

Introduction

Yemen is a country located in the Middle East bordering the Arabian Sea, Gulf of Aden, and the Red Sea. Yemen has a strategic location on the Bab el-Mandeb, the strait linking the Red Sea and the Gulf of Aden, one of the world's most active shipping lanes. Neighboring countries include Oman and Saudi Arabia. The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Yemen has a mixed economy in which there is limited private freedom, but the economy remains highly controlled by the government. Yemen is a member of the League of Arab States (Arab League).



Location: Western Asia

Capital City: Sanaa (+3 GMT)

Chief of State: President Rashad Muhammad Al-Alimi

Head of Govt.: Prime Minister Ahmad Awad Bin Mubarek

Currency: Rial (YER)

Major Languages: Arabic (official); note - a distinct Socotri language is widely used on Socotra Island and Archipelago; Mahri is still fairly widely spoken in eastern Yemen

Primary Religions: Muslim 99.1% (official; virtually all are citizens, an estimated 65% are Sunni and 35% are Shia), other 0.9% (includes Jewish, Baha'i, Hindu, and Christian; many are refugees or temporary foreign residents) (2020 est.)

Calling Code: 967

Voltage: 220/230

Key Websites

Commerce Ministry: moit.gov.ye

Investment Promotion Agency: investinyemen.org

Key Economic Facts

Income Level (by per capita GNI):	Lower Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$73.39 billion (2018)
GDP growth (annual %):	-2.06% (2021)
GDP per capita, PPP (current international \$):	\$2,575.13 (2018)
External debt stocks, total (DOD, current US\$):	\$7,587,261,730.30 (2021)
Manufacturing, value added (% of GDP):	3.77% (2018)
Current account balance (BoP, current US\$):	-\$2.42 billion (2016)
Inflation, consumer prices (annual %):	8.10% (2014)
Labor force, total:	7,815,910 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	13.59% (2022)
Imports of goods and services (current US\$):	\$8.41 billion (2020)
Exports of goods and services (current US\$):	\$1.18 billion (2020)

GDP Composition %

Agriculture Services Industry Manufacturing



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	172 / 178
Global Competitiveness Index	140 / 141
Global Enabling Trade Index	134 / 136
International Logistics Performance Index (LPI)	140 / 160
Inward FDI Potential Index	103 / 139
KOF Index of Globalization	151 / 185
Open Budget Index	111 / 114

Risk Assessment (Provided by Coface)

Country rating: E - The highest-risk political and economic situation and the most difficult business environment. Corporate default is likely.

Business Climate rating: E - The highest possible risk in terms of business climate. Due to a lack of available financial information and an unpredictable legal system, doing business in this country is extremely difficult.

Strengths

- Large, though largely untapped, gas reserves, which could increase in production in the coming years
- Strategic position on the Bab el Mandeb Strait, at the threshold of the Red Sea

Weaknesses

- Civil war, accompanied by an economic and humanitarian crisis, and division of the country
- Extreme poverty: 80% of the population lives below the poverty line, making it the poorest country in the Arabian Peninsula and one of the poorest in the world
- Famine due to shortages of basic necessities
- Lack of infrastructure in the healthcare, education, and water sanitation sectors
- Water resources in short supply
- Net importer of energy
- Poor business climate (bureaucracy, corruption, destroyed or non-existent infrastructure)

U.S. Embassy

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