Yemen needs an influx of foreign aid and investment, largely from the private sector, to battle security issues and increase educational opportunities for its citizens, top Yemeni officials said.

While the United States is collaborating with the Middle Eastern state, situated between Saudi Arabia and Somalia, on security issues, the Yemeni government would like to see the two countries strengthen economic ties.

"America is a very important partner in Yemen's development, both directly and indirectly," stated Abubaker Al-Qirbi, the Minister of Foreign Affairs and Immigration.

"The US encourages international organizations and other donors to provide assistance, and it is in this aspect that its role in Yemen's progress is consequential."

Al-Qirbi wants Americans to play a stronger part in the economic development of Yemen, which he believes will be more effective in the war on terror. "The results of investment and development can be more effective in countering extremism and terrorism."

Foreign investment is needed in many of the remote areas to stimulate local economies. "It generates employment and reduces poverty and overall dissatisfaction, which extremism is built on," related Mr. Al-Qirbi.

American president George W. Bush praised Yemen's president Ali Abdullah Saleh on his re-election. Promoting democratic principles will prove crucial to Yemen's attractiveness as a recipient of future foreign investment and aid.

Yemen faces the challenge of creating opportunities for its largely young and indigenous population. "60% of the population is below the age of 25 years old—it's a tremendous labor force," stated Salah Al-Attar, president of the General Investment Authority. "The government cannot generate sufficient employment in the public sector, therefore employment generation should come from the private sector."

President George W. Bush welcomes Yemeni President Ali Abdullah Saleh into the Oval Office of the White House, Thursday, Nov. 10, 2005

Safeguarding Yemen's Future

Foreign and local investors have demonstrated their confidence in one Yemeni bank by dramatically increasing deposits.

"Last year, bank assets increased by 125% and we received more than 25% of the new money coming to the banking industry," said Hafedh F. Mayad, Chairman of Cooperative and Agricultural Credit Bank (CAC).

Confidence and growth in CAC can be attributed to a modernized range of services and infrastructure. Future plans will only increase their growing popularity. A partnership with the Doha Bank of Qatar will offer an Islamic bank towards the end of this year.

The funding and services provided by CAC will prove crucial for investors seeking to exploit relatively untapped Yemeni markets.

Fighting for Fair Trade

Since 1973 the Yemen Economic Corporation (YECO) has worked to improve Yemeni interests by providing basic goods for the people and ensuring fair trade for businesses.

The aim of the group is to "provide the security forces with their needs and prerequisite commodities" and to "meet the needs of the people and provide them with basic goods."

YECO supports Yemeni and their businesses

Celebrating 35 years of service this year, the group presently oversees the development of nearly every industry, including pharmaceuticals, agriculture and construction.

Ali Moh'd Al-Kohlani, YECO's General Manager, explained his group's delicate role: "Yemen needs a strong economic system; we support a national economy, stabilizing the market and fighting monopolization."

Yemen Economic Corporation

"Bringing the world to Yemen"

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ENTREPRENEURS CAPITALIZE ON NASCENT OIL INDUSTRY

The Alessi Group started with one cargo vessel and in little over a decade has grown to dominate the transport of crude Yemeni oil.

As Yemen pushes to diversify its economy through free trade zones and large real estate projects, officials are also looking at entrepreneurs that have made it the old fashioned way in traditional industries.

Ahmed Saleh Al-Essi, Chairman of the Alessi Group, is a prime study in entrepreneurship. Mr. Al-Essi started his business with one cargo vessel and has since developed a booming trade.

The Alessi Group operated as shipping and marine transport services in the Hodeidah Province until 1995 when Mr. Al-Essi decided to branch out into new areas under the name of the Al Essi Corporation Trade & Investment. Under the new name, Mr. Al-Essi expanded his operations into new industries. According to the company, the Alessi Corporation became one of the pillars of the Yemeni economy.

As the company moved into new areas, it began to purchase entire companies. Of the 19 companies operating under the present day Alessi Group, whose industries range from shipping to construction to plastics, perhaps the most well known is Overseas Shipping. In it Mr. Al-Essi found his niche market. Overseas Shipping is the only company in the country that transports Yemeni crude oil to refineries and delivers petroleum products to various national ports.

The prospects for future crude oil transport in Yemen are very good. Khalid Mahfoud Bahah, Minister of Oil and Minerals noted that Yemen’s oil industry was very young compared to its neighbors. “You could say that Yemen is still a virgin in the petroleum sector,” he said. He pointed out that Yemen is trying to discover new oil fields as well. “We aim to have extensive exploration. We started 2 years ago and it will continue for many years.”

Growth in the oil sector is good news to the Alessi Group because it will entail an increase in transport revenue, especially thanks to the Yemen Oil Refinery Company’s announcement that it was building a major new refinery in the Ras Essa area.

