

Yemen Economic Compass

Master Guide 2015-2025

A comprehensive platform transforming complex war-economy data into transparent, accessible insights for researchers, journalists, policy-makers, donors, and the Yemeni public.

Introduction and Mission

Yemen's protracted conflict (2014–2025) has devastated its economy and fragmented its financial system. The envisioned **Yemen Economic Compass** platform is a bilingual (English/Arabic) public data hub that provides transparent, credible insights into Yemen's war-economy.

It connects **macroeconomic data, monetary events, humanitarian flows, policy decisions**, and **local narratives** into an accessible, evidence-driven narrative.



Mission

A "living" **economic dashboard** for Yemen – transforming complex war-economy information into clear analysis

Neutrality

Commitment to **independence** and unbiased reporting across all factions

Transparency

Full **data credibility** with sources cited and methodology explained

Bilingual Parity

Complete **Arabic/English** content equality for all stakeholders

Platform Overview & Key Features

The platform is organized into interactive pages and tools that together tell *the full story* of Yemen's financial fragmentation and emerging informal economy:

- ❑ **Interactive Architecture:** Every component connects dynamically, allowing users to explore relationships between conflict events, economic indicators, and humanitarian impacts in real-time.



Home Dashboard

Master Compass Widget

An immediate snapshot of Yemen's economic health and war-economy dynamics featuring **12 key indicators**:

- GDP growth
- Real income per capita
- Aden vs. Sanaa inflation
- Dual exchange rates and gap
- Food basket cost
- Public revenue
- Oil output
- Aid funding
- Sanctions intensity index
- Core banking stress index



01

Timeline Slider

Each indicator card has a timeline slider (2014–present) for historical exploration

02

Impact Explainer

"What does this mean?" feature explains real-life impact on salaries, savings, prices, humanitarian operations

03

Latest News Ticker

Short updates on central bank decisions, aid pledges, oil supply shocks with sources cited

