



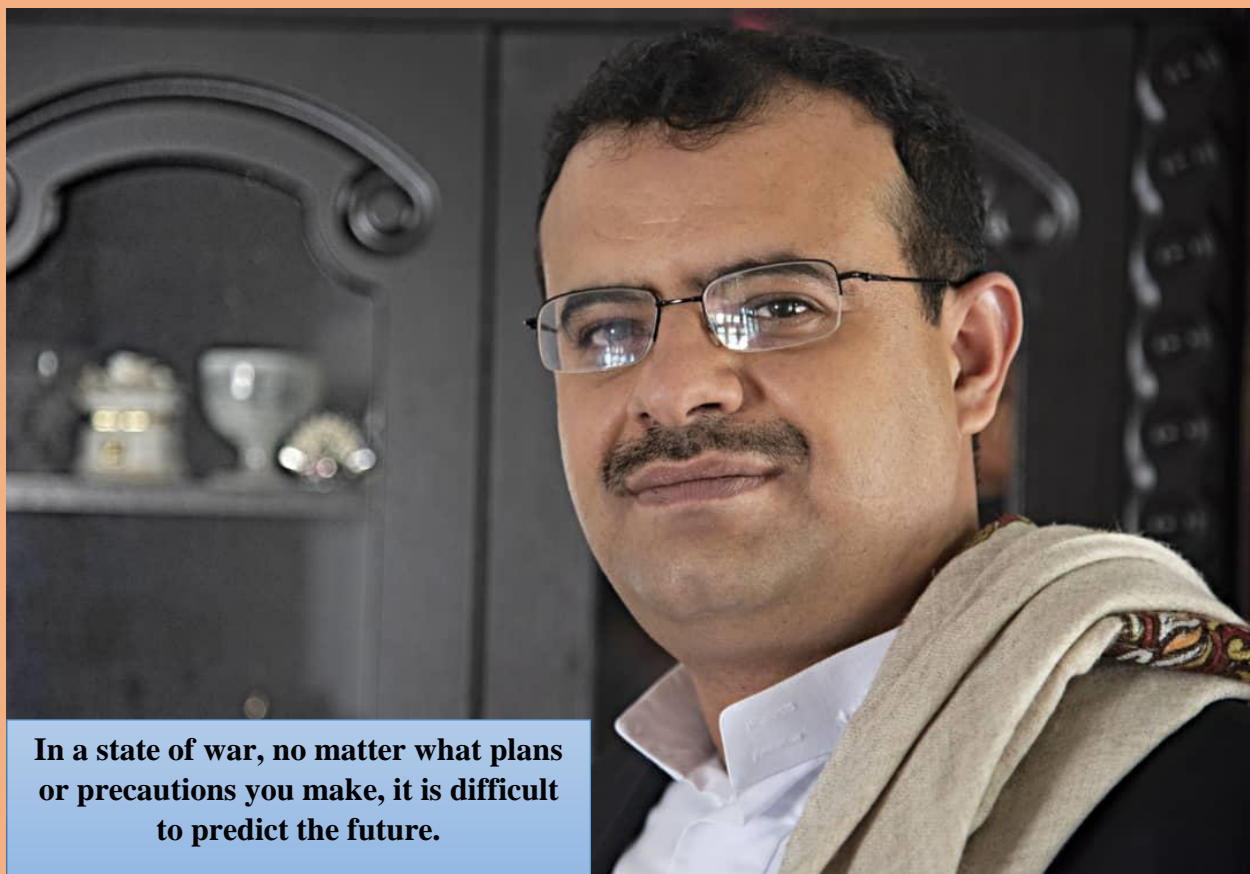
**The war puts Yemeni businesses at risk and reduces their chances of survival**

*“In a state of war, no matter what plans or precautions you make, it is difficult to predict the future”.* This is how Anwar Abdullah expresses the situation of many Yemeni business owners who struggle to survive, continue working and provide their products and services to citizens in light of a bitter reality imposed on them forcibly due to circumstances of conflict and war that has afflicted Yemen and Yemenis for more than seven years.

