Arab Reform Initiative

TUNISIA · ECONOMIC BRIEFING 2019-2025

Five years later, no end in sight for the economic crisis

It has been five years since Kais Saied's *auto-golpe*†, his self-coup in the middle of the COVID-19 crisis. The country saw its democratic institutions dismantled and replaced by a hyper-presidentialist regime. One of Saied's promises, and a popular hope at the time, was that such a regime would adopt a "new model" to bring prosperity back after a very unstable decade. Yet there were few indications of what this model entailed beyond "ending" corruption and relying on national resources.

Five years later, the numbers tell a different, yet familiar story: new constitutions and institutions, alongside the silencing of political opposition, do not by themselves bring human development or economic prosperity. Even Saied's few novelties, such as the heavily state-sponsored "communitarian businesses"* [13], are yet to show a benefit. The classic authoritarian bargain, political silence in return for relative prosperity, for decades the trademark of Ben Ali's regime, could be neither reproduced nor revamped.

† Auto-golpe: when a sitting president seizes power, often with military assistance, and shuts down the legislature and other branches of government to rule without opposition (Kurian, 2011) [14].
** "Communitarian businesses" (entreprises communautaires): a business form introduced in 2022 — local or regional cooperatives of at least 50 members from the same area, promoting regional development and social justice, encouraged by the regime through public-bank loans and fiscal advantages (Nasri & Dhahbi, 2024; Business News, 2026) [8][13].*

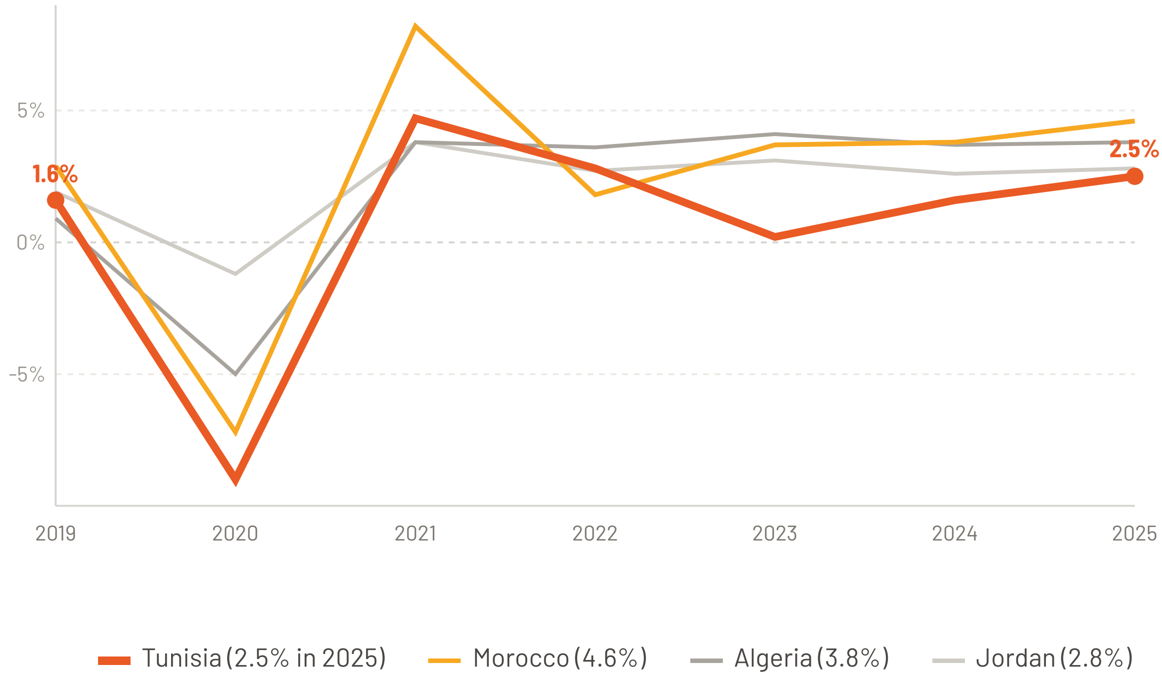
Demonstrators gather at Avenue Habib Bourguiba to protest against Tunisian President Kais Saied's "extraordinary decisions" amid a heavy security presence in Tunis, Tunisia on October 10, 2021. ©Nacer Talel/AA

A data briefing on Tunisia's economy under Kais Saied, 2019-2025. Full source citations on the final page.

