



SCALING UP YEMENI EXPORTS

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EXECUTIVE SUMMARY

Yemen's export sector has long suffered from structural weaknesses, but the ongoing conflict has triggered a dramatic collapse. Between 2013 and 2023, annual exports were down 90%, mainly due to disruptions in oil and gas exports, which historically made up 80% of the country's export revenues. While non-hydrocarbon exports—such as coffee, honey, fish, fruits, and vegetables—have grown in relative importance, they remain small in absolute value, constrained by systemic challenges in governance, infrastructure, finance, technical capacity, and women's participation. However, non-hydrocarbon export industries' relatively modest contribution to exports masks their crucial role in supporting general socioeconomic wellbeing through job provision and local development.

It is thus incumbent upon the Yemeni government, private sector, and international stakeholders to pursue a two-pronged strategy to revitalize the country's export sector, prioritizing the restart of oil and gas exports in the short term to regain macroeconomic stability, while building a diversified, resilient, inclusive, and sustainable export economy in the medium- to long-term.

Key challenges include:

- Weak legal and institutional frameworks, including the absence of a national export strategy and inactive trade agreements;
- Inadequate infrastructure and logistics, with damaged ports, roads, and storage facilities;
- Limited access to export finance, due to the absence of export credit guarantees or insurance mechanisms;
- Poor compliance with international standards, which has

triggered export bans and reputational damage; and

- Environmental degradation, threatening the sustainability of key export sectors.

Tailored recommendations for each stakeholder group include:

- The Yemeni government should develop a National Export Strategy, ratify and reactivate dormant trade agreements, modernize infrastructure through targeted investment (including a proposed Export Infrastructure Fund), and establish an Export Credit Agency or pilot export guarantee scheme. It should also enforce quality standards, launch an export quality seal, and integrate sustainability, research, and gender responsive policy into export planning.
- The Yemeni private sector should establish digital marketplaces, sectoral export councils, and a collective export risk fund. Firms should invest in branding, corporate governance, inclusion, and innovation while actively engaging in policy dialogue and peer mentorship initiatives.
- International partners should deepen technical assistance, support trade financing through blended finance and results-based instruments, mediate export bans, and fund initiatives for women's economic inclusion and climate-resilient innovations. Key proposals include creating an Export Ban Rapid Response Unit and Green Export Labs.

Scaling up exports in Yemen is both urgent and feasible. It requires collaborative leadership, long-term commitment, and a clear vision grounded in sustainability, innovation, and inclusive growth.

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1. Introduction

A healthy export sector is key to economic growth and prosperity, particularly in developing countries.^[1] Yemen's strategic location at the southern tip of the Arabian Peninsula, along major international shipping routes, is a natural platform from which to export its goods and services to global markets. However, for decades, export sector development has been hampered by persistent political and security instability, inadequate infrastructure, limited access to financing, the absence of a stable and conducive business environment, and the limited participation of women in commercial activities – all of which have been compounded by the ongoing conflict.

Industrial oil production, beginning in the mid-1980s, also led to Yemen suffering from the so-called “resource curse.”^[2] Oil revenues came to dominate public finances and economic activity, stifling investments in other sectors, facilitating rent-seeking behavior and corruption, distorting the exchange rate to make other exports less competitive, and leaving the country's economy exposed to energy market volatility. Since the early 2000s, declining oil production has led to ballooning fiscal deficits and political instability. While large-scale commercial exports of liquified natural gas (LNG) began in 2009, all hydrocarbon exports ceased with the escalation of the ongoing conflict, crippling public finances and precipitating economic contraction. Oil exports partially resumed in 2017, only to be suspended again in 2022 after Houthi attacks on oil export infrastructure.

Yemen's largest non-hydrocarbon exports have traditionally included coffee, fish, honey, fruits, and vegetables. While relatively modest in value to overall exports and economic activity, these products are critical to Yemeni socioeconomic wellbeing, given their outsized contributions to general employment and local development. The fact that these sectors have maintained such significance in the face of chronic underinvestment and official neglect suggests that there is a vast opportunity to upscale these industries and doing so could spur significant gains in general socioeconomic well-being.

To this end, the twelfth Development Champions Forum (DCF) was convened in Amman, Jordan, in January 2025, to discuss the challenges and opportunities facing the export sector and provide actionable policy recommendations to support its growth and enhance its competitiveness.

This brief outlines the current state of the export sector in Yemen and provides recommendations for enhancing its capacity to contribute to stability, recovery, and reconstruction efforts.

[1] C. A. Carrasco and Edgar Demetrio Tovar-García, “Trade and Growth in Developing Countries: the Role of Export Composition, Import Composition and Export Diversification,” *Economic Change and Restructuring*, vol. 54, August 2020, pp. 919-941. Available at: <https://doi.org/10.1007/s10644-020-09291-8>.

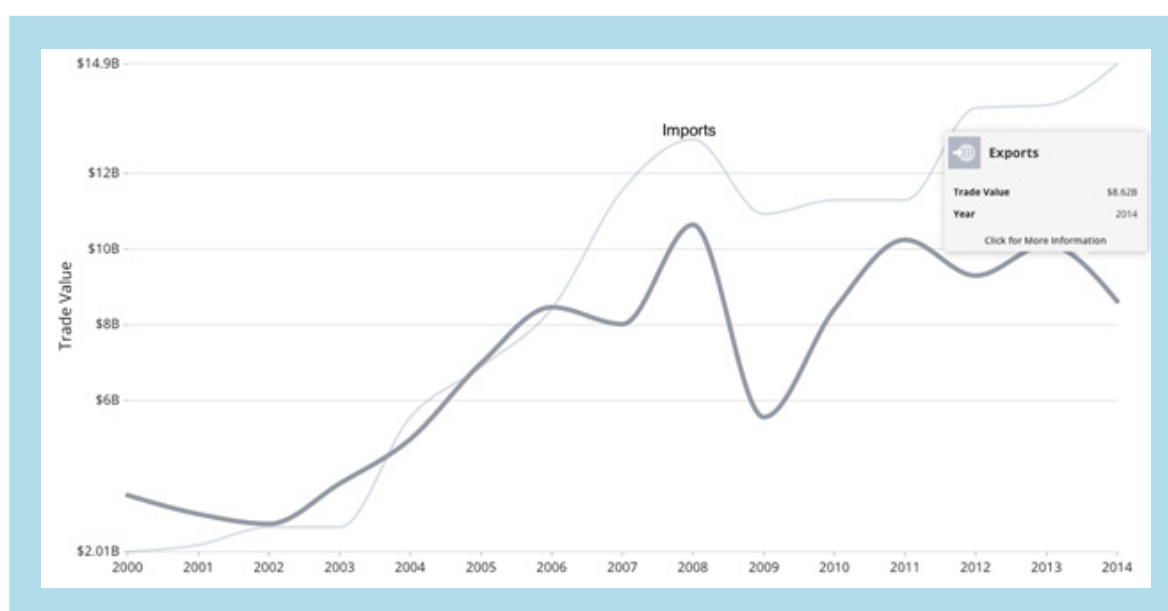
[2] Dawud Ansari, “Resource Curse Contagion in the Case of Yemen,” *Resources Policy*, vol. 49, September 2016, pp. 444–54. Available at: <https://doi.org/10.1016/j.resourpol.2016.08.001>.