Anwar’s family has been one of the long-established families in the commercial and industrial field in Yemen for decades. About six decades ago, Mr. Muhammad Jarallah (Anwar’s grandfather), who originates from a village in the Bani Hashish district near the city of Sana’a, owned a shop in one of the markets of the old city of Sana’a. For many years, he continued to develop and expand

his business, and then left it to his son Abdullah, who also worked hard to develop it and expand it by entering into the timber trade and other miscellaneous commodities. Abdullah also ventured in the industrial sector by establishing a factory for nets and diverse steel industries in the eighties, and then expanded by establishing a factory for light and diversified food industries, and a poultry farm.

Today, with a master’s degree in business administration, Anwar heads a group of commercial and industrial companies for his family. In addition, he contributes greatly to serving Yemeni industrialists through his chairmanship of the Industry and Energy Committee in the General Federation of Yemeni Chambers of Commerce and Industry. With great participation from the leadership of the Federation and the

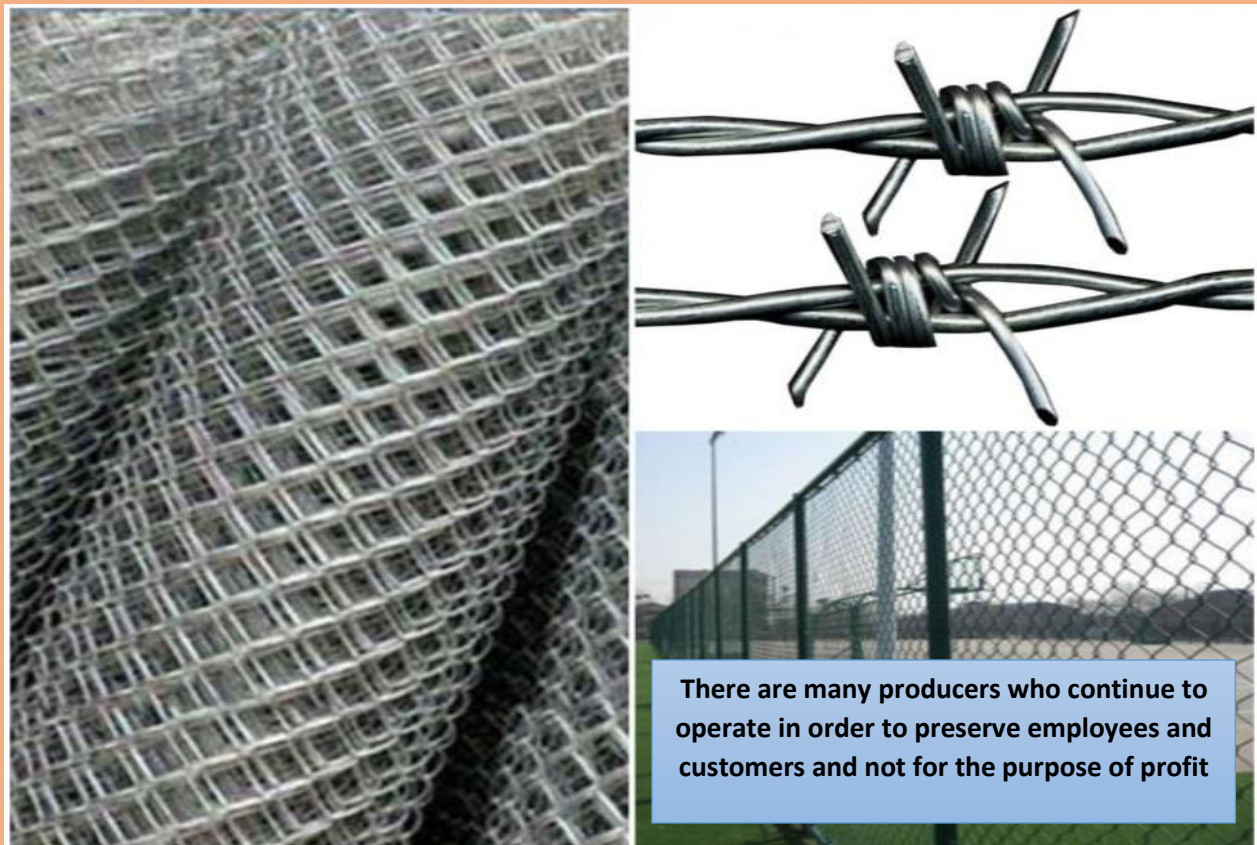


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Chambers of Commerce deployed in the Yemeni governorates, he strives to reduce the challenges and difficulties imposed on the industrial sector in particular and the private sector in general as a result of the war.

With the beginning of the war in 2015, the private sector in Yemen was subjected to a severe shock that made it lose its already fragile and weak stability. Public electricity was completely cut off and oil derivatives disappeared from the official local market being sold only in the black market at very high prices. A siege was imposed on the main Yemeni ports and detained ships heading to Yemen for different periods of time, sometimes for several months, which exacerbated the difficulties and challenges that afflicted the private sector in particular and the Yemeni economy in general.

Anwar Abdullah summarizes the challenges and difficulties he faces in his various works in increasing production costs and the inability to compete with imported goods in the Yemeni market due to many reasons, including the high costs of energy, the increase in the costs of external shipping due to the rise in shipping and insurance fees for goods, raw materials and intermediate products arriving at Yemeni ports. In other terms, it is the difficulty of controlling the supply chain and inputs necessary for production and manufacturing operations, which prompted him and other businessmen in Yemen to make difficult and painful decisions. This was represented in the complete suspension of production operations in some activities and partial suspension in other, as well as laying off a large part of workers, bringing the number of workers in Anwar's private companies