01 · GROWTH

Real GDP growth, annual %

Source: World Bank (2026), GDP growth, annual % [1]

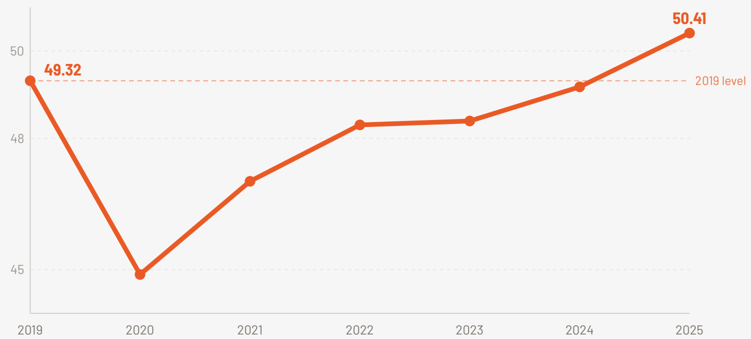


Tunisia was greatly hit by the COVID-19 induced recession, with a loss of almost 10% of its GDP. After the initial post-COVID boom, growth has stagnated, almost hitting recession again in 2023, too slow to bring down unemployment. Compared to its Maghrebi neighbors and to an economy of similar size (Jordan), Tunisia had the worst 2020 recession and only a mild 2021 rebound; since 2023, its growth has lagged in the region.

02 · GDP

GDP, constant 2015 US$ (billions)*

Source: World Bank (2026), GDP, constant 2015 US$ [2]



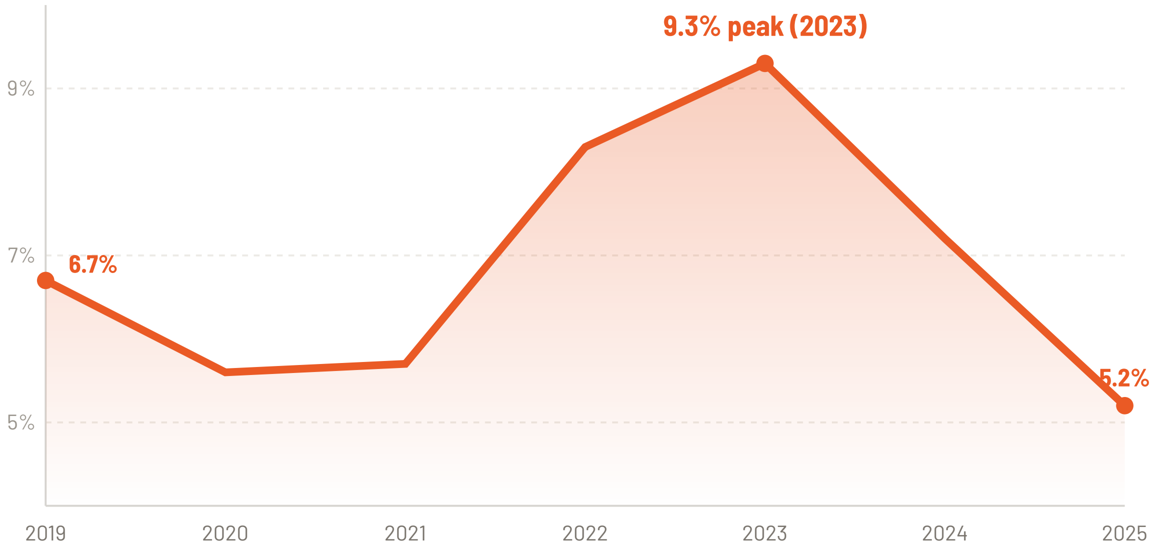
5 years

for Tunisia to climb back above its pre-COVID GDP. Morocco and Jordan did it in one year (2021); Algeria in two (2022).

