

Tunisia: Stock Exchange Capacity Building Project

The challenge:

Small and Medium Enterprises in Tunisia are highly leveraged because they depend heavily on borrowings to fund their activities. They are not aware of benefits that could be derived from a stock exchange. At the same time, the development of the stock market is partly hampered by the lack of awareness by local investors. There was therefore a great need to raise investors' awareness of the opportunities a stock market presents, broaden the stock market's investor base, and encourage listings so that businesses can obtain financing from the capital market.



The solution:

ICF is partnering with the Tunis Stock Exchange (TSE) to increase awareness of the public and local investors of the opportunities offered by the Tunis Stock Exchange. The initiative aims to strengthen the training capacity of the Tunisian Stock Market Training Institute and broaden the geographic scope of its interventions; to develop brokerage related services; to raise awareness and promote stock literacy of current and potential investors; and to share knowledge with other African French-speaking stock exchange associations. The project will cost a total of US\$ 1,360,000. Of this, ICF is providing US\$ 816,000 and the Government of Tunisia is providing US\$ 544,000.

Expected results:

The project is expected to increase investment vehicles by 20% each year (starting with 53,000 stakeholders). It aims at increasing Stocks Saving Accounts by 20% from the current 9,500 accounts. Already:

- 12 IPOs were registered in 2013 (compared to 2 in 2012, and 1 in 2011).
- More than 100 professionals have been trained in Corporate Finance, Asset Management and Islamic Finance. 70 journalists have been trained, and stakeholder trainings have been conducted through Investia, a specialized exhibition on stock exchanges and financial services and 2 online stock market simulation games (www.myinvestia.tn).
- TSE is sharing its knowledge and training materials with stock exchanges in Cameroon, Morocco, and the West African Monetary Union's stock exchange.

Project duration: June 2011 – December 2014