

Statement of Minister of Industry and Trade of the Republic of Yemen, H.E
Dr. Yahya Yahya Al-Mutawakel
UNCTADXII

Chairperson
Honorable Ministers and Excellencies
Distinguished delegates
Ladies and Gentleman

At the outset, Yemen delegation would like to extend a warm greeting and gratitude to the government and people of the republic of Ghana for the warm hospitality and efficient hosting of UNCTADXII. Our appreciation goes to UNCTAD Secretariat for the hard work and preparation that brought us to this important event. Also, in this respect, we welcome and support the offer by the State of Qatar to host UNCTADXIII.

I take the opportunity to address such an important gathering and most significant event, which occurs only every four years. This time around, it comes at a time when the world is going through a very crucial time, resulting from the sharp surge of food prices, which seriously threatening the livelihood of millions of people around the globe, as well as bringing the starvation ghost closer than ever, during peace time.

At this juncture, during this important conference, it is quite timely to tackle this issue in-depth with a view to come up with viable suggestions and solid solutions that will contribute to the control of food prices and to ensure food security for all human beings, and the stability of the world.

Like all other poor countries, and as one of the least developed countries, Yemen has been greatly affected by this adverse phenomenon which reflected itself on all national economic indicators. Yemen's food bill in particular and imports in general, have increased substantially during the year 2007 causing a rapid deterioration of Yemen's Balance of Trade.

Therefore, allow me to seize this opportunity to call upon all countries, North and South, as well as international organizations to unify their positions and dedicate their efforts and capabilities toward finding viable solutions to address this problem, while maintaining the interests of all. Having said that, let me reiterate the importance of eradicating the roots of

the problem, if we are to maintain a stable and peaceful world and achieve balanced and sustainable global development.

Meantime, we cannot solve this problem unless we tackle other issues such as global warming, shrinkage of agriculture lands, and the rapid and ever growing need for energy, in particular oil, as an engine for growth, causing a substantial portion of the world feeding resources to be transferred into fuel producing fields.

From this forum, Yemen expresses its strong support to the voices calling for convening a World Conference on Food Security, especially, in vulnerable economies. We also support the initiative taken by some countries toward formulating national assistance strategies focusing on food security.

Yemen also calls on developed countries to support LDCs development, through various enabling measures, including increased participation in international trade, increased Official Development Assistance, enhancing production capabilities, increased Foreign Direct investment, increased Aid for Trade, increased Debt Relief, and other measures.

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Let me now turn to brief you on Yemen's economic situation.

As an LDC, Yemen suffers from various problems including high population growth, low per capita income, slow economic growth, low human development indicators, in addition to vulnerability to rapid external shocks.

Since 1995, Yemen is undertaking a comprehensive reform program with the assistance of the IMF and the World Bank as well as other development partners. The initial phase of the program focused on addressing the deterioration of economic indicators. The program was also complemented with policies linked to LDCs Programme of Action 2001-2010, adopted at

the Third UN Conference on LDCs in Brussels. The two five-year plans 2001-2005 and 2006-2010 constituted the core of the Programme of Action, as an overall strategy of development.

Despite the relative progress made in recent years, Yemen's social indicators continue to show an unsatisfactory profile of the living conditions. Yemen's Human Development Index for 2007/2008 indicates that the country ranked 153 out of 177 countries, which is worse than the country position end last decade. The Human Poverty Index ranked Yemen 82 among 108 developing countries, and poverty rate, roughly estimated at 40%, is not subsiding fast enough in recent years. Therefore, poverty reduction continues to be a major concern to Yemen Government. Unemployment remains very high. The situation has recently worsened due to increased international essential food prices. The latter issue is of great concern to Yemen, as a net food importing nation.

Overall, as an LDC, Yemen is disadvantaged in its development process and faces greater challenges compared to many other countries. The proportion of the population that has no access to basic social services is alarming, particularly to safe water, health services, sanitation and electricity. The rural population which represents over 70 per cent of about 22 millions, is even endowed with lower rates, thus explaining why the majority of the poor live in rural areas.

Improved education and training, in particular, are critical to human development. Increasing literacy rate and bringing women into the mainstream of economic and social activities will strengthen population related policies. Focus on technical and vocational training is essential to promote labor skills and provide sustainable growth in the long run.

The conducive environment for long-term sustainable economic growth in Yemen requires improved human capital and enhanced natural resources development. Continued efforts are also called for to provide basic services to the population, such as education, health care, energy and water. More than half of the population is under 15 years old and this age structure is unlikely to change substantially during the near future. The burden of feeding, educating, and employing will be a major challenge over the immediate future. While the Government is faced with major challenges to

cement structural adjustments, as reflected in the reform programmes, there is an equal need for more equitable distribution of benefits.

It is quite unfortunate that Yemen, among several other countries, did not realize the benefits of globalization, yet. Aside from other factors that prevent Yemen from utilizing such opportunities, Yemen is still marginalized from the world economy. The Government is seriously seeking full integration into the Multilateral Trading System and global economy, through the process of accession to WTO and integrating with neighboring GCC countries.

We all know, that membership of WTO is only an initial first step in the right direction. However, such small step requires all the understanding and support, possible, by Yemen's development partners. On this juncture, we call upon our negotiation partners to honor Yemen's status as an LDC, and faithfully facilitate its smooth accession to the international organization.

In conclusion, Yemen would like to reiterate its support and full association with LDCs Ministerial Declaration in Maseru, Lesotho, end of last February, and most recently in Accra, on the eve UNCTAD XII opening.

Yemen would also like to emphasize the need for an active role of UNCTAD, serving developing countries, and in particular LDCs' development and trade needs. Yemen, as a beneficiary of UNCTAD technical assistance, would also like to see more funding channeled through UNCTAD to meet diverse and growing beneficiary countries' needs. The three pillars of research and analysis, consensus-building and technical cooperation need to continue guiding future UNCTAD work.

We wish this conference all the success, it deserves, in addressing all issues related to development and trade, so that to enhance LDCs full integration in the globalized economy, Yemen included.

I thank you for your kind attention.