enterprise surveys). The reporting requirements are compulsory.

Data Sources

The data for all components are compiled primarily from an international transactions reporting system (ITRS), which covers cash transactions made through the domestic banking system, but not cash transactions made through the foreign bank accounts of enterprises, or noncash transactions. Information from exchange control authorities is used as a secondary data source for the data for all components.

There are no differences in the data sources between the data disseminated in the national publications and those reported to the IMF for publication.

A business register of enterprises involved in direct investment is used to compile the outward direct investment transactions data. The register is maintained by the exchange control authorities and is updated on an ongoing basis using information from (i) the international trade system's list of exporters/importers, (ii) the ITRS's list of transactors, (iii) registers maintained by government licensing and regulatory authorities, the tax authorities, the stock exchange authorities, and other departments within the BCT, (iv) a debt register, (v) the financial press, and (vi) compulsory direct investment surveys. The same business register is used to compile the outward direct

investment transactions and position data, but a different register is used for the inward direct investment transactions and position data.

Geographic Classification

Annual data showing breakdowns by country for the direct investment income and the direct investment financial flows data are compiled by the BCT. The data on direct investment financial flows are disseminated once a year with a timeliness of 9 months after the end of the reference period on the following BCT website www.bct.gov.tn/Indicateurs/publications. The data on direct investment income are not disseminated but are available on request with a timeliness of 9 months after the end of the reference period. The data cover 7 countries and bilateral data are not used in the compilation of the data.

The debtor/creditor principle is used as the basis for the geographic allocation of the data. The four countries with the largest amount of direct investment income from investment abroad by residents of Tunisia during 2002 (ranked in descending order) were: Algeria, France, Morocco, and Libya. The four countries with the largest amount of direct investment financial flows from Tunisia during 2002 (ranked in descending order) were: Algeria, France, Morocco, and Libya.

In addition to the data showing country breakdowns, annual data are compiled by the BCT showing breakdowns of both the direct investment income and direct investment financial flows for the following regions/economic zones: (i) the EU-15, (ii) the OECD, (iii) NAFTA, (iv) the OPEC countries, (v) the G-7 countries, (vi) the Arab nations, (vii) Arab northern Africa, and (viii) Latin America. The data for the direct investment flows are disseminated once a year with a timeliness of 9 months after the end of the reference period on the following BCT website www.bct.gov.tn/Indicateurs/publications. The data on direct investment income are not disseminated but are available on request with a timeliness of 9 months after the end of the reference period.

There are no differences in the data coverage, sources, etc. between the outward transactions data showing geographic breakdowns disseminated in the national publications and the aggregate outward data on direct investment income and direct investment financial flows reported to the IMF for publication.

Industrial Classification

Not applicable. Data showing breakdowns by industrial activity are not compiled for the outward transactions data.

B. Methodology

Definition of Direct Investors

In accordance with the international standards, the basic criterion for defining resident direct investors is 10 percent ownership by a resident investor of an enterprise abroad, regardless of whether the investor has an effective voice in management—that is, enterprises abroad in which the resident direct investor owns 10 percent or more but does not have an effective voice in management are included, while enterprises abroad in which the resident investor owns less than 10 percent but has an effective voice in management are not included. Contrary to the international standards, the 10 percent ownership is calculated by combining the holdings of all resident investors in a specific enterprise abroad or in a specific country abroad, rather than being based on the ownership of each individual resident investor or group of related resident investors. No value threshold is used to identify resident direct investors, and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly Owned Direct Investment Enterprises

The “Fully Consolidated System” (FCS) recommended in the international standards is partially applied. Specifically, (i) the direct investment earnings data include the relevant share of some, but not all, indirectly-owned direct investment enterprises (data on reinvested earnings, and income on debt [interest] are not compiled), and (ii) the direct investment financial flows data include some, but not all, equity and other capital transactions made directly between resident enterprises of a related group as defined in the FCS and nonresident enterprises of the same group, without consideration of the percentage of equity directly held by

these enterprises in each other, and including those enterprises that share a common direct investor but have no ownership in each other.

Enterprises in Tunisia are required by law to (i) produce consolidated accounts covering their subsidiaries and associate companies, both foreign and domestic, and (ii) identify all transactions with the parent company. However, these data are not available for statistical purposes.

Measurement of Direct Investment Earnings

In accordance with the international standards, the "Current Operating Performance Concept" (COPC) is fully used to calculate direct investment earnings. Specifically, (i) deductions are made for depreciation of capital, and for provisions for host-country income and corporation taxes, (ii) realized and unrealized capital gains and losses, write-offs, and realized and unrealized exchange rate gains and losses are not included, (iii) interest receivable/payable is included, and (iv) debt repayments receivable/payable are excluded.

