


**Economic Bulletin**


# **Inventory of Account**

## **Economic Promises of the Presidency**


### **What promises have been made?**



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# Inventory of Account

Economic Promises of the Presidency Council.  
What promises have been made?

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# Preface

## Preface

On April 7, 2022, Yemen's former interim president Abd Rabbu issued a presidential proclamation to transfer his powers and form a presidential leadership council, composed of a president and six members, to manage the affairs of the country during the coming period, with full powers.

The presidential proclamation marked a new milestone of the authority in Aden. This new presidential council enjoys an international recognition and is attempting to rectify the situation within its control, taking into account the difficult economic situation due to the eight-year-old war. Citizens have hopes in the Council's composition chosen according to the filed developments militarily during the past years. An asset to the Council is the president of the council Dr. Rashad Al-Alimi who has an academic figure with a security background.

The composition of the Presidential Leadership Council was taken place just five days after an agreement between the internationally recognized government and Ansar Allah (Houthi) Group on a humanitarian truce announced by the UN envoy for Yemen, Hans Grundberg, on April 2. It was acclaimed locally, regionally and internationally as an unprecedented step over the past eight years. The truce included important economic and humanitarian items, the most prominent of which was the resumption of flights from Sana'a International Airport, allowing oil derivatives ships to enter Hodeidah port, and discussing the opening of main roads between the governorates. On the top priority of road opening is Taiz outlets. The truce is being discussed among fears of failure of ex-

tension failed Houthi group rejected that on October 2.

It was considered a new situation and with different decisions, often spearheaded by economic headlines, promises, grants, gifts, and urgent projects and undertakings to improve the living situation, and to alter current events on the ground, so that citizens can feel the difference.

In this bulletin, we try to answer the question "What has been achieved compared to what has been announced?" In an inventory of what Presidential Leadership Council has declared at the economic level since its institution, and how the events are going on this path.



# **The Economic Team**

## The Economic Team

Article 4 of the presidential proclamation announces the formation of an economic team from specialized competent nationals to support government reforms and provide advice to the government and the Central Bank regarding urgent reforms in the economic, developmental, financial and monetary fields. In addition, the economic team is also to work to enhance efficiency, transparency and integrity in government agencies, study economic challenges, lay the foundations for sustainable development, draw up the necessary plans for economic development, propose stimulating solutions for economic growth, work to increase the State's revenues, raise the efficiency of collection, and diversify the economic base. This team presents its opinion and studies to the Presidential Leadership Council on economic and public financial issues of the State.

**The team shall be headed by Hussam Al-Sharjabi and the membership of each of the following:**

- 1 Ahmed Bazara.
- 2 Jalal Yaqoub.
- 3 Jihan Abdel Ghaffar.
- 4 Raafat Al-Akhali.
- 5 Saad Sabra.
- 6 Shawqi Hayel Saeed.
- 7 Alaa Qassem.
- 8 Othman Al-Haddi.
- 9 Ali al-Habashi.
- 10 Omar Al-Aqil.
- 11 Fares Al-Jadabi.
- 12 Muhammad Hammam.
- 13 Muhammad Shehab.
- 14 Najat Jamaan Amin.



Two-thirds of the team apologized for discontinuing for various reasons. Meanwhile, five members, resided by Hossam Al-Sharjabi, have remained. The other four are and Najat Jamaan Amin, Faris Al-Jadabi, Alaa Qassem, and Othman Al-Haddi.

The five members have been conducting the tasks of the economic team, and holding regular meetings, at least once a week, according to information obtained by the Center. They also have meetings with the Presidential Leadership Council, the cabinet, and with donating countries and organizations.

Since it was established, the economic team has focused on two parts. The first part is to arrange its internal papers, while the second is related to short-term priorities, including monitoring the progress of development projects and following up on grants announced by Saudi Arabia and the UAE. It also has played a role in approving a nearly 400-million-dollar package of development projects

# **Presidential Speeches and Economic and Development Promises**

## Presidential Speeches and Economic and Development Promises

Addressing economic challenges is one of the top priorities of the Presidential Leadership Council along with political, social and security challenges according to the first speech delivered by President Al-Alimi on April 8, a day after the formation of the Council.

Al-Alimi reinforced this in his speech after the swearing-in event on April 19 in Aden, the temporary capital. He stressed that the economic and livelihood profile represents one of the most important priority files for the Presidential Council, starting with regular salaries for all public service employees, working to stabilize the local currency rates, collecting all revenues, increasing exports, rationalizing expenditures, and working to provide the appropriate environment for investment. The interest in investment comes from the outcomes conducive to reducing unemployment, stimulating economic growth, controlling price increases, improving services, stopping economic decline, and improving the lives of all Yemenis.