2. Background

2.1 Yemen's Export Sector Before & After the Escalation of Armed Conflict

Historically, Yemen has faced persistent trade deficits. Surging global oil prices from 2000 to 2006 offered a reprieve from this trend; however, by 2007 imports again began to significantly outpace exports (see Figure 1). A widening trade deficit ensued and deepened considerably from 2012 onwards, despite LNG exports starting in 2009.

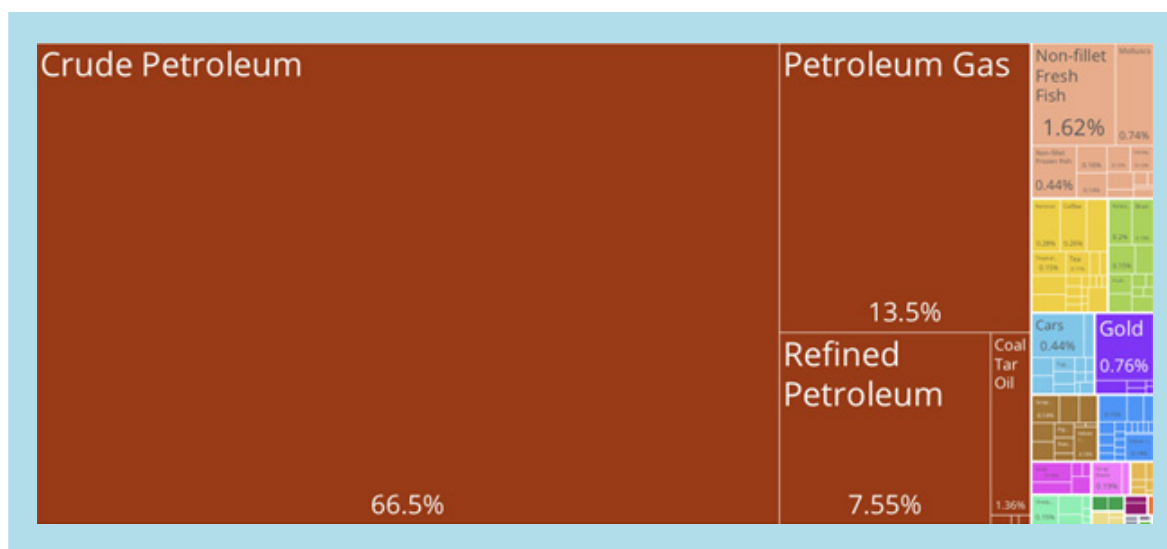
Figure 1: Yemen's Trade Balance (2000-2014)



Source: The Observatory of Economic Complexity: <https://oec.world/en>

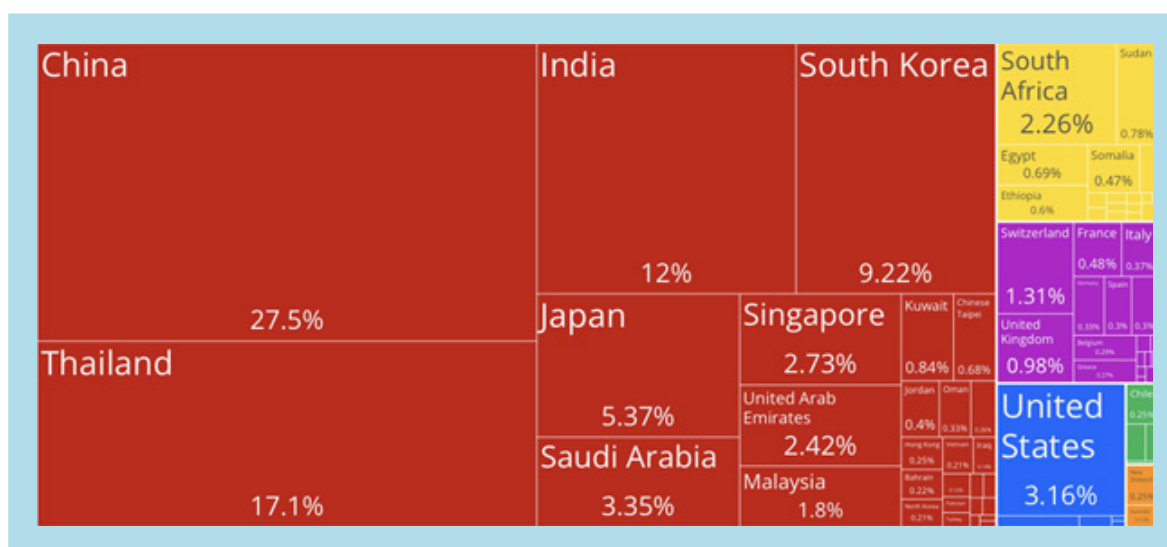
Oil and gas dominated overall exports from 2000 to 2014 (see Figure 2). During that period, China, Thailand, India, Japan, and South Korea were the largest purchasers of Yemeni hydrocarbons, absorbing 70% of all Yemeni exports (see Figure 3).

