

Yemen's Manufacturing Sector
**Few Opportunities
for Expansion**

Sebastian Bustos & Muhammed Ali Yildirim

Aug 2017

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This research was funded by the International Development Research Center



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Few Opportunities for Expansion

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An overview of Yemen

Yemen's position in the product space is a difficult one. Given its limited diversification and strong dependence on oil, the methodology suggests that Yemen's future path for development should focus on new opportunities in the foodstuff, chemical, and mechanical/electrical clusters. Table 1 lists the target sectors that the methodology identifies as those strategic for Yemen's future development.¹

The community with the greatest number of target products is the foodstuff cluster, with 17 products (HS2:16-24), followed by the chemical and & allied industries cluster with 15 products (HS2:28-38). The methodology identified nine products in the machinery/electrical community (HS2:84-85), and five in the plastics/rubber cluster (HS2:39-40). As a group, the foodstuff cluster is closer in distance given the country's productive knowledge and capabilities, but has on average, lower complexity. From the table below it can be seen that, with the exception of the machinery community, Yemen currently has a limited presence in the product categories of target communities.

1

Please see the introduction for a detailed methodology. <http://www.lcps-lebanon.org/publication.php?id=294&category=900&year=2017>

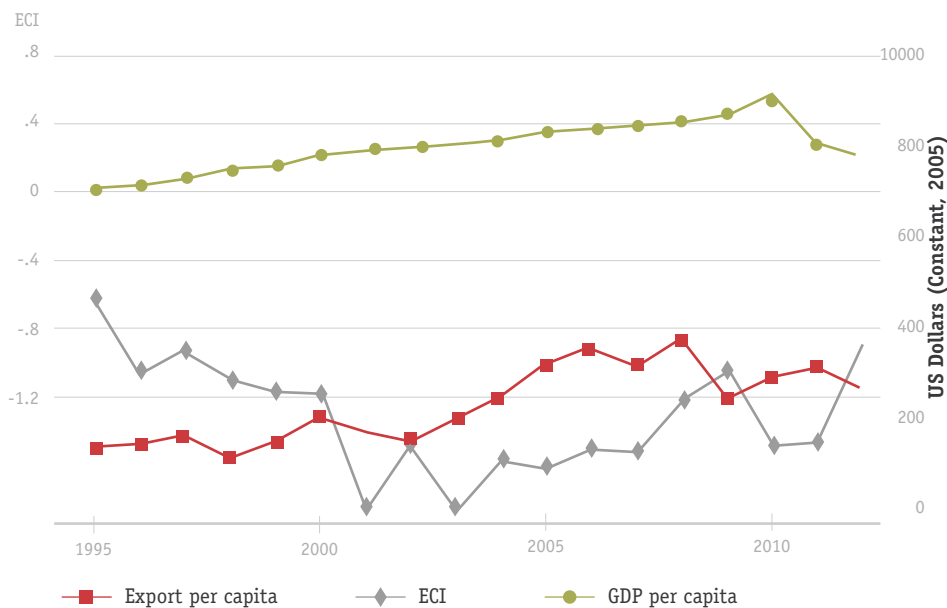
Table 1 Summary of target sectors

| HS2 | Product name | Product Targets | Product World Exports (\$) |
|-----|---|-----------------|----------------------------|
| 85 | Electrial Machinery | 6 | 1909 B |
| 84 | Machinery and Mechanical Appliances, Computers, Boilers, Nuclear Reactors | 5 | 1680 B |
| 39 | Plastic and Articles Thereof | 4 | 514 B |
| 33 | Oils and Resinoids, Perfumery, Cosmetics | 4 | 91 B |
| 32 | Putty and Inks, Dyes, Pigments, Paints and Putty | 3 | 75 B |
| 21 | Misc. Edible Preparations | 3 | 23 B |
| 22 | Beverages, Spirits and Vinegar | 3 | 85 B |
| 19 | Preps. of Cereals, Flour, Starch or Milk | 3 | 29 B |
| 63 | Made-Up Text. Articles Nesoi, Needlecraft Sets, Worn Clothing, Rags | 3 | 51 B |
| 30 | Pharmaceutical Products | 2 | 462 B |
| 40 | Rubbers and Articles Thereof | 2 | 209 B |
| 20 | Preps. of Vegs, Fruits, Nuts, Etc. | 2 | 29 B |
| 18 | Cocoa and Cocoa Preps | 2 | 42 B |
| 31 | Fertilizers | 2 | 77 B |
| 38 | Misc. Chemical Prods. | 2 | 167 B |
| 28 | Inorganic Chem, Precious Metal Compounds, Isotopes | 1 | 127 B |
| 24 | Tobacco and Manuf. Tobacco Subs. | 1 | 18 B |
| 16 | Ed. Prep of Meat, Fish, Crustaceans, Etc. | 1 | 28 B |

| HS2 | Product name | Product Targets | Product World Exports (\$) |
|-----|---|-----------------|----------------------------|
| 94 | Furniture, Bedding, Lighting, Prefabricated Buildings | 1 | 186 B |
| 34 | Soaps, Waxes, Candles | 1 | 18 B |
| 23 | Food Industries Residue and Animal Feed | 1 | 57 B |
| 17 | Sugars and Confectionery | 1 | 43 B |
| 35 | Albuminoidal Sub, Starches, Glues, Enzymes | 1 | 26 B |
| 93 | Arms/Ammo, Parts and Accessories | 1 | 7 B |
| 87 | Vehicles other than Rail/Tramway Rolling Stock | 1 | 1166 B |

K = thousand, M = million, B = billion

Figure 1 Evolution of Yemen's complexity, GDP and exports



Note Own calculation using HS4-level trade data from United Nations COMTRADE, and the World Development Indicators from the World Bank Database.

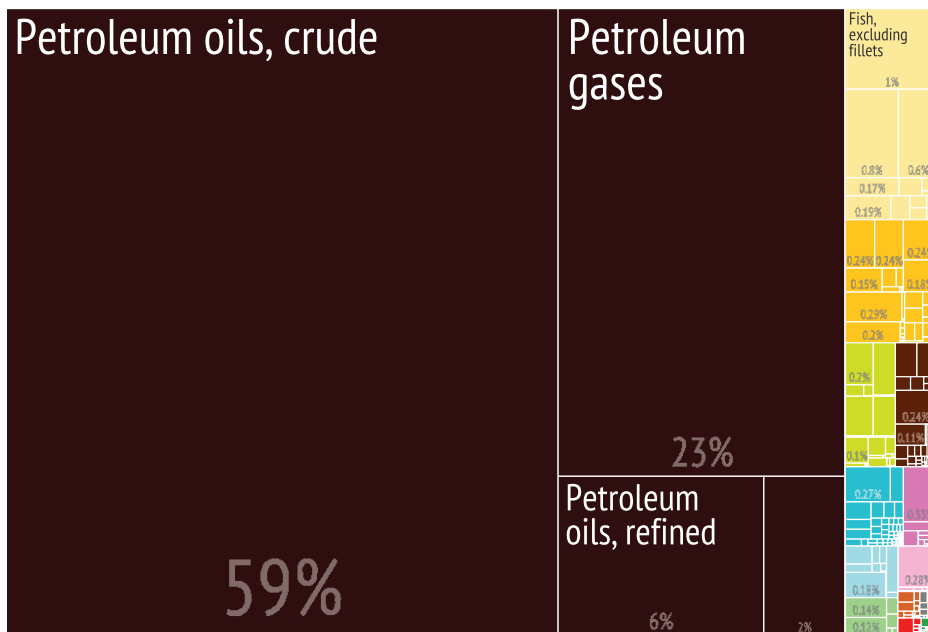
Yemen's GDP per capita increased slowly, but at a stable pace until 2010, and decreased sharply the following two years (figure 1). Furthermore, it remains below \$1,000 per capita. Exports per capita, on the other hand, have fluctuated over time, driven by the international prices of commodities, reaching about \$300 per capita in 2012. Yemen's Economic Complexity Index (ECI) is relatively low, reflecting the low complexity of an export basket dominated mostly by natural resources and tropical crops.

