



A Yemeni entrepreneur Success Story

Dr. Tarek Ali Alnehmi

chairman of the board of trustees of Al-razi University

Dr. Tarek is a Yemeni persistent character who does not accept despair or impossibility. Since graduating in 2002, he has been moving ahead with a progressive vision, high determination, and incredible tenacity planning his future steps in the world of business in Yemen in a meticulous, sequential and gradual manner in such a way that he gained the respect and recognition of his colleagues, friends and his acquaintances as well as holding senior executive positions. He is now chairman of the board of trustees of Al-razi University, dean of Al-razi Institute for Medical Sciences, vice-chairman of Private Higher Education Committee at the Federation of Yemen Chambers of Commerce and Industry and Secretary General of Yemeni Medicines Bank.

When Dr. Alnehmi graduated with a bachelor's degree in Pharmacy from Sana'a University, he neither waited for a government job as other young graduates would usually do nor did he look for a job with an employer instead he decided to launch his first own investment project. So

in 2003 he opened Alnehmi Pharmacy on Sixty Street in the Capital Sana'a. This pharmacy has enabled him to grow his business and investment projects. In 2005 he set up and inaugurated Al-razi Institute for Health Sciences as a specialized institute in the field of health education. In 2009 his investments in the field of health education flourished as he established Al-razi Faculty for Medical Sciences to include majors of pharmacy, laboratories, nursing and community health which was the first faculty in Yemen to do introduce the last discipline. A few years later in 2014 he turned Al-razi Faculty for Medical Sciences into Al-razi University with three specialized faculties: Faculty of Medical Sciences, Faculty of Administrative and Human Sciences and Faculty of Computer and Information Technology.

Alongside the education sector, Dr. Tarek recognizes the importance of diversifying and expanding his investments. As a result, he has recently entered into the field of trading in medical devices and supplies as he set up Ardh Aljazeera Company for



Medical Supplies while at the same time working on expanding its field of business to include pharmaceuticals as well as medical supplies.

And today with an all-day busy agenda, Dr. Tarek manages a large number of workers

"I hope that the political and government authorities reconsider decision of pricing the dollar for the tuition fees of private universities as this decision adversely affects the private university education and limits its expansion."

and employees approximately 200 including 30 permanent employees at Al-razi Institute for Medical Sciences and around 150 employees at Al-razi University namely academic staff, administrative staff and

workers while the others work at the Medical Supplies Company.

Like other employers in Yemen, Dr. Tarek faces many challenges while doing his business such as the existing business environment in Yemen and the relationship between private enterprises and the government bodies besides the direct and indirect negative effects of the war and conflict on Yemen. Since 2011 to this day, educational establishments have been witnessing high dropouts rates of university students estimated at 40% due to declining incomes and the suspension of public servants salaries for long periods, having a huge impact on returns-on-investments in this sector. Educational establishments in Yemen also face another challenge which is not shared with any other private business in Yemen. This challenge is illustrated by setting a low exchange rate for dollar against the Yemeni rial where the exchange rate for one dollar is YR 250 while the dollar is rated at 560 at the official exchange market.



In the existing business environment in Yemen, Dr. Alnehmi says that private businesses are facing a difficult environment because of government complexities either by regulatory bodies or by customs and taxation authorities and from the duplicated customs fees and taxes imposed by the split government authorities. There is also the issue of the multiple committees formed by government authorities related to the private sector activity which cause increasing financial burdens and increase the rates of taxes and fees the private sector has to pay, in addition to the difficulty of internal transport between Yemen's governorates and the rising costs of transport, shipping and insurance to the Yemeni ports.

The ongoing war in Yemen has had a direct impact on the business of Dr. Tarek as Al-razi Institute has sustained significant physical damage when the Arab coalition airplanes targeted facilities close to the institute causing direct losses in fittings, equipment and furnishings estimated at YR 50 million. Whereas the indirect effects of the war on Dr. Alnehmi business has been extensive estimated at some YR 500-600 million as a result of huge numbers of dropouts from Al-razi University and Institute, the difference calculated on the foreign exchange of dollar against the Yemeni rial. Additionally, there are the losses caused by the university academic staff who have left abroad Yemen to look for better opportunities, and the suspension of international agreements Al-razi University had already concluded with universities in other countries such as Sudan, Belarus, Malaysia, India and Egypt.

To address the above challenges and the effects of the conflict and war, Al-razi University and its affiliated institutions adopted a strategic plan to manage crises and to find suitable strategic alternatives to overcome those challenges. Towards this end, a task force from the university leadership was formed when the war broke out with a view to developing and implementing various adaptation strategies to cope with the war situations.

Despite the scale of the challenges, Dr. Alnehmi continues to work with passion and looks forward to the future with much optimism and this year has witnessed the opening of the first branch of Al-razi University in Hajjah governorate as well as opening dentistry department, general medicine and surgery among the other disciplines of the Faculty of Medical

"Due to the war and low employment rates we granted many of our employees paid leaves in 2015 when the war began, causing the university and the institute massive financial obligations we have been struggling with up to now,"

Sciences. Al-razi university was the first university to introduce masters' in public health and critical cases nursing. It is also looking to introduce more programs and specializations that are vital for the community and in new fields in Yemen such as respiratory care, optics, artificial

intelligence, cyber security, and physiotherapy. It further plans to open new branches in the governorates of Taiz, Ibb, and Hodeida in the coming years besides

"I recommend that the government and private sector boost investments in transport, renewable energy, education and pharmaceutical industry, and local industries with a view to reaching self-sufficiency"

establishing a specialized university hospital as one of its institutions.

With all the scale of challenges facing the business environment in Yemen, Dr. Alnehmi says that Yemen has a lot of opportunities and investment potential

especially in the health sector where Yemen is still lacking in dozens of projects such as building typical hospitals in most Yemeni governorates and pharmaceutical industry and localization of this industry along with hotel and education projects outside the Capital Sana'a and projects in traditional and renewable energy and in various transport projects as well as projects in the SMEs sector

Finally, Dr. Alnehmi stresses on the importance of effective public-private partnership and the necessity of reactivating the partnership council and bringing the partnership law into effect so that private sector investors can invest in vital and promising economic sectors. He also recommends that the government reinstate public investments in the fields of energy, transport and the other service sectors related to the activity of the private sector.

