



USAID
FROM THE AMERICAN PEOPLE

YEMEN MARKET SPOTLIGHT

Current Situation

Though currently in crisis, Yemen has the economic resources to rebuild and integrate with the global economy. USAID and other international partners provide assistance to address the humanitarian crisis while also instituting reforms to enable a war-weakened private sector to grow the Yemeni economy. Beyond financial resources, private investment is needed to bring technology, market connections and managerial expertise to capitalize on exports of renowned products such as Yemeni honey, coffee, and seafood. As Yemen stabilizes, attractive investment opportunities will emerge to enable the Yemeni economy to increase household incomes and employment and reduce the need for donor assistance. USAID stands ready to assist potential investors.

TOP REASONS TO KEEP AN EYE ON YEMEN

- 1. High Demand for Yemeni Products:** Yemen's lengthy coastline offers high returns in the fishing industry, which was the second largest export behind oil and gas prior to the war. Global experts acclaim unique flavors of Yemen's native coffee beans, and Yemeni honey is among the most expensive in the world—famous for its sweet flavor profile and medicinal value.
- 2. Considerable Consumer Market:** Once revived, Yemen's 30 million people (6th largest in the Middle East) is an attractive market for consumer products. Prior to the war, Yemen was in the process of restructuring from its socialist history. Migrant workers were sending home large sums of money, supporting small-scale capital investments and expanding a large consumer market—a trend that will likely continue once the conflict is resolved.
- 3. Regional Partnership Opportunities with Yemeni Owned Businesses:** Yemenis are known throughout the Middle East as born traders and savvy businesspeople. Though many of the top Yemeni-owned businesses have left the country to expand their operations in more stable environments, they will be a driving force for rebuilding Yemen's post-conflict market economy.

USAID's Role

USAID has undertaken critical tasks in rebuilding Yemen's fundamental economic institutions. USAID supplies technical assistance to the Central Bank of Yemen and the Ministry of Finance, the two institutions most important to facilitate investment and business opportunities. USAID and the US Embassy to Yemen work closely with the International Monetary Fund and the World Bank to promote institutional reforms and business opportunities. This includes maintaining access to basic goods and services, enabling access to financial services, amending regulations to support business-led growth, and promoting peace and stability amid the on-going conflict. USAID also works with local financial institutions and maintains close connections with government agencies needed to navigate complexities of the current business operating environment. More specifically, USAID helps businesses to 1) improve productivity, 2) upgrade processing facilities, 3) gain access to finance, and 4) enhance supply chain resilience.

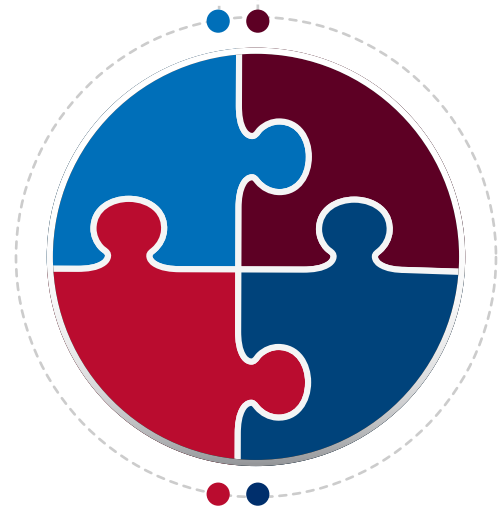
Snapshot: How We Engage

STABILIZERS

USAID provides technical assistance to key stabilizing economic institutions and strengthens social cohesion and commitment to transparency/accountability.

RISK MITIGATORS

USAID provides technical assistance and access to credit to take advantage of business opportunities.



ASSISTANCE PROVIDERS

USAID's annual contribution is over \$30M, including access to critical goods and services and technical assistance for enterprise development.

CONVENERS

USAID coordinates donor efforts and supports dialogue with government institutions to align interests in anticipation of economic growth after stabilization.

How USAID Works with Businesses and Investors

USAID/Yemen can work with local and international companies and investors in many ways. USAID mitigates risk to private investments, supports rebuilding and upgrading business facilities, and co-creates innovative economic solutions to stabilize and rebuild Yemen's economy and communications, businesses, and logistics infrastructure.

Currently, USAID/Yemen has community and enterprise development programs which provide technical assistance for local Yemeni businesses, financial institutions, and investors to connect enterprises to global markets. USAID/Yemen and other global USAID and U.S. Government programs, such as the Development Finance Corporation (DFC), can also assist partners with risk mitigation support, local expertise, and networks to help navigate the market.

Impact in Yemen



Facilitated Economic Growth:

USAID generated over 3,000 jobs for at-risk populations, built international stakeholder support for a trade facilitation agreement, provided livelihood support to over 3,000 farmers, and assisted the Central Bank of Yemen to articulate major macro-financial reform challenges and support needs.



Improved Human Capital:

USAID-funded education activities, including back-to-school campaigns, provision of equipment and supplies, self-learning pilots, psychosocial support, and school emergency response and safety, have reached more than 1.25 million children in Yemen.



Reformed Policies:

USAID supports policy reforms and dialogue related to improving the business enabling environment and increasing trade and investment.



Improved Infrastructure:

USAID's investments in infrastructure and logistics increase the capacity of local ports and enable improvements in supply delivery by up to 40 percent at the Hudaydah site alone.



Stabilized Communities:

USAID supported 164 new initiatives dedicated to resolving conflict or the drivers of conflict.



OUTREACH TO BUSINESS LEADERS

USAID conducted outreach to prominent Yemeni business owners in the region and found a high-level of willingness to explore opportunities for investing in Yemen's reconstruction post-conflict.

“The time to start reconstructing the country is now. Not tomorrow.”

YEMENI BUSINESS OWNER
Currently based in Dubai, UAE

If you are interested in doing business in Yemen, USAID can help you to connect, invest, and expand your business. Contact USAID today to schedule a meeting to explore the possibilities with partnership and subject matter experts at yemendesk@usaid.gov.