Yemen's productive structure

In 2012, Yemen exported over \$8 billion (figure 3a), the vast majority in oil, be it crude, refined, or gases. This natural resource accounted for more than 90% of total exports in 2012, which is not unusual among resource exporters. In figure 4a it can be clearly seen that the relevance of oil in the export basket fluctuates with the price of oil in world markets. Among non-oil exports, two industries stand out, as they account for a fair share of the country's exports: Tropical crops and products in the agribusiness cluster.

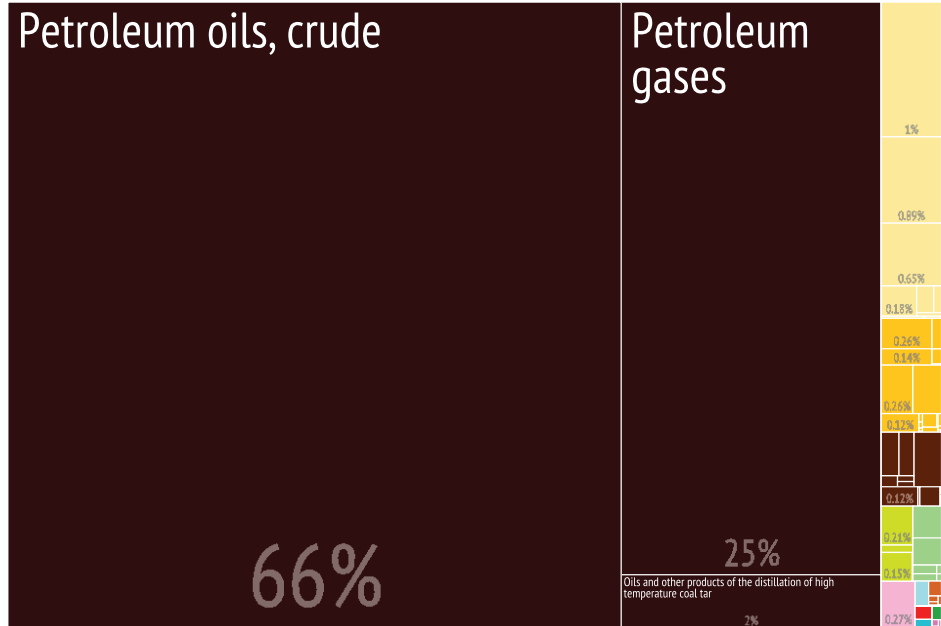
Figure 3 Yemen's trade structure 2012 and evolution of exports per capita of Yemen (1995- 2012)

a Exports of Yemen



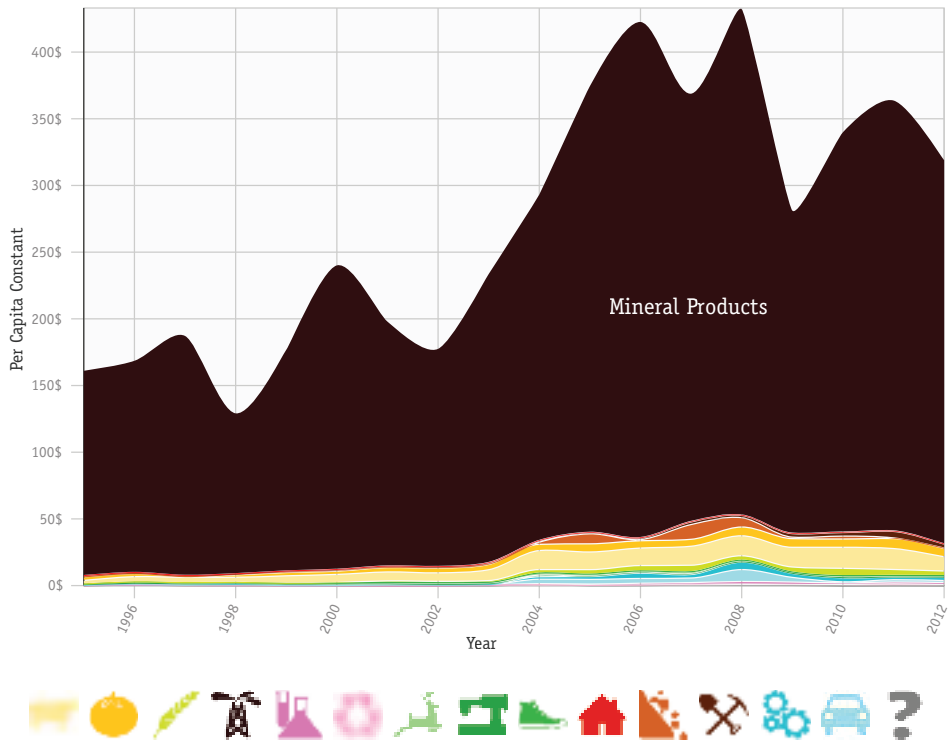
Yemen's exports totaling approximately \$8.4 billion

b Net exports of Yemen



Yemen's net exports totaling approximately \$7.5 billion

c Evolution of exports



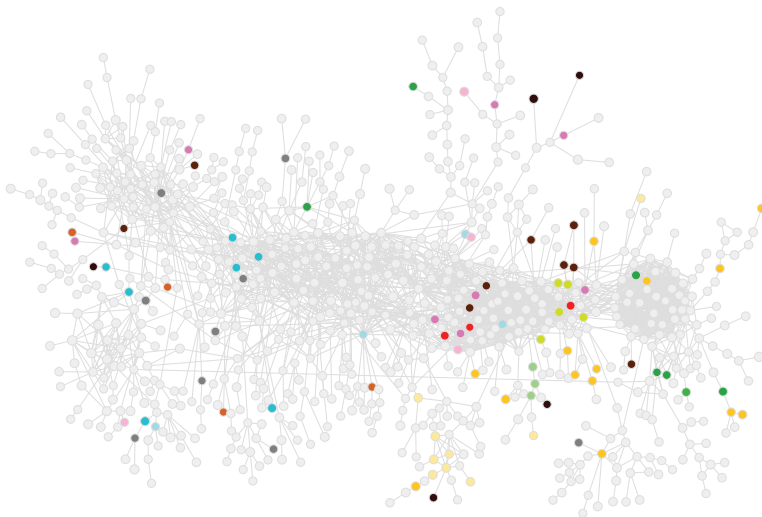
Note Own calculation using HS4-level trade data from United Nations COMTRADE. Products are colored according to the communities that they belong according to the following legend:



