

Yemen

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Poised to prosper II

Since the formal reunification of North and South Yemen in 1990, Yemen has been modernizing and opening up to the outside world. In the following article, President Ali Abdullah Saleh discusses the challenges that the people of Yemen have overcome and the many accomplishments that promise a bright future.



Yemen was one of the first countries in the region to conduct reforms, politically, economically, and judicially. Reunification of Yemen on 22 May 1990 represented the largest part of the political reforms. With such reunification, democracy, political pluralism and freedom

of speech and the press have been initiated. In addition, women's participation in the political process, respect for human rights and popular participation in decision making have all found a place. Yemen has also launched a comprehensive economic, financial, administrative and judicial reform program. Good results have been recorded, and efforts are ongoing.

Pushing ahead with the development agenda is one of the major challenges facing Yemen today. Yemen is a country of limited resources many of which are already stretched by the rapid population increase. Despite this, we are using our best efforts to accelerate the reform process through developmental plans and programs aimed at combating poverty and unemployment, encouraging investments and better utilization of the already available resources such as oil, gas, minerals, fisheries, the Aden Free Trade Zone and others. There is no doubt that, to overcome the "development challenge," Yemen still needs the support of its friends. Strong support has come from the World Bank and other donors who regard Yemen as an area of interest. Various projects are being implemented with the support of donor countries and we are pleased with the high level of cooperation between us and such countries.

■ Welcoming Investment

Our government is eager to develop new and existing sectors that will ensure a balance against the decline of oil production in the presently explored fields. While focusing on the expansion of oil and gas exploration

and excavation in new areas, we are also working on improving the industrial, agricultural, tourism and fisheries industries. Encouraging local and international investors to come to Yemen is an integral part of this.

The country's distinguished geographical location and environment along with its political and economic agenda give it a promising future. As our economy forms an ever-increasing part of the global economy, bids and efforts are constantly made for our country to accede to the World Trade Organization. A lot has been achieved and we continue to rely on our friends' support in this endeavor - the United States in particular. We are keen to strengthen our cooperative relations with the United States at all levels. We highly encourage and warmly welcome U.S. investment in Yemen. At present there are a number of successful U.S. investments serving the interests of both countries. As a supporter of the global war on terror, we look forward to ever increasing ties with the United States.

The upcoming local and presidential elections (scheduled for September 2006) present a further opportunity to promote the democratic agenda to which Yemen is committed. Democracy has provided us with a peaceful means of political transformation. Yemen has already made significant progress in this regard. Since 1990, three parliamentary, one local and one presidential election have been held. With the existence of civil society institutions, democracy is strengthened day by day. For Yemenis, democracy is part of their traditional heritage dating back thousands of years. The Qur'an provides the perfect example of this through the narrative of the Queen of Sheba whose decisions were based upon popular consultation. This is also evidence that Yemen is, by nature and heritage, a country where women are held in high esteem.

■ Targeting Terrorism

In line with United Nations resolutions, the Republic of Yemen is an active partner with the international community in combating terrorism and the threat it presents to global peace and security. We have achieved good

and visible results in suppressing and eradicating terrorism. Given the difficult topography and terrain of Yemen, and its similarity to Afghanistan, it's unsurprising that some have identified it as a harbor for terrorists. Yet Yemen, with wide and popular support, has tried to follow an unprecedented policy in combating terrorism and wiping it out. One approach, using strict security measures, resulted in the tracking down of terrorists suspected of being linked to al Qaeda, al Jihad and other extremist organizations. Many have subsequently been taken to court including those accused of attacking the USS Cole destroyer while harboring in Aden, the French tanker Limburg and other Western interests.

We believe that counter terror efforts should include policies that focus on the environmental factors that encourage terrorism to grow. One of these policies should be the provision of support to developing and poor nations to combat poverty, unemployment and other challenges. Those factors create a fertile environment for the growth of terrorism and extremism throughout the world. A crucial factor in terrorism prevention is ensuring that regional conflicts, including the long ongoing conflict in the Middle East, are dealt with in a just manner.

