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Report on the Mission

to the

YEMEN ARAB REPUBLIC

from 15 April to 12 May 1988

concerning

DP|YEM|87|021

PREPARATORY ASSISTANCE FOR THE FORMULATION AND  
FINALIZATION OF THE PROJECT DOCUMENT ENTITLED  
"INDUSTRIAL ADVISORY SERVICES"  
(PREVIOUS TITLE: "PRE-INVESTMENT STUDIES AND  
ADVISORY SERVICES FOR PRIORITY INDUSTRIAL PROJECTS")

Prepared by

L.F. Biritz and S.K. Henein  
UNIDC Consultants

Vienna, 18 May 1988

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## 1. INTRODUCTION

1. The Mission was undertaken by Messrs. L.F. Biritz and S.K. Henein, UNIDO consultants, from 15 April to 12 May 1988 as preparatory assistance for project DP|YEM|87|021 to: "prepare a project document(s) which will define in detail the objectives and scope of activities and justify the need for technical assistance in (a) pre-investment studies, and (b) advisory services for priority industrial projects."

2. After initial briefing with the Resident Representative and his staff on 18 April, the first official meeting was held with Mr. M.A. Al-Dhabi, Deputy Minister, Ministry of Economy, Commerce and Supply (MECS), the Government institution for the project. Present at the meeting were, in addition to Mr. Al-Dhabi: Mr. M.M. Azzam, UNDP Resident Representative, Mr. B. Kia, UNDP Assistant Resident Representative and Messrs. Biritz and Henein. This was a critical meeting as far as the formulation of the project was concerned, because Mr. Al-Dhabi opened the meeting with a statement that the Government wishes this project to focus almost exclusively on providing assistance to existing industrial enterprises to help improve productivity and capacity utilization. Identification of new investment opportunities was to become only a minor, incidental element of the project. The work of the Mission, therefore, was conducted with this objective in mind.

3. Subsequently, the Mission visited a number of industrial enterprises selected by the Government, and held discussions with their management, as well as with non-governmental organizations, development financing institutions, bi-lateral agencies, and concerned departments within MECS. The organizations contacted and persons met is given in Annex 1. The first draft of the project document was reviewed in detail on 2 May with UNDP staff (PAC meeting) and subsequently with Mr. Al-Dhabi. Based on these reviews, the project document was revised, the final version once more reviewed with UNDP, and then finalized. The finalized project document was forwarded to and subsequently discussed with Mr. Al-Dhabi on 10 May and, finally on 12 May, receiving full acceptance.

4. The members of the Mission would like to express their appreciation for the assistance provided by all Government officials and UNDP staff.

#### II. WORK CARRIED OUT IN REFERENCE TO JOB DESCRIPTION

5. The following work was accomplished as per the duties of the job description (Annex 2.):

- (1) The documentation reviewed is listed in Annex 3.
- (2) Although the contents of the Third Five Year Plan are generally known, it could not be reviewed since it was not yet officially published.
- (3) Information and data were collected from the various enterprises, organizations and institutions, as listed under Annex 1.
- (4) (a) The investment identification component was not considered in detail by the Mission as it was essentially eliminated from the project.  
(b) The enterprises to receive assistance through the project will be identified during the initial implementation phase.
- (5), (6) and (7) The project document was prepared, finalized and discussed with and cleared by UNDP and the Government; job descriptions for the experts were also prepared.

#### III. RELEVANT COMMENTS CONCERNING THE PROJECT

6. The environment in which the project will operate, and some examples of the problems of industry with which the project will have to deal with, are exemplified in the self-explanatory "Note to the File", attached as Annex 4. A list of industrial enterprises is given in Annex 5, which were established with the assistance of the Industrial Bank of Yemen.

7. The project document gives a relatively tight overall time-frame-work for implementation (see B.4.1 and Annex 1. - Workplan of the project document). Even if the projected time-framework cannot be fully adhered to, it is recommended that the overall implementation follows the concept as shown, keeping the sequence of activities as presented.

8. The success of the project will depend to a large extent on the professional qualifications and personal dynamism of the Chief Technical Adviser (CTA) and his counterpart. Therefore, the selection of the CTA should be made with the greatest possible care. If in doubt, it is recommended that the CTA be interviewed by UNDP and the Government before a final decision on his employment is made. If this is not possible, an initial short contract is recommended to assess the candidate's suitability.

9. The counterpart institutional set-up within the MECS is shown in Annex 6. together with its Terms of Reference.

10. As stated above, this project will not cover pre-investment activities and the identification of investment opportunities except as incidental to project activities. The Deputy-Minister, Mr. Al-Dhabi, stated that this aspect should be covered by the existing project DP/YEM/87/020 "Strengthening the Appraisal and Registration Capacity of the Ministry of Economy, Commerce and Supply". As this objective was not covered at the time the project proposal was prepared, it would be necessary to increase the project's inputs to enable it to achieve this objective as well.