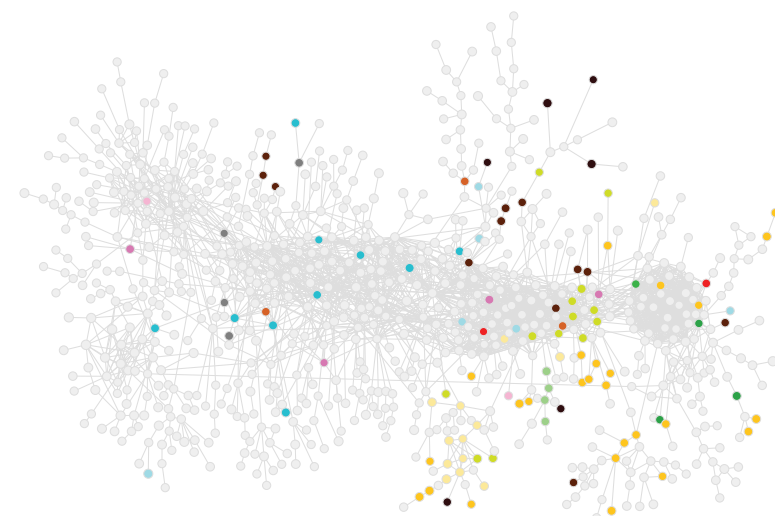
Like with other countries included in the report, figures 5a and 5b allow us to see the type of productive knowledge present in Yemen, how it has changed from 1995 to 2012, and what may be nearby. The figures above show that the Yemen's product space is diffused and has not diversified significantly since 1995. Additionally, the country mostly produces low complexity materials, which are located on the right side or periphery of the product space, making knowledge accumulation more difficult. Moreover, Yemen's competitive presence has grown in tropical crops (orange) when comparing 2012 with 1995, products that are neither complex nor strategic to reach other more complex industries.

Figure 4 Yemen on the product space

a 1995



b 2012

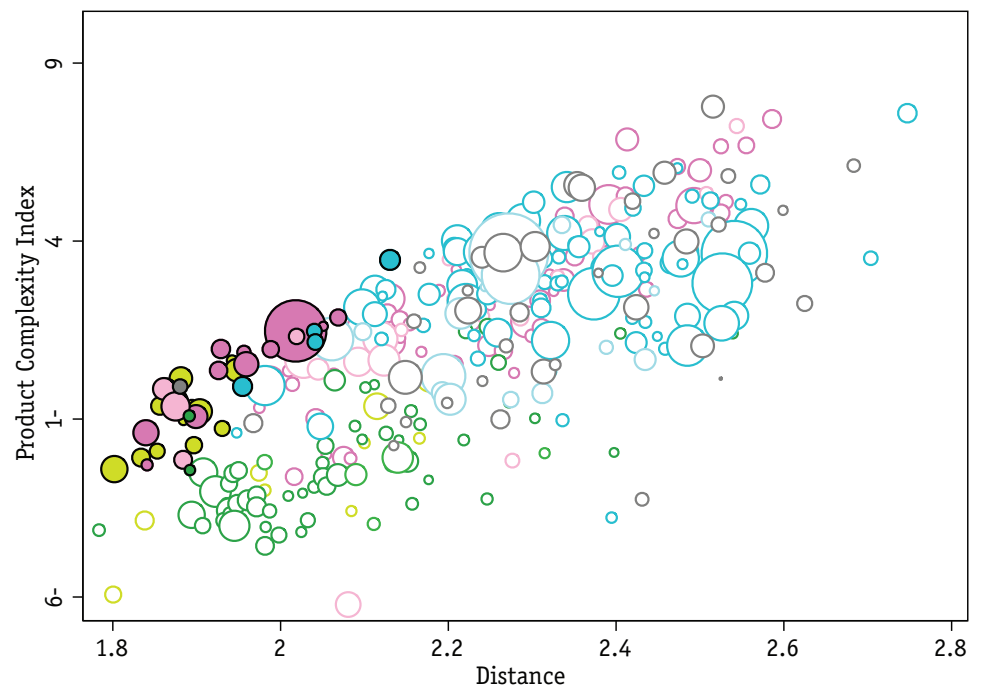


Note Own calculation using HS4-level trade data from United Nations COMTRADE. Node size is proportional to world trade. Solid colored nodes indicate the products in which Yemen is competitive in world markets (i.e. $RCA > 1$). The nodes are colored according to the communities that they belong to.

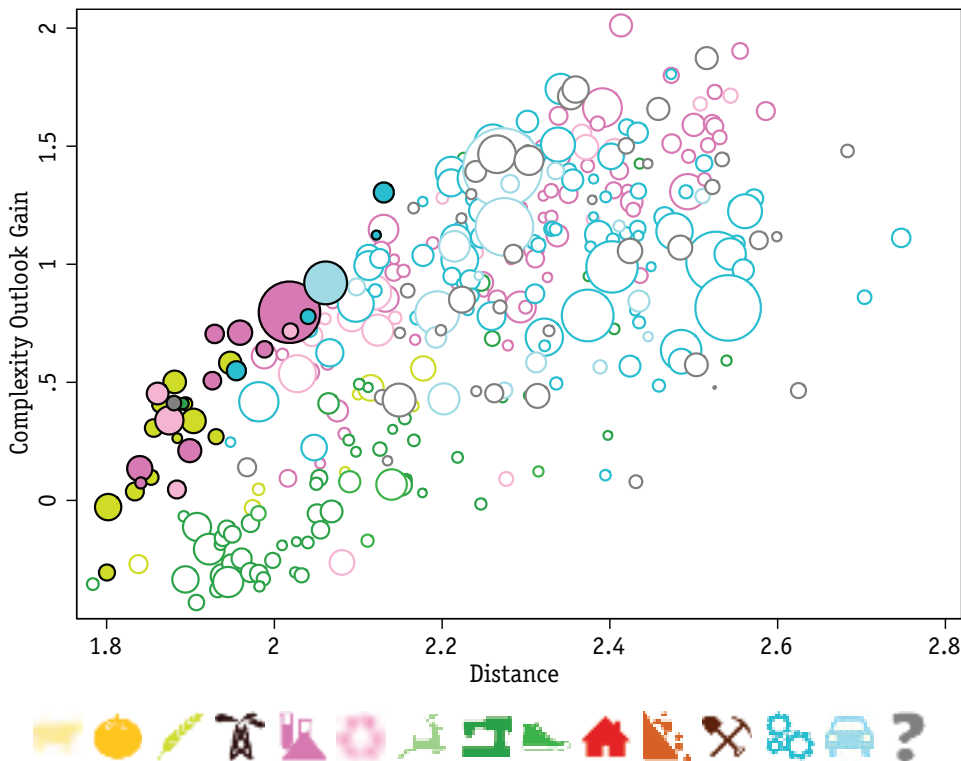
What path should Yemen follow to increase the complexity of its production and therefore its income level? The methodology analyzes the product space presented above, which can provide clues about what new products are feasible given Yemen's constraints. Figures 6a and 6b highlight products that are attractive based on Product Complexity Index (PCI) and Complexity Outlook Gain, respectively. A detailed description of products in the target list is provided in table 2. These products signal to strategic clusters in Yemen that industrial policy should aim to provide temporary public support and public inputs to attract and facilitate private investment in new products and sectors.