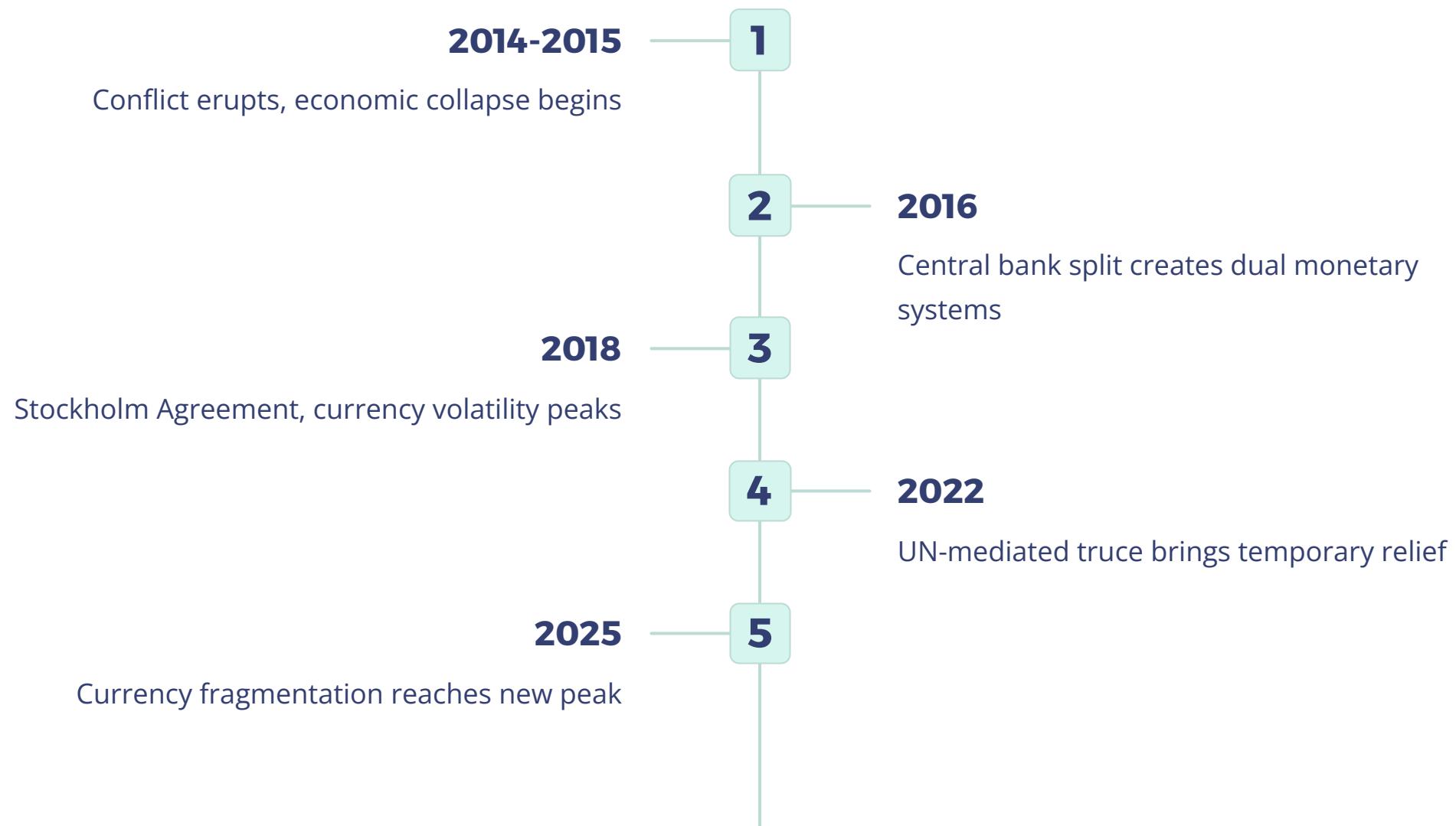
04

Navigation Hub

Clear pathways to all major sections with language toggle (EN/AR) and search functionality

"Full Story" Chronology

A comprehensive **timeline narrative (2014–2025)** that explains how Yemen's economy collapsed and reconfigured through the war years.



Users can click on each year's card to see deeper links to related events, data charts, and policy decisions, making it easy to drill down into details of that period.

Economic Crisis Dashboard

A section breaking down core **macro-economic trends** with interactive visualizations.



Output & Growth

Real vs. nominal GDP tracking, showing the 50% aggregate contraction



Inflation & Cost of Living

Regional inflation rates and price divergence between Aden and Sanaa



Poverty & Labor

Poverty levels rising from 50% to 74%, unemployment trends



Fiscal Space

Government revenue, expenditure, deficits, and debt analysis

- Methodology Transparency:** Each chart comes with methodology notes and data sources in tooltips, highlighting how figures were estimated and confidence levels. Real GDP per capita fell by **54% between 2015 and 2023**.

Currency War Tracker

A dedicated page visualizing Yemen's **dual currency regimes**.