Treatment of Income on Equity (Dividends and Distributed Branch Profits)

The data on dividends and distributed branch profits cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, (i) the data include transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (ii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and other affiliated financial intermediaries and affiliated banks. Contrary to the international standards, (i) dividends and distributed branch profits for both incorporated and unincorporated enterprises are not recorded on the date they are declared payable, but instead are recorded primarily on the date they are paid, with the remainder being recorded on the date they are payable (due for payment), and (ii) dividends and distributed branch profits are recorded net, rather than gross, of any withholding taxes.

Treatment of Reinvested Earnings and Undistributed Branch Profits

Not applicable. Data on reinvested earnings and undistributed branch profits are not compiled.

Treatment of Income on Debt (Interest)

Not applicable. Data on income on debt (interest) are not compiled.

Treatment of Equity Capital

The equity capital transactions data cover (i) listed voting shares, (ii) unlisted voting stocks (shares), (iii) participating preference [preferred] shares, (iv) other non-voting stocks (shares), and (v) noncash acquisitions of equity, such as through the provision of capital equipment. However, direct investors resident in Tunisia must obtain authorization from the BCT to invest in listed voting shares abroad. In accordance with the international standards, (i) the data include equity transactions between affiliated banks and between affiliated financial intermediaries, (ii) the data include equity transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks.

Treatment of Other Capital

The other capital transactions data cover: (i) long-term loans, (ii) short-term loans, (iii) trade credits, and (iv) financial leases. The data do not cover bonds and money market instruments. In accordance with the international standards, the data exclude (i) loan/debt guarantees provided by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) transactions between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. (Financial derivatives have not occurred to date.) In accordance with the international standards, (i) the data include non-participating preference [preferred] shares, (ii) the data include transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such

as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks. Contrary to the international standards, the data do not include transactions associated with permanent debt between affiliated banks and between affiliated financial intermediaries.

In instances when a loan/debt guarantee provided by a direct investor is invoked following default by a direct investment enterprise, the entire amount of the loan/debt guarantee outstanding is treated as direct investment lending by the guarantor and recorded under "Direct Investment Abroad: Other Capital: Increase in Claims on Affiliated Enterprises" at the time the guarantee is invoked.

Treatment of Reverse Investment

Transactions involving reverse investment are not treated in accordance with the international standards in all instances.

Assuming that the direct investment enterprise is a resident of Tunisia and the direct investor is a nonresident, when the direct investment enterprise owns at least 10 percent of its nonresident direct investor, and has therefore established a direct investment relationship in its own right, in accordance with the international standards, equity transactions are recorded as "Direct Investment Abroad: Equity Capital: Increase in Claims on Affiliated Enterprises" and loan transactions are recorded as "Direct Investment Abroad: Other Capital: Increase in Claims on Affiliated Enterprises".

Assuming that the direct investment enterprise is a resident of Tunisia and the direct investor is a nonresident, when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, contrary to the international standards, equity transactions are recorded as "Direct Investment Abroad: Equity Capital: Increase in Claims on Affiliated Enterprises", rather than as "Direct Investment in Tunisia: Equity Capital: Increase in Claims on Direct Investors", and loan transactions are recorded as "Direct Investment Abroad: Other Capital: Increase in Claims on Affiliated Enterprises", rather than as "Direct Investment in Tunisia: Other Capital: Increase in Claims on Direct Investors".

Treatment of Quasi-corporations

In accordance with the international standards, the direct investment data include the activities of quasi-corporations involving the operation abroad by residents of Tunisia of (i) construction enterprises, and (ii) mobile equipment, such as ships, aircraft, and drilling rigs.

Treatment of Offshore Enterprises

In accordance with the international standards, activities of offshore enterprises established abroad by residents of Tunisia are included in the direct investment data.

Treatment of Special Purpose Entities (SPEs)

Not applicable. There are no SPEs established abroad by residents of Tunisia at present.

Treatment of Land and Buildings

In accordance with the international standards, the equity capital data include purchases and sales of land and buildings abroad by enterprises and individuals resident in Tunisia. Land and buildings purchased abroad by enterprises and individuals resident in Tunisia on long-term leases are included. (Long-term leases are defined as being leases with a duration of more than one year.)