Figure 5 Strategic bets for Yemen

a Product Complexity Index



b Complexity Outlook Gain



Note Own calculation using HS4-level trade data from United Nations COMTRADE. Node size is proportional to world trade. Solid colored nodes indicate the strategic bets. The nodes are colored according to the communities that they belong to.

Given Yemen's natural resource endowment, it is not surprising that the methodology suggests that the country could become competitive in chemicals and petrochemicals. From the figures above it is possible to observe that opportunities in the food and beverages cluster as well as some products in the machinery and electronics cluster were identified. As a group, the food and beverages cluster are relatively closer in terms of the country possessing the inputs required for its production and, therefore, should be easier to 'conquer'. Nevertheless these products have a lower PCI or Complexity Outlook Gain, making them less desirable. On the other hand, chemical, petrochemical, machinery, and electronic products are farther in distance and, hence, harder to develop based on productive knowledge in the country, but have higher values of PCI and Complexity Outlook Gain. New products belonging to this community would increase the average complexity of Yemen's export basket, compensating for the cost of developing them. By considering the tradeoff between existing productive knowledge (distance), complexity of a new product, and future diversification possibilities that the new productive knowledge will bring, a country is more likely to be successful in diversifying its product space. Unfortunately, the competitive presence of Yemen in a

few not very well placed products in the product space will complicate the development of new industries. This can be seen in the fact that distance from the current export basket to other products not yet produced competitively is relatively high (as can be seen comparing the same figure across countries in this report or to China's opportunity box in the methodology section).

Table 2 Recommendations for Yemen - PCI

| HS4 | Product name | RCA-2012 | Distance | PCI | Target rank | World Trade (\$) | Top Importers | Top Exporters |
|------|--|----------|----------|------|-------------|------------------|---------------|---------------|
| 1806 | Cocoa powder, sweetened | 0.4 | 1.9 | 0.1 | 1 | 23 B | USA FRA DEU | DEU BEL ITA |
| 3208 | Paints and varnishes, nonaqueous | 0.0 | 1.9 | 1.0 | 2 | 13 B | RUS CHN DEU | DEU JPN USA |
| 3917 | Tubes, pipes and hoses and fittings | 0.1 | 1.9 | -0.2 | 3 | 21 B | USA DEU MEX | DEU USA CHN |
| 2103 | Sauces and seasonings | 0.2 | 1.9 | -0.1 | 3 | 10 B | USA GBR FRA | USA NLD DEU |
| 9406 | Prefabricated buildings | 0.4 | 1.9 | -0.1 | 5 | 7 B | DEU NOR AUS | CHN DEU NLD |
| 2203 | Beer | 0.0 | 1.9 | -0.6 | 6 | 12 B | USA FRA GBR | MEX NLD DEU |
| 1901 | Malt extract | 0.0 | 1.9 | -0.5 | 7 | 15 B | CHN GBR USA | NLD FRA DEU |
| 3305 | Hair products | 0.9 | 1.9 | 0.4 | 8 | 12 B | USA JPN GBR | DEU FRA THA |
| 3923 | Packing of goods | 0.1 | 1.9 | -0.6 | 9 | 42 B | USA DEU FRA | CHN DEU USA |
| 3102 | Mineral or chemical fertilizers, nitrogenous | 0.0 | 1.8 | -1.4 | 10 | 30 B | USA IND BRA | RUS CHN UKR |
| 2105 | Ice cream | 0.0 | 1.9 | 0.6 | 11 | 3 B | GBR FRA DEU | DEU FRA BEL |
| 3209 | Paints and varnishes, aqueous | 0.0 | 2.0 | 0.9 | 12 | 6 B | CAN DEU FRA | DEU USA ITA |
| 6309 | Used clothes and textiles | 0.0 | 1.9 | -0.9 | 13 | 4 B | PAK RUS UKR | USA GBR DEU |
| 2008 | Fruit, nuts and edible plants preserved with sugar | 0.1 | 1.8 | -2.1 | 14 | 13 B | USA DEU JPN | CHN USA THA |
| 1904 | Cereal foods | 0.2 | 1.9 | -0.6 | 14 | 5 B | USA CAN FRA | DEU USA GBR |
| 2309 | Preparations of a kind used in animal feeding | 0.0 | 1.9 | 0.4 | 16 | 23 B | DEU USA JPN | NLD USA FRA |
| 1902 | Pasta | 0.6 | 1.9 | -1.9 | 17 | 8 B | USA DEU FRA | ITA CHN USA |
| 2007 | Jams, jellies | 0.1 | 1.9 | -1.0 | 17 | 2 B | USA DEU FRA | FRA DEU BEL |
| 3004 | Medicaments, packaged | 0.2 | 2.0 | 1.5 | 19 | 331 B | USA DEU BEL | DEU USA CHE |
| 1701 | Raw sugar, cane | 0.3 | 1.8 | -2.4 | 20 | 35 B | USA CHN IDN | BRA THA IND |
| 3105 | Mineral or chemical fertilizers, mixed | 0.0 | 1.9 | -0.9 | 22 | 24 B | IND BRA THA | RUS USA CHN |
| 3304 | Beauty or make-up preparations | 0.1 | 2.0 | 0.5 | 22 | 28 B | USA GBR DEU | FRA DEU USA |
| 2208 | Alcoholic preps for beverages | 0.0 | 1.9 | -0.8 | 22 | 28 B | USA CHN RUS | GBR FRA USA |
| 3301 | Essential oils | 0.0 | 1.8 | -2.3 | 24 | 4 B | USA FRA GBR | IND USA CHN |
| 3925 | Plastic builders' ware | 0.0 | 2.0 | 1.3 | 25 | 9 B | USA FRA DEU | CHN DEU POL |
| 8432 | Agricultural, forestry machinery for soil preparation | 0.0 | 2.0 | 1.5 | 26 | 8 B | USA FRA RUS | DEU USA ITA |
| 8424 | Mechanical appliances for dispersing liquids or powders; fire extinguishers; spray guns; steam or sand blasting machines | 0.0 | 2.1 | 3.5 | 27 | 17 B | USA CHN DEU | CHN DEU USA |

