

September 2025

MONTHLY BRIEF

Tunisia Risk Environment



IN THIS BRIEF:

Political Risk

Economic Risk

4

Security Risk

8

External Risk

111



POLITICAL RISK

SUMMARY

Key Developments:

- UGTT Pushes for Workers' Rights, Mobilization in Private Sector
- Journalists' Union Backs Detained Colleague During Hunger Strike
- Parliament Members Participate in 39th Arab Parliamentary Union Executive Session in Cairo
- US Lawmakers Introduce Bill to Restore Democracy in Tunisia

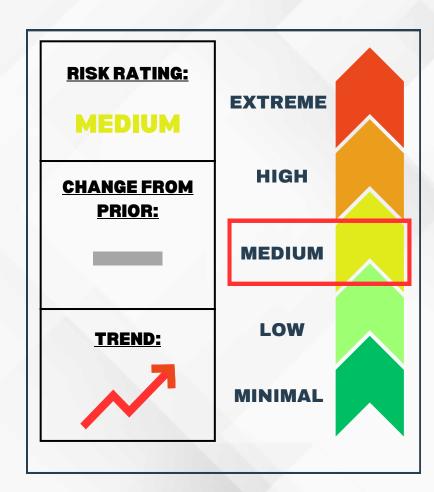
Bottomline for Decisionmakers:

- The UGTT's push for heightened privatesector mobilization highlights ongoing labor pressures in Tunisia, signaling potential disruptions to economic activity.
- Concerns about freedom of speech and press freedoms remain in Tunisia, with various legal cases continuing in the courts involving journalists and former politicians.
- Tunisia's participation in regional parliamentary forums reinforces its engagement with Arab legislative networks, supporting political visibility and alignment with broader regional agendas.

RATING

The Political Risk rating for Tunisia in September 2025 was **Medium**, with a trend toward increasing risk.

The rating reflects UGTT's renewed calls for mobilization amid no middle ground reached with the government, compounded by a proposed US lawmakers' bill that generated some, though limited, domestic scrutiny over external interference allegations.



POLITICAL RISK

TOP HEADLINES

UGTT Pushes for Workers' Rights in Private Sector

Latest: Tunisia's General Labour Union (UGTT), which represents the country's public sector workers, called for increased mobilization in the private sector. UGTT leaders emphasized that salary negotiations are a fundamental right, not a favor. The union urged stronger collective action to improve working conditions and protect workers' rights amid growing social tensions.

Implications: The UGTT has struggled to regain the political leadership position it once maintained. While representing the massive public workforce, the union has not yet shown that it can mobilize on a large scale. This reality may point to political disillusionment within the ranks of the UGTT's members, and may also be prompting calls for action in the private sector which does not have the same history with large-scale mobilization in the political arena.

Union Backs Hunger Strike of Arrested Journalist

Latest: The Tunisian Journalists Union (SNJT) reported that journalist Shadha Hadj Mbarek has been on hunger strike since 21 September at Bélli Civil Prison to protest delays in her appeal and demand a fair trial. The union expressed full solidarity and urged authorities to schedule a hearing, noting she has been in legal limbo for over four years.

Implications: The case highlights concern over judicial delays and fair trial access in Tunisia. Prolonged uncertainty in sensitive cases may undermine public confidence and press freedom, while attracting national and international attention that pressures authorities to act.

MP Attends 39th Arab Parliamentary Union in Cairo

Latest: The Parliament was represented by MP Badreddine Gammoudi at the 39th session of the Arab Inter-Parliamentary Union's (AIPU) executive committee in Cairo. Representatives from member states addressed procedural matters, statute amendments, and the 2026 budget.

Implications: Tunisia's participation in the AIPU meetings is unlikely to generate domestic reforms but underscores Tunisia's alignment with international standards. Furthermore, participation in international forums aids the Parliament in its quest to define itself after its unprecedented dissolution and reformation in 2022.



POLITICAL RISK

IN-DEPTH

U.S Lawmakers Introduce Bill to Restore Democracy in Tunisia

On 2 September 2025, US Representatives Joe Wilson and Jason Crow introduced the Tunisia Democracy Restoration Act in the US House of Representatives. The bill aims to impose sanctions on Tunisian officials involved in human rights abuses and undermining democratic institutions, suspend US assistance to implicated security bodies, and incentivize the restoration of democratic norms.

