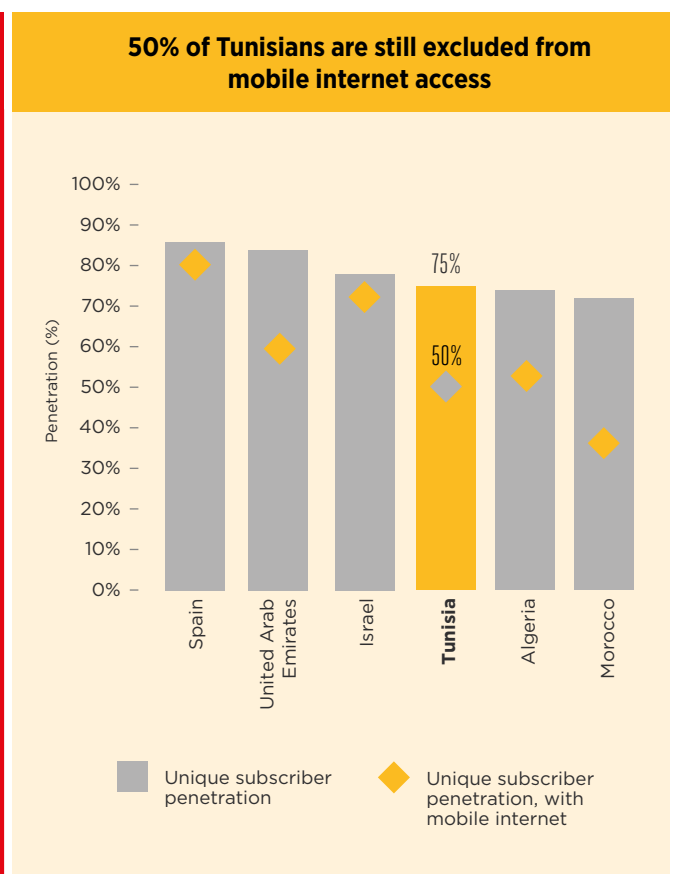
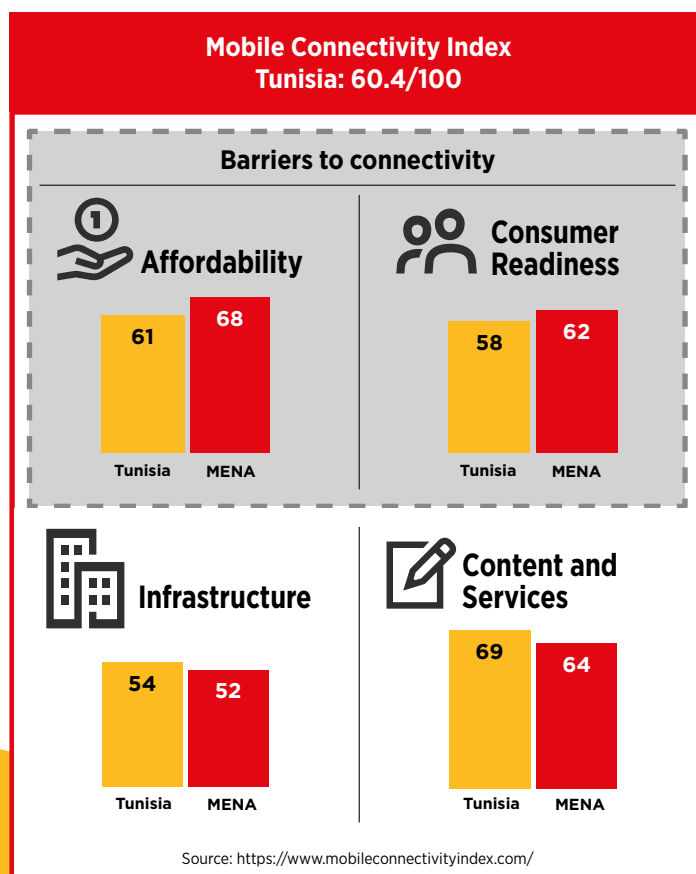
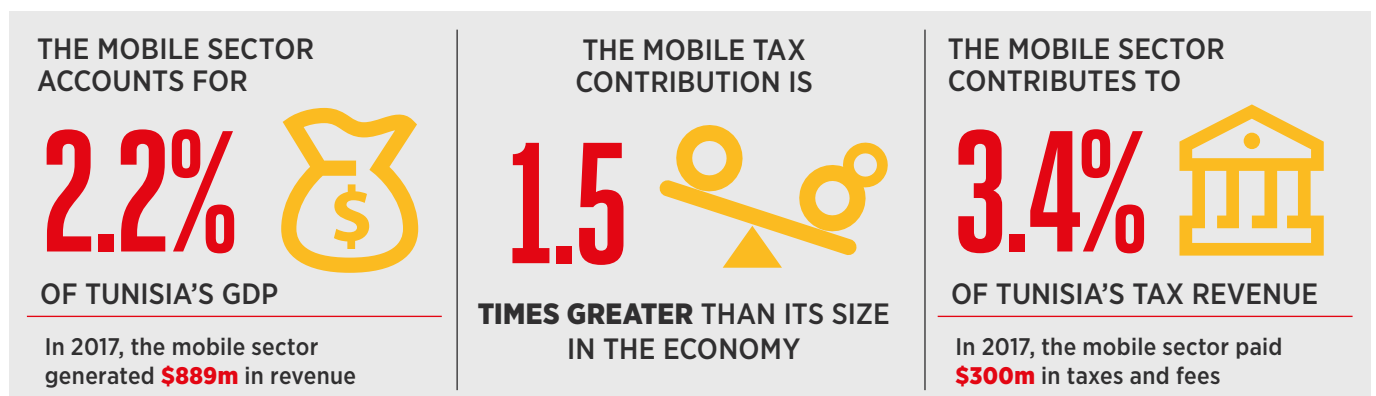