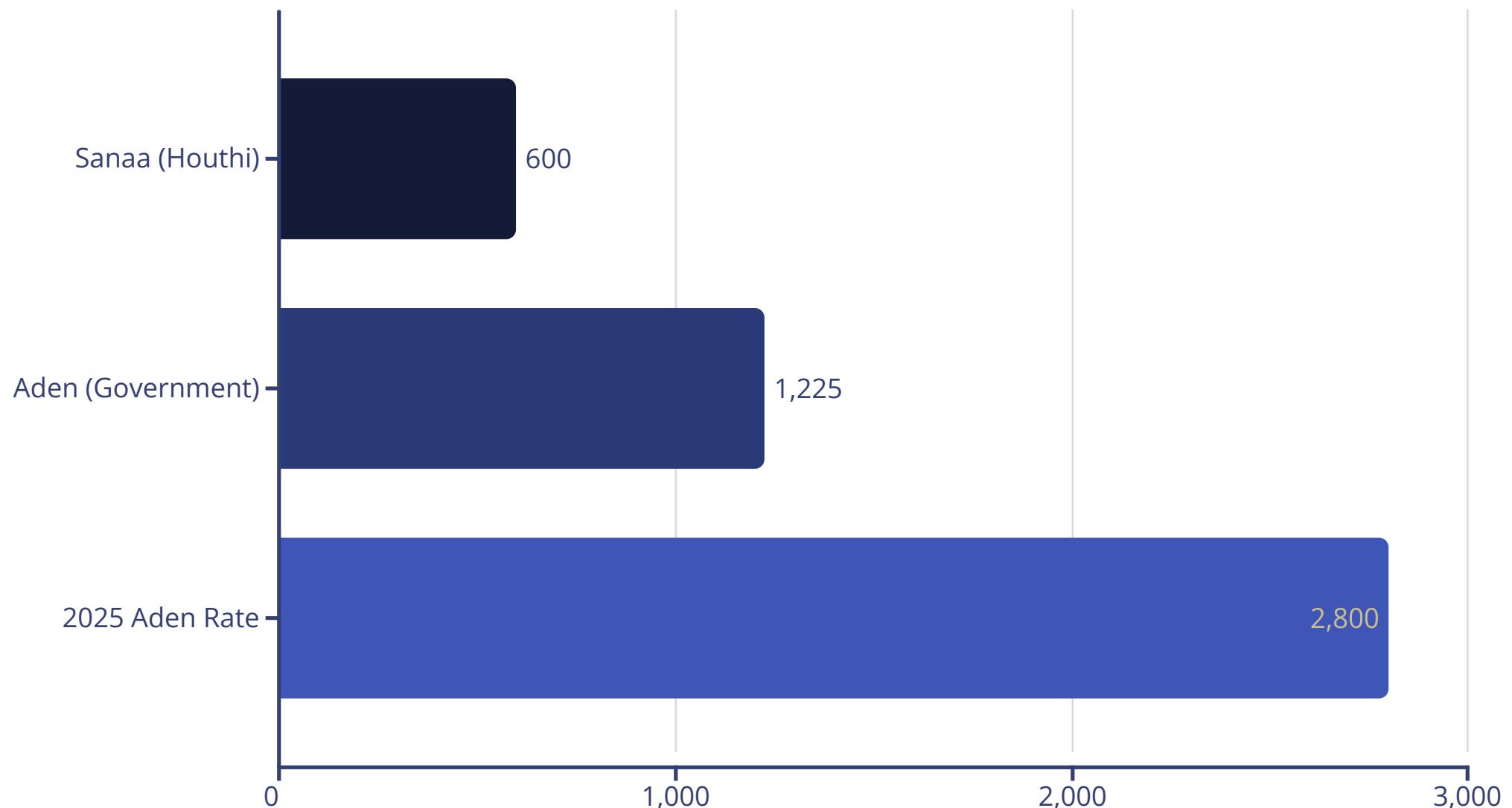
Key Features:

- Side-by-side charts for Aden-based vs. Sanaa Rial
- Exchange rate gap visualization
- Timeline of monetary events from 2016 onward
- Currency ban tracking and digital currency pilots
- "Before/After" comparison tables

By early 2023, the same US dollar was worth about **YER 600 in Houthi-held areas vs. YER 1,225 in government areas**, meaning basic goods cost dramatically different amounts depending on the region.



Dual Currency Impact Analysis



This section helps users grasp how two separate monetary systems evolved, and how policies like printing new money or imposing capital controls drove inflation in Aden while creating *artificial stability* (and shortages) in Sanaa.



2016 Split

Central Bank relocates to Aden, creating dual authorities

Currency Bans

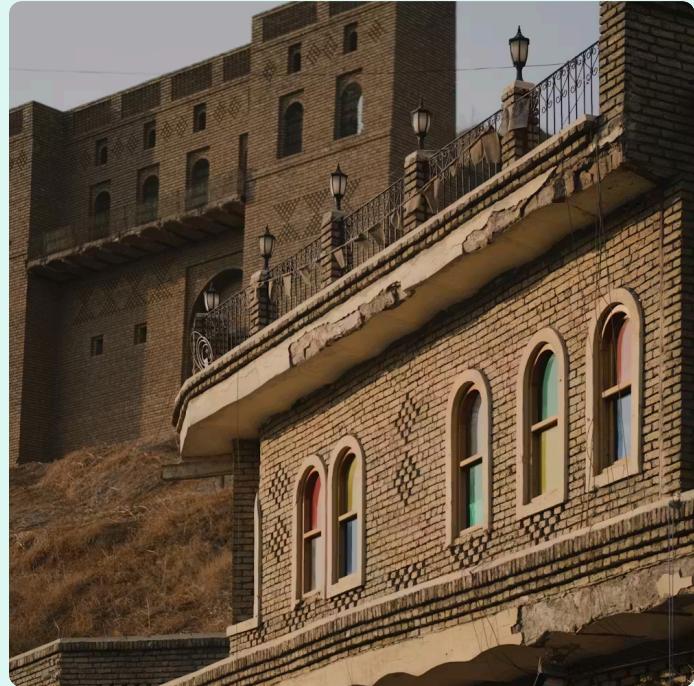
Each side prohibits the other's banknotes in their territories