LIST OF PERSONS MET AND ORGANIZATIONS VISITEDMinistry of Economy, Commerce and Supply (MECS)

Mr. Mohedin Abdullah Al-Dhabi

Mr. Mohaned Ali Saleh

Mr. Abdou Sinan

Mr. Ahmad Abdullah Al-Zumair

Deputy Minister

Director General, Department for  
Investment and Economic Studies (GDIE)

Director, Industrial Production Divis

Director of Exemption, General Depart  
ment for Investment and Economic Stud  
(GDIES)The Industrial Bank of Yemen (IBY)

Mr. Abdulkarim I. Al-Arhabi

Mr. Mohamed Ali Hider

General Manager

Manager of Follow-up Department

Yemen Company for Investment and Finance (YCIF)

Mr. Ali A. Adduais

Chairman Office Manager

Federation of Yemen Chambers of Commerce

Mr. Mohamed Hassan Al-Zubairy

Mr. Mohamed Abdulah Sabrah

Mr. Mohamed Mohamed Al-Amri

Mr. Gamil Mohammed Al-Dawlah

Mr. Zahir Al-Adhal

Deputy Chairman

General Manager

Asst. General Manager

Office Manager, Secretary to the Boa  
of Directors

Deputy Manager, Public Relations

Chamber of Commerce and Industry, Sana'a

Mr. Gamal Mohamed Al-Motareb

Mr. Abdel Rahman Al-Ziley

Director General

Chief, Industry Sector

Elaghil Group of Companies

Mr. A.A. Elaghil	Chairman
Mr. Abu Baker S. Mohamed	Project Manager
Mr. Roy A. Brooke	Technical Manager, Yemen Garment Factory
Mr. R.D. Nicholas	Technical Manager, Yemen Battery Mfg.Co.

Yemen General Corp. for Foreign Trade and Grain

Mr. Abdulla Ahmed Al-Agbari	General Director
Eng. Mukhtar Sallam Ali Awn	Asst. Technical Manager

Yemen Company for Industry and Trade (Aerosols)

Mr. Ali Al-Mogahid	General Manager
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Yemen Marble Industry

Mr. Abdullah Al- Rainy	General Manager
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U.S. Agency for Industrial Development (USAID)

Dr. Robert E. Mitchell	General Development Officer
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United Nations Development Programme (UNDP)

Mr. Mohamed A. Azzam	Resident Representative
Mr. Jerzy Szermeta	Deputy Resident Representative
Mr. Bahman Kia	Asst. Resident Representative





## UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

## UNIDO

Project of the Government of the Yemen Arab Republic

## JOB DESCRIPTION

DP/YEM/87/021/11-52/J12516

Post title	Industrial Consultant
Duration	1.5 months
Date required	As soon as possible
Duty station	Sana'a, Yemen Arab Republic
Purpose of project	<p>To prepare a project document(s) which will define in detail the objectives and scope of activities and justify the need for technical assistance in (a) pre-investment studies, and (b) advisory services for priority industrial projects.</p> <p>The consultant will work closely with the Ministry of Economy, Commerce and Supply and other institutions, and will undertake the following activities:</p>
Duties	<ol style="list-style-type: none"> <li>1. Review existing studies prepared by the World Bank, United Nations Secretariat, relevant UN Specialized Agencies and other non-UN studies.</li> <li>2. Review the Third Five-Year Development Plan and relevant legislation.</li> <li>3. Collect data and information as appropriate and hold discussions with various Government ministries and institutions including the Ministry of Economy, Commerce and Supply, the Central Planning Organization, the Yemen Industrial Bank, the Yemen Company for Investment Finance, the Chamber of Commerce and Industry and individual industrial entrepreneurs.</li> <li>4. Based on the above findings,             <ol style="list-style-type: none"> <li>(a) identify industrial sub-sectors and industrial products with promising investment opportunities and for which pre-investment studies would be a worthwhile undertaking;</li> </ol> </li> </ol>

Applications and communications regarding this Job Description should be sent to  
 Project Personnel Recruitment Section, Industrial Operations Division  
 UNIDO, VIENNA INTERNATIONAL CENTRE, P.O. Box 300, Vienna, Austria

- (b) Identify existing industrial enterprises requiring assistance in improving productivity, quality and management planning, execution and control functions.

The identified pre-investment studies and the advisory services will constitute the "outputs" in the proposed project document(s).

5. Formulate project document(s) covering the above two areas in accordance with UNDP Guidelines and format for project preparation applicable to the Yemen Arab Republic.

The project document should, inter alia, elaborate on the most appropriate institutional framework for the implementation of the project.

6. Discuss the draft project document(s) with the Resident Representative and with the Government counterpart agency before submission to UNIDO.
7. Finalize the draft project document after discussions at UNIDO Headquarters.
8. The project document(s) will constitute the terminal report, to which terms of reference for the experts/consultants will be attached.

**Qualifications:** Advanced university degree in industrial economics or engineering and experience in UNIDO technical assistance activities and in the formulation of project documents.

**Language** English essential, Arabic an advantage.

**Background information** The second five year plan has shown the industrial sector, led by private investment, to be one of the most dynamic sectors in terms of growth and with the potential domestic market of nine million people, there is much room for increasing production for the domestic market in some areas for export. To meet the aim of reducing imports by utilizing greater national resources (human resources, raw materials, capital) there is a need to initiate intermediary and capital industries, that are necessary for the realization of this objective. Meanwhile the industrial sector, both private and public, remains under-utilized and there is much that can be done to improve its efficiency and productivity. The private sector is also risk-averse and feasibility studies and incentives are required if they are to invest further industries.

The project will assist a small team of Yemeni national staff supported/trained by UNDP/UNIDO expertise to do the following:

Pre-investment: Prepare pre-feasibility studies that emphasize use of local natural/mineral resources (agrobusiness, granite, quartz, gypsum, limestone, etc.) that can be offered by the Government to private sector and commercial banks for financing. Short-term consultants will be the primary source of UNDP input.

Advisory Service: Arrange for provision of specialists/consultants for diagnostic and operational assistance to solve technical, production, managerial, administrative and marketing problems in existing manufacturing industries. It is also intended that a core group of Yemeni engineers/economists be trained to monitor and rectify the problems of under capacity utilization.