In the same speech, President Al-Alimi revealed an urgent Saudi-UAE donation of three billion and three hundred million dollars (USD 3,300,000,000), and called the two countries to hold an international conference to support the Yemeni economy, the Central Bank, and provide oil derivatives. He also directed the government to quickly develop specialized programs to absorb donations, develop mechanisms that enhance transparency, and ensure full utilization of them.

As for the speech of President Al-Alimi on the occasion of Eid Al-Fitr on May 01, after his first foreign visit since assuming the

office, he described the visit as successful to both Saudi Arabia and the UAE. He said that the visit resulted in the development of a clear road map to support the rehabilitation paths for services and economy, including the support allocated to the Central Bank, which is currently under actual implementation. It was agreed to form immediate joint committees to follow up the implementation of commitments in the fields of electricity, energy, health, roads, water and dams.

Last May 22, President al-Alimi reiterated the statements of his swearing-in speech in April, in which he had made the economic issue a key priority of the council's work. He emphasized to work together with the government to stimulate exports and develop revenues to enable it to pay the salaries of the public sector, military forces and retirees regularly, while directing the government to complete the mechanism of absorption of the Saudi-Emirati donation announced on the first of the same month. He pointed out to the presence of the government team with the Economic Committee in Riyadh to complete the mechanism, renew the pledge to improve public services in all liberated governorates in general, the temporary capital of Aden in particular. They were also to work to form a new anti-corruption body. He also directed the government to reconstitute the Supreme Committee for Tenders, and the Supreme Authority for Tender Control, according to his speech on the occasion of the 32nd anniversary of the National Day on May 22.

On July 9, in his Eid al-Adha speech, President al-Alimi said: A package of development projects whose requirements have been fulfilled in Aden and other governorates will be initiated with Saudi support.

His second foreign visit to a number of countries including Kuwait, Bahrain, Egypt and Qatar. These countries undertook to implement a number of projects. He also ordered the government to establish an oil-derivatives fund worth USD 900,000,000 with the Saudi-Emirati support, noting that the Central Bank has fulfilled its procedures and reforms necessary to use the Saudi-Emirati deposit of USD 2,000,000,000, stressing full commitment to the course of economic, service and institutional reforms and combating corruption.

On 13th August, Dr. Al-Alimi addressed the Presidency of the House of Representatives and members of parliamentary committees to inform them of what has been achieved in accordance with his promises in his swearing-in speech. He pointed to the start of the procedures for forming a new anti-corruption body. He also awaited the Shura Council to nominate individuals to assume the presidency and committee membership, the formation of a higher committee for revenues, and to follow up the completion of the remaining tasks.

Before the departure of the Presidential Leadership Council President, Dr. Rashad Al-Alimi, from Aden, the temporary capital, in mid-August to both Abu Dhabi and Riyadh, there were periodic meetings to discuss the economic reforms necessary to address the poor living situation, in addition to the institutional disparities and their repercussions on the service sector. The Council also devoted space to the measures taken in this regard, to alleviate the global food crisis due to the Russo-Ukrainian War that started in February 2022.

# **Development Donations**

## Development Donations

Since the assumption of the Presidential Council in the country, President Al-Alimi has conducted three external rounds. The first visit was limited to Saudi Arabia and the United Arab Emirates, and after which he received support as announced by the two main countries in the coalition to help the legitimate government in Yemen. Both countries announced the provision of USD 900,000,000 in the form of oil derivatives donations, in addition to USD 2,000,000,000 as a bank deposit in the Yemeni Central Bank, and USD 400,000,000 as a package of development projects in Aden, Hadramawt and Taiz.

While Kuwait, Qatar, Bahrain and Egypt have not announced the volume of support they will provide to Yemen, following the second round of President Al-Alimi last June. The four countries announced an unprecedented support that will mitigate the disastrous effects of the war and have a positive impact on Yemenis inside the country and abroad. According to people close to the Council, Qatar and Kuwait will contribute to the operational budget of the country annually.

The list of announced development projects is detailed here, based on the donation provided by Kingdom of Saudi Arabia as part of the urgent development intervention plan to support the presidential endeavors to provide basic services and needs to citizens. The list included 17 vital projects and development programs in 6 sectors, including energy, transport, education, water, health, and building state institutions, through the Saudi Program for the Development and Reconstruction of Yemen. An additional USD 200,000,000 was to provide oil derivatives to operate the country's power plants.

## Sectors

1

Energy



2

Transport



3

Education



4

Water



5

Health



6

Building State Institutions





# Aden



## Taiz



1

Establishment of Taiz road - Kadkha - Mocha

2

Establishment of an oncology centre

3

Construction and Equipping of the Faculty of Medicine

## Hadhramaut



1

Construction and Equipping of University Hospital and Cancer

# **The Central bank and Labor of Deposit Reception !**

## The Central bank and Labor of Deposit Reception !

Immediately after the announcement of forming the presidential leadership council, KSA and UAE had prepared a package of financial donations for the country suffering from a complex economic situation. Then, economists considered it as a new page characterized with unconditional support for the new political leadership formed with a reconciliation of Saudi, the UAE, and Yemen.