Mr. Al-Essi sees a major market in emerging African economies and has already set up shop. He stated: “Our branch in Addis Ababa, Ethiopia is able to perform a regional role. It must be known that the opportunities in Africa and the Middle East are extensive.”

YEMEN SEEKING TO BOOST TELECOM SECTOR WITH FOREIGN EXPERTISE

Yemenis are eager for improved internet access and mobile phone services.

Officials are determined to get more Yemenis surfing and chatting over improved telecommunications lines and waves by developing relationships with foreign investors and operators. The underdeveloped sector will be crucial to Yemen’s future economic development.

Recent estimates suggest that a mere one percent of the Yemeni population uses the internet, and only nine percent of the population has a cell phone.

The Yemen Telecom Group is seeking to increase the limited number of subscribers by working together with the Yemeni government on policy issues, pursuing joint agreements with foreign providers, and implementing new technologies that will extend the range of services.

“We are looking for a strategic international partner for the mobile division,” said Ali Nosary, Director General of Yemen’s Public Telecommunication Corporation (PTC), adding that increased collaboration, and even competition, will benefit all parties. “Having more operators will contribute to reducing costs for the end users, the variation of services, and provide support and accessibility everywhere,” he states.

Eng. Omer Ahmed Bin Shihab, deputy CEO of TeleYemen, the country’s international telecommunication gateway, says the company is also working to upgrade services. He comments, “In 2004 we started a new management contract with France Telecom, which is limited to the management side. The main purpose behind giving this responsibility to a well known, international operator is to raise the standards of TeleYemen to a global level.”
The Sana’a Golden Leaves Hotel & Conference Center will be the city’s new premier business center site, equipped with the latest in technology and top-of-the-line facilities. It will also feature world-class restaurants and shops, a health spa, a nightclub, two swimming pools and a helipad.

Midroc, a group of development, research and organization companies owned by Al Amoudi, is a truly international player. Through many business pursuits in an extremely wide variety of sectors around the globe, Midroc is helping Yemen to grow socially and economically.

GOLDEN LEAVES
EXCLUSIVE VILLAS - SANAA Hotel, Yemen

Saudian Arabian Operation, International Economy Tower, Wall Al Ahad Street, PO Box 12954, Jeddah 21482, Saudi Arabia, Tel: (966-2) 650-0111 Fax: (966-2) 657-3149

Where Business and Luxury Meet in Yemen

Yemen’s Aden Free Zone is to be the future home of a new $200m sugar refinery plant, set to open later this year. The factory will have an initial installed yearly production capacity of 1 million tons of refined sugar and 16,000 tons of molasses.

www.midroc.se
MIDROC EXTENDS ITS REACH INTO THE YEMENI HOTEL AND SERVICES INDUSTRY

The Midroc Group, headed by Mohammed Al-Amoudi, has had a positive economic effect in countries from Ethiopia to Sweden. Now it has turned its attention Yemen.

The business empire of Sheikh Mohammed Al-Amoudi is as diverse as it is extensive. The Saudi Arabia-based businessman has interests in oil through ownership of Swedish company Svenska Petroleum, but made his fortune via construction and real estate and has an international portfolio of businesses including mining, hotels, hospitals, banking and finance and agriculture. Al-Amoudi’s predominant interest, however, is in philanthropy. Born in Ethiopia, he is believed to be the single largest investor in the impoverished East African country.

Although his investments span the globe, Al-Amoudi takes an almost fatherly interest in his homeland. His mining arm National Mining Corporation—purchased from the Ethiopian government in 1997 at a cost of $172 million—recently struck gold in Ethiopia, which is expected to generate up to $1 billion in revenue for the government. In May 2007 he donated $20 million to support the Clinton Foundation’s efforts to combat HIV/AIDS in Ethiopia. Earlier this year, Al-Amoudi signed an agreement to develop agricultural advancements in the notoriously arid state. Through Ethiopia Horizon Plantation, a subsidiary of Al-Amoudi’s holding conglomerate Midroc, the project will create 50,000 jobs and provide consultancy, training services and infrastructure including schools and residences. Midroc is also active in Ethiopian sports, sponsoring St. George FC, one of Ethiopia’s elite clubs, and delivering ad-hoc support to athletes. Al-Amoudi paid for the Ethiopian Olympic team to travel to the Atlanta games, and also paid the medical bills for Ali Redi, the national team’s goalkeeper, when he was diagnosed with leukemia.