■ The Road Ahead

Thanks to the success of our counter terrorism measures, Yemen enjoys a secure and stable environment. With the assistance of our friend the United States and our other international allies, we have been able to overcome the repercussions resulting from past terrorist acts. The USS Cole bombing, in particular, had

a very negative impact on the national economy and foreign investment in Yemen.

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Now Yemen, al hamdu lillah, has been able to restore its commercial activities, dispel security concerns and restore investor confidence. Today, there are a number of Arab and International companies, including U.S. and European companies, coming to invest in Yemen. We have developed an investment law that has eased the process, and offers a number of investment incentives to the benefit of both parties.

With regard to the defining features of my rule and what the future holds, I leave this to all those interested in the Yemeni issue – Yemenis or non-Yemenis – to determine. I am satisfied with the level of significant accomplishments for our country. Major achievements include the reunification of the country in 1990, the adoption of democracy and the numerous other advances in our developmental and social progress. The ones who can best assess how far we have come in so little time are those who are familiar with Yemen's history, including its suffering and challenges. The people of Yemen have built upon these experiences and, while mindful of the challenges in the past, are looking to a rosy future.

President Ali Abdullah Saleh

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Reforming Through Resources

The discovery of large oil reserves in the late 1980s set Yemen on a path towards growth and prosperity. While efforts are being made to diversify the Yemeni economy, oil is likely to remain Yemen's biggest export and income earner for some time. Earnings from oil have played a crucial role in shaping the country and will continue to do so under the government's second five-year plan. It is not just the availability of oil that makes Yemen an attractive long-term prospect, it is the "extras" that come with it. One such extra is the country's strategic location. Situated on the Red Sea and Indian Ocean, Yemeni oil is easily accessible to the world's tankers and is not hostage to the same political difficulties encountered by GCC oil exporters that surround the Strait of Hormuz waterway. Add to this low production costs, lower signature bonuses and the introduction of a sliding scale for royalties and it's easy to see why black gold here has experienced a rush of interest. For the inhabitants of this ancient land, the benefits that this rush of oil production has brought are evident in the social improvements. There are two routes for oil-related social developments: direct government initiatives and foreign corporation led initiatives. The former has achieved much in a short time, but the latter tends to bring with it the know-how and experience that makes more complex endeavors viable.

Oil and Social Development in Yemen

The Canadian company Nexen provides a prime example of how corporate-led schemes are playing a role in Yemen's transition into a modern and developed country. Yemen has been among Nexen's major international operations since 1992 when the first successful well was announced at Sunah. The company now operates the country's largest oil project (comprising of the Masila and East Al Hajr Blocks) and in 2004 production from Yemen generated approximately 30 percent of Nexen's cash flow. Nexen's strong relations with the government and communities near their operations have enabled the company to implement several ambitious social projects. In 1997 Nexen and its Masila Block partners celebrated ten years of operations in Yemen by developing a scholarship program for deserving Yemeni students. These students pursue post-secondary studies at the University of Calgary or the Southern Alberta Institute of Technology in Calgary (Canada) in disciplines that will positively impact economic development in Yemen. To date, a total of 70 such scholarships have

been awarded. In addition, Nexen is mindful of the environmental issues affecting Yemen and in 2004 launched a joint initiative with the United Nations Development Program and the government of Yemen to promote water management and sanitation in Masila-Hadhramout. The company hopes that the project will stand as a model of joint United Nations and private sector cooperation and as an example for

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Deputy Prime Minister Ahmed M. Sofan

future replication throughout Yemen.

The impact of such projects – coupled with government programs – on the lives of Yemen's citizens is immense. "It is important to appreciate what has been achieved in the last three decades," enthuses the Deputy Prime Minister Ahmed M. Sofan, "extreme poverty has been reduced from almost 98 percent of the population to 10.5 percent, school enrollment for boys and girls has increased from three and zero percent respectively to almost 60 percent, roads have increased from virtually zero coverage to more than 11,000km." The achievements are all the more remarkable considering the population increase during the same period from five million to 19.7 million.