Two billion dollars, a deposit to the Central Bank of Yemen in Aden, was announced last April. Five months after the announcement, the deposit has not yet arrived. So, this opened the door to questions that the Central Bank has answered saying that the two countries have prerequisites and reforms to be met before sending the deposit.

Later, it became clear that everything required of the Central Bank was met at the end of June. All requirements were met by the Yemeni Central Bank in accordance with the pre-determined conditions. This was confirmed by President Al-Alimi in the Eid Al-Adha speech, and during his meeting with the Governor of the Central Bank in July. After the approval of the letter of intent, it was recently signed and sent to the deposit fund management assigned by donors.

Negotiations between the Central Bank and the UAE even reached the final step that usually precedes the transfer of the funds, including requesting the bank account number. However, the matter stopped without reasons or justifications, which seems to be linked to political requirements; the

arrangement of the situation in the governorates under the control of the government; the condition put by Houthi group to stop the deposit; and the failure of extending the truce as a result of the rejection by the Houthis of the proposal submitted by the UN envoy Hans Grundberg.

Notwithstanding the above, the Central Bank of Yemen in Aden is trying to maintain the level of the exchange rate, in an attempt to overcome the uncertainty surrounding it and its financial resources, and cessation of external support, including stopping the disbursement of salaries of the joint forces, which were up to SR 400,000,000 per month, shortly before the formation of the Presidential Leadership Council. This highlights the critical situation of the Bank due to the cessation of oil exports: although the Gina Hunt Production Sector is ready to export, it has been suspended for eight months despite its readiness to export; and Safer is also ready, but has been suspended since 4 August without clear reasons.

Unilaterally, the Central Bank works on procedures through which it maintains relative stability of the exchange rate, including stopping the disbursement of the governorates' allocations in dollars, trying and augmenting revenues. These efforts are met with weak seriousness to implement by the control and security department in the relevant government institutions.

**What promises  
have been made?**

## What promises have been made?

Given the flood of presidential promises made by Dr. Rashad Al-Alimi since his first speech on April 8, mentioned in the swearing-in speech on the 19th of the same month, and the three ceremonial speeches, the achievements are barely crystalized: at the economic level regarding the improvement of the value of the riyals, or the prices of basic commodities, or at the living standards to guarantee a minimum provision of basic needs for citizens, or at the level of services. Although Aden had a special priority in the President's speeches, it is still suffering. Electricity has not witnessed any improvement if compared to the level of promises and mobilization. For years, the problem has not been resolved.

The Central Bank announced that all the conditions and requirements of the Saudi-Emirati financial deposit have been met. The Bank top management met with the President Al-Alimi on July 13, just three days after the Eid Al-Adha speech, which confirmed that the requirements had been satisfied. Since that time to October, the deposit, which Yemenis have been waiting, has not arrived, and no development has been announced in this context. The situation has not neither changed nor witnessed any tangible work except the maintenance and restoration of some city roads and inter-governorate roads.

The salaries of public servants, military forces, and retirees have not seen any increase or improvement according to an-

nual allowances. The judges who ended a strike that lasted nearly two years after responding to their demands to raise salaries were the exception.

At the governorate level, the situation is not very different. Abyan, Shabwa and Hadhramaut governorates have been suffering from continuous power outage amidst the absence of radical solutions, the absence of the necessary treatments to provide fuels, periodic maintenance, and updating the network. Taiz governorate remains a special challenge in terms of political and economic treatments of the service and living situation. People have nothing to do but to complain and lose hope of any response to their demands of their basic needs: water, electricity, gas, and safeguarded transportation lines of oil derivatives, food supply and basic commodities.

So far, the citizens have not seen a tangible achievement of the projects announced under the emergency development intervention plan. In Aden, a part of the coastal road line was re-habilitated, funded and implemented by the Roads and Bridges Maintenance Fund. The project of solar street lighting in Aden started in stages, including different streets in Aden's districts.

For only 45 days, the Yemenis in the government-controlled areas felt an improvement in the Yemeni rial value. It reached an exchange rate of 900 rials against the dollar. This took place, immediately after the announcement of the composition of the council and continued at a level less than 1000 rials until mid-May. This improvement was reflected in the prices



of food, and basic needs, but did not hold up much. The rial retreated, and thus everything returned to rise again.

Projects directly related to improving the living situation of people remain subject to political and military developments. The Yemeni rial is witnessing a continuous vacillation in its value against the dollar and the Saudi riyal. This is reflected catastrophically on the purchasing power of citizens. The last three months have not passed without inconsistency in the value of the Yemeni rials. In the first week of October, it reached its highest level since the composition of the Presidential Council.

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