Figure 2: Yemen's Exports by Product (2000-2014)



Source: The Observatory of Economic Complexity: <https://oec.world/en>

Figure 3: Yemen's Export Destinations (2000-2014)



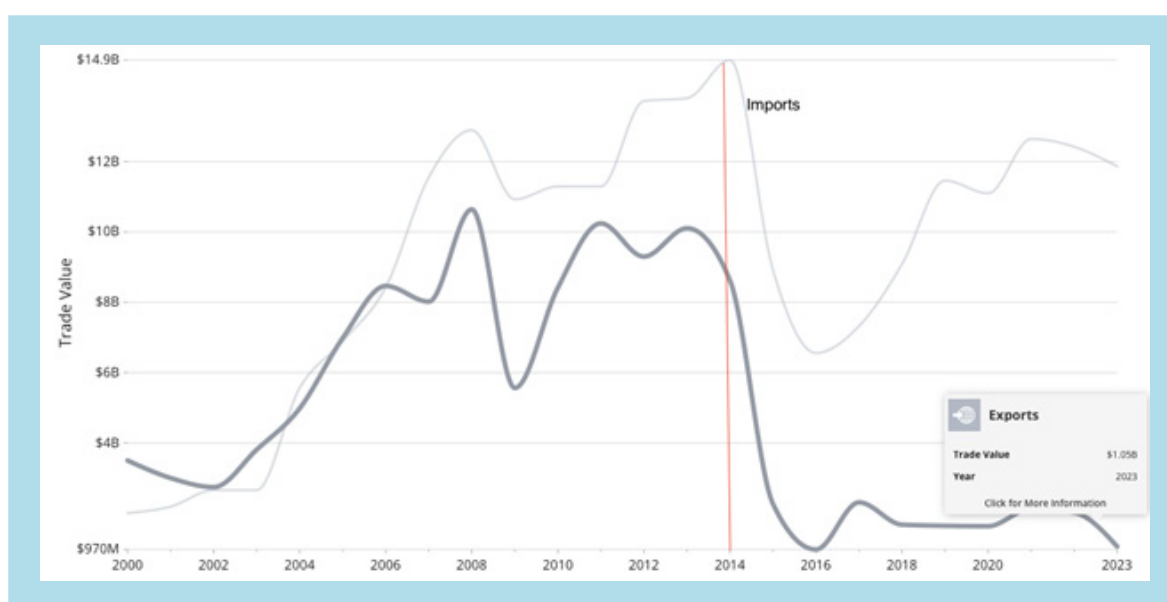
Source: The Observatory of Economic Complexity: <https://oec.world/en>

Between 2015 and 2023, Yemen is estimated to have experienced a staggering 54% contraction in real GDP per capita.^[3] The export sector has been at the forefront of the collapse, with annual exports contracting 90% over the same period, from \$10.1 billion in 2013 to \$1.05 billion in 2023 (see Figure 4).

[3] World Bank, "Confronting Escalating Challenges," Yemen Economic Monitor, Fall 2024. Available at: <http://hdl.handle.net/10986/42380>.

Oil and gas export challenges have been the predominant factor in overall export sector volatility: from 2000 to 2014, hydrocarbons accounted for 80% of exports, while between 2015 and 2023 they represented less than 50% of the exports (see Figure 5). The armed conflict consequently led to ballooning trade and balance of payments deficits, with the World Bank reporting further intensification of this trend in the first half of 2024, driven by a significant rise in imports.^[4]

Figure 4: Yemen's Trade Balance (2000-2023)

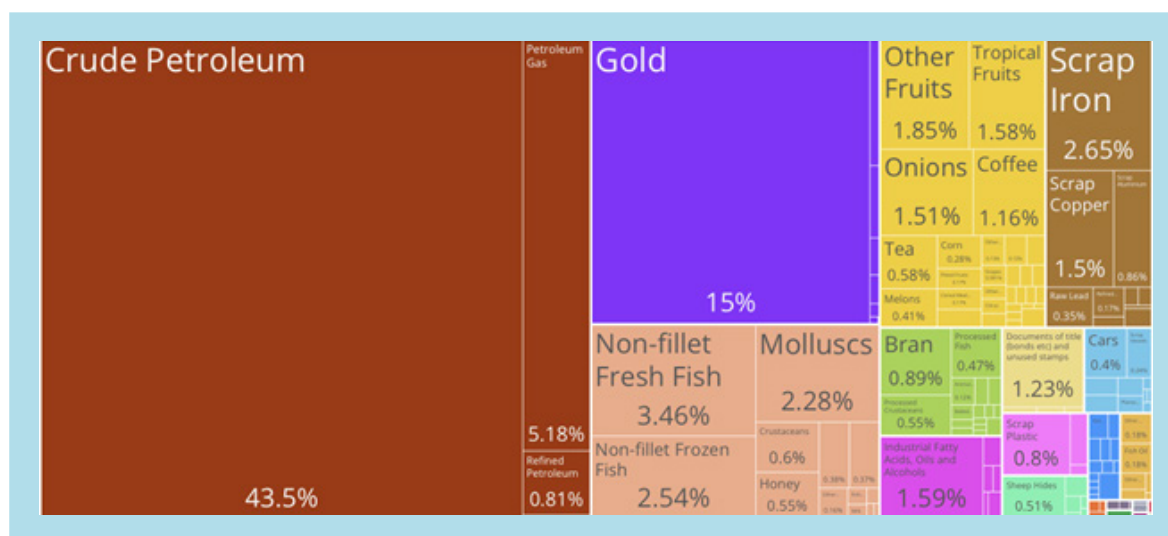


Source: The Observatory of Economic Complexity: <https://oec.world/en>

A byproduct of shrinking oil and gas production has been that the component contribution of other Yemeni products to overall exports has increased. Between 2000 and 2014, animal products accounted for 3.6% of exports by value, which rose to 10.5% from 2015 to 2023. These figures, however, mask a decline in the raw value of animal product exports, which dropped from an annual average of \$248 million before the war to \$183 million in the nine years that followed. Meanwhile, the component contribution of fruits and vegetables rose from 1.6% from 2000 to 2014 to 9% from 2015 to 2023. In this instance, the overall value of fruits and vegetable exports has risen, with their average annual value increasing from \$122 million to \$156 million between the periods before and after the 2015 escalation of armed conflict.