Treatment of Natural Resources Exploration

In accordance with the international standards, (i) expenditure related to natural resources exploration abroad by residents of Tunisia is included in the equity capital data, (ii) expenditure on bonus payments made by residents of Tunisia to the host country for the right to undertake exploration for natural resources is included in the equity capital data when there is a clear intention to establish a direct investment enterprise, and (iii) in instances of the shutdown of a direct investment enterprise established abroad by residents of Tunisia for natural resource exploration, no transactions are shown in the balance of payments statistics.

Exchange Rate Conversion

Most transactions are converted to the unit of account at average monthly exchange rate for the month in which the transactions were recorded. However, some transactions are recorded at the exchange rate prevailing on the day of the transaction, and others are converted at the average exchange rate for the year.

DIRECT INVESTMENT ABROAD

INTERNATIONAL INVESTMENT POSITION ASSETS (“OUTWARD POSITION DATA”)

A. Compilation Practices and Data Sources

Data Availability

Separately identifiable annual (calendar year) data are compiled by the Central Bank of Tunisia (BCT) within the international investment position (IIP) framework on (a) equity capital, and (ii) other capital. (Prior to 2002, data on other capital were not compiled.) The data are disseminated once a year with a timeliness of 6 months after the end of the reference period on the following BCT website www.bct.gov.tn/Indicateurs/publications. The data are also reported to the IMF for publication. Data on reinvested earnings are not compiled.

Revision Practices

The data are final when first released.

There are no differences in the revision practices between the data disseminated in the national publications and those reported to the IMF for publication.

Data Coverage

No major sectors of the economy or elements within those economic sectors are excluded from the data.

There are no differences in the sectoral coverage between the data disseminated in the national publications and those reported to the IMF for publication.

Data Collection Method

The data are collected using a mixture of an individual transactions basis (an international transactions reporting system [ITRS]) and an aggregate basis (enterprise surveys). The reporting requirements are compulsory.

Data Sources

The position data are compiled from the annual transactions data using the perpetual inventory method (a method for deriving position data from transactions data). Adjustments are made for price changes, exchange rate changes, and other nontransaction changes, using the gross fixed capital formation deflator. The transactions data for all components are compiled primarily from an international transactions reporting system (ITRS), which covers cash transactions made through the domestic banking system, but not cash transactions made through the foreign bank accounts of enterprises, or noncash transactions. Information from exchange control authorities is used as a secondary data source for the transactions data for all components.

There are no differences in the data sources between the data disseminated in the national publications and those reported to the IMF for publication.

A business register of enterprises involved in direct investment is used to compile the outward direct investment position data. The register is maintained by the exchange control authorities and is updated on an ongoing basis using information from (i) the international trade system's list of exporters/importers, (ii) the ITRS's list of transactors, (iii) registers maintained by government licensing and regulatory authorities, the tax authorities, the stock exchange authorities, and other departments within the BCT, (iv) a debt register, (v) the financial press, and (vi) compulsory direct investment surveys. The same business register is used to compile the outward direct investment transactions and position data, but a different register is used for the inward direct investment transactions and position data.

Geographic Classification

Not applicable. Data showing geographic breakdowns are not compiled for the outward position data.

Industrial Classification

Not applicable. Data showing breakdowns by industrial activity are not compiled for the outward position data.

B. Methodology

Definition of Direct Investors

In accordance with the international standards, the basic criterion for defining resident direct investors is 10 percent ownership by a resident investor of an enterprise abroad, regardless of whether the investor has an effective voice in management—that is, enterprises abroad in which the resident direct investor owns 10 percent or more but does not have an effective voice in management are included, while enterprises abroad in which the resident investor owns less than 10 percent but has an effective voice in management are not included. Contrary to the international standards, the 10 percent ownership is calculated by combining the holdings of all resident investors in a specific enterprise abroad or in a specific country abroad, rather than being based on the ownership of each individual resident investor or group of related resident investors. No value threshold is used to identify resident direct investors, and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly Owned Direct Investment Enterprises

The “Fully Consolidated System” (FCS) recommended in the international standards is partially applied. Specifically, the data include some, but not all, equity capital and other capital positions held directly by resident enterprises of a related group as defined in the FCS with nonresident enterprises of the same group, without consideration of the percentage of equity directly held by these direct investors or enterprises in each other, and including those enterprises that share a common direct investor but have no ownership in each other. (Data on reinvested earnings are not compiled.)

Enterprises in Tunisia are required by law to (i) produce consolidated accounts covering their subsidiaries and associate companies, both foreign and domestic, and (ii) identify all transactions with the parent company. However, these data are not available for statistical purposes.

