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Yemen seeks to capitalise on strong investment potential

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ON May 5, 1990, North and South Yemen united and became one country. With the unification, there no longer existed a divided Muslim nation in any part of the world.

Before 1990 there was the Yemen Arab Republic (commonly referred to as North Yemen) and the People's Democratic Republic of Yemen (South Yemen).

North Yemen was more conservative and pro-West. Until 1962, it had no roads and telephones, and only ran Quranic schools.

South Yemen, which was more secular and a former British colony, adopted socialism after its independence and became the only Marxist country in the Arab world.

Both countries always considered the border drawn by the British and the Ottoman Empire as artificial, although both North and South had never been governed as "one" in their long history.

It took 18 years for the idea to become a reality, even though the people from both sides had wanted unification. There were a few groups which were apprehensive.

In the more orthodox North, religious leaders were concerned that the influence of the more secular South would be used as a point of reference. The women in South Yemen were worried that the religious influence of the North would make their lives more restrictive.

Now, says Yemen's ambassador to Malaysia, there are more than 100 schools and through the influence of the women from the South, girls are going to schools and universities.

"There are probably more women than men in the universities. Women are given the same privileges as men. Yemeni women are allowed to work, run for public office, in fact we have two women who are members of the Cabinet," says Mohamed Taha Mustafa, Yemen's first resident ambassador to Malaysia.

He says his job is to increase trade between the two countries and attract Malaysian investors to Yemen. Presently, the trade balance is in Malaysia's favour.

Malaysia's main exports to Yemen are palm oil and electrical and electronic goods. Its products are well received in Yemen.

"In Yemen, Malaysian-made electrical products are second only to Japan in terms of preference. Malaysian palm oil is not only exported to Yemen but also to other parts of the Arabian peninsula.

"Surprisingly, Yemen exports fish and fish products to Malaysia. Recently, a memorandum of understanding was signed on this," says Mohamed.

The MoU - between Samak Aquaculture Sdn Bhd and Yemen Fishery Company - was on tiger prawn farming in Yemen. The prawns will be exported to other Middle Eastern states and Europe.

During Yemeni President Ali Abdullah Saleh's visit to Malaysia in February, the two countries signed agreements on trade promotion, investment guarantee, and economic, scientific, technical and cultural co-operation.

A MoU was also signed between the Malaysian Industrial Development Authority and Yemen's General Investment Board. According to Mohamed, Ali had asked Prime Minister Datuk Seri Dr Mahathir Mohamad that Petronas resume work in Yemen.

In 1993, Petronas participated in petroleum exploration in the country but was unsuccessful. The oil company also had an agreement with Yemen's

Aden Refining Company, but left in 1994 during a civil war.

"There are many big oil companies in Yemen which have been successful, more importantly there are also liquefied natural gas reserves in Yemen.

"The Government is also planning to privatise some of the nationalised industries and hopes that Malaysian companies will participate," says Mohamed.

Yemen has offered a seven-year tax holiday for initial investment and tax-free status for up to 17 years on outright or joint-venture investments.

"We have one of the best investment laws but we don't have the resources to promote them. Yemen's investment laws and policies are attractive to foreign investors and we would like Malaysian companies to take advantage of them."

The ties between the two countries have existed for centuries - Yemeni traders were the first to come here and are credited with the spread of Islam to this region - and Mohamed hopes that he will be able to build on it.

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