[4] Ibid.

Figure 5: Yemen's Exports by Product (2015-2022)

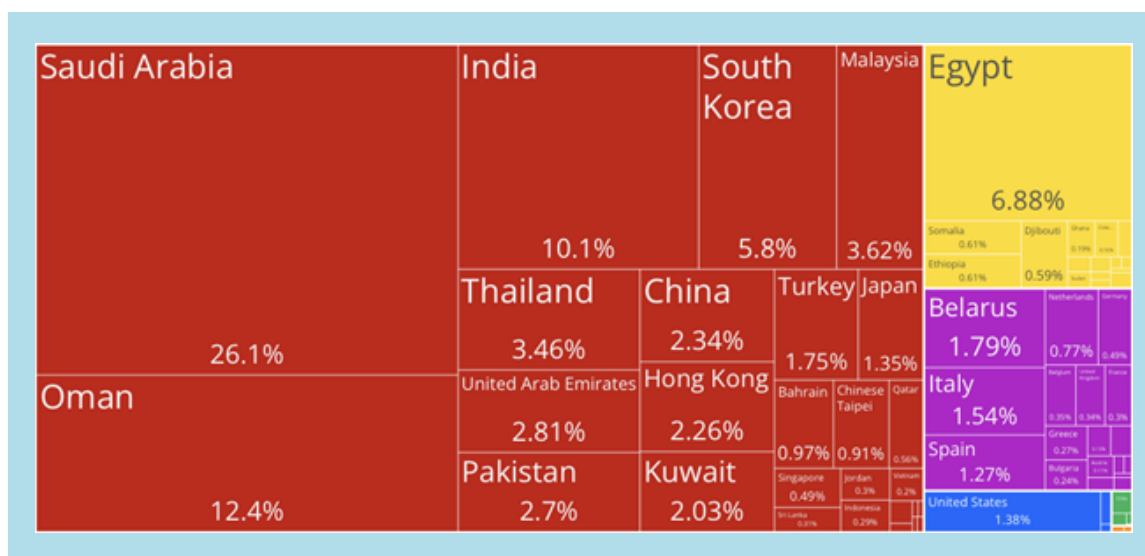


Source: The Observatory of Economic Complexity: <https://oec.world/en>

Notably, precious and non-precious metals became significant components of exports from 2015 to 2023. As discussed by DCF attendees, it is most likely that the 15% of imports that gold accounted for since the war began is primarily composed of jewelry exported to Gulf markets for smithing and remanufacture, then reimported and resold in Yemen. Increased scrap metal exports, representing 5.8% of the total exports during 2015 to 2023, resulted from weak government enforcement of a pre-conflict scrap export ban which contributed, among other factors, to the shuttering of two of the largest Yemeni steel factories. This led to Yemen exporting its scrap metal and significantly increasing its steel imports, instead of producing steel with domestic manufacturing capacity. Excluding oil and gold exports, Saudi Arabia, Oman, and India were the top three destinations for Yemeni exports from 2015 to 2023 (see Figure 6).

Importantly, gender disaggregated data about the impact of the Yemeni conflict on the export sector are almost non-existent and should be a priority for future studies.

Figure 6: Yemen's Exports Destinations Excluding Oil and Gold (2015-2023)



Source: The Observatory of Economic Complexity: <https://oec.world/en>

2.2 Legal and Policy Framework

Domestically, Yemen's foreign trade is governed primarily by the Foreign Trade Law (FTL) No. 16 of 2007. This law grants the Ministry of Industry and Trade (MoIT) the responsibility for overseeing trade agreements, monitoring market trends, and simplifying legal procedures for imports and exports. Regionally, Yemen is a member of the Council of Arab Economic Unity (CAEU), the Pan Arab Free Trade Area (PAFTA), and the Greater Arab Free Trade Area (GAFTA). While not a member of the Gulf Cooperation Council, Yemen maintains strong ties with the bloc.

Yemen also benefits from the Generalized System of Preferences (GSP), which provides preferential trade terms with major economies such as the European Union, the United Kingdom, the United States, Canada, China, South Korea, India, and Japan. The Everything But Arms (EBA) regulation under the EU grants Yemen duty-free and quota-free access to European markets for almost all products.^[5] Yemen also signed the Trade and Investment Framework Agreement (TIFA) with the US in 2004 to promote bilateral trade and investment.^[6]

In June 2014, after 13 years of negotiation, Yemen also acceded to the World Trade Organization (WTO). However, the escalation of armed conflict shortly after prevented the country from benefiting from its WTO membership and the many technical assistance and capacity-building supports that this membership offers. In October 2024, the Yemeni Council of Ministers approved the WTO's Trade Facilitation Agreement, covering measures to expedite trade and streamline related bureaucratic mechanisms. However, parliamentary ratification is still pending as of this writing.

[5] Anke Hoeffler, "Exporting from Fragile States: Challenges and Opportunities," OECD Development Co-Operation Working Papers, October 2012. Available at: <https://doi.org/10.1787/5k49dfg9fb6d-en>.

[6] The latest decisions by President Trump levied a 10% tariff on Yemeni products imported to the United States.

3. Challenges to Export Sector Expansion

3.1 Legal and Institutional Challenges

Yemen lacks a clear strategic vision and export strategy to guide policies and investments. This is partly the consequence of decades of over-dependence on hydrocarbon exports and the accompanying disincentive for economic diversification. Costly and time-consuming registration and export licensing requirements also impose a heavy bureaucratic burden on export-oriented businesses, especially Micro, Small, and Medium Enterprises (MSMEs). While all MSMEs face these challenges, there are potentially disproportionate impacts on women-led businesses and women working in the export sector.