The initiative provoked strong reactions within Tunisia. MP Ali Zghdoud (People's Victory Bloc) denounced the bill as a "blatant attack on national sovereignty," stressing that Tunisia's future should be determined internally, without foreign intervention. MPs Basma Hammami and Fatma Msaddi announced intentions to submit parallel bills in the Tunisian parliament in response, emphasizing that democracy cannot be "restored" through foreign legislation but through national sovereignty and popular will.

The proposed US legislation follows recent criticism by Wilson targeting Tunisian institutions and President Saied, which had sparked national pushback from political parties and civil society.

While the bill is unlikely to become US law, its introduction signals growing scrutiny of governance and democratic practices in Tunisia and beyond. The bill may be part broader trend linking aid to institutional performance, or, in the case of the US Trump administration, linking aid to personal relationships between nationallevel leaders. While the US congressmen may not expect the bill to become law, it does, nevertheless, send a global signal that US leaders are monitoring governance and policy in various countries where the US has interests.

At the same time, the response from parliamentarians may amplify awareness among citizens about external influence, subtly intensifying political sensitivity around foreign engagement. While immediate effects of these latest events in Washington are limited, the episode could shape the context in which external stakeholders navigate Tunisia's political and institutional landscape.



SUMMARY

Key Developments:

- Italy Donates €55 million to Offer Credit to Small and Medium Enterprises
- 4,000 Tonnes of Tricalcium Phosphate Delivered for Tunisia's Agricultural Season
- Government Adopts 2026 Budget Aimed at Social Justice Amid Rising Debt
- Italy's Prysmian Wins €460M Contract to Lay Undersea Cable for Elmed Project

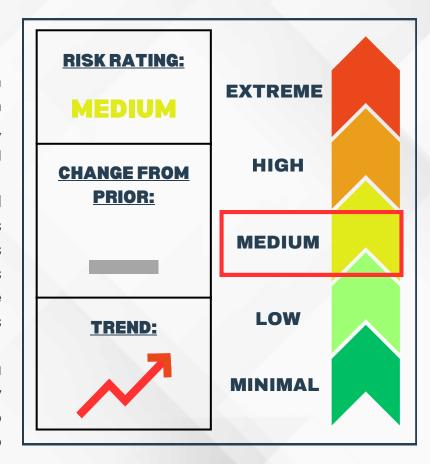
Bottomline for Decisionmakers:

- The economy remains strained, with persistent pressure stemming from subsidies. Basic good shortages continue, with butter, among others, becoming difficult to source once again.
- Via investment in SMEs and the Elmed undersea electricity connector, Italy has shown commitment to Tunisia's development. While migration issues dominate headlines, Italy has made tangible investments in Tunisia's economic future.
- The 2026 national budget signals a strategic push to balance social equity with economic revitalization, aiming to manage domestic pressures while also fostering inclusive growth.

RATING

The Economic Risk in Tunisia in September 2025 was **Medium** with a trend toward growing risk.

The risk rating is driven by recent government and private-sector measures, such as SME funding, agricultural supply deliveries, the 2026 budget, and major infrastructure investments. However, while there are positive economic developments, underlying economic fragility has yet to be addressed.



TOP HEADLINES

Italy Donates €55 million to Support Tunisian SMEs

Latest: In collaboration with the Italian Agency for Development Cooperation, the Confederation of Citizen Enterprises of Tunisia (CONECT) announced a €55 million credit line to bolster Tunisia's small and medium-sized enterprises (SMEs). Information sessions scheduled are throughout country the to quide entrepreneurs through application the process.

Implications: While various EU stakeholders remained focused on development in Tunisia, major regulatory and structural challenges remain. While this loan program offers important opportunities it does not address deeper faced challenges by entrepreneurs developing innovative disruptive or products. For example, recent disruptions in the ride-sharing space showed that slowto-evolve regulations and various labor interests can pose major hurdles to entrepreneurial breakthroughs.