| HS4 | Product name | RCA-2012 | Distance | PCI | Target rank | World Trade (\$) | Top Importers | Top Exporters |
|------|---|----------|----------|------|-------------|------------------|---------------|---------------|
| 3307 | Shaving products | 0.0 | 2.0 | 1.0 | 27 | 10 B | DEU GBR USA | DEU GBR CHN |
| 3924 | Plastic tableware, kitchenware or other household products | 0.6 | 1.9 | -2.1 | 29 | 13 B | USA FRA DEU | CHN DEU ITA |
| 2207 | Ethyl alcohol > 80% by volume | 0.0 | 1.9 | -1.7 | 30 | 10 B | USA DEU NLD | BRA USA NLD |
| 8426 | Ships' derricks; cranes | 0.7 | 2.0 | -0.1 | 31 | 15 B | USA RUS SGP | CHN DEU USA |
| 1601 | Sausages | 0.0 | 2.0 | 1.4 | 32 | 4 B | GBR DEU JPN | DEU USA ITA |
| 3405 | Polishes and creams | 0.0 | 2.1 | 1.6 | 32 | 2 B | KOR TWN DEU | JPN USA DEU |
| 2101 | Extracts of coffee, tea or mate | 0.0 | 1.9 | -1.3 | 34 | 8 B | USA DEU RUS | DEU BRA MYS |
| 3506 | Glues and adhesives | 0.0 | 2.1 | 1.9 | 35 | 10 B | CHN DEU MEX | DEU USA CHN |
| 6306 | Tarpaulins, awnings and sunblinds | 0.0 | 1.9 | -2.4 | 36 | 3 B | USA DEU FRA | CHN DEU PAK |
| 8535 | Apparatus protecting electrical circuits for > 1k volts | 0.4 | 2.0 | 1.2 | 36 | 9 B | USA DEU CHN | DEU CHN CHE |
| 6305 | Sacks and bags, used for packing goods | 0.3 | 1.8 | -4.1 | 38 | 4 B | USA JPN DEU | CHN IND TUR |
| 2401 | Tobacco, raw | 0.4 | 1.8 | -3.9 | 39 | 13 B | CHN USA DEU | BRA USA IND |
| 8537 | Electrical Boards and panels for protecting electrical circuits | 0.1 | 2.1 | 2.6 | 40 | 44 B | USA CHN DEU | DEU CHN JPN |
| 8504 | Electrical transformers | 0.0 | 2.1 | 2.1 | 41 | 79 B | USA HKG DEU | CHN DEU JPN |
| 1801 | Cocoa beans, whole | 0.0 | 1.8 | -5.9 | 42 | 9 B | NLD BRB USA | CIV GHA NGA |
| 3214 | Glaziers' putty | 0.0 | 2.1 | 1.8 | 42 | 7 B | DEU RUS CAN | DEU USA BEL |
| 2835 | Phosphinates and phosphonates | 0.0 | 2.0 | 0.4 | 44 | 4 B | USA DEU FRA | CHN DEU USA |
| 8544 | Insulated wire; optical fiber cables | 0.0 | 2.0 | -0.1 | 44 | 101 B | USA DEU JPN | CHN MEX USA |
| 4011 | New pneumatic tires, of rubber | 0.1 | 2.0 | 0.7 | 46 | 86 B | USA DEU FRA | CHN JPN DEU |
| 3808 | Insecticides, rodenticides, fungicides, herbicides | 0.1 | 2.0 | 0.1 | 46 | 30 B | BRA FRA DEU | DEU FRA CHN |
| 3005 | Wadding, gauze and bandages | 0.0 | 2.0 | 1.1 | 48 | 7 B | USA DEU FRA | CHN USA DEU |
| 8530 | Electric signal, safety and traffic controls, railways, waterways, parking or airfields | 0.0 | 2.2 | 3.7 | 49 | 2 B | USA CHN DEU | DEU SWE ESP |

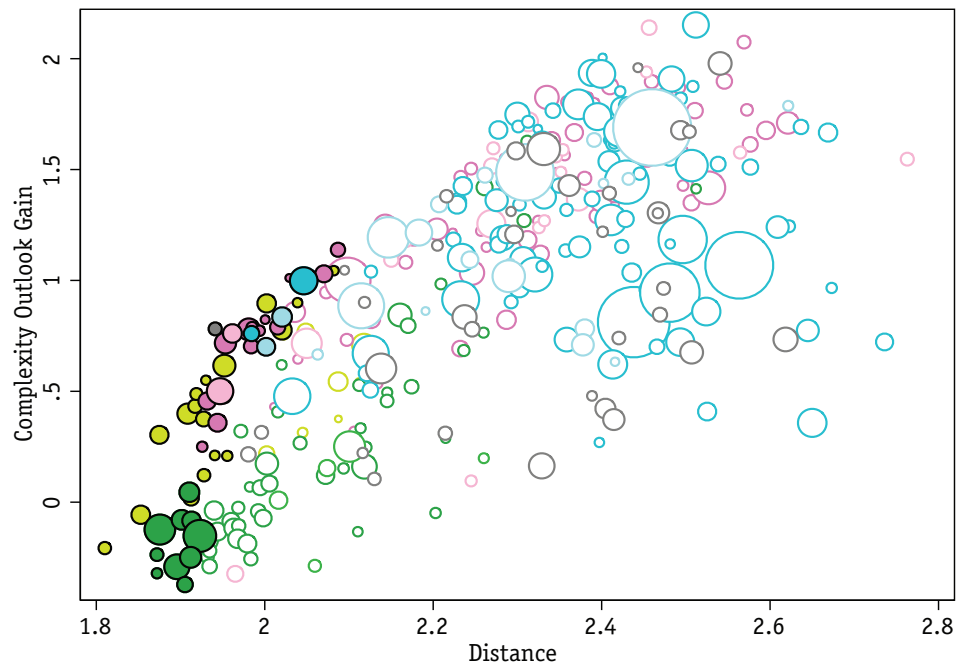
K = thousand, M = million, B = billion

The previous exercise is repeated for the year 2000 to identify target products and look at data from 2010 to analyze whether they were developed. It can be observed from figures 7a and 7c that the methodology identifies target products for Yemen in a wide range of industries. Additionally, the country developed a competitive presence (RCA > 1) in 10 products, including the top three in the table: Fruit juices (2009), food preparations not elsewhere specified (2106), and surveying, hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances (9015). Interestingly, Yemen had become competitive (RCA > 1) in only one product that was out of the target list of products. Nevertheless, there are several products (in blue) that have high attractiveness and are also relatively easy to