The preparatory phase will allow for a consultant to identify specific sectors/areas where commercially viable pre-investment projects may be prepared; to identify specific industries that can be assisted through advisory services; and to find the most effective institutional mechanism for providing inputs (e.g. through Government authority, development bank, private sector consultancy firm, etc.).

LIST OF  
MAIN DOCUMENTS AND REPORTS CONSULTED DURING MISSION

1. The Manufacturing Sector of Y.A.R., Performance, Strategy and Policies, Sept. 1986; World Bank (DP/YEH/85/C06).
2. Planning for Industrialization and Development in the Yemen Arab Republic, Problems and Possibilities, November 1986; by Mr. O. Talwar, Interregional Adviser on Development Planning and Policies, UN/DTCD.
3. Private Sector Assessment of the Yemen Arab Republic for USAID, Feb. 1985, by Mohamed Cassam and Dickinson Miller.
4. Fourth Country Programme for the Yemen Arab Republic (1989-1992).
5. Review of the Industrial Sector in Preparation for the Fourth Country Programme Cycle 1987-1991; Dec. 1986; Report on the Mission to the Yemen Arab Republic.
6. Statistical Year Book 1986, Central Planning Organization, Statistics Dept.

NOTE TO THE FILE

Subject: DP/YEM/87/021 - Industrial Advisory Services - Comments on visits to industrial enterprises.

From : L.I. Biritz and S.K. Henein, UNIDO Consultants.

*L.I. Biritz  
S.K. Henein*

Mr. M.A. Al-Dhabi, Deputy Minister, Ministry of Economy, Commerce and Supply, requested Mr. S.K. Henein on 10 May 1988 that the UNIDO team prepares in writing before their departure a short report concerning their findings and views on the enterprises visited in the course of their mission to formulate the above project. The present "Note to the File" complies with this request, which will be also part of the formal Mission Report of the UNIDO team. It should be pointed out that, due to the very short time available for visits and discussions with the management of enterprises visited, the views expressed here should be regarded with caution. A truly clear picture can be only formed through detailed analyses of the operations of each enterprise/factory. Nevertheless, the comments made here could be useful to establish priorities for the Government as to which operation should be scrutinized in greater detail.

A. General Impressions

All enterprises/factories visited had modern equipment, meeting production requirements. Production was well organized where the services of expatriate experts were utilized to run and manage the plants. Capacity utilization was in most cases relatively low for a variety of reasons, as explained under the individual company headings. In several instances maintenance problems were mentioned either because of difficulties in obtaining licenses quickly enough to import the spare parts, or because the specific maintenance expertise was not available. Profitability was reported to be generally low or losses were incurred due to low capacity utilization, or competitive price pressures or both. In some instances lack of production management expertise was observable. There was no evidence of integrated management information systems and lack of cost accounting was noticeable, as it was difficult to get any information on cost breakdowns.

B. Comments on Individual Enterprises Visited

1. El-Aghil Group of Companies

There are four individual factories adjacently located in one compound. All buildings are modern, the equipment up-to-date and factory layouts rational. Foreign expertise is used for technical management. The main problem mentioned was lack of operating capital, causing raw material shortage, prohibited full utilization necessary for reasonable profitability. The debt/equity ratio is stated as being very high (due to servicing) and

as the reason for the problem. A review is needed to ensure that at least for the potentially profitable operations, this bottleneck is eliminated.

(a) Textile and Garment Plant

Producing knitted fabrics and from these garments; excellent equipment; sound management; quality of production apparently very good; would be able to sell full production in which case profitability of 7-12 % on sales projected (i.e. cost of production and depreciation only but not debt servicing calculated); shortage of raw materials (yarn) main problem due to lack of operating capital.

(b) Diaper Production

Excellent products; modern equipment; good plant lay-out; although all raw materials imported, potential profitability appears good due to savings on transportation costs of raw materials as against finished product, which is very bulky; lack of operating capital for procuring sufficient raw material supply is the main impediment.

(c) Potato Chips/Snack Food

Plant was closed, but it was stated that plant and equipment up-to-date; only relatively expensive, locally grown potatoes can be used due to import restrictions (although imported potatoes from Holland would be cheaper); noticed potato storage problems, which should be corrected; profit potential appears to be good again due to savings in shipping costs since the finished product is very bulky.

(d) Dry-cell Battery

Modern equipment; excellent layout; apparently excellent technical management; very good quality control laboratory and procedures; previous quality problems (i.e. seal) corrected; battery quality comparable, or better, to best imported products of same product class; battery design on the short side, which at times causes contact problems in use and perceived as quality problem, correcting battery length would be simple but costly because new equipment would be needed; initial quality problem caused bad market image and serious marketing effort would be needed to improve brand image in the country; basic problem is cost versus imported (smuggled) products as labour costs do not offer savings potential and cost of raw materials' transportation (all imported), is not thought to be sufficiently large compared to shipping costs of finished batteries; technology is extremely specific and of little value for technology transfer of utility in other industrial sub-sectors; profitability could be achieved if importation of all batteries would be prohibited or duties raised to the level necessary to ensure competitiveness and illegally brought-in batteries could be eliminated from the market and product image

simultaneously improved; a thorough feasibility evaluation of the entire project is recommended which, if negative, should lead to closing down the operation, recover as much as possible from the investment through selling the entire plant; otherwise the danger of a constantly losing operation remains. (Note: present duties on imported raw materials are relatively unimportant factor as compared to the economic viability of the project as a whole).

## 2. Government Flour Mill and Automated Bakery)

### (a) Flour Mill

Basically good equipment; producing below 3 ton rated capacity mainly due to maintenance deficiencies (specialized skill not available in the country); since unit is a balanced operation, capital expenditure would be needed for increasing production capacity beyond present rated capacity.