4,000 Tonnes of Tricalcium Phosphate Distributed to Agricultural Groups

Latest: The Tunisian Chemical Group's Mdhilla 1 plant has supplied the local market with high-quality tricalcium phosphate, delivering 4,000 tonnes since mid-September with another 6,000 tonnes expected in the coming weeks.

Implications: Consistent phosphate production for local market use in agriculture is a promising development in a sector that has faced challenges with labor disruptions and production setbacks. Sustained production points to stability that will benefit the local market and expand potential for profitable exports.

Government Approves "Social Justice" Budget for 2026

Latest: The government has unveiled its 2026 budget to promote social justice and economic recovery, focusing on welfare, business support, and tax reform. Prime Minister Sarra Zaafrani Zenzri said it aims to meet the needs of all segments of society.

Implications: The 2026 budget signals the government's intent to support social and economic stability, but fiscal constraints and high debt may limit its impact. Without reforms linked with targeted external support, financial pressures will likely persist, sustaining economic and operational risks for investors.



IN-DEPTH

Italy's Prysmian Wins €460M Contract for ELMED Project

Italian firm Prysmian won the €460 million contract for the Elmed undersea electricity interconnection, linking Sicily in Italy to Cap Bon in Tunisia with a 600 MW high-voltage direct current cable, scheduled for completion in 2028. Partners include Italy's national electricity provider, Terna, as well as STEG, the EU, the World Bank, and the European Investment Bank. Total project costs are estimated at nearly €1 billion.

Elmed is intended to integrate renewable energy from North Africa into EU grids to support energy security and establish a direct export route for Tunisian electricity. The project follows the EU's Global Gateway initiative and Italy's Mattei Plan which envision increased connectivity with Africa.

The interconnection is expected to stabilize Tunisia's grid by allowing electricity imports during peak demand and support, and the growth of the renewable energy sector. The project aims to generate up to 70,000 jobs and foster a broader clean energy ecosystem.

The Elmed Project is likely to influence the operational and strategic landscape for energy and infrastructure stakeholders within the EU's broader shift away from Russian energy to alternative sources.

By providing a direct link between Tunisia and Europe, the project could support a more stable and predictable flow of renewable energy and improved grid coordination between Tunisia's STEG and the EU's energy distributers.

As a flagship project for Tunisia and in the broader region, there is significant pressure on the project to serve as an economic breakthrough for Tunisia. However, it will also launch Tunisia into a competitive and demanding marketplace, challenging both the country's infrastructure and domestic producers to meet demand.



The subsea line will extend 200 km and reach a maximum depth of 800 meters Photo Source: PV Magazine



BY THE NUMBERS

Robust Phosphate Production Reflects Its Economic Weight

18%

increase in commercial phosphate production totaling 825,000 tonnes

11.2%

increase in phosphate exports, reflecting strong demand and improved sector performance

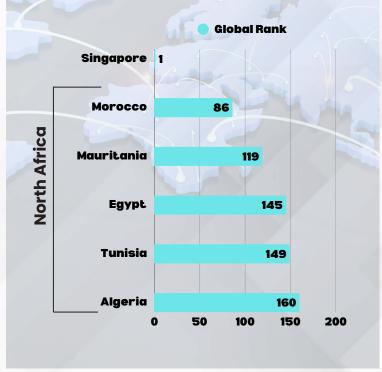
~780,000 Tonnes

of phosphate were transported by rail in the first half of 2025

Source: Assabah News

New Economic Freedom Index Ranks Much of North Africa as "Repressed"

The Heritage Foundation's 2025 Index measures economic freedom based on rule of law, government size, regulation, and trade openness.



Source: Heritage.org

2025 Minimum Wage Rise Outpaces Inflation

For the first time in the post-COVID-19 period, Tunisia's minimum wage (or *SMIG*) has grown at a pace exceeding inflation, marking a long-awaited shift after years of shrinking purchasing power.

Indicator	End of 2024	Early 2025	Annual Change
SMIG	2.363	2.540	+7.5%
(48H/week)	TND/hour	TND/hour	
SMAG	~18.90	20,32	+7.5%
(agriculture)	TND/day	TND/day	



Inflation rose by 5.7% between June 2024 and June 2025.

