



Scott Wilcox Middle East

Management & Advisory Services

Yemen Report : 4 - 11 July 2012





Key Judgements :

- US reasserts support for Yemen.
- Four protesters killed in south.
- Thirteen suspected members of al-Qaeda arrested on 5 July.
- On 3 July, US drones killed four suspected Al Qaeda militants in the Bayhan area of Shabwa province.

This report assesses political, security and economic issues that have arisen over the past week. For a detailed record of security incidents occurring in Yemen, subscribers should refer to SWME Online Information System (www.scottwilcox.me/ois).

Political Situation

US ambassador to Yemen backs President Hadi: On 11 July Gerard Feierstein made it clear that the US would continue to back President Hadi's gradual consolidation since Saleh stepped down in February 2012. Feierstein said that US security and economic aid would continue, and also urged the Pentagon to speed up its sales of armoured vehicles to Yemeni forces to help them combat al-Qaeda linked insurgents in the south.

Hadi discusses transfer of power: On 11 July President Hadi met with a dialogue liaison committee to discuss the on-going transfer of power. The meeting discussed means of ensuring political representation for different political groups. This comes after President Hadi received a report on 4 July on recommendations for bringing all sides together at the negotiating table.

Yemeni Cabinet makes moves on reconstruction: The Yemeni Cabinet on July 10 endorsed a decree calling for concerted reconstruction in Abyan Province, which has suffered at the hands of fighting between security forces and al-Qaeda linked insurgents over the past year.

Foreign Minister Abu Bakr al-Qirbi speaks with UK Minister of State for International Development: On 9 July al-Qirbi discussed Yemen's economic and political situation with Alan Duncan-Smith. The meeting was most likely in preparation for a donors' conference in Riyadh in September. Duncan-Smith promised to try and persuade more donors to come to Yemen.

Analyst's Comment: With such obvious US backing, it is likely that President Hadi's position is secure for the short-to-medium term, and it is especially beneficial to his position that he seems to have somewhat developed the unity and loyalty of Yemeni security forces. However, the transition is far from complete, causing an uncertainty over Yemen's political future that will discourage investors.



Security Situation

Police academy in Sanaa attacked by al-Qaeda in the Arabian Peninsula (AQAP): Ten police cadets are thought to be dead, with at least fifteen seriously wounded when their police academy was attacked in Sanaa. AQAP have attacked similar facilities in the past, targeting Yemeni security forces.

Senior Yemeni Officer freed by kidnappers: On 8 July renegade Yemeni soldiers released a senior officer from captivity, indicating a quietening down of tensions within the Army and a more unified attitude towards the enormous security tasks at hand in southern Yemen.

Four protestors killed by security forces: Protests were held on 7 July in Aden and Sayoun (in Hadramout Province). In Aden four people were killed and eighteen wounded; in Sayoun one protestor was killed and three wounded. Security officials claim they were fired upon by the crowd, which had gathered to demand an apology from the Yemeni government for its actions in the south during the 1994 civil war. Twenty five southern separatists arrested during the protests were released on 9 July.

Thirteen members of al-Qaeda arrested on 5 July: The suspected terrorists were arrested in Sanaa, and are reported to be part of three separate cells of AQAP tasked with assassinating Yemeni government officials. Four of the individuals are Egyptian, two Jordanian, one Somali, one Tunisian and one Russian.

Two army officers charged with inciting terrorism: On 4 July the Interior Ministry announced that two army officers close to former President Saleh have been charged with inciting militancy, and inciting action against Yemen's main oil pipeline. The pipeline was attacked on 14 May, resulting in power and fuel shortages. The accused are Colonel Jubran al-Zayedi and Major Washash al-Zayedi.

Yemeni jets kill three al-Qaeda insurgents: Seven other suspected insurgents were wounded on 4 July in the south of the country. On the same day, an artillery shell exploded and killed one civilian, simultaneously wounding three soldiers and six civilians.

At least four suspected al-Qaeda insurgents killed by US air strikes: On 3 July US drones killed the four militants in the Bayhan area of Shabwa province. The insurgents were travelling in two cars – one of which was too burnt to allow further bodies to be counted. Two of the dead were named as senior members of AQAP – Fahd Saleh al-Anjaf al-Harithi and Hassan Ali al-Ishaqi.

Analyst's Comment: The security situation may become more unstable in the long-term as the transition of power will probably not address the grievances of ethnic tribes and regional groups. Organisations such as AQAP may, as they did in 2011, try to take advantage of this to become more ambitious. Regarding civil protests, President Hadi will probably control the situation in the short term. However, a failure to implement true reform in the long-term could also raise the tempo of protests. Third countries will continue to play a big role – the US and Saudi Arabia will maintain support for the government out of fear of chaos, whilst Iran will back Shia rebels in the north.



Economic Situation

Major oil pipeline repaired: A major pipeline in Marib province has been repaired after suffering bomb damage in 2011. This is just one example of the numerous oil pipelines which have been targeted in acts of civil unrest across Yemen. Safer E & P Operations will now resume oil exports using this pipeline.

Yemen seeks World Trade Organisation (WTO) membership: Yemen is reportedly in the final stages of negotiations to join the WTO this year. Yemen first applied in April 2000, but has failed to meet the standards required until now. Admittance into the WTO would provide a variety of benefits for Yemen, and may go some way to improving the difficulties which have been experienced of late.

Analyst's Comment: Yemen's economic problems lie in falling water levels and the inadequacy of oil and gas reserves. These factors and Yemen's political and security problems will continue to ensure a lack of investor confidence.

Travel Advice

- Travel by air is considered the safest method of getting around the country.
- All travel outside the capital will require a travel permit obtained from the tourist police.
- Direct flights to some developed countries can be difficult to obtain; several have been suspended due to the risk of terrorist attack by groups based in Yemen. Flights to and from the UAE, Egypt, Turkey and several Middle Eastern and European capitals continue.
- The country's road network is poorly developed, particularly in the former south of the country.
- Security conditions are poor, with a risk of militancy and kidnap in many parts of the country.
- Traffic laws are rarely enforced and vehicles are also often in poor repair 4x4 drive vehicles are recommended for travel beyond city centres.
- Prolific consumption of the narcotic 'qat' also means that driving practises can be erratic.
- Travel outside of government-controlled areas is inadvisable without approval from the Interior Ministry. Travellers heading beyond such areas will be escorted by Ministry of the Interior guards at a charge of around US\$50-US\$70 per man per working day.
- Note that tourists, especially non-Arabs are not allowed to use public transport on roads linking the east and west of Yemen.



Scott Wilcox Middle East

Management & Advisory Services

Scott Wilcox Middle East

Suite 11

605 The Fairmont Dubai

Sheikh Zayed Road

Dubai

United Arab Emirates

Po Box 73310

info@scottwilcox.me

+971(0)55 11 11 042

Scott Wilcox Middle East

Suite 17524

145-157 St John Street

London

EC1V 4PW

info@scottwilcox.me

+44(0)208 14 40 726

<http://www.scottwilcox.me>