### (b) Automated Bakery

Very good, modern equipment; satisfactory operations; bread quality very good; capacity utilization low due to marketing problems, which are mainly related to non-enforcement of weight of bread produced by private sector bakeries (less than the legal 200 grammes), thus making the comparative cost of the product, which has a full 200 gm. weight, high; nutritional additives used also make the product more costly; product line too limited since same equipment could be used to make large variety of products (e.g. other types of bread, coffee cakes, etc.); marketing and formulation assistance needed as well as enforcement of Government regulations to improve productivity.

## 3. Yemen Company for Industry and Trade

Main product lines are aerosol insecticides and deodorizers; good quality products and quality control; first such plant in Yemen Arab Republic; now two more competitive manufacturing units; modern plant with up-to-date equipment, including can line; low capacity utilization due to competition, which is said to practice to some degree predatory pricing (as competitor operations are part of large, multi-product companies) thus able to afford to "buy" market share); export potential hampered through cumbersome procedures for reimbursing duties on raw materials (all imported); product diversification combined with marketing thrusts would be of great help; formulation assistance for more profitable products (e.g. hair sprays; toiletries needed).

## 4. Yemen Marble Industries

Modern equipment but capacities unbalanced, finishing is bottleneck; production management and maintenance appears to be in need of improvement; present products mainly sandstone and agglomerate; weak cost accounting as no accurate data on costs were available; problems with availability of marble from

quantities, including high costs; plant operations could definitely be maintained and profitability increased with process product and operational improvements.

5. The Yemen Oxygen Company

Operating 4 units: oxygen, nitrogen (separately from oxygen) acetylene and nitrous oxide; only oxygen unit running at capacity; other units as low as at 10% capacity utilization; no technical problems; apparently initial market study was poor regarding establishment of units other than oxygen; it is recommended to carry out feasibility study once more to decide what to do with under-utilized units; marketing effort could be of help, including exporting.

11 May 1988



Industrial Enterprises established with the Assistance  
of the Industrial Bank Yemen

Approved Loans during 1977/78 - 1987  
by  
Industrial Bank of Yemen

1000 Rials

No.	Project	Loan	Estimated Investment	Location
<u>1977/88</u>				
1.	Mogahid Crusher	2,500	5,957	Sana'a
2.	Tanks Factory	2,000	4,820	Sana'a
3.	Ball pen Factory	836	1,826	Sana'a
4.	Brick Factory	4,000	18,149	Hodeida
5.	Bilquiss Confectionary Factory	2,500	5,757	Taiz
6.	Nana Ice Cream Factory	1,650	11,865	Hodeida
7.	National Red Brick Factory	3,000	24,987	Hodeida
8.	Abdel Hafiz Noaman Workshop	55	128	Sana'a
9.	Mohamed Ali Seif Carpentry Workshop	75	249	Taiz
10.	Anaam Cement Blocks Factory	30	95	Sana'a
<u>1977/78 Subtotal</u>		<u>16,646</u>	<u>73,833</u>	
11.	Hair Aluminium Factory	500	1,407	Sana'a
12.	Yemeni-Jordanian Aluminium Co.	1,315	2,630	Sana'a
13.	Yeshey Factory for Iron & Stone cutting	500	1,901	Sana'a
14.	Zamarmar Crusher Company	500	1,346	Sana'a
15.	Salah-El-Din Factory for Household Articles	2,280	4,909	Hodeida
16.	Plastic Mats Factory	1,000	3,279	Eb
17.	Shiha Cement Block Factory	1,250	3,820	Taiz
18.	Abdel-Galil Abdel-Wahid Workshops for Welding and Car Maintenance	750	1,597	Eb
19.	Al-Qaid Vimto Factory	500	2,900	Hodeida
20.	Al-Noor Co. for Tiles and Marble	2,000	6,401	Hodeida
21.	Central Mixer	890	11,435	Sana'a
22.	The Modern Red Brick Factory*	2,700	18,149	Hodeida
23.	Moeen Establishment for Tiles and Block-making	2,309	7,792	Hodeida
24.	Al-Shamy Welding Workshop	20	138	Sana'a
25.	Al-Shahrani Works for Tiles and Blocks	42	459	Sana'a
26.	Al-Sakkaf Works for Tiles and Blocks	70	294	Eb
27.	Abdel-Rab Alwan Block Factory	95	301	Sana'a
28.	Al-Kodsy Welding Workshops	40	92	Sana'a
29.	Al-Galey Welding Workshops	120	685	Sana'a
30.	Al-Sarmy Welding Workshop	100	260	Sana'a
31.	Al-Hamdany Carpentry Workshop	100	208	Sana'a
32.	Al-Awdy Gypsum Frames	119	402	Sana'a
33.	Iskandar Carpentry Workshop	51	79	Sana'a
34.	Nasser Engineering & Machinery Workshop	230	1,303	Sana'a