Average SMIG growth has varied over time:

+4.9% post-Covid (2021-2025)

+5.1% pre-Covid (2015-2019)

+7.5% in 2024-2025

Source: L' Economiste Maghrebin



SECURITY RISK

SUMMARY

Key Developments:

- Nice-bound Flight from Tunis Narrowly Avoids Collision During Landing
- Border Security Discussions with Libya Highlight Ongoing Fragility
- Security Forces Dismantle International Drug Network
- Gaza Aid Flotilla Hit by Two Suspected Drone Attacks in Tunisian Waters

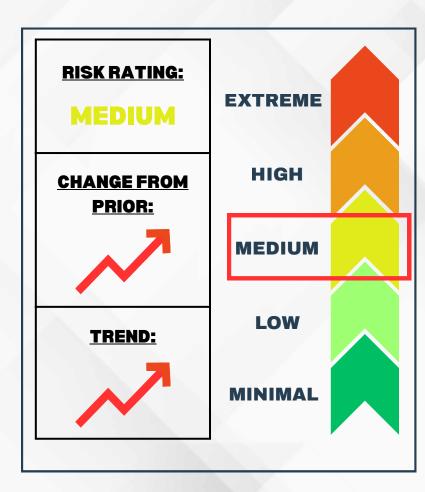
Bottomline for Decisionmakers:

- With rumors circulating that Tunisia may be considered to host Hamas leaders in a future deal to end the conflict in Gaza, the attacks on the Gaza-bound flotilla emphasized the risks faced by Tunisia's further exposure to the evolving regional security landscape.
- The near-miss of a Nouvelair flight risks additional scrutiny on Tunisia's aviation sector which already faces reputational challenges.
- Tunisia's management of the Libya border exposes the limits of turning agreements into effective action, with regional instability directly shaping domestic social and economic conditions.

RATING

The Security Risk rating in Tunisia in September 2025 was **Medium**, with a trend toward increasing risk.

The rating is driven by ongoing security concerns linked to illegal border activities as well as frustration over the recent drone attacks on the Gaza Aid Flotilla while they were docked at the Sidi Bou Saïd port. Pro-Palestinian sentiment has seen a resurgence after the flotilla attacks leading to more demonstrations.





SECURITY RISK

TOP HEADLINES

Tunis-Nice Flight Nearly Collides After Wrong Runway Alignment

Latest: A near-miss aviation incident occurred on 21 September 2025 at Nice Airport when a Nouvelair flight from Tunis, TS-INP, mistakenly aligned with runway 04R while cleared to land on 04L. At the same time, flight OE-IJZ from Nice to Nantes was preparing for takeoff on 04R. The TS-INP crew aborted the landing, preventing a collision. Bureau potential France's d'analyses (BEA) d'enquêtes et investigating to determine the causes and prevent future occurrences.

Implications: While the situation appears to have been complex, including challenging weather conditions, initial reports indicating pilot error on the part of the Nouvelair pilot have reflected poorly on Tunisia's aviation sector which already suffers from a poor reputation. This incident and the potential reputational fallout could further erode the reputation of Tunisia's aviation sector and risks a loss of confidence that could ultimately impact tourism.

Border Cooperation Discussed with Libya Amidst Tensions

Latest: On the sidelines of the 80th UN General Assembly, Tunisian Foreign Minister Mohamed Ali Nafti met his Tripoli-based Libyan counterpart, Tahar Baour, to discuss bilateral cooperation on consular and border management issues. Both sides highlighted commitments to facilitate cross-border movement and resolve consular matters.

Implications: While the meeting underscores efforts to limit irregular border crossings, a significant gap remains between diplomatic commitments and operational realities on the ground, signaling potential disruptions to economic activities.

Security Forces Dismantle International Drug Network

Latest: Tunisian security forces dismantled a major international drug trafficking network, seizing nearly 3,000 cannabis resin plates, vehicles, equipment, and cash. Ten suspects were arrested, with investigations falling under the Sousse prosecutor's office.

Implications: The operation highlights Tunisia's capacity to disrupt trafficking networks, but the scale of the seizure points to the country's continued exposure as a transit hub. While authorities stress their commitment to combating narcotics, the persistence of such networks suggests ongoing pressure on border control and security institutions as well as persistent demand for drugs within Tunisia's borders.