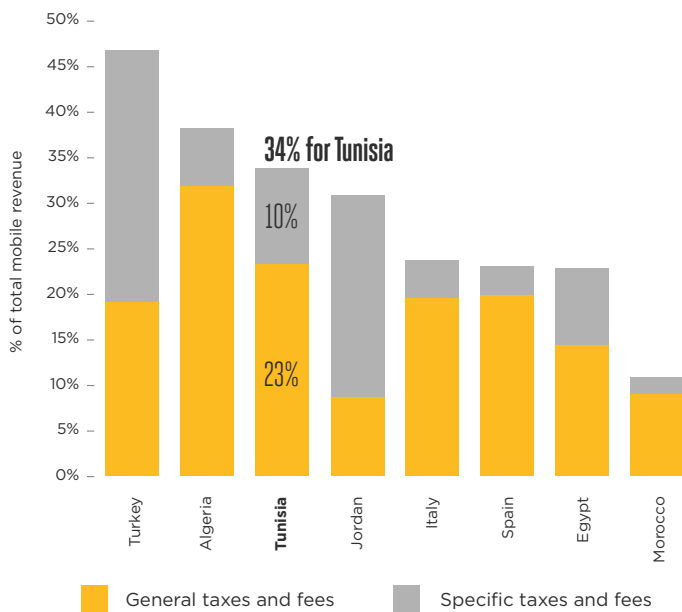
Reforming mobile sector taxation in Tunisia:

Maximising the economic and social benefits of the mobile sector through a more efficient tax system

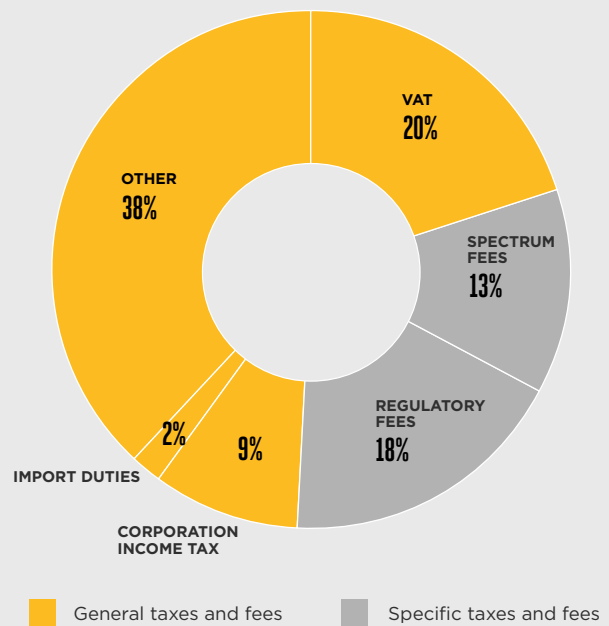
Mobile telephone services play an increasingly important role in supporting economic growth and social inclusion



The tax contribution of the mobile sector in Tunisia high compared to other MENA countries



The high tax burden is driven by high regulatory fees



The high tax burden on the mobile sector discourages further investment and limits the opportunities for further development

MOBILE CONNECTIVITY IMPROVES PRODUCTIVITY IN THE ECONOMY

Academic studies have shown that *“a 10% increase in mobile penetration increases productivity by between 1.0% and 1.3%.”*

Through policy reform, the Government of Tunisia has the opportunity to facilitate private sector investment, supporting job creation and a better business climate

ECONOMIC IMPACTS OF TAX REFORM

EY estimated the economic impact of the following tax reforms over a five-year period (2019-2023). The main results are presented below.

		Price of services	Annual gain in tax revenue by 2023	Additional investment in the economy
1	Reinstatement of mobile operators' exemptions from customs duties on network equipment	-3.2%	+\$42m	+\$84m
2	Elimination of VAT on international incoming calls	-2.6%	+\$16m	+\$63m
3	Adaptation of the taxable base of the telecommunication industry fee	-2.4%	+\$16m	+\$54m

THESE TAX REFORMS ARE SELF-FINANCING

The Government may face an initial cost in the first year following the reform, but tax reforms would boost productivity, leading to higher GDP and higher taxation revenue in the medium-term.