No.	Project	Loan	Estimated Investment	Location
35.	Al-Zeraiky Carpentry Workshop	45	205	Taiz
36.	Al-Aid Carpentry Workshop	119	489	Sana'a
37.	Al-Ghothefy Carpentry Workshop	45	205	Sana'a
	<u>1978/79 Sub-total</u>	<u>17,690</u>	<u>72,704</u>	
	<u>1979/1980</u>			
38.	United Industries Yemeni Co.	1,890	12,160	Taiz
39.	Yemeni Co. for Detergent & Soap	2,680	18,197	Sana'a
40.	Al-Ashol Factory for Wool Yarn	415	1,191	Sana'a
41.	Al-Misbahi Printing Shop	627	2,278	Hodeida
42.	Al-Qodsy Crusher	1,000	3,688	Taiz
43.	Al-Ansy Red Brick Factory	6,000	22,959	Dhamar
44.	Shaif Workshops for Car Maintenance	450	975	Sana'a
45.	Al-Noar Workshops for Carpentry and Furniture	400	1,681	Taiz
46.	Abdel Galil Abdel Wahid Car Maintenance Workshop	150	1,597	Eb
47.	Yassin Taha Nagy Tile Factory	750	1,765	Taiz
48.	Al-Noor Tile Company*	850	6,401	Hodeida
49.	Technical Workshops for Spare Parts	1,000	2,335	Taiz
50.	Al-Mogahid Crusher*	1,500	17,800	Sana'a
51.	Al-Onsy Crusher	1,600	6,425	Eb
52.	Khaldoun Metal Furniture Factory	2,000	5,114	Sana'a
53.	Bamerhool Crusher	2,000	5,424	Eb
54.	Yemeni Co. for Manufacturing and Assembly of Limited Buildings	1,300	3,110	Taiz
55.	National Factory for Paint and Chemicals	4,000	17,551	Taiz
56.	Al-Mashooly Ice Factory	670	3,809	Taiz
57.	National Soft drinks Co. (Canada Dry)	2,000	49,371	Sana'a
58.	Al-Shark Center Furniture Factory	300	2,560	Sana'a
59.	Al-Bakary Carpentry	90	156	Zammar
60.	Abdel-Karim Ahmed Welding Shop	100	189	Sana'a
61.	Mahmoud Hassan Block Factory	100	422	Eb
62.	Al-Ousi Blck Factory	47	101	Dhamar
63.	Abdou Yehia Al-Gwady Carpentry	100	203	Sana'a
64.	Al-Kasr Technical Aluminium Works	63	465	Dhamar
65.	Al-Salama Block Factory	175	502	Taiz
66.	Ahmed Ghazi Rocks Factory	173	814	Taiz
67.	Ali Abdou Ahmed Carpentry	73	201	Taiz
68.	Al-Hoory Carpentry	89	266	Sana'a
69.	Hareeb Carpentry Shop	79	199	Sana'a
70.	Al-Adwa Photography Studio	72	192	Sana'a
71.	Mohamed Ali Abdel Karim Caprentry	150	413	Sana'a
72.	Abdel Moghni Block Gypsem frames Factory	60	354	Sana'a
	<u>1979/80 Sub-total</u>	<u>32,953</u>	<u>190,768</u>	

No.	Project	Loan	Estimated Investment	Location
<u>1981 (1.5 years from 7.1980 to 12/1981)</u>				
73.	Yelmi Factory for Architectural & Agricultural Equipment	1,433	5,467	Sana'a
74.	Hilan Plastics Factory	500	3,274	Sana'a
75.	Ice Factory at Zebdia	1,265	2,578	Hodeida
76.	Yemni Co. for Plastics Manufacture	4,500	9,750	Taiz
77.	Yemni Paint Co. (Crown)	1,900	6,357	Taiz
78.	Yemni Marble Factory	4,000	8,147	Sana'a
79.	Bayda Tile Factory	258	567	Al-Beida
80.	Yemni Co. for detergent & Soap*	1,540	5,383	Sana'a
81.	Al-Zeetry Oxygen Factory	650	1,302	Hodeida
82.	Ali Al-Onsi Crusher	1,000	6,033	Sana'a
83.	Maareb Co. for blocks & prefabricated roofs	1,192	2,452	Sana'a
84.	Dirham Co. for soft drinks (Sirako)	5,000	68,628	Hodeida
85.	The mechanized bakery	300	1,075	Hodeida
86.	Al-Qaid Vimto Co*	238	238	Hodeida
87.	Al-Misbahy Print Shop*	125	125	Hodeida
88.	Al-Shark Center Furniture Factory*	125	125	Hodeida
89.	Nasser Machinery & Engineering Workshop*	200	836	Sana'a
90.	Nasser Al-Kadifi Carpentry	40	133	Sana'a
91.	Nazi Al-Goadi Carpentry	100	308	Sana'a
92.	Zibara Shop for color photography	200	461	Sana'a
93.	Al-Ousi Block Works	22	115	Sana'a
94.	Fadl Al-Absy welding Shop	88	249	Taiz
95.	Compression Crushing Stones	50	150	Taiz
96.	Al-Saidi Apparatus for air purification	139	-	Taiz
97.	Al-Wagih Workshop for flour sifters	30	101	Sana'a
98.	Al-Sarmy Welding Workshop*	40	69	Sana'a
99.	National Carpentry Workshop	70	156	Sana'a
<u>1981 Sub-Total</u>		<u>25,005</u>	<u>124,079</u>	
<u>1982</u>				
100.	Yemen Plastic bags	1,300	2,861	Sana'a
101.	Al-Qaid Vimto Co.*	1,982	4,135	Hodeida
102.	Al-Kassar Nails Factory	400	2,142	Sana'a
103.	Yemni Factory for medical gasses	2,700	5,456	Sana'a
104.	Sana'a Co. for refreshments & Industry	8,000	45,512	Sana'a
105.	Modern Yemni Works for red bricks Bihiss*	400	400	Hodeida
106.	National Co. for Red Brick Mfg. in Mansouria*	1,000	3,500	Hodeida
107.	Brothers Co. for Trade & Industry (Pasta)	500	4,025	Sana'a
108.	Mocen Co. for Grinding Stones	3,000	6,085	Sana'a
109.	Salah-El-Din for Household Articles*	4,431	7,917	Hodeida
110.	Al-Mogahid Crusher*	3,166	5,277	Sana'a
111.	Bilquiss Factory for Biscuits and Confectionaries*	3,982	6,638	Taiz
112.	Yemni Co. for Detergents and Soaps*	1,875	3,548	Sana'a
113.	Sam Aluminium Factory	115	873	Sana'a