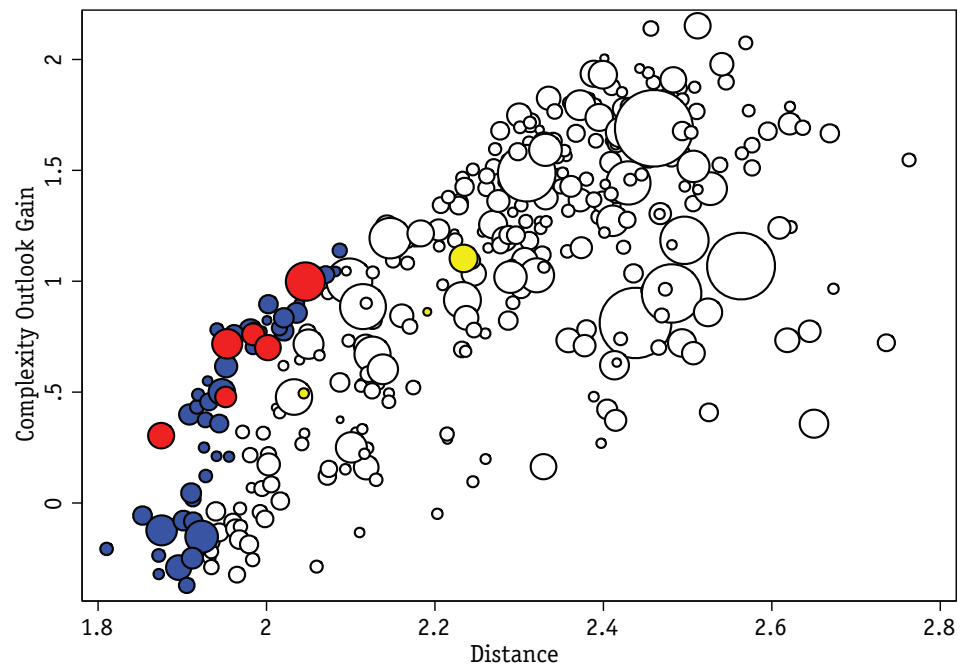
conquer, that were not developed in Yemen by 2010. These are interpreted as missed opportunities. These blue products warrant special attention as they might also hint to the presence of market failures in the country. Of note is that, as can be seen in figures 7a and 7c, while there is a group of products from the textile cluster that were not developed by 2010, they are not included in the list of target products.

Figure 6 Strategic bets for Yemen in year 2000

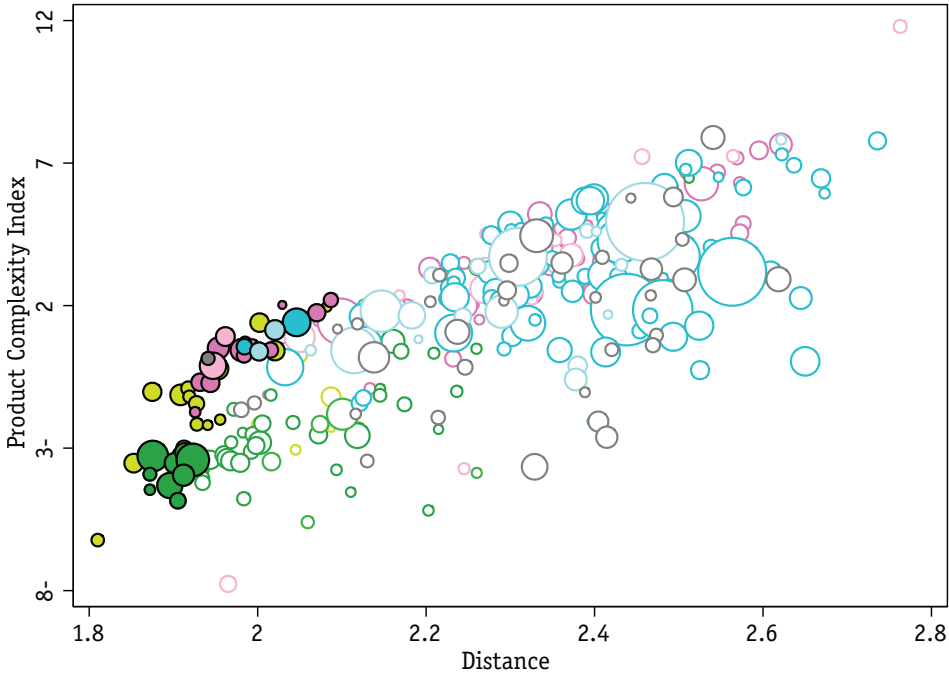
a Complexity Outlook Gain



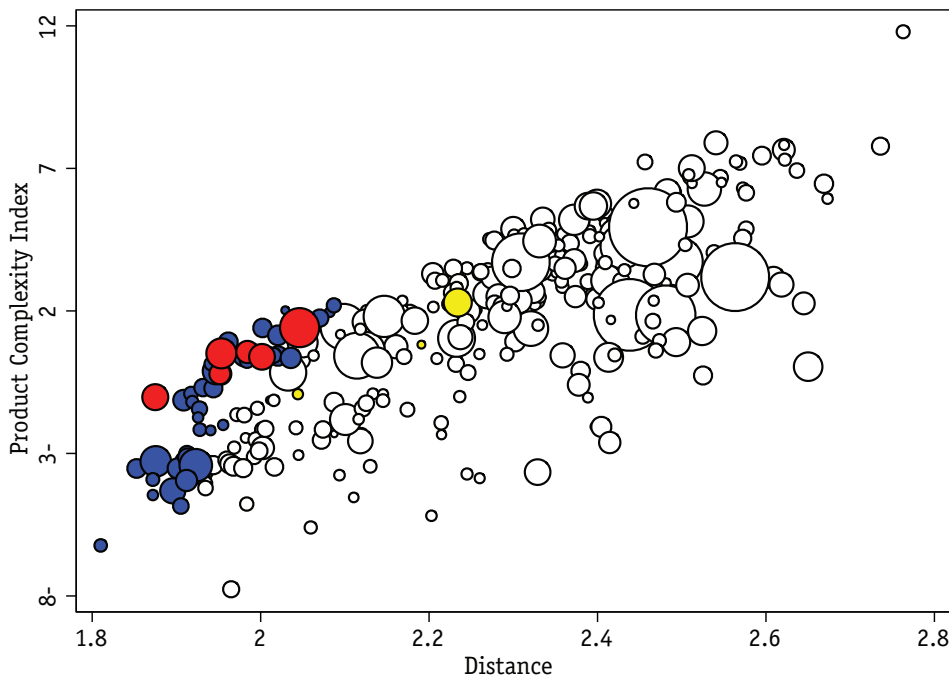
b Complexity Outlook Gain



c Product Complexity Index



d Product Complexity Index



Note Own calculation using HS4-level trade data from United Nations COMTRADE. Node size is proportional to world trade. The nodes are colored according to the communities that they belong to in (a) and (c). In figures (b) and (d), Red nodes are conquered by Yemen and were also in our target list, Blue nodes are not conquered by Yemen and were in our target list. Finally, Yellow nodes are conquered but were not in the target list.