Listed among the Forbes richest 100 people, the Sheikh holds an honorary doctorate from Addis Ababa University, the Millennium Golden Medal for ‘exemplary deeds for the development of Ethiopia and its people’ and Swedish Royal Order of the Polar Star. The company’s investments in Yemen are multidisciplinary, but perhaps the most exciting is the development of Hodeidah Golden Leaves Hotel and conference center, one of the first integrated 5-star hotel projects in the country and a sign of the country’s investment potential and economic maturity. “This change has come about because of President Ali Abdullah Saleh,” said Midroc CEO Abdulrahman Al-Amoudi. “He has been working hard to improve the country and you can see it and feel it. He talks openly about problems and the need to solve them. In the last ten years things have changed dramatically. There is more confidence in government and more confidence in the people’s work mentality.”

COASTLINE SET TO FILL UP WITH LUXURY DEVELOPMENTS

Hotels, mansions and a new airport are all in store for the new Ferdaws Aden City real estate project.

In response to the extraordinary success of Dubai’s real estate projects, practically every Gulf state has made developing similar projects a national priority. The real estate development company Ferdaws is pursuing the development of a historic site in Yemen.

Overseeing the massive new project, called “Ferdaws Aden City”, is Chairman Abdul Alshamiry. He is working closely with Yemeni officials and strategic partners from Egypt, the UAE and Saudi Arabia to expedite the development process.

Seen from above, the collection of circular streets and waterways resemble the outlines of bursting fireworks. The new multi-use development covers nearly 4,000 acres of beachfront property near the southern port city of Aden. Once an important city in trade up the Red Sea, officials hope the Ferdaws project will re-establish Aden as an important cultural and business hub.

Once complete, the Ferdaws development will add a wealth of resources for Yemenis, including 15,000 new jobs. The current location of the project is 23 kilometers from the nearest airport, but officials say they are going to build another airport to support the increase in passenger traffic.

Also in the works are a new hospital and various health centers. The site promises to improve education in the region, boasting 30 new schools, a new university and a science and technology center. Tourists can look forward to twelve hotels, world-class restaurants and cafes, a major sporting complex and a new marina. Future residents can choose from over 1,000 housing units or 200 unique mansions.

A SWEET DEAL FOR THE ADEN FREE ZONE

The Midroc Group last year signed an agreement with renowned German company Braunschweigische Maschinenbauanstalt AG (BMA) to commence the construction of a $200 million sugar plant in the Aden Free Zone.

BMA will assume responsibility for the construction of the plant, which Midroc subsidiary Midroc-Yemen will bankroll. The plant will have an initial installed production capacity of 1 million tons per annum of refined sugar and 16,000 tons of molasses. A planned second phase of construction will increase the plant’s capacity to 1.5 million tons. The plant is scheduled to come online during the latter half of 2008 and will create nearly 600 jobs.

Midroc-Yemen has also signed two agreements with the Aden administration. The first will see Midroc-Yemen assume responsibility for the upgrade of the Seirah Castle road and its surrounding amenities, at a cost of $596,000. The second agreement is for the redesign of the Crater District Council offices. The new building will house a meeting hall for the local council and a heritage museum and is budgeted at around $795,000.

Yemen's location in the Persian Gulf. The country has 1,100km of coastline and is active in the pursuit of greater visitor numbers.
Aden Paradise
The biggest project in the region

- A large residential, tourist and investment resort in Aden City, Yemen. This magnificent site is located on the Aden Gulf.
- The project, including services and public utilities, covers more than 16 million square meters of land.
- It includes a number of 5-star hotels and resorts, restaurants, cafes and market.
- The commercial and administrative district will have all up-to-date services.
- The luxurious residential district will consist of villas and palaces with private gardens and swimming pools, affording complete privacy to residents.
- The other part of the residential district will offer elegant flats, townhouses and duplexes.
- Beautifully landscaped green meadows and lakes will adorn the open areas.
- A new tourist facility is being built adjacent to Firdaws Aden, corresponding to the island resort and Ras Omran and providing Amery Anchorage Yachting and tourist boats.

Republic of Yemen - Head Office: Aden. Tel 009672201179 Fax 009672201169
www.ferdawsaden.com, email: ferdawsaden@ferdawsaden.com
Yemen's geographic location on the southern tip of the Arabian Peninsula, its role in the global spice trade and claim to precious resin-burning trees, made it a valuable piece of real estate for centuries. Many of history's most significant empires sought a stake in Yemen. The Romans used the sweet-smelling resins, frankincense and myrrh, from Yemeni trees to impress guests and gods in their temples and homes. Augustus Caesar sent an expedition to annex Arabia Felix, “Happy Arabia”, but it failed. The Ottomans took over the mountainous north of Yemen while in 1839 the British established a colony in Aden. Yemenis wriggled control of their land back from the Ottomans in 1918 and the Brits in 1967. Since the unification of the North and South in 1990, Yemenis have been focused on rekindling foreign interest in their land, this time from real estate developers, as they work to exploit their 1,100 plus miles of sunny, predominantly southern-facing coastline. Construction and real estate development in the country has been relatively limited due to lack of resources, both legal and financial, and difficulties in working with existing structures.