Divergence

Exchange rates and inflation levels separate dramatically

City Profiles

A **Cities** section covers key urban centers – Sana'a, Aden, Taiz, Hodeidah, Marib, Mukalla – each on a dedicated sub-page.



Sana'a

Capital under Houthi control, population estimates, price indices, banking restrictions

Aden

Interim capital, higher inflation, currency depreciation, port operations

Taiz

Siege impacts, humanitarian access challenges, local market dynamics



Hodeidah

Critical port city, fuel imports, blockade effects on economy

Marib

Oil production hub, displacement center, economic role in conflict

Mukalla

Eastern economic center, relative stability, trade networks

Each city profile details population estimates, economic role, local price indices, dominant payment networks, and conflict impacts with cross-links to relevant events and decisions.

Events & Shocks Catalogue

A fully searchable timeline of **significant events (2015–2025)** affecting the economy.

Event Entry Details

- Date and precise timing
- Categorization (monetary, aid, sanction, port closure, security, climate)
- Severity rating
- Comprehensive description
- Tags for affected sectors and actors

Filter Capabilities

- Filter by event type
- Filter by year or date range
- Filter by affected region
- Filter by severity level

Impact Visualization

- "Before and after" graphs
- Exchange rate changes
- Import volume fluctuations
- Fuel availability tracking
- Dynamic cause-and-effect illustration

Users can trace how shocks translated into data changes. For example, if a new **sanction** was imposed on a Yemeni bank in 2018, the event entry would link to any observable spike in black-market exchange rates or liquidity crunch following it.

Central Bank Profiles

CBY-Aden



Internationally Recognized Government

- Foreign exchange auctions
- New banknote printing
- Saudi deposit management
- Inflation challenges

CBY-Sanaa



De Facto Houthi Authority

- Strict withdrawal limits
- Digital rial pilot programs
- Currency ban enforcement
- Capital controls

Each profile outlines the bank's mandate, leadership, institutional history, and policy actions. A "**Policy Instruments**" sub-page lists tools each central bank used, with interactive charts showing deployment timing and effects.

- ❑ This twofold view underscores how policy fragmentation contributed to Yemen's financial chaos – essentially two central banks pulling in different directions.

Central Bank Policy Comparison

Policy Tool	CBY-Aden	CBY-Sanaa
Currency Issuance	New banknotes printed extensively	Banned new notes, issued own coins/notes
Exchange Rate	Market-determined, highly volatile	Artificially controlled, restricted
Capital Controls	Limited, market-oriented	Strict withdrawal limits, hoarding
FX Auctions	Regular auctions conducted	No formal auctions
Digital Currency	Limited pilots	Digital rial experiments
Inflation Outcome	High inflation (45% in 2022)	Deflation (-12% in 2024)

A "Decision Log" tracks key circulars and directives issued by each central bank over time, linked to outcomes in the data. An "Outcomes" section summarizes macroeconomic results of these policies.

Microfinance & Financial Inclusion Observatory

A section dedicated to **Microfinance** tracks how microfinance institutions (MFIs) and microfinance banks grew to fill the gap left by collapsing commercial banks.