The Supreme Council for Exports Development (SCED) – established by presidential decree No. 127 of 1997 with the mandate to support exporting sectors and remove trade barriers – is inactive, having played only a minor role even before the conflict. In May 2022, the Council of Ministers approved the SCED’s reactivation in Aden, though it has yet to reconvene as of this writing.^[7]

Obtaining timely and accurate export data is also difficult, given the authorities’ irregular publication of export bulletins and the often contradictory data they present relative to international sources. For example, export statistics data published by the Central Statistics Organization is significantly different from Yemen export statistics data published by either the United Nations Comtrade database or the International Trade Centre’s statistics.^[8] In addition, industry-specific studies to inform Yemeni export sectors are scarce, with a particular shortage of gender-disaggregated data. This hinders understanding of how export sector challenges affect women and men differently and the support they each require.

Weak promotion of Yemeni products abroad also hobbles export expansion. For instance, international trade expos usually offer Yemen, a least developed country, significant discounts or even waivers on booth fees. Despite this, Yemeni products are rarely showcased internationally. DCF discussions highlighted considerable room for improvement in the role of Yemeni diplomatic missions abroad to facilitate Yemeni exports and overcome difficulties exporters face. These challenges include trade bans, official compliance requirements, and local market and regulatory changes. These issues compound Yemeni exporters’ challenges in penetrating markets already served by well-established global suppliers.

Notably, evidence from Spain revealed that establishing regional trade agencies abroad boosted Spanish exports by 74% compared to 11% by embassies and consulates.

[7] SuhailNet, “Amending Mining Fees and Restructuring the Supreme Council for Export Development (Arabic),” May 15, 2023. Available at: https://suhail.net/news_details.php?lng=arabic&sid=22121. Accessed March 12, 2025.

[8] Central Statistics Organization (Aden), nd., <https://cso-ye.org/en/>. Accessed February 25, 2025 UN Comtrade Database, nd., <https://comtradeplus.un.org/>; Accessed February 25, 2025 ,International Trade Centre, nd., <https://www.intracen.org/>. Accessed February 25, 2025

Diplomatic missions primarily focus on broader bilateral affairs—political, cultural, and military—while regional trade agencies specialize in export facilitation, providing direct support such as economic, legal, and taxation information, partner matchmaking, and administrative assistance. ^[9] Yemen currently has no such regional trade agencies or equivalent trade promotion entities.

Finally, several trade agreements with other countries are inactive or outdated and in need of revival. Yemen has not ratified more than 15 international agreements, which require no funding from the government or donors but would attract technical assistance and capacity-building support from organizations like the UN, International Monetary Fund, WTO, and the World Bank. ^[10] While potentially helping to boost trade in general, ratifying these agreements could also provide crucial frameworks for promoting gender equality in trade.

3.2 Infrastructure and Logistics Challenges

Yemeni export sectors face unreliable access to and high costs associated with electricity and fuel, undermining their competitiveness. In the agriculture sector, inadequate power supply disrupts irrigation and cold storage facilities, leading to post-harvest losses. ^[11] Similarly, the fisheries sector struggles with weak infrastructure and inefficient traditional fishing practices, limiting production capacity and increasing costs. Infrastructure damages at the main ports of Aden, Mukalla, and Hodaidah have contributed to large export declines, with UNDP estimating Aden and Mukalla ports require \$28 million and \$21 million in repairs, respectively. ^[12]

Deteriorated road infrastructure complicates moving goods to Yemen's seaports or border crossings with Saudi Arabia and Oman. The conflict has damaged an estimated 46 main roads and 99 bridges in Houthi-controlled areas, and about 6,000 kilometers of roads in government-controlled areas. The primary Yemeni-Saudi border crossing of Haradh has also been closed since the conflict began. The Wadeah crossing with Saudi Arabia is still operational; however, its distance from Yemeni production centers significantly increases transportation costs. Overall, the conflict has damaged 29% of the transport sector, according to the World Bank, and needs as much as \$443 million in emergency rehabilitation. ^[13]

[9] Salvador Gil, Rafael Llorca, and José A. Martínez Serrano, "Measuring the Impact of Regional Export Promotion: The Spanish Case," *Papers in Regional Science*, vol. 87, issue 1, March 2008, pp. 139–147. Available at <https://doi.org/10.1111/j.1435-5957.2007.00155.x>.

[10] World Bank, "Yemen – Connecting the Yemeni Private Sector to the World," January 2024. Available at: <http://documents.worldbank.org/curated/en/099032024141038420>.

[11] Marta Colburn et al., "Climate-Smart Agriculture in Yemen. Leveraging Resilience for Sustainable Food Production," CARPO Report 14, May 2025 (forthcoming). Available at <https://carpo-bonn.org/en/publications/carpo-reports>.

[12] Henk Engelberts and Marc Wormmeester, "Damage & Capacity Assessment: Port of Aden and Port of Mukalla." UNDP, April 2021. Available at: <https://www.undp.org/yemen/publications/damage-and-capacity-assessment-port-aden-and-port-mukalla>.

[13] Nabil Al-Tairi, "The Road Transport Sector in Yemen: Critical Issues and Priority Policies", *Rethinking Yemen's Economy*, Policy Brief No. 11, DeepRoot Consulting / Sana'a Center for Strategic Studies / CARPO, March 2022. Available at: https://devchampions.org/uploads/publications/files/Rethinking_Yemens_Economy_No11_En-1.pdf. World Bank Group, "Yemen Dynamic Needs Assessment: Phase Three (2020 Update)," December 2020. Available at: <http://documents.worldbank.org/curated/en/490981607970828629>.

Other infrastructure challenges include poor telecommunications coverage, especially in southern Yemen, contributing to value-chain inefficiencies by impeding coordination among producers, processors, and traders. The agriculture sector faces inadequate packaging facilities and low compliance with export standards, preventing Yemeni fruits and vegetables from competing in international markets. Furthermore, the absence of a centralized digital marketplace – such as a Yemeni version of Alibaba – limits exporters' ability to showcase their products and connect with international buyers, keeping them reliant on inefficient traditional trading networks. Finally, public institutions relevant to exports have bifurcated between Sana'a and Aden, leading to many contradictory export regulations, creating confusion and challenges for all exporters, but in particular women-led businesses whose access to official communication channels is already disproportionately hindered.