SECURITY RISK

IN-DEPTH

Gaza Aid Flotilla Hit by Two Suspected Drone Attacks While Docked in Tunis

The Global Sumud Flotilla reported that one of its vessels, the *Alma*, was struck overnight between 9 and 10 September near Sidi Bou Saïd, just off the coast of Tunis, in what organizers suspected was a drone attack. The incident occurred barely 24 hours after another flotilla vessel, the *Family*, had allegedly been targeted by the same style of attack.

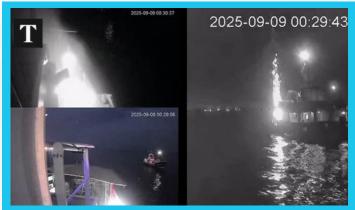
Videos shared by UN Special Rapporteur Francesca Albanese appeared to show a flaming object falling onto the *Alma*'s deck from above. She suggested that the fire may have been caused by an incendiary device, possibly dropped from a drone.

According to the flotilla, the *Alma* suffered fire damage on its upper deck, but the blaze was extinguished without injuries to passengers or crew. Activists later gathered briefly on the beach at Sidi Bou Saïd to protest the alleged attack.

Organizers denounced the incidents as attempts to derail their mission to break the blockade, accusing Israel orchestrating the strikes against convoy. Following the latest Tunisian authorities confirmed that the Alma had been hit by a drone but did not attribute responsibility to any party, stating only that investigations were underway.

The confirmation of a drone strike by Tunisian authorities elevates the seriousness of the incidents, placing the country in the midst of a politically sensitive confrontation tied to the Gaza conflict.

The incidents illustrate how transnational activism can intersect with regional security tensions. These events heighten likelihood of domestic demonstrations, testing authorities' capacity to manage both security and diplomatic pressures. While not directly altering Tunisia's risk environment due to the targeted nature of the attacks on flotilla, the episode, nonetheless, highlights Tunisia's position at a sensitive geopolitical crossroads that can easily evolve into domestic security challenges.



Footage taken by the vessels' cameras docked at Sidi Bou Said port shows an airdropped fireball hitting one of the vessels, causing damage (Source: Times News Youtube Channel)



EXTERNAL RISK

SUMMARY

Key Developments:

- Iranian FM in Tunis as Regional Tensions and Alignments Evolve
- Egypt and Tunisia Sign Eight Agreements to Improve Trade and Connectivity
- Kaizen Management Expertise Shared with Mauritania to Improve Industrial Training and Performance
- Rumors Swirl of Tunisia Being Considered for Hamas Leadership Exile

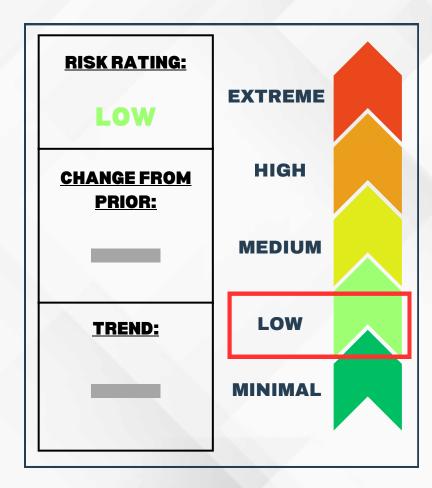
Bottomline for Decisionmakers:

- An official visit by Iran's Foreign Minister continued to drive rumors that Tunisia is seeking greater alignment with Tehran, despite little substantive evidence that the relationship is expanding.
- Speculation that Hamas leaders could be exiled to Tunisia raised domestic security concerns and further assessments that Tunisia's relationship with the West is under strain.
- Tunisia continued to seek expanded relationships with African partners via abundant opportunities for regional and continental leadership, and deeper cultural and trade ties.

RATING

The External Risk rating for Tunisia in September 2025 was **Low.**

The rating is driven by Tunisia's expanding regional partnerships across diverse sectors, aimed at strengthening economic resilience and development. Rumors of hosting Hamas exiles and deepening ties with Iran raised concerns, but neither issue appears to pose a near-term threat of significantly disrupting Tunisia's external relationships and diplomacy.