**There are many producers who continue to operate in order to preserve employees and customers and not for the purpose of profit**



currently to only 18 workers out of 75 workers before the war.

*“Policies and procedures followed by the parties to the conflict in Yemen have also made matters worse. These policies*

**In our companies, we no longer hire one public relations employee, but rather allocate an employee for each entity**

*contributed to closing the main roads between various Yemeni governorates and shifting towards long and mostly unpaved secondary roads with all the security risks they imply and an increase in official and unofficial levies from officials of security checkpoints deployed on them”.*

Consequently, there’s a difficulty of providing goods and products to all Yemeni governorates and the markets in which they were present before the war. On the other hand, Anwar believes that the deterioration of the value of the local currency against foreign currencies and the price difference from one governorate to another, as well as the limited interaction of the private sector with banks and the difficulty of opening documentary credits in local banks, have contributed to weakening the ability of the private sector to adapt, survive and provide goods and services needed by the Yemeni citizen.

Anwar believes that the current work environment for the industrial sector and the private sector is not attractive or stimulating to expansion and growth. Rather, the private sector in Yemen suffers from the absence of government strategic plans necessary for a development process, and believes that government interaction is unstable and unpredictable in its trends and changes in the short, medium or long term. It focuses

on the fiscal aspect only, as the various government agencies, including the Ministry of Industry and Trade, have increased the volume of their revenues and reduced the level and number of their services, whether for the business sector or for citizens. Anwar considers that taxes imposed on factory owners do not reflect the real situation and the extent of the challenges facing the national industry. Many industrial facilities facing partial closures are experiencing significant negative impact on the level of productivity and the loss of workers in the sector.