Box 1: Cooperative-based Marketing Model

Cooperative-based marketing models offer Yemeni agricultural exporters an opportunity to upscale by integrating small farmers into high-value international markets. This model, similar to India's Mahagrapes,^[14] establishes farmer cooperatives with a dedicated export facilitation body to improve market access, price negotiation, and compliance with global food safety standards. Public-private partnerships can support cold storage, transport, and certification processes, reducing smallholder costs. Training programs and group certification can help farmers meet export requirements, particularly for high-value crops like coffee, honey, grapes, and mangoes. Coupled with government and donor support, through soft loans, subsidies, and technical assistance, cooperative-based marketing models can help build and sustain a competitive export sector that increases rural incomes and economic resilience.

Yemen's Talook Women's Association is another example of how cooperatives can boost exports by empowering local producers and improving quality. Founded in 2001 in Taiz, it now supports dozens of women in cultivating operations. With support from the Small and Micro Enterprise Promotion Service (SMEPS) and international partners, the association has helped growers to upgrade processing techniques through training and shared resource programs, assisting them in producing specialty coffee that meets global standards, thereby opening expanded export market access.^[15]

[14] Devesh Roy and Amit Thorat, "Success in High Value Horticultural Export Markets for the Small Farmers: The Case of Mahagrapes in India." *World Development*, vol. 36, issue 10, October 2008, pp. 1874–1890. Available at: <https://doi.org/10.1016/j.worlddev.2007.09.009>.

[15] SMEPS, "SMEPS and Coffee: Where the Journey Began", December 20, 2020. Available at: https://smeeps.org.ye/upfiles/posts/SMEPS_File_20-12-2020-1463.pdf.

3.3 Financing Challenges

Yemeni exporters' poor financing options limit their ability to scale up their businesses. For instance, complicated bureaucratic hurdles restrict SME access to available bank and microfinance loans, while women-led businesses additionally face socio-cultural barriers and low rates for financial literacy when attempting to access financing. The absence of export credit agencies (ECAs), export insurance, or an Export Development Bank, in addition to the perception of Yemen as "high risk", makes accessing affordable trade finance difficult for exporters.

Without government-backed financial instruments, exporters are vulnerable to payment defaults, currency fluctuations, and political instability in target markets. This risk limits their expansion abroad, forcing them to rely on prepayment or letters of credit that increase costs and reduce competitiveness.^[16]

Moreover, ECAs can help guarantee payments and international trade continuity during market disruptions when private credit becomes scarce. The absence of such support in crisis-affected Yemen discourages private investment in export-oriented industries. Yemeni MSMEs also often lack collateral or financial history, further shrinking their access to international trade financing.

Brazil, through the Brazilian Development Bank, is a prime example of how direct government support for export financing contributed to a country's export growth, economic activity, employment, and capital investment.^[17] Such lessons learned from Brazil are worth exploring by the Yemeni stakeholders.

3.4 Technical Challenges

Inadequate government guidelines and enforcement, as well as a growing number of fraudulent exporter practices, contribute to the difficulty Yemeni products face in meeting international quality standards. For example, cases of honey fraud, where poor quality honey is mixed with premium honey, have damaged Yemen's reputation and reduced market opportunities. Yemen's export potential would thus likely benefit from credible certification programs.^[18] In Ghana, for instance, organic certification of pineapple expanded international market access and achieved an internal rate of return of 250 to 300% per year, strongly benefiting poorer farmers.

[16] Christian Saborowski, Jean-Pierre Chauffour, and Ahmet Soylemezoglu, "Trade Finance in Crisis: Should Developing Countries Establish Export Credit Agencies?", World Bank Group, Policy Research Working Paper, No. 5166, January 2010. Available at: <http://hdl.handle.net/10986/19946>.

[17] João Carlos Ferraz and Luciano Coutinho, "Investment Policies, Development Finance and Economic Transformation: Lessons from BNDES," Structural Change and Economic Dynamics, vol. 48, March 2019, pp. 86–102. Available at: <https://doi.org/10.1016/j.strueco.2017.11.008>.

[18] Linda Kleemann, Awudu Abdulai, and Mareike Buss, "Certification and Access to Export Markets: Adoption and Return on Investment of Organic-Certified Pineapple Farming in Ghana." World Development, vol. 64, December 2014, pp. 79–92. Available at: <https://doi.org/10.1016/j.worlddev.2014.05.005>.

Furthermore, Yemeni ports' inadequate infrastructure and lack of adherence to many compliance requirements have led Yemeni exporters to seek alternate routes, such as exporting through Omani ports. However, this causes Yemeni products to be exported as Omani, negating customs exemptions and imposing taxes on these products.

Dubious quality standards and issues related to the ongoing conflict have prompted export bans on Yemeni goods from various countries. For instance, DCF discussions highlighted that China and Russia, among others, have prohibited Yemeni fish imports due to health and quality factors. In October 2024, Yemen's cholera outbreak led Saudi Arabia to ban Yemeni vegetable and fresh fish imports for a month. In February 2025, Saudi authorities at the Wadeah crossing then blocked 400 trucks carrying Yemeni onions due to health and quality concerns, inflicting significant losses on Yemeni onion farmers who could not recoup their sunk costs.^[19]

Resource-depleting practices also threaten the sustainability and competitiveness of various export industries. In the honey sector, deforestation and excessive logging endanger bee habitats, reducing production and impacting honey quality. Similarly, unsustainable fishing practices limit seafood production and threaten marine ecosystems. Recent studies have highlighted the risks of overexploitation in developing countries, where fish stocks are depleted to meet the consumption demands of wealthier nations.^[20]

[19] AljouthouriyaTV, "The Bans on Onion Exports Is Causing Farmers Huge Losses (Arabic)," February 2025. Available at: <https://www.facebook.com/reel/2024615644707671>. Accessed March 20, 2025.

[20] Samuel Asumadu Sarkodie and Phebe Asantewaa Owusu, "Assessment of Global Fish Footprint Reveals Growing Challenges for Sustainable Production and Consumption," *Marine Pollution Bulletin*, vol. 194, September 2023. Available at: <https://doi.org/10.1016/j.marpolbul.2023.115369>.

4. Policy Recommendations

Scaling up Yemeni exports is a multifaceted endeavor that requires legal and policy reforms, infrastructure investments, increased technical expertise, enforced quality standards, and diversified export products and markets.