To help monumental projects, such as the Ferdaws Aden, get off the ground the Yemeni government is working to resolve national and local issues slowing development. Sources cite a backlog in the resolution of land disputes as an impediment to getting real estate moving.

Further complicating new construction is the rising demand and price of construction materials in the region. From Dubai to Iraq, massive new construction projects require a tremendous amount of cement and steel. Even worse, a study by the Dubai Chamber of Commerce found that some cement traders were monopolizing the market, when combined with high fuel and shipping costs, added “upward pressures to the regional cement prices”.

Should Yemeni courts resolve outstanding cases, and the government find a more effective way to import, or subsidize, construction materials, the country could land more big development contracts.

THE CITY OF ADEN GEARS UP TO LEAD THE BUSINESS SECTOR

Government officials and local entrepreneurs are working to steer foreign investment towards a new free trade zone...
In 1990, Aden was designated the Economic and Commercial Capital of the Republic of Yemen. And with good reason, too. Located near the southern tip of the country, it lies at the crossroads of the East Africa and Middle East regions and serves as the southern gateway to the booming Arabian Peninsula. The city boasts a magnificent natural harbor that, for many centuries, has played host to business in the region and has served as the heart of trade routes linking Europe with South Asia and the Far East. The Aden Free Zone was established in 1991, adding valuable container port and airport facilities as well as industrial real estate.
Yemen looks to its own for diversification model

One Yemeni family turned its small trade business into a booming international enterprise, providing a prime example of how Yemen can diversify its oil-based economy.

The Saeed Group, in all its international success, has become a reference point for many Yemenis looking to generate work in areas other than oil. Mr. Saeed wisely views developing the private sector, on both local and international levels, as crucial. “I think we should concentrate on the economy,” Mr. Saeed said, “and the government is doing this by starting to believe more in the private sector.”

Learning from the success of the Hayel Saeed Anam Group, particularly in terms of diversification of products, services, and trade relationships, is exactly what Yemen will need to ensure the long-term stability of its economy. The Group’s companies generate a large portion of jobs and tax revenue, helping to fuel the economy. An example of the Group’s positive influence on other sectors can be seen in the insurance sector. United Insurance Company entered the market in 1981 and, with the support of the Saeed Group, quickly became the market leader with a 44 percent market share. When asked what the key to his company’s success was, head manager Tarek Hayel Saeed, grandson of the late Haj Hayel Saeed Anam stated: “It goes back to the Hayel Saeed Group of Companies which was very supportive; the name is very well known in Yemen and people trust this company.”

The Saeed Group is now looking to develop relations with the United States. Mohammed Abdo Saeed believes that “Yemen’s commitment to helping Americans in the war on terror will strengthen economic ties. “I think we are in the same boat, especially in terms of fighting the terrorists. We have the same goals. This cooperation will help convince Americans to invest in some sectors in Yemen.”

Generosity pays dividends

Large donations for social programs and services have won over the Yemeni people and kept a major group profitable during periods of social unrest.

How does a major trade institution remain profitable through colonization, decolonization, civil war, social revolutions, partition, and as of late, terrorism? The answer is simpler than most might think – by giving back to the people.

For over 70 years, the Hayel Saeed Anam and Company has made numerous contributions to Yemeni society that, according to the Group, have won over the people.

Yemen has seen its share of turbulent events, in the last hundred years, continually finding its economy and the welfare of the people at stake. However, jobs created by the Saeed Group provided workers with a stable income and pumped life into the economy during difficult periods.

The Group has built a number of schools, mosques, health clinics, water wells, and bridges across different parts of the country.

The commitment to crucial infrastructure and funding for the Yemeni people has demonstrated how private businesses can help stabilize economies and improve the overall well-being of people in both tumultuous and prosperous times.

The Group’s founder, Haj Hayel Saeed Anam, insisted early on that his company should create an association to provide services to the needy, improve education, and build health centers for Yemenis. That association became a reality.

The Sayel Saeed Anam Charity Association supports a variety of different organizations and charities. To name a few, it provides funding for community projects, critical health services, and United Nation’s volunteer programs that help monitor elections.

Furthermore, thanks to funds conferred by the Saeed Charity Association, Yemenis will soon be able to pursue a degree at the Al-Saeed College for Engineering & Technology.
Creating value through Strong Roots

The Hayel Saeed Anam Group is Yemen’s first commercial group in terms of the volume of its investment and its competitive position in the market. Since 1938, the Group has been creating profit and value for its customers by following good business practices in all of its activities, which include investments in industry, trading and services. With headquarters in Yemen, the HSA Group is active internationally, with a particularly strong presence in Gulf countries, the UK, Malaysia, Egypt and Indonesia.