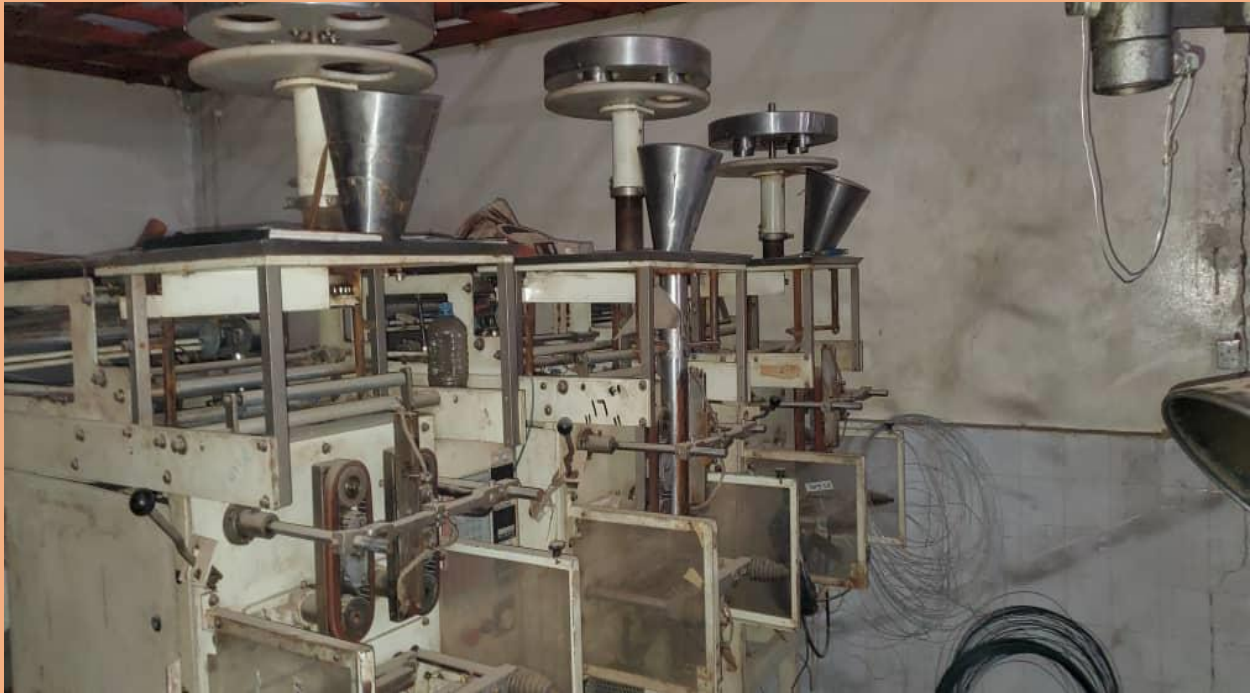
*“In order to improve the business environment -Anwar continues- it is important to encourage the parties to the conflict in Yemen, with the help of regional and international actors, to continue the truce currently enforced and extend it for a longer period in preparation for the parties to the conflict to enter into serious negotiations to bring peace and reconstruction to Yemen”.*

Anwar identifies many economic, political and security priorities necessary to stimulate the business environment for investors and businessmen. The most important of which is opening main roads between different governorates and ports, border crossings, production and consumption areas considering their importance in reducing production costs that burdened industrialists, traders and citizens alike. He also thinks it is important to unify the Central Bank, which is divided between the parties to the conflict, and activating the work of commercial banks, in a way that contributes to the stability of exchange rates. Besides, it is important to provide public electric power and oil derivatives on a permanent and stable basis because of its significant

importance on the continuity of work of the industrial and private sectors; not to mention providing the population's requirements of various goods and services, especially with the risk of a global food crisis looming on the horizon.

*governorates and the rest of the parties to the conflict, as well as international organizations, friends and partners of Yemen, to work jointly to reach lasting peace, move to reconstruction and stimulate economic growth”.*

*“I hope peace will come to Yemen soon, and I call on the ruling authorities in the Yemeni*



*This story was prepared by the Studies and Research Department of the General Federation of Yemeni Chambers of Commerce and Industry, with support from the International Labor Organization (ILO), with the aim of shedding light on the stories of male and female entrepreneurs in Yemen and their resilience in a conflict situation.*

*For more information, please visit: <https://fycci-ye.org>*