



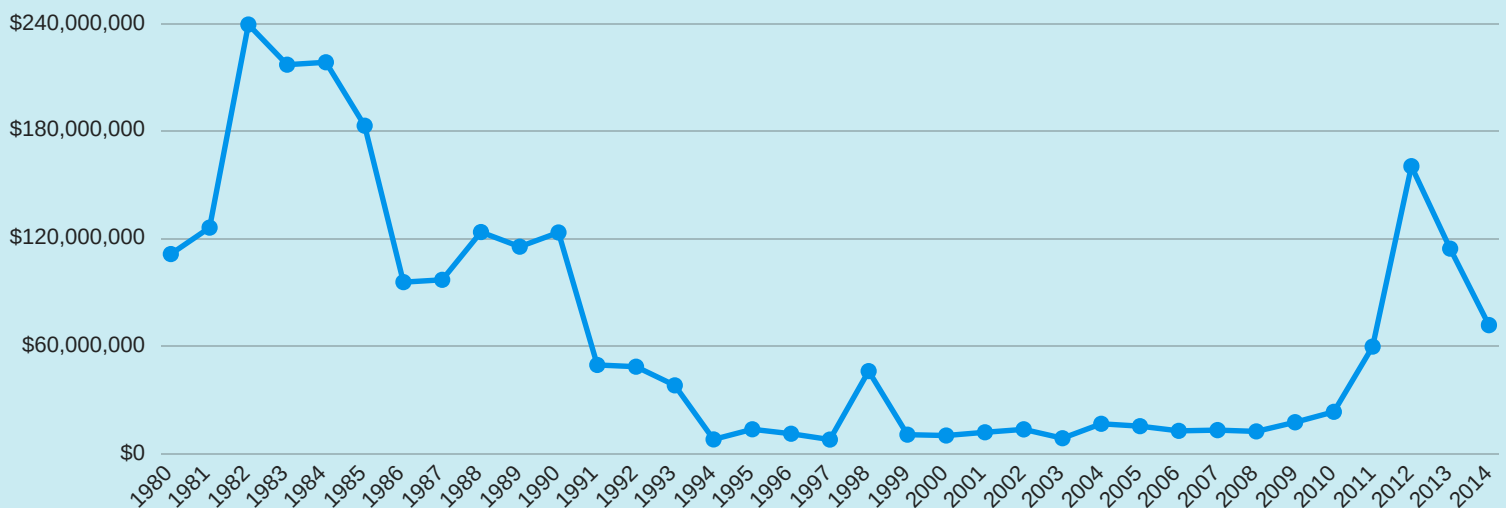
Tunisia, a former heavy aid recipient, has now transitioned to a government actively committing itself to promoting development and democracy. The Republic of Tunisia was first officially recognized by the United States when it declared independence from France in 1956. Tunisia quickly grew to become a major trading partner of the European Union, sending 80% of its exports to the region and spurring a 4-5% overall economic growth rate in the 1970s-1990s. Major industries included oil, phosphates, and a robust tourism sector that capitalized on beach resorts and historic sites.

Tunisia's economic progress was supercharged by U.S. foreign aid investments which peaked in 1961 at over \$688 million and averaged approximately \$150 million in the 1970s and '80s before it declined to \$35 million in the 1990s. An authoritarian one-party state, Tunisia's human rights record was spotty: while Tunisian law afforded women substantially more freedom than elsewhere in the Middle East, NGOs faced an uncooperative government, and press freedom ranked among the worst anywhere in the world.