Table 3 Strategic bets for Yemen in year 2000

| HS4 | Product name | RCA-2000 | RCA-2010 | Distance | PCI | COG | World Trade (\$) | Target rank |
|------|--|----------|----------|----------|------|------|------------------|-------------|
| 2009 | Fruit juices | 0.1 | 5.7 | 1.9 | -1.0 | 0.3 | 6 B | 1 |
| 2106 | Food preparations not elsewhere specified | 0.3 | 1.7 | 1.9 | -1.1 | 0.4 | 9 B | 2 |
| 9015 | Surveying, hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances | 0.3 | 1.5 | 1.9 | 0.1 | 0.8 | 3 B | 3 |
| 3917 | Tubes, pipes and hoses and fittings | 0.2 | 0.3 | 2.0 | 0.9 | 0.8 | 7 B | 4 |
| 2103 | Sauces and seasonings | 0.0 | 0.4 | 1.9 | -0.9 | 0.4 | 3 B | 5 |
| 2104 | Soups and broths | 0.0 | 1.2 | 1.9 | -0.6 | 0.5 | 1 B | 6 |
| 2101 | Extracts of coffee, tea or mate | 0.0 | 0.1 | 1.9 | -1.2 | 0.5 | 2 B | 7 |
| 3402 | Cleaning products | 0.4 | 5.1 | 2.0 | 0.5 | 0.7 | 10 B | 8 |
| 3105 | Mineral or chemical fertilizers, mixed | 0.0 | 0.0 | 1.9 | -0.7 | 0.5 | 6 B | 9 |
| 1901 | Malt extract | 0.0 | 0.0 | 1.9 | -1.4 | 0.4 | 4 B | 10 |
| 3923 | Packing of goods | 0.2 | 0.2 | 1.9 | -0.1 | 0.5 | 17 B | 11 |
| 1806 | Cocoa powder, sweetened | 0.1 | 0.2 | 2.0 | 1.4 | 0.9 | 7 B | 12 |
| 2208 | Alcoholic preps for beverages | 0.2 | 0.0 | 2.0 | -0.2 | 0.6 | 11 B | 13 |
| 3808 | Insecticides, rodenticides, fungicides, herbicides | 0.2 | 0.1 | 2.0 | 0.4 | 0.8 | 11 B | 14 |
| 3209 | Paints and varnishes, aqueous | 0.0 | 0.1 | 2.0 | 0.7 | 0.8 | 2 B | 15 |
| 3301 | Essential oils | 0.2 | 0.1 | 1.9 | -1.7 | 0.2 | 1 B | 16 |
| 3814 | Organic composite solvents and thinners | 0.9 | 0.1 | 2.0 | 2.0 | 1.0 | 707 M | 17 |
| 2202 | Waters flavored or sweetened | 0.1 | 2.3 | 2.0 | -0.2 | 0.5 | 4 B | 17 |
| 2401 | Tobacco, raw | 0.2 | 0.3 | 1.9 | -3.5 | -0.1 | 7 B | 19 |
| 8426 | Ships' derricks; cranes | 0.0 | 3.1 | 2.0 | 0.6 | 0.8 | 4 B | 20 |
| 3102 | Mineral or chemical fertilizers, nitrogenous | 0.0 | 0.0 | 1.9 | -0.7 | 0.4 | 6 B | 21 |
| 2815 | Sodium hydroxide; potassium hydroxide; peroxides of sodium or potassium | 0.0 | 0.0 | 2.0 | 0.6 | 0.8 | 2 B | 22 |
| 6301 | Blankets and traveling rugs | 0.0 | 0.0 | 1.9 | -3.2 | -0.1 | 1 B | 23 |
| 3405 | Polishes and creams | 0.0 | 0.2 | 2.0 | 0.6 | 0.8 | 949 M | 24 |
| 6203 | Men's suits, not knit | 0.0 | 0.1 | 1.9 | -3.3 | -0.1 | 25 B | 24 |
| 5209 | Woven fabrics of cotton of < 85% weighing > 200 g/m2 | 0.1 | 0.0 | 1.9 | -3.3 | 0.0 | 8 B | 26 |
| 2008 | Fruit, nuts and edible plants preserved with sugar | 0.8 | 0.1 | 1.9 | -3.0 | 0.0 | 4 B | 27 |
| 1801 | Cocoa beans, whole | 0.0 | 0.0 | 1.8 | -6.2 | -0.2 | 2 B | 28 |
| 5208 | Woven fabrics of cotton of > 85% weighing < 200 g/m2 | 0.0 | 0.0 | 1.9 | -3.5 | -0.1 | 8 B | 29 |
| 6103 | Men's suits | 0.0 | 0.0 | 1.9 | -3.9 | -0.2 | 3 B | 30 |
| 1902 | Pasta | 0.0 | 1.0 | 1.9 | -2.2 | 0.1 | 2 B | 31 |
| 3305 | Hair products | 0.3 | 0.5 | 2.0 | 0.3 | 0.7 | 4 B | 32 |
| 6104 | Women's suits | 0.0 | 0.0 | 1.9 | -3.1 | -0.1 | 7 B | 33 |
| 3506 | Glues and adhesives | 0.0 | 0.1 | 2.1 | 2.2 | 1.1 | 3 B | 33 |
| 8716 | Trailers and semi-trailers | 0.0 | 0.5 | 2.0 | 1.1 | 0.8 | 8 B | 35 |

| HS4 | Product name | RCA-2000 | RCA-2010 | Distance | PCI | COG | World Trade (\$) | Target rank |
|------|--|----------|----------|----------|------|------|------------------|-------------|
| 6209 | Babies' garments, not knit | 0.0 | 0.0 | 1.9 | -4.5 | -0.3 | 1 B | 35 |
| 2105 | Ice cream | 0.2 | 0.1 | 2.0 | 1.4 | 0.9 | 1 B | 37 |
| 2306 | Cotton seed oilcake | 0.0 | 0.2 | 1.9 | -2.2 | 0.2 | 1 B | 38 |
| 8431 | Parts for use with hoists and excavation machinery | 0.3 | 1.7 | 2.0 | 1.4 | 1.0 | 19 B | 39 |
| 3307 | Shaving products | 0.0 | 0.1 | 2.0 | 0.4 | 0.8 | 4 B | 40 |
| 6109 | T-shirts | 0.0 | 0.0 | 1.9 | -4.3 | -0.3 | 15 B | 41 |
| 3208 | Paints and varnishes, nonaqueous | 0.0 | 0.1 | 2.1 | 1.7 | 1.0 | 6 B | 42 |
| 8702 | Motor vehicles for the transport of > 10 persons | 0.0 | 1.6 | 2.0 | 0.4 | 0.7 | 6 B | 43 |
| 1601 | Sausages | 0.0 | 0.0 | 2.1 | 2.0 | 1.0 | 1 B | 44 |
| 6110 | Sweaters, pullovers, sweatshirts, etc | 0.0 | 0.0 | 1.9 | -3.4 | -0.2 | 30 B | 45 |
| 6205 | Men's shirts, not knit | 0.0 | 0.2 | 1.9 | -3.9 | -0.2 | 10 B | 46 |
| 6105 | Men's shirts | 0.0 | 0.3 | 1.9 | -4.8 | -0.4 | 4 B | 47 |
| 2309 | Preparations of a kind used in animal feeding | 0.0 | 0.1 | 2.0 | 0.4 | 0.8 | 8 B | 48 |
| 2002 | Tomatoes, prepared or preserved | 0.0 | 0.3 | 2.0 | -2.0 | 0.2 | 1 B | 48 |
| 3304 | Beauty or make-up preparations | 0.0 | 0.2 | 2.0 | 0.4 | 0.9 | 9 B | 50 |