EXTERNAL RISK

HEADLINES

Iranian FM in Tunis Amidst Evolving Regional Alignments and Negotiations

Latest: During a North Africa tour, Iranian Foreign Minister Araghchi met with President Saied in Tunis. The leaders highlighted strong bilateral relations, praised each other's positions on regional issues, including support for Palestine, and agreed to expand cooperation while coordinating on regional crises such as the Gaza conflict and other tensions in the Middle East.

Implications: Rumors have continued that Tunisia is taking tangible steps to deepen ties with Tehran, however, little substance has emerged in this regard. Tehran is actively looking to broaden its regional ties amidst heightened hostilities with the West while Tunisia maintains an open-handed and non-aligned diplomatic posture. It is unlikely, even in the face of the extraordinary implications of the current conflict in Gaza, that circumstances would drive substantively expanded security economic relationship between Tunis and Tehran.

Deals with Egypt to Expand Trade Over Next Two Years

Latest: Following the 18th session of the Egyptian–Tunisian Joint High Commission, Egypt and Tunisia signed eight agreements covering health, services, exports, and support for SMEs, alongside programs on youth, sports, social affairs, and consumer protection. Both countries aim to double bilateral trade from \$500 million to \$1 billion within two years.

Implications: As a regional economic powerhouse, Egypt is a promising partner for Tunisia. These latest agreements are consistent with Tunisia's efforts to improve connectivity broadly, but implementation can often be slow to develop and to produce tangible economic results.

Kaizen Expertise Exported to Mauritania

Latest: A high-level Mauritanian delegation visited Tunisian technical centers to study the Kaizen approach to coaching, training, and continuous improvement within organizations. The initiative aims to improve industrial productivity and quality while also supporting youth skills development.

Implications: The transfer of Kaizen expertise illustrates Tunisia's role in exporting industrial best practices in Africa and the potential for regional leadership in this area. It reflects South–South cooperation and could encourage regional adoption of productivity methods, supporting economic development and workforce capacity.



EXTERNAL RISK

IN-DEPTH

Reports Suggest Tunisia Considered for Hamas Leadership Exile

Israeli news channel i24 reported discreet talks on the possibility of relocating senior Hamas leaders from Gaza to Tunisia, involving indirect contacts between Washington, Tel Aviv, and Tehran. The plan targets voluntary departures of hardline Hamas members, reminiscent of historical PLO relocations under Yasser Arafat, though earlier deportees were not Islamists.

The report sparked mixed reactions domestically. Some Tunisians dismissed it as rumor, while others expressed support for hosting Hamas leaders. Conversely, critics warned that Tunisia could become a potential target for Israeli attacks, recalling past assassinations of Palestinian leaders on Tunisian soil.

MP Fatma Masdi emphasized that Tunisia should not serve as a refuge for potentially dangerous figures and called on the government to clarify the situation and hold the responsible parties accountable.

Commentators and civil society figures expressed varied views, ranging from cautious optimism about supporting the Palestinian cause to outright skepticism, highlighting the uncertainty around the issue.

Analysts noted that while Tunisia officially and popularly supports the Palestinian cause, this does not necessarily extend to Hamas, though some overt support for Hamas is shown amongst Tunisans. Some observers tied the Hamas rumors to Iranian FM Abbas Araghchi's recent visit to Tunisia.

The reports highlight Tunisia's role in regional and global security dynamics, it to evolving conflicts linking diplomatic channels involving the US, and Iran. It shows Tunisia's having vulnerability to international security issues influence domestic politics and public perception. This underscores the need to monitor Tunisia's positioning in regional negotiations and factors that could impact domestic stability.



Remnants of an Israeli airstrike on the Palestine Liberation Organization headquarters near Tunis in October 1985. Source: Al Jazeera







Empowerment > Through > Insight

RISK MANAGEMENT SERVICES AT THE FRONTIER OF OPPORTUNITY.

We provide our clients with the ground truth they need to make difficult decisions in an ever-evolving world.

We tell our clients not what they want to hear, but what they need to hear.

Our team of experts can prepare your organization for the future with tailored products and services that keep you empowered through insight.