Treatment of Equity Capital and Reinvested Earnings

The equity capital position data cover (i) listed voting shares, (ii) unlisted voting stocks (shares), (iii) participating preference [preferred] shares, (iv) other non-voting stocks (shares), and (v) noncash acquisitions of equity, such as through the provision of capital equipment. However, direct investors resident in Tunisia must obtain authorization from the BCT to invest in listed voting shares abroad. In accordance with the international standards, (i) the data include equity positions between affiliated banks and between affiliated financial intermediaries, (ii) the data include equity positions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks.

Data on reinvested earnings are not compiled.

Treatment of Other Capital

The other capital position data cover: (i) long-term loans, (ii) short-term loans, (iii) trade credits, and (iv) financial leases. The data do not cover bonds and money market instruments. In accordance with the international standards, the data exclude (i) loan/debt guarantees provided by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) positions between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. (Financial derivatives have not occurred to date.) In accordance with the international standards, (i) the data include non-participating preference [preferred] shares, (ii) the data include positions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers)

and the treatment of other affiliated financial intermediaries and affiliated banks. Contrary to the international standards, the data do not include positions associated with permanent debt between affiliated banks and between affiliated financial intermediaries.

In instances when a loan/debt guarantee provided by a direct investor is invoked following default by a direct investment enterprise, the entire amount of the loan/debt guarantee outstanding is treated as direct investment lending by the guarantor and recorded under "Assets: Direct Investment Abroad: Other Capital: Claims on Affiliated Enterprises" at the time the guarantee is invoked.

Treatment of Reverse Investment

Positions involving reverse investment are not treated in accordance with the international standards in all instances.

Assuming that the direct investment enterprise is a resident of Tunisia and the direct investor is a nonresident, when the direct investment enterprise owns at least 10 percent of its nonresident direct investor, and has therefore established a direct investment relationship in its own right, in accordance with the international standards, equity positions are recorded as "Assets: Direct Investment Abroad: Equity Capital: Claims on Affiliated Enterprises" and loan positions are recorded as "Assets: Direct Investment Abroad: Other Capital: Claims on Affiliated Enterprises".

Assuming that the direct investment enterprise is a resident of Tunisia and the direct investor is a nonresident, when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, contrary to the international standards, equity positions are recorded as "Assets: Direct Investment Abroad: Equity Capital: Claims on Affiliated Enterprises", rather than as "Liabilities: Direct Investment in Tunisia: Equity Capital: Claims on Direct Investors", and loan positions are recorded as "Assets: Direct Investment Abroad: Other Capital: Claims on Affiliated Enterprises", rather than as "Liabilities: Direct Investment in Tunisia: Other Capital: Claims on Direct Investors".

Treatment of Quasi-corporations

In accordance with the international standards, the direct investment data include the activities of quasi-corporations involving the operation abroad by residents of Tunisia of (i) construction enterprises, and (ii) mobile equipment, such as ships and aircraft, and drilling rigs.

Treatment of Offshore Enterprises

In accordance with the international standards, activities of offshore enterprises established abroad by residents of Tunisia are included in the direct investment data.

Treatment of Special Purpose Entities (SPEs)

Not applicable. There are no SPEs established abroad by residents of Tunisia at present.

Treatment of Land and Buildings

In accordance with the international standards, the equity capital data include ownership of land and buildings abroad by enterprises and individuals resident in Tunisia. Land and buildings owned abroad by enterprises and individuals resident in Tunisia on long-term leases are included. (Long-term leases are defined as being leases with a duration of more than one year.)

Treatment of Natural Resources Exploration

In accordance with the international standards, (i) expenditure related to natural resources exploration abroad by residents of Tunisia is included in the equity capital data, and (ii) expenditure on bonus payments made by residents of Tunisia to the host country for the right to undertake exploration for natural resources is included in the equity capital data when there is a clear intention to establish a direct investment enterprise. Contrary to the international standards, in instances of the shutdown of a direct investment enterprise established abroad by residents of Tunisia for natural resource exploration, an adjustment to reflect that shutdown is not made to the assets data on direct investment equity capital in the international investment position statistics.

Valuation of Assets and Liabilities

The position data for all components are valued using the following method: the sum of the direct investment financial flows for all years beginning from 1960 are added together and then deflated by the gross fixed capital formation deflator, using 1990 as the base year.

Exchange Rate Conversion

Most positions are converted to the unit of account at the exchange rate prevailing on the last business day of the year. Others are converted at the exchange rate prevailing on the date to which the position data relate.