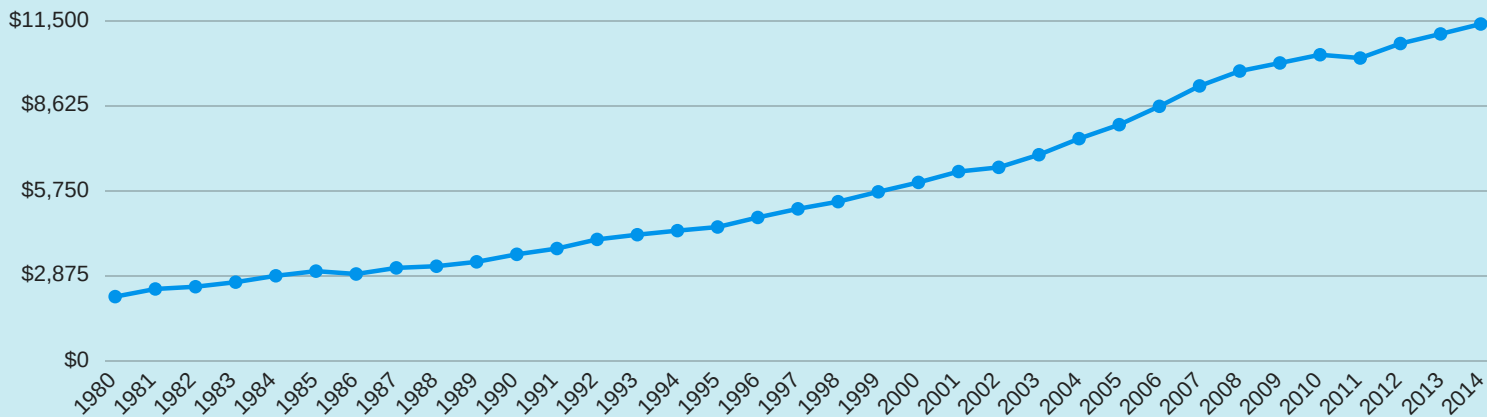
The Tunisian economy's inequality increased under President Ben Ali's rule from 1987-2011. As corruption continued, the economy began to stagnate for the middle class, and Tunisian unemployment and inflation worsened. Despite economic growth rates as high as 5.9%, civil unrest came to a head in December 2010, as the self-immolation of a produce vendor sparked the Arab Spring.

The new government of Tunisia seeks to undo the damage that previous governments have caused, including addressing a 14% unemployment rate, corralling inflation, and restarting a shattered tourism industry that has suffered from terrorist attacks. In response, the United States provided important foreign assistance, breaking the \$150 million mark again in 2012 - the first time since 1985. Two-thirds of this aid package went to support nascent democratic institutions and promote economic liberalization, and by 2014, aid to Tunisia had been reduced by more than half compared to the days following the Arab Spring to \$71 million, covering a wide range of issues from antiterrorism and military financing to counternarcotics and democracy building.

U.S. Aid Obligations, 1980-2014



GDP per capita, Tunisia, 1980-2014



As Tunisia begins a renewed journey towards a stable democracy and flourishing economy, its human rights record faces optimistic prospects. Freedom of speech and the press has become widespread, and international nonprofit Freedom House ranks Tunisia as the only true democracy in the Arab world. The Board of the Millennium Challenge Corporation (MCC) reselected Tunisia to continue to develop an MCC compact in 2018, demonstrating a locally-owned commitment to sustainable economic growth and poverty reduction. Industries such as extractives, agriculture, and manufacturing are growing once more, albeit modestly, and trade with the United States totals over \$1 billion annually. Tunisia represents optimism in a chaotic neighborhood, with a government dedicated to democratic principles, the rule of law, economic development, and the preservation of human rights. Successfully achieving these goals would further strengthen the relationship between the United States and Tunisia, allowing for a more meaningful and diverse partnership between the two countries in a strategically significant region.

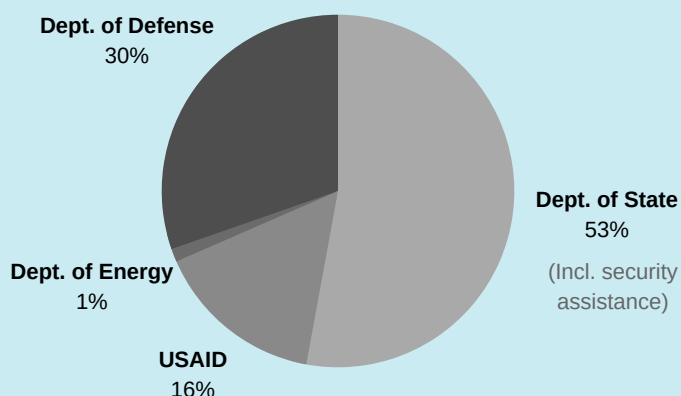
Tunisia in 1980

GNI per capita:	\$1360
US Trade Value:	\$268 million
IGO Membership:	OIC, UN, WorldBank

Tunisia Today

GNI per capita:	\$3690
US Trade Value:	\$1.005 billion
IGO Membership	Major non-NATO ally, MCC, African Union, WTO

U.S. Aid Obligation Breakdown (2014)



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