No.	Project	Loan	Estimated Investment	Location
117.	Anaran Automatic Factory for Blocks	1,292	3,479	Sana'a
115.	Al-Harazi Laboratory for Colour Photography	190	360	Sana'a
116.	Al-Bossi Carpentry Workshops	40	115	Sana'a
117.	Al-Shami Maintenance Workshop at Amran	180	475	Sana'a
118.	Al-Guezira Arint Shop	250	580	Sana'a
119.	Al-Bodany Carpentry Workshop	60	269	Sana'a
120.	Al-Qadsi Welding Workshop	266	444	Sana'a
121.	Al-Galey Saw for Cutting Stones	80	352	Sana'a
122.	Zobab Salt Factory	190	329	Taiz
	<u>1982 Sub-total</u>	<u>35,699</u>	<u>104,802</u>	
	<u>1983</u>			
123.	Al-Shark Factory for Tiles & Blocks*	1,630	4,134	Taiz
124.	Yemeni Factory for Medical Gases*	707	6,238	Sana'a
125.	Sadek Heider Crusher	3,250	8,126	Sana'a
126.	Mechanized Tiles Factory	4,000	6,617	Sana'a
127.	National Factory for Paint & Chemicals*	2,500	5,156	Taiz
128.	Al-Rafia Bags Factory (Plastic Bags)	3,577	7,095	Sana'a
129.	Mechanized Blocks Factory	826	2,040	Sana'a
130.	Yehia Hashem Tiles Factory	2,152	4,400	Sana'a
131.	Hassan Salem Shamsan Crusher	1,950	5,164	Hagga
132.	Al-Wadii Crusher	1,950	4,871	Sana'a
133.	Handcarts Factory (Nasser Machine Shop)*	1,600	3,831	Sana'a
134.	Al-Azzani Machine Shop	1,822	4,168	Hodeida
135.	Amran Factory for Barbed Wire	366	1,495	Sana'a
136.	Al-Sawari Leather Shoes Factory	2,000	4,000	Sana'a
137.	Al-Liwa Al-Akhdar Block Factory	246	410	Sana'a
138.	Al-Afrah Colour Photography Studio	340	939	Sana'a
139.	Al-Moamer Sheet Metal Workshop	145	377	Sana'a
140.	Mankaza Block Factory	140	342	Zamar
141.	Al-Awdi Welding Shop	50	114	Sana'a
142.	Processing Laboratory for Colour Films	300	545	Taiz
	<u>1983 Sub-total</u>	<u>29,551</u>	<u>70,062</u>	
	<u>1984</u>			
143.	Ice Factory	1,600	2,773	Hodeida
144.	Dhamar Block Factory	1,200	3,221	Dhamar
145.	Shammakh Tannery & Leather Goods	5,000	15,999	Hodeida
146.	Saada Block Factory	1,000	2,207	Sana'a
147.	Salah-El-Din Household Articles*	5,400	9,392	Hodeida
148.	Perfumes and Cosmetics Factory	2,000	4,010	Taiz
149.	United Co. for Industry & Frozen Foods*	10,000	34,177	Hodeida
150.	Raddaa Blocks Factory	200	2,520	Beida
151.	United Co. for Detergents	4,005	8,585	Sana'a
152.	Handcarts and School Furniture Factory	1,495	2,700	Sana'a
153.	Al-Qaid Vimto Co.*	5,000	12,409	Hodeida
154.	Yemen Co. for Plastic Products*	2,500	6,562	Taiz
155.	Colour Photography Laboratory	250	767	Taiz
156.	Al-Matry Bakery	100	276	Sana'a
157.	Al-Zabri Bakery	220	415	Sana'a

No.	Project	Loan	Estimated Investment	Location
158.	Al-Aabos Blocks Factory	90	257	Taiz
159.	Kashafa Al-Salba	230	518	Sana'a
160.	Al-Sarmi Welding Workshop	250	540	Sana'a
161.	Al-Dais Saw for Cutting Stones	250	386	Taiz
162.	Suttan Carpentry Workshop	20	40	Sana'a
<u>1984 Sub-total</u>		<u>40,810</u>	<u>107,754</u>	
<u>1985</u>				
163.	Automatic Blocks Factory	1,600	3,737	Maareb
164.	Al-Mansoub Crusher	2,500	6,049	Taiz
165.	Borg Al-Yemn Tiles Factory	442	1,565	Hodeida
166.	Yemeni Co. for Paints & Derivatives*	726	919	Taiz
167.	Yemeni Marble Factory*	742	1,300	Sana'a
168.	Prefabricated Hangars and Buildings	6,904	14,356	Sana'a
169.	United Co. for Chemical Industries	6,000	14,410	Taiz
170.	Technical Co. for Manufacturing Car parts	1,383	2,582	Sana'a
171.	Al-Shami Machining Workshops*	700	1,411	Sana'a
172.	Automatic Blocks Factory	1,447	3,915	AlMahaweet
173.	Automatic Blocks Factory	1,430	4,543	Taiz
174.	Salah-El-Din Household Articles*	2,500	6,034	Hodeida
175.	Handcarts & School Furniture*	700	700	Sana'a
176.	Amran Blocks Factory	200	300	Sana'a
177.	Saada Blocks Factory	165	200	Saads
178.	Yemeni Co. for Soft Drinks	6,000	51,313	Hodieda
179.	Al-Raali Tiles, Mosaic and Marble	413	514	Sana'a
180.	Yeast and Custard National Factory	3,000	8,771	Sana'a
181.	Tobacco and Matches national Co.	16,000	63,410	Hodeida
182.	Al-Kasimi Foam and Springs Factory	1,500	6,408	Saada
183.	Al-Saadi Factory for Nails and Plastics	1,500	8,869	Saada
184.	Al-Bihani Factory for Household and Agricultural Articles	3,200	7,406	Al Baida
185.	Maareb Stone Crusher	4,000	9,374	Maareb
186.	Awn Laboratory for Testing Soil and Precast Concrete	360	1,191	Sana'a
187.	Mohammed Osman Machining Workshop	144	1,960	Sana'a
188.	Al-Sanbani Blocks Factory	250	1,846	Dhamar
189.	Frames and Brass Plates Factory	250	380	Sana'a
190.	Mohamed Assam Said Frames Factory	200	414	Sana'a
191.	Modern Al-Nasr Print Shop	100	872	Sana'a
192.	Hammond Hazza Hail Workshop	150	331	Sana'a
193.	Asnaf Welding Shop	60	115	Sana'a
194.	Al-Kureshi Tiles, Stone & Blocks Factory	135	549	Dhamar
195.	Al-Mokaleh Workshop for Maintenance of Equipment.	250	318	Sana'a
<u>1985 Sub-total</u>		<u>65,551</u>	<u>226,080</u>	