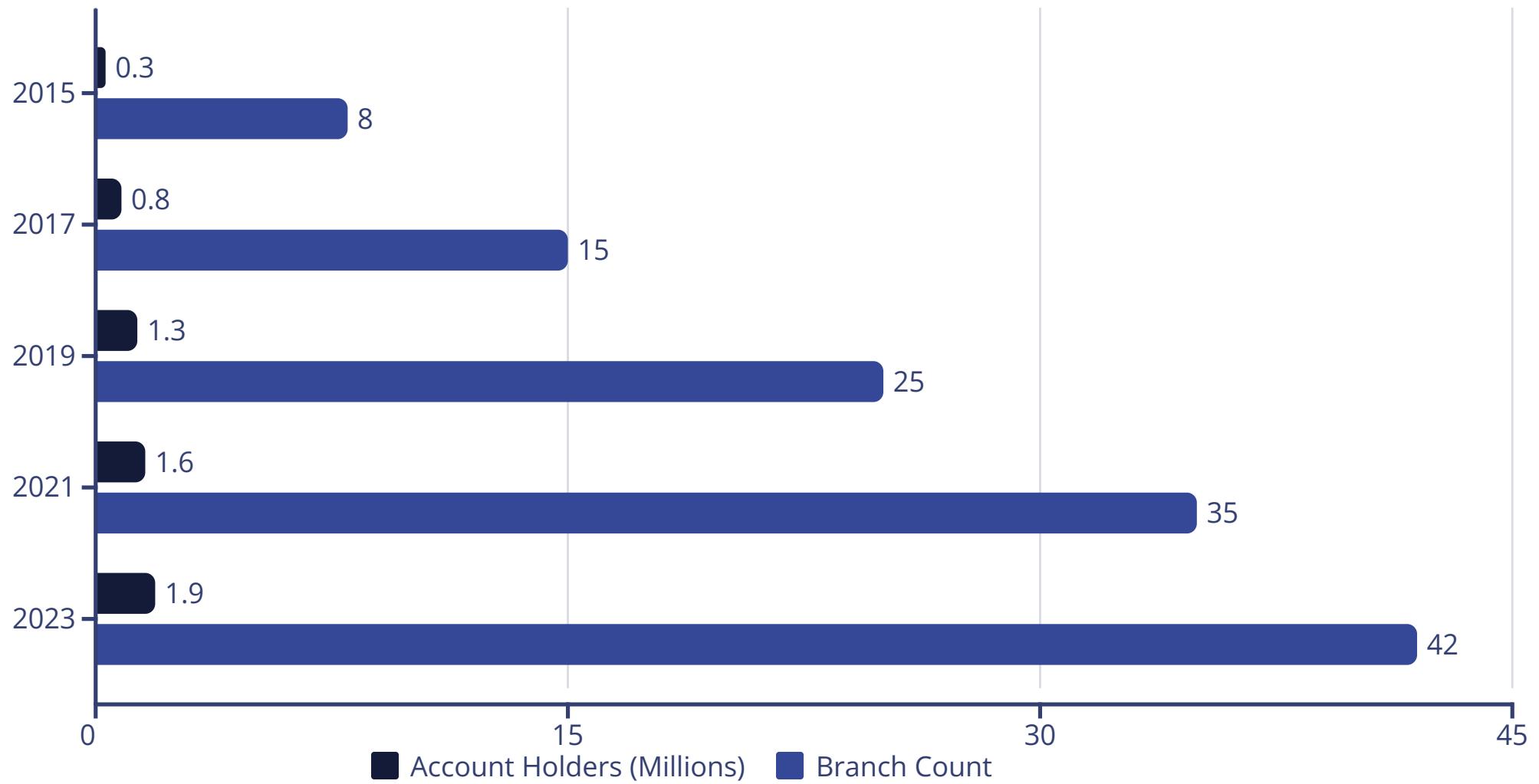
Key Metrics Tracked:

- Number of microfinance banks and NGOs
- Number of borrowers and depositors
- Portfolio sizes and growth
- Portfolio-at-risk (PAR) for loans
- Branch locations and coverage maps

By 2019, about **1.3 million Yemenis had micro-savings accounts**, as these institutions offered services when traditional banks could not.



Microfinance Growth Analysis



Case studies illustrate trends such as the licensing "**boom**" in microfinance around 2022–2024, when some big money exchange houses converted into microfinance banks. For example, Al-Kuraimi and Al-Amal Islamic Microfinance Banks expanded to a combined 40+ branches by the mid-2020s.