** Constant 2015 US$: figures are adjusted to remove the effect of inflation, so changes reflect real growth in output rather than rising prices.*

Consumer price inflation, annual %

Source: World Bank (2026), inflation, consumer prices, annual % [3]

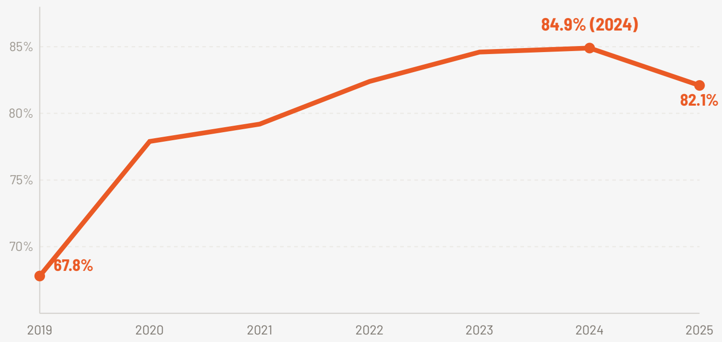


Inflation peaked in 2023 and has since eased, but has not fallen below 5%. The regime has blamed intermediaries for speculation; more directly, it reflects dinar depreciation (pricier imports) and growing State borrowing from the Central Bank.

04 · PUBLIC DEBT

Public debt, % of GDP

Source: Ministère des Finances – Tunisie (2026), public debt, % of GDP [4]



+58%

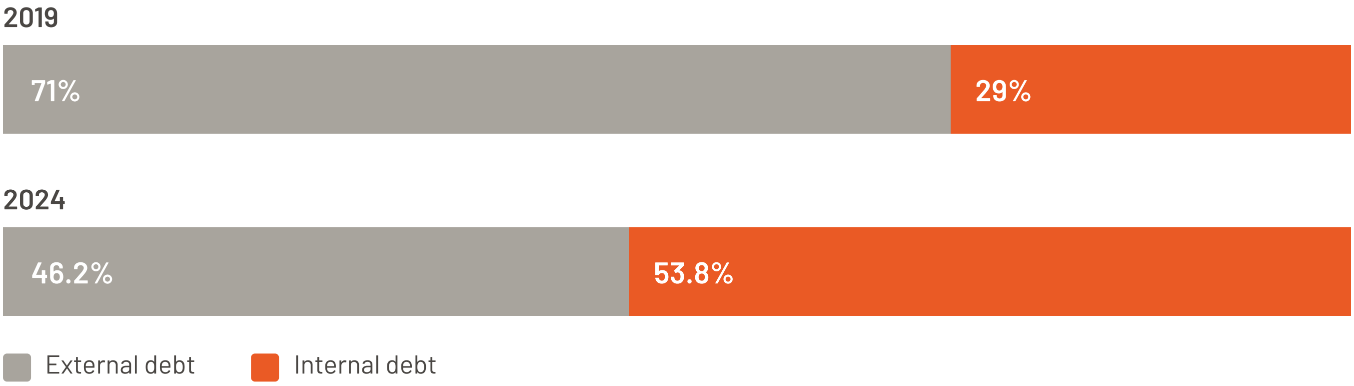
public servants, from 435,000 in 2010 to 687,000 in 2026, as debt financed public-sector hiring to buy social peace.

Tunisia's democratic transition was crippled by a growing recourse to debt to finance public-sector hiring in an effort to buy social peace: the number of public servants rose from 435,000 in 2010 to 687,000 in 2026 (+58%) [15]. Although it has slowed, this trend has not stopped. After the COVID-19 crisis, Tunisia borrowed several times to import essential commodities, notably energy and wheat. Debt has become a means to pay for vital imports and salaries and to repay previous debt, entrenching Tunisia in a vicious circle.

05 · DEBT COMPOSITION

External vs. internal debt

Source: Khadhraoui, Inkyfada (2026) [5]



For the first time since independence, Tunisia's debt in 2024 was mainly held by internal actors, banks, and the Central Bank, as rising rates and Saied's rejection of IMF conditionality shut off external financing. The resulting crowding-out has starved SMEs and households of credit, and the investment rate has dropped compared to the previous decade [9][10]; a 7% benchmark rate and the 2025 law banning postdated cheques have further squeezed small business and consumption [11].