In the short and medium terms, resumption of oil and LNG exports must be prioritized to address Yemen's massive trade balance deficit. However, concurrent efforts need to be made to diversify and upscale non-hydrocarbon exports.

Upscaling Yemeni exports is also a multi-stakeholder endeavor, requiring concerted efforts from the government, private sector, value chain actors, policy makers, research and development centers, and international partners such as the WTO and World Bank. This effort must also involve targeted actions that ensure inclusive export sector expansion, such that its growth helps to remedy, rather than reinforce, existing gender-based economic vulnerabilities. To do so, it must recognize that while women are vital contributors in export sectors such as agriculture and fisheries, their barriers to participation are often unique from those of their male counterparts.

DCF recommendations to the various stakeholders include:

The Yemeni Government: Recommendations for a More Robust Export Policy

1. Legal and Policy Reforms

- **Develop a national export strategy through** a consultative process with strong private sector involvement. Focus on identifying high-potential export sectors, promoting sustainability, improving access to export financing, streamlining trade facilitation, and ensuring inclusive, gender-responsive policy implementation.
- **Activate the Supreme Council for Export Development**, ensuring private sector representation, a clear mandate to remove trade barriers, and regular engagement with businesses to drive export growth.
- **Prioritize export strategy sectors:** The National Export Strategy should include tiered prioritization (e.g., short-term vs. long-term potential sectors) and a clear timeline for sectoral policy interventions.
- **Develop an “Export Readiness Index”:** Develop an internal tool or criteria to measure the export-readiness of sectors, helping guide where resources and reforms are first directed.

- **Create a ratification mechanism:** Establish a fast-track ratification team/unit within the MoIT focused solely on dormant trade agreements and WTO commitments, with fixed timelines and transparent monitoring. Among the priorities should be to:
 - Pay WTO membership fees to unlock access to technical assistance, global trade initiatives, and dispute resolution mechanisms that support Yemen's export growth.
 - Ratify the Trade Facilitation Agreement and work with the private sector to streamline customs procedures, enhance trade coordination, and secure international technical and financial support.
- **Implement cost-free policy reforms** by ratifying key international agreements and model laws,^[21] improving contract enforcement and logistics, and simplifying export-related administrative processes to enhance trade efficiency.

2. Infrastructure Improvements:

- **Develop a clear infrastructure development plan for exports**, including rehabilitating key roads, upgrading logistics networks, and investing in cold storage and cooling facilities. This plan should be integrated into future reconstruction or public investment programs and discussed with donors.
- **Explore the feasibility of a “Yemen Export Infrastructure Fund” – jointly funded by donors**, Gulf countries, and international financial institutions – to channel investment into strategic infrastructure, such as roads to ports, cold storage, and telecommunications.
- **Pursue information technology and telecommunications upgrades** to increase coverage areas, improve value-chain coordination, and create the necessary technological environment to create a responsive, centralized digital marketplace in Yemen.

3. Access to Financing and Export Incentives

- **Explore the feasibility of establishing an export development bank or a dedicated export credit agency** to provide credit guarantees, export insurance, and financing solutions, reducing exporters' financial risks and encouraging trade expansion.
- **Establish an export guarantee pilot program:** Before a full-scale Export Credit Agency or Export Development Bank, start with a pilot guarantee scheme in collaboration with international financial institutions to reduce exporter risks.
- **Collect and analyze gender-disaggregated data** on access to finance and export activities to inform policy decisions and monitor the impact of interventions on women's economic participation.

[21] World Bank, “Yemen – Connecting the Yemeni Private Sector to the World,” January 2024. Available at: <http://documents.worldbank.org/curated/en/099032024141038420>.

- **Develop a de-risking framework**, such as a “Yemen Export De-Risking Toolkit” that includes templates for letters of credit, forward contracts, and insurance models tailored to the Yemeni context. This could be modeled after similar efforts developed by Islamic Corporation for the Insurance of Investment and Export Credit, and the African Development Bank’s Africa Co-Guarantee Platform.^[22]
- **Support Yemeni banks in establishing dedicated export promotion units** focused on providing financial and technical support to export-oriented industries, ensuring that these sectors receive the necessary resources to grow and compete internationally.

4. Standards and Specifications and R&D

- **Enforce quality standards** through testing at ports, requiring inspections and licensing for local products, and promoting international certifications (e.g., USDA Organic, Fair Trade, ISO, HACCP) to enhance market credibility. This includes regularly updating exporters through a newsletter on evolving standards and regulations. Activate public research institutions and encourage the establishment of private ones to inform the export sector and contribute to its development.
- **Create an export quality labeling system:** Introduce a “Yemen Export Quality Seal” (with third-party auditing support) to build trust in Yemeni products and mitigate fraud (especially in honey and fish).
- **Create a research fund for export innovation:** Allocate small-scale grants through universities or agri-tech incubators to develop quality-enhancing technologies (e.g., packaging, pest resistance, traceability tech).

5. Resource Protection and Management

- **Strategically invest in sustainable practices:** In fisheries, this should include strengthening governance mechanisms to prevent illegal fishing, investing in infrastructure such as modern ports and sustainable packaging facilities, and fostering local cooperatives for fishing communities to enhance sector resilience. Eco-tourism and marine conservation programs should also be considered.
- **Create an “Export Sustainability Index”:** Develop an index to assess the resource sustainability and environmental impact of key export sectors, feeding into the export strategy to avoid overexploitation and environmental degradation.
- **Set mandatory environmental guidelines:** Set environmental impact benchmarks and require environmental certifications to access government support, especially for fisheries, honey, and agricultural products.

[22] Oussama Kaissi, “Enhancing De-risking and Credit Enhancement Business in ICIEC Member States”, Islamic Corporation for the Insurance of Investment and Export Credit, nd., <https://iciec.isdb.org/insights/reimagining-export-credit-and-investment-insurance-in-a-world-of-persistent-risks/>; Accessed March 20, 2025. “The Africa Co-Guarantee Platform (CGP): More Africa Trade and Investment Through Better Risk Mitigation”, African Development Bank, nd., <https://www.afdb.org/en/topics-and-sectors/initiatives-and-partnerships/plateforme-de-co-garantie-pour-lafrique>. Accessed March 20, 2025.