Bright Spot

Microfinance became a lifeline when traditional banks collapsed



Risks

Rapid growth outpacing regulation creates a "license bubble"



Urban-Centric

Most clients concentrated in cities, leaving rural areas underserved

Commercial Banks Directory

A section for **Banks** profiles each of Yemen's banks (to the extent data is available). There were 17 banks pre-war and as of 2022 about **19 banks** including 4 microfinance banks.

17

Pre-War Banks

11 private commercial, 4 Islamic, 2 state-owned

19

Current Banks

Including 4 microfinance banks as of 2022

6%

Account Penetration

Adults with bank accounts by 2016 (down from 10% pre-war)

Each bank's profile lists establishment date, ownership, capital, number of branches, and any known issues (liquidity shortages, international de-risking, sanctions). For instance, Cooperative & Agricultural Credit Bank and National Bank of Yemen are state-owned and split into rival managements in Aden and Sanaa during the war.

- The platform aggregates sector-wide indicators, including a **Core Banking Stress Index (CBSI)** that combines metrics like non-performing loans, liquidity ratios, and branch closures.



Stakeholder Profiles & Relationship Maps

An entire section devoted to **Stakeholders**, cataloguing all major actors in Yemen's war economy.



Key Stakeholder Categories



Political Authorities

Internationally Recognized Government (IRG) based in Aden; **Houthi de facto authority** in Sanaa; **Southern Transitional Council (STC)** in the South



Regional Sponsors

Saudi Arabia and **UAE** providing military support, financial aid, and strategic investments in Yemen's economy



Global Donors

UN agencies, **World Bank**, **IMF**, and Western donors funding humanitarian operations and emergency projects



Financial Institutions

Commercial banks, microfinance institutions, and widespread **hawala networks** managing money flows



Business Elites

Traders, importers, and business families navigating the conflict economy across multiple territories

A "compare" tool allows side-by-side comparison of two actors across attributes like revenue sources, reliance on cash vs electronic transfers, or sanctions status.

Hawala Networks: The Financial Lifeline



Unprecedented Power

Hawala networks gained **unprecedented power and legitimacy** as lifelines during the war, whereas formal banks and state institutions waned.

By 2025, roughly **\$2.8 billion per year** was moving through non-bank payment channels – a fundamental rewiring of Yemen's financial system.

- Trust-based ledger system
- Flexibility in conflict zones
- Ability to bypass formal restrictions
- Hundreds of licensed exchangers
- Thousands of unlicensed hawaladars

Major licensed exchangers like **Al Kuraimi** and **Al Amaki/Al Duraymi** handled NGO payments and remittances on a massive scale, becoming central to humanitarian cash programming.

Sanctions & Compliance Tracker

A section tracking all **international sanctions** relevant to Yemen's economy, including UN Security Council sanctions, US OFAC designations, and EU/UK sanctions.

- **Sanction Details**

Date, target, type (asset freeze, travel ban, terror designation)