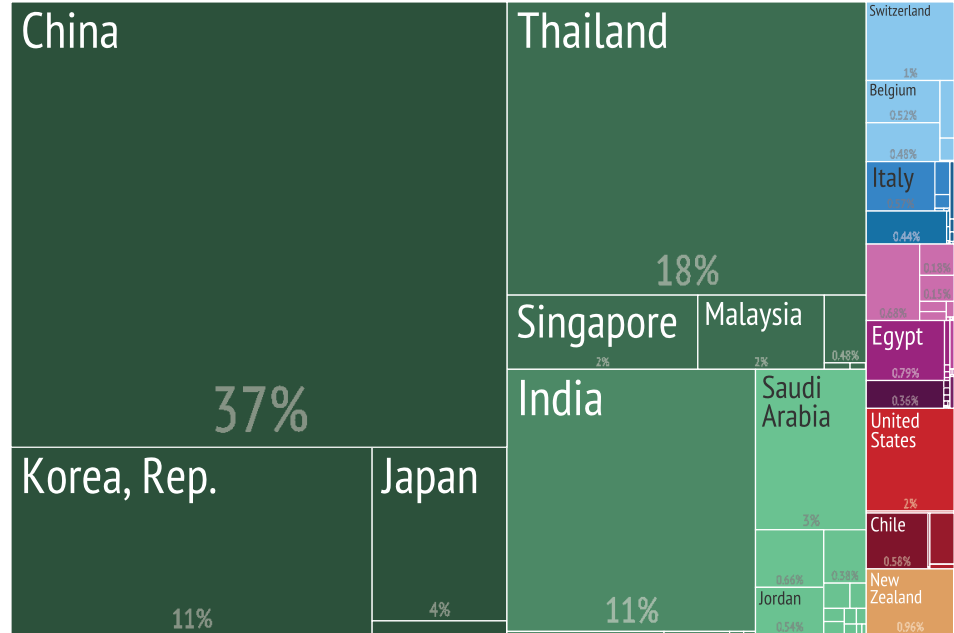
K = thousand, M = million, B = billion

Yemen's export destinations

Lastly, possible markets for the Yemen's exports are analyzed. As can be observed in figure 8a, Yemen mainly exports to Asian countries. The two major destinations of Yemen's exports are China and Thailand (together accounting for 55%), followed by the Republic of Korea and India (with 11% each). Figure 8b shows that exports to Southern Asia increased at a fast rate after 2003.

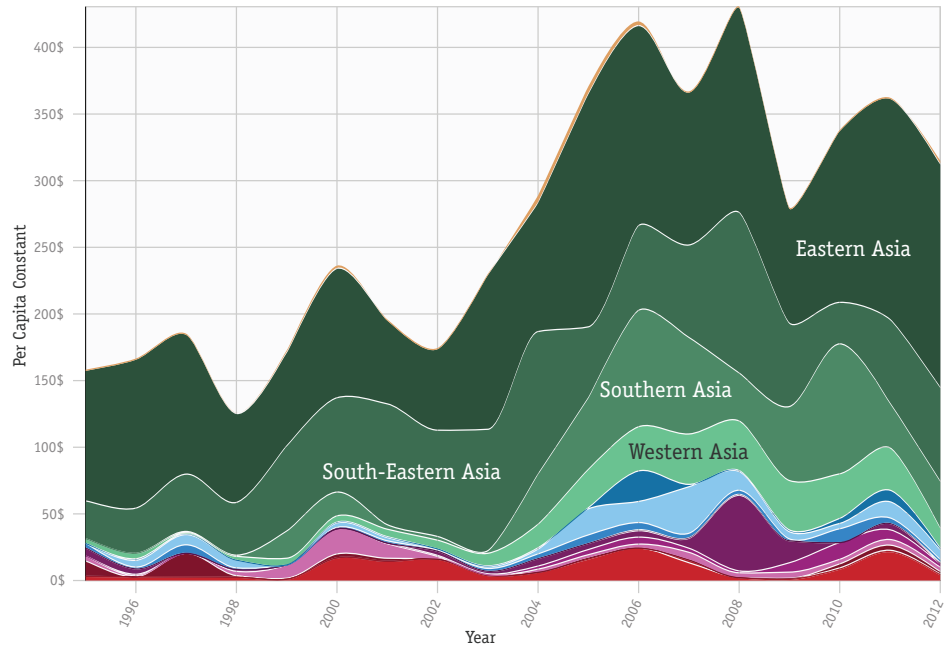
Figure 7 Yemen trade partners (2012)

a Export destinations



Yemen's exports totaling approximately \$8.4 billion

b Evolution of export destinations



Note Own calculation using HS4-level trade data from United Nations COMTRADE. Products are colored according to the communities that they belong according to the following legend:



When taking into account the current trade of countries in eligible products versus potential, it is possible to identify top export destinations for the country. Table 4 presents potential trade in those export destination countries as well as the potential of the other countries included in this report. From the table it follows that Yemen's greatest trade potential countries are France, Germany, Russia, Spain, and the United Arab Emirates. On the other hand, it is possible to see that Arab countries have relatively low participation in Yemen's export basket.

Table 4 Trade potential

| Importer | Trade Health | Number of Eligible Products | Potential in Eligible Products (\$) | Current Trade in Eligible Products (\$) | Total Trade (\$) |
|----------|--------------|-----------------------------|-------------------------------------|---|------------------|
| ARE | 0.3 | 15 | 2 M | 6 M | 9 M |
| CHN | 0.4 | 3 | 547 K | 440 K | 7 M |
| DEU | 0.5 | 10 | 4 M | 28 M | 33 M |
| EGY | 0.7 | 10 | 764 K | 544 K | 966 K |
| ESP | 0.0 | 3 | 3 M | 139 K | 2 M |
| FRA | 1.0 | 13 | 6 M | 5 M | 10 M |
| IRQ | 35.7 | 3 | 15 K | 12 M | 12 M |
| JOR | 12.9 | 5 | 0 K | 954 K | 1 M |
| KWT | 0.3 | 4 | 38 K | 14 K | 61 K |
| LBN | 3.3 | 2 | 0 K | 150 K | 152 K |
| LBY | 75.2 | 1 | 0 K | 39 K | 136 K |
| RUS | 0.0 | 1 | 4 M | 3 K | 7 K |
| SAU | 2.1 | 17 | 182 K | 12 M | 14 M |
| SYR | 19.2 | 5 | 0 K | 828 K | 864 K |
| TUR | 0.3 | 3 | 1 M | 319 K | 1 M |

K = thousand, M = million, B = billion

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