The Yemeni Private Sector: Recommendations for Stronger Engagement and Collective Action

1. Digital Marketplace

- **Create a centralized digital marketplace for Yemen, similar to Alibaba,** for exporters and businesses to showcase their products and connect with international buyers. Large exporters and businesses should consider forming a consortium to collectively finance startup costs through share buy-ins.
- **Establish a cooperative tech incubator:** Pool public-private resources to launch a digital export platform, including mobile-based interfaces for rural producers.
- **Establish regional hubs:** Create offline “product export labs” in major cities (e.g., Aden, Taiz, Mukalla) to help small businesses develop digital catalogues and meet export standards.

2. Industry Working Groups

- **Establish sectoral export councils:** Form councils in honey, coffee, fisheries, and crafts, structured to engage regularly with MoIT and donors on challenges, opportunities, and reforms. These councils should target women-led cooperatives and businesses for membership to ensure inclusive decisionmaking on industry strategy and policy development, as well as women-led businesses’ integration into value chains.
- **Set standard operating protocols (SOPs):** Encourage each group to develop SOPs on product grading, packaging, export documentation, and quality assurance. This will ensure adherence to international standards and best practices and help increase production quality in Yemen and the reputation of Yemeni exports abroad.
- **Participate in policy development:** Collaborate with the government to develop public policies that support export growth, ensuring they are practical and address exporters' real needs. Ensure the sustainability of the export sectors is mainstreamed in these policies.

3. Export Finance

- **Explore the feasibility of establishing a collective risk fund:** This could be an Export Risk Mitigation Fund supported via industry contributions, where members pool resources to insure against non-payment or supply disruption events.
- **Create mentorship alliances:** Pair experienced exporters with SMEs and cooperatives to provide technical assistance, particularly in navigating customs, logistics, and certifications. Women entrepreneurs should be a specific focus for mentorships.

4. Branding and Innovation

- **Establish a “Yemen Origin Campaign”:** Collaborate with influencers and diaspora networks to amplify Yemeni product stories globally using social media, documentaries, and trade expos.
- **Foster design partnerships:** Work with local and regional designers or universities to improve product packaging and visual identity for artisanal goods.

International Partners: Recommendations for Deepening Support Frameworks

1. More Targeted Technical Support

- **Provide technical assistance and policy support:** Assist in shaping policies that maximize economic returns for Yemen, ensuring a strategic and efficient approach to export growth.
- **Adopt gender-responsive strategies,** such as targeted training on financial management, export procedures, quality control, and marketing, to foster inclusive export sector growth.
- **Form “Regulatory Roadmap” missions:** Fund short-term international missions to work with Yemeni authorities to reach benchmarks on regulatory reforms (sanitary standards, trade facilitation, etc.).
- **Create export mentorship exchanges:** Facilitate structured partnerships between Yemeni exporters and counterparts in similar conflict-affected or least developed country economies (e.g., Rwanda, Ethiopia).
- **Build export capacity:** Support small-scale export projects, especially those with high added value offerings, through skills training, resources, and technical assistance to enhance business capabilities.

2. Export Ban Mediation

- **Explore the establishment of an “Export Ban Rapid Response Unit”:** Propose a unit embedded within the MoIT with diplomatic and legal support from international partners to preempt or resolve trade bans quickly.
- **Create a science-based trade dialogue platform:** Establish a platform with the participation of international agencies, such as the Food and Agriculture Organization (FAO) and the World Health Organization, to resolve disputes related to food safety bans (e.g., fish exports).

3. Financing Innovations and Climate-Resilient Exports

- **Enhance trade finance:** Support the creation of an export credit facility in partnership with the Yemeni government, offering technical expertise and financial backing to ensure long-term sustainability. Facilitate capacity-building programs for financial institutions, exporters, and policymakers to strengthen trade finance expertise and risk management capabilities. Additionally, promote blended finance mechanisms, where donor funds help de-risk private investments in Yemen's export sectors, encouraging global financial institutions to provide credit lines and trade financing solutions.
- **Facilitate equitable access to finance:** Support microfinance initiatives that offer gender-sensitive loan programs recognizing women's financial realities.
- **Explore results-based financing:** Consider linking a portion of donor disbursements to specific export milestones – for instance, the number of MSMEs certified, or export revenue increases in targeted sectors.
- **Explore trade-linked blended finance:** Examine designs for donor-supported credit facilities where repayment is partially linked to achieving export deals, lowering collateral requirements.
- **Develop “Green Export Labs”:** Partner with UNDP/FAO to fund small labs that develop or test climate-resilient crops and fisheries innovations to future-proof export value chains.

RETHINKING YEMEN'S ECONOMY

The Rethinking Yemen's Economy (RYE) Initiative and its associated Development Champions Forum aim to contribute to and support the advancement towards inclusive and sustainable development and peace by seeking to achieve the following: a) the enabled inclusive engagement of Yemenis in economic peacebuilding; b) an improved understanding of crucial policy areas related to economic peacebuilding and development in Yemen. The RYE initiative is implemented by DeepRoot Consulting, the Sana'a Center for Strategic Studies and CARPO – It is funded by the European Union.

For more information and previous publications: www.devchampions.org

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Implementing Partners

The project is implemented by a consortium of the following three partners:



The Sana'a Center for Strategic Studies is an independent think-tank that seeks to foster change through knowledge production with a focus on Yemen and the surrounding region. The Center's publications and programs, offered in both Arabic and English, cover political, social, economic and security related developments, aiming to impact policy locally, regionally, and internationally.

www.sanaacenter.org



DeepRoot Consulting is a dynamic social enterprise passionate about Yemen's development. DeepRoot aims to help international development actors, the private sector, local civil society organizations and the Yemeni Government anchor their interventions in a deep understanding of Yemen's national and local contexts, and international best practices. Our team has decades of combined experience working in Yemen and internationally in the public, private, and nonprofit sectors

www.deeproot.consulting



CARPO is a Germany-based organization whose work is situated at the nexus of research, consultancy and exchange with a focus on implementing projects in close cooperation and partnership with stakeholders in the Middle East. The CARPO team has long-standing experience in the implementation of projects in cooperation with partners from the region and a deep understanding of the Yemeni context.

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