Notwithstanding the rapid progress, much remains to be done and the monies generated from oil and other mineral production will comprise a crucial part of the government's social development agenda. Over the last few years the Petroleum Exploration and Production Authority (PEPA) has enjoyed significant success in attracting several international oil companies to Yemen. "Current exploration in Yemen has boomed," says Mr Nabil Saleh Al-Gawsi, PEPA's Chairman. PEPA's sentiments are especially encouraging given the present decrease in oil production in two of Yemen's older concessions from the 1980s and 1990s. "The Ministry of Oil and Minerals, represented by PEPA, is adopting ambitious plans through which we hope to achieve all our programs and future targets especially after the great success achieved by PEPA in the last few years in the field of explorations," explains Mr Gawsi, confident that benefits of oil wealth will continue to flow into the country for some time.



The Land that Time Forgot

Described as a “living museum,” Yemen is a timeless land steeped in history and cloaked in legend. Empires and kingdoms, from the Minaean to the Awsanian, flourished for centuries making Yemen one of the oldest centers of civilization in the Middle East. During Roman times it was called “Arabia Felix” (fortunate Arabia) a testimony to the country’s wealth when it was a great trade route. While the ancient kingdoms have long since passed, the Yemeni landscape and culture belie a deep sense of the past: hanging gardens, mountains, deserts and cliff top fortresses coupled with traditional tribal cultures dating back to the time of the Old Testament, evoke the feeling that this is a land that time forgot.

■ Sana’a

The historical and political capital of Yemen, Sana’a is located in the heart of the Yemeni highlands on a plateau surrounded by mountains and is one of the highest capital cities in the world. Also known as the “Mother of Yemen,” Sana’a’s old fortified city has been inhabited for more than 2,500 years and is an architectural rarity. Many of the houses are thought to be more than 500 years old with the foundations of some dating back to more than 1000 years. Domes and minarets from the 50 historical mosques dot the skyline including that of the “Great Mosque” – one of the oldest mosque’s in the Muslim world. Constructed in the time of the prophet Mohammed, the mosque houses some of Yemen’s most treasured and rare manuscripts.

■ Wadi Hadhramout Valley - Shibam

To the east of Sana’a lies the province of Hadhramout and, at its centre, the ancient city of Shibam. A World Heritage Site, Shibam is widely considered the most beautiful historic Yemeni city after the capital. UNESCO describes it as being “One of the oldest and best examples of urban planning based on the principle of vertical construction. Its impressive tower-like structures rise out of the cliff and have given the city the nickname of ‘the Manhattan of the desert.’”



Shibam

The clay-built houses are some 30 to 40 meters high with thick layers of white alabaster painted on the higher floors. Several of Shibam’s skyscrapers have finely engraved wooden doors with elab-



Socotra

orate wooden locks; the windows are latticed with extravagantly carved wooden screens. Viewed from afar, the 16th Century city provides one of the most spectacular sunset images in the world.

■ Socotra

A remote Yemeni island off the coast of the horn of Africa, Socotra is often likened to the Galapagos Islands. Until recently the island was virtually inaccessible to visitors, but in 1999 an international airport was built with the longest airstrip in the country. One of the world’s most promising ecotourism destinations, Socotra is home to many rare species of plants, insects, animals and birds. Of the more than 900 plant species, a third of them are unique to Socotra. It’s not only the ecological diversity that defines Socotra, the islands inhabitants boast a truly unique culture. Thousands of years of relative isolation have led to the evolution of a singular culture, with a distinctive language linked to those in Ancient Arabia which have long-since disappeared. Also of interest are the island’s caves, where, during winter months, shepherds and semi-nomadic pastoral groups live beneath the enormous stalactites.

For more information on the wonders of Yemen, please visit: www.yementourism.com

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