

External Loans : Where are the friends of Tunisia?

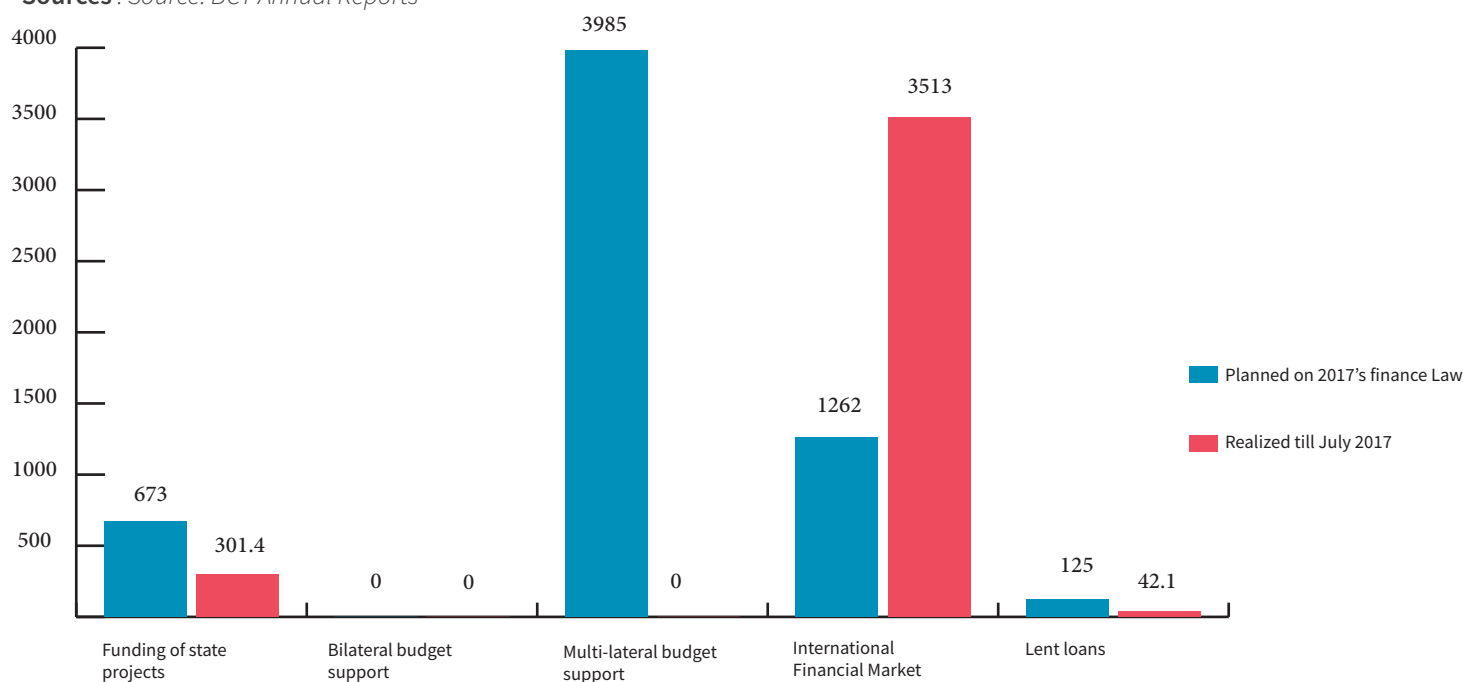
Key highlights

- However, there were no records of bilateral or multilateral budget support in the public treasury by the end of July 2017.
- It should be recalled that budget support is a loan transmitted directly to the public treasury from bilateral or multilateral creditors.
- In order to make up for the shortfall in financial support from its partners, the state had to appeal to the global financial market.

| Title: *External loans in Tunisia - July 2017: Planned Vs. Realized*

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Sources : Source: BCT Annual Reports



The "Tunisia 2020" conference was meant to restore the trust of Tunisia's partners and friends. Accordingly, Tunisian media, observers and authorities unanimously put forward the conference as a historic turning point with an unexpected result: a 34 billion TND pledge for the 2016-2020 period. However, the Minister of Foreign Affairs was very quiet about the tangible results of the conference after the two follow-up meetings with its sponsors (Qatar, France, World Bank, European Investment Bank) in May and September 2017. Besides, according to the latest July 2017's figures of the Ministry of Finance, there are no records of bilateral budgetary support in the state's public treasury. Worse still, the state had intended to practically borrow 4 billion dinars of budget support from multilateral donors (from International Financial Institutions), but its treasury was still empty at the end of July 2017.

As shown on the figure, the State had to resort to the international financial markets for two major loans: a loan of 850 million Euros from the global financial markets and a loan of 998 million dollars from Qatar, half of which is meant to repay a former Qatari loan that Tunisia otherwise would have failed to pay back. As these two loans have already been fully transferred to the state treasury, the country's discretionary powers against its sponsors are wiped out. Where are the friends of Tunisia? Would this counterpart a resistance to the conditionality of reforms?