THE MECHANISM

Why growth stays stuck

The indicators are not separate symptoms. Saied's financing choices form a chain that runs from the State's borrowing straight through to the job market.

Internal borrowing + 7% rate

The State funds itself from domestic banks and the Central Bank at a high benchmark rate.

→

Credit crowded out

Most credit flows to the State, not to small and medium firms or households.

→

Investment falls

The investment rate has dropped below its level in the previous decade.

→

Growth too weak to cut unemployment

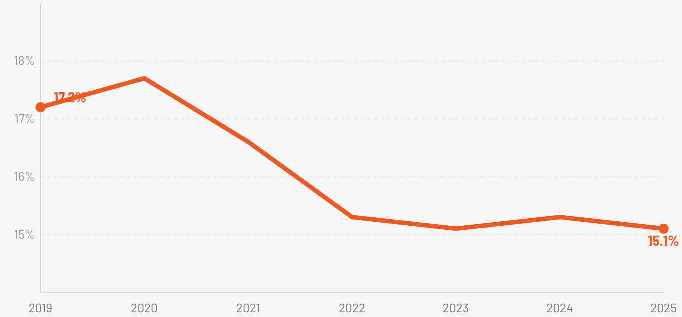
Output grows too slowly to absorb the jobless, especially the young.

Consumption is squeezed from the same direction: the 2025 law ending backdated cheques cut a widespread source of household and small-business credit, and the high benchmark rate discourages both borrowing and spending. Inflation, meanwhile, is less a story of “speculators” than the arithmetic of a depreciating dinar and new money the Central Bank issues faster than the economy grows.

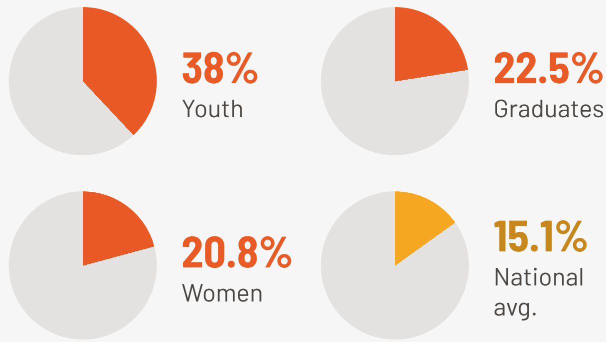
06 · UNEMPLOYMENT

Unemployment rate, %

Source: World Bank (2026), unemployment, modeled ILO estimate [6]



Q4 2025, share unemployed by group

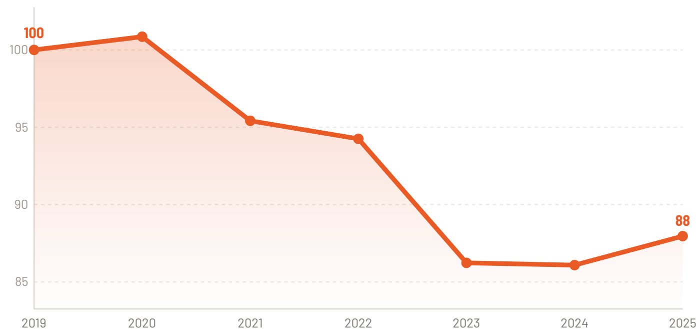


Unemployment has dropped 2 percentage points since COVID, but stays near 15%. Youth, graduates, and women remain over-represented [12], and an accelerating brain drain is pulling qualified young Tunisians abroad.

07 · MINIMUM WAGE

Minimum wage (SMIG), real terms, 2019 = 100

Nominal 48-hour SMIG (JORT decrees) deflated by World Bank consumer price inflation [7]



+31%

nominal
403.1 → 528.3 TND

–12%

in real terms
2019 → 2025

The minimum wage rose in nominal terms at every revision, which sounds like progress. Deflated by inflation, it is down about 12%.

The erosion was not steady: real value held through 2020, then fell sharply across the 2021–2023 inflation spike and bottomed in 2023–2024. The 7% (May 2024) and 7.5% (January 2025) raises only partially clawed it back. A worker on the minimum wage still holds roughly 12% less real purchasing power than in 2019 — 528.3 dinars in 2025 are worth about 355 dinars in 2019 terms, against a 2019 minimum of 403.1 dinars.

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