No.	Project	Loan	Estimated Investment	Location
<u>1986</u>				
196.	Diversified Industries Packing and Wrapping Materials Co.	16,500	49,993	Taiz
197.	Yemeni Co. for refining and canning of salt.	14,025	66,788	Hodeida
198.	Khalsoun Metal Furniture Co.*	100	336	Sana'a
199.	Technical Co. for leather shoes	1,850	5,859	Sana'a
200.	Felt Factory	1,200	2,480	Sana'a
201.	National Factory for Paint & Chemicals	4,000	8,364	Taiz
202.	Bin Hashem & Co. Furniture Factory	1,800	4,062	Sana'a
203.	Al Qaid Vimto Co.	2,000	24,210	Hodeida
204.	Granite Plant	8,000	15,381	Sana'a
205.	Egg Trays Factory	4,000	7,293	Sana'a
206.	United Co. for furniture & wood articles	16,500	46,318	Hodeida
207.	Car Tanks Factory	3,000	10,067	Hodeida
208.	Al-Saktaf Maintenance Workshops	250	1,053	Sana'a
209.	Al-Ibda Doors Factory	250	1,987	Sana'a
210.	Amran Machining Workshops	80	1,932	Sana'a
	<u>1986 Sub-Total</u>	<u>73,555</u>	<u>246,123</u>	

\* Denotes additional loan to project

Source:

Yemen Industrial Bank: Ten years in service of developments

ANALYSIS OF IBY LOANS DURING 1977|78-1986

(1000 RIALS)

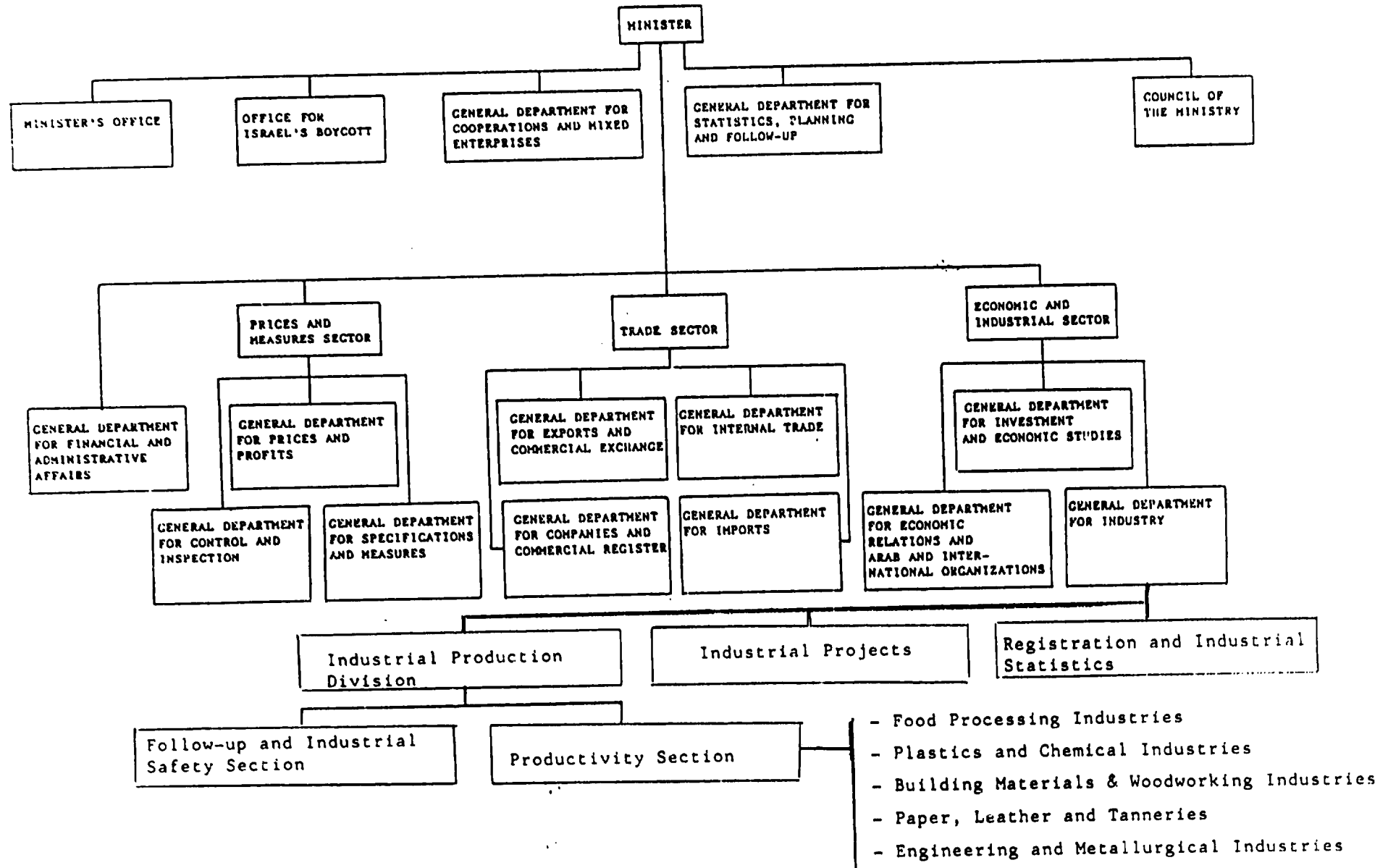
A) BY SUB-SECTORS

Sub-Sector	1st 5 yr Plan 1977 78-1981		2nd 5 yr Plan 1982-1986		Total	
	No.	Amount	No.	Amount	No.	Amount
Building Materials	34	40,903	34	56,050	68	96,953
Food Industries	8	13,823	14	56,599	22	70,422
Metal Industries	18	10,773	21	24,898	39	35,671
Plastics Industries	5	9,106	6	14,691	11	23,797
Chemical Industries	6	12,660	9	24,513	15	37,173
Wood Industries	16	1,677	8	19,020	24	20,697
Leather Industries	--	--	3	8,850	3	8,850
Paper Industries	2	752	4	20,850	6	21,602
Textile Industries	1	415	1	1,200	2	1,615
Tobacco Industries	--	--	1	16,000	1	16,000
Service	9	2,291	10	2,495	19	4,786
<b>TOTAL:</b>	<b>99</b>	<b>92,400</b>	<b>111</b>	<b>245,166</b>	<b>210</b>	<b>337,566</b>

b) BY REGIONS

Region	1st 5 yr Plan 1977 78-1981		2nd 5 yr Plan 1982-1986		Total	
	No.	Amount	No.	Amount	No.	Amount
Sana'a	52	30,847	64	87,929	116	118,776
Taiz	19	21,931	16	44,848	35	66,779
Hadeidah	17	29,494	17	94,102	34	123,596
Maareb	--	--	2	5,600	2	5,600
Dhamar	4	6,200	4	1,725	8	7,925
Al-Beida	1	258	2	3,400	3	3,658
Eb	6	3,670	--	--	6	3,670
Al-Mahweet	--	--	1	1,447	1	1,447
Hajjah	--	--	1	1,950	1	1,950
Sa'ada	--	--	4	4,165	4	4,165
<b>TOTAL:</b>	<b>99</b>	<b>92,400</b>	<b>111</b>	<b>245,166</b>	<b>210</b>	<b>337,566</b>

SOURCE: Yemen Industrial Bank, "Ten Years in Service of Development".





Functions of  
Industrial Production Division

- To coordinate with the General Directorate for Specifications and Standards on the establishment of specifications and standards for improving industrial product lines, their quality, and the complementarity of various industries.
- To coordinate with the "General Directorate for Export and Trade" on the control of exportation of industrial products to ensure their requisite quality and conformity to contractual arrangements and agreement.
- To inspect industrial establishments to ensure enforcement of rules and regulations governing manufacturing industries.
- To improve industrial workers' productivity through participation in the preparation of studies for work methods and the establishment of training plans and programmes; and their implementation as needed.
- To participate with concerned authorities in establishing standards for industrial safety and the protection of the environment.
- To study and analyze annual production programmes for industrial projects work towards improving capacity utilization, establish the needs for imported production inputs, study technical problems and suggest suitable solutions for improvement.

Functions of  
Productivity Section

- To prepare studies for developing local production and increasing capacity utilization, suggesting solutions to problems hampering industrial projects.
- To coordinate with the General Directorate for Specifications and Standards for improving industrial product lines and their quality.
- To work towards improving productivity for workers in the industrial sector through participation in work study and setting up standards for production.
- To recommend incentives and legislation to protect local production from competition of similar imported products.
- To participate in the preparation of annual plans for industrial production and the definition of imported inputs required for production in accordance with established industrial strategies.
- To participate in study and determination of manpower training needs in the industrial sector, and preparing plans, programmes, and schedules for implementation.

Function 2.1  
Follow-up and Industrial Safety Section

- To inspect industrial projects and establishments to ensure enforcement of rules and regulations governing manufacturing industries.
- To follow up on implementation of licenses given for new industries through various field visits to project sites to ensure conformity to approved designs, and that machinery and equipment installed in production lines are in accordance with those authorized by the Ministry.
- To check implementation of production programmes for industrial projects and ensure their abilities to implement their production plans and programmes.
- To participate in research and study of problems and information relating to technical operations in industrial projects and submit suitable recommendations for solutions and their implementation.
- To inspect records, files, and all technical information concerning industrial projects to ensure conformity of operations to relevant instructions and rules.
- To carry out investigations as necessary regarding any committed violation, identifying their types and effects, suggesting legal proceedings in accordance with regulations and laws in effect.
- To participate with the authorities concerned with establishment of safety standards and protection of the environment ensuring their implementation by the industrial projects and establishments.