- **Intensity Index**

Measuring the breadth of measures in place at a given time

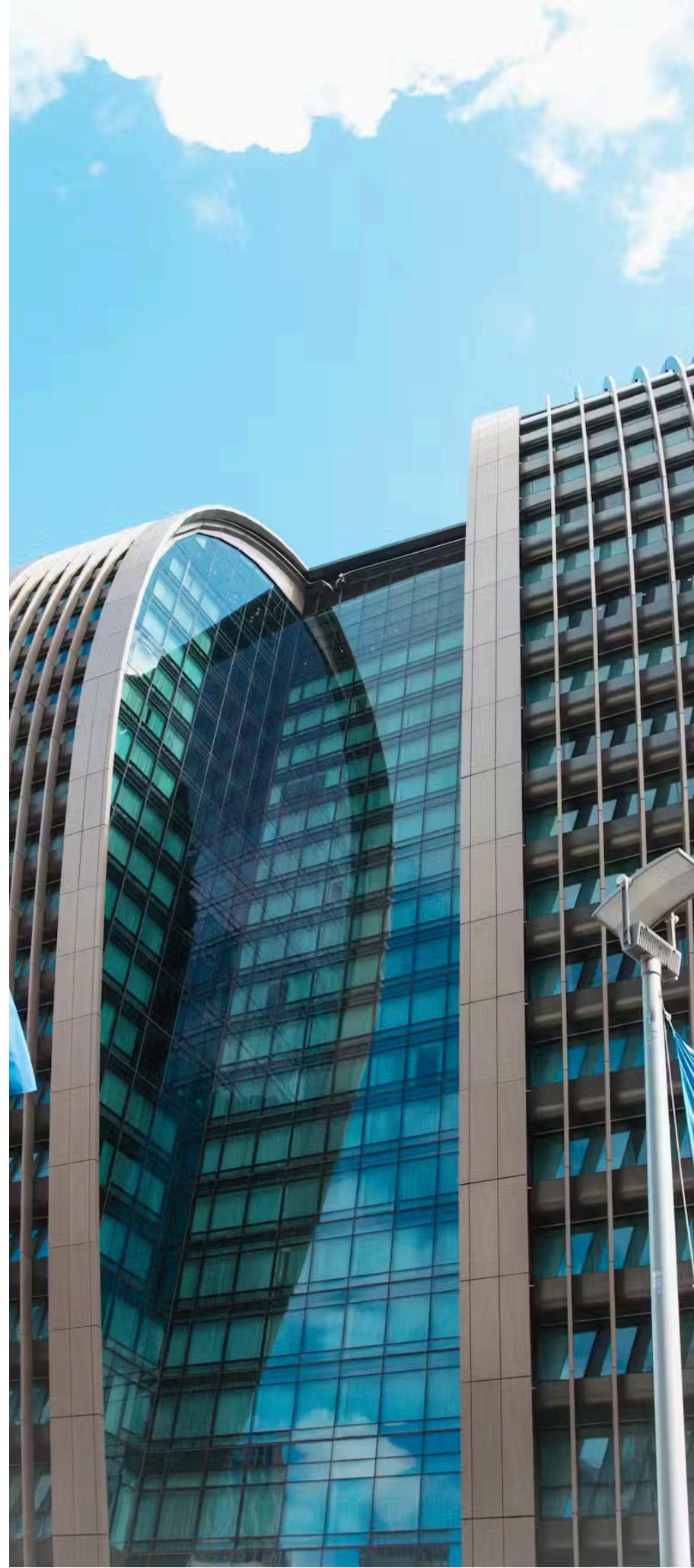
- **Fragmentation Index**

Indicating divergence between different sanction regimes

- **Humanitarian Exemptions**

Guidance on allowed financial channels for aid despite sanctions

- ❑ This component is important for compliance-minded audiences (banks, NGOs) to navigate the "**minefield**" of restrictions in Yemen's financial environment.



Reports & Literature Library

A section indexing key external publications on Yemen's economy. Users can filter by year, authoring organization, topic, or language.

World Bank Reports

Yemen Economic Monitoring reports, development updates, and project assessments

IMF Analysis

Article IV reports, policy recommendations, and economic projections

UN Expert Panels

Sanctions monitoring, humanitarian assessments, and conflict analysis

Think Tank Studies

Sana'a Center, Chatham House, Crisis Group research and policy briefs

Academic Research

Masters/PhD theses, journal articles, and scholarly analysis

By integrating the rich body of existing analysis, the platform becomes a one-stop knowledge base. All content includes proper citations, and a sources page explains how to cite the platform, which is published under an open license (CC BY 4.0).

Interactive Tools & Calculators

A suite of tools to engage expert users and enable practical analysis.



FX Calculator

Converts amounts between USD and Yemeni rials, giving both Aden and Sanaa rates plus implied arbitrage



Inflation Calculator

Pick two dates to see how cost of living changed using CPI data or food basket index for each region



Scenario Engine

Interactive model with controls for oil price, aid inflows, sanctions severity to see projected outcomes

The **Scenario Engine** allows policymakers or students to simulate "what-if" scenarios (e.g., *What if oil export resumes?* or *What if aid drops by 50%?*) and see the results in real-time charts.

- ❑ All tools include notes on methodology to avoid misuse and clearly state these are indicative simulations, not exact forecasts.

Data Catalogue

A **Data Catalogue** page lists every data series available with comprehensive metadata.

Indicator	Units	Frequency	Coverage	Source	Confidence
Headline Inflation (Aden)	% change	Monthly	Aden areas	CSO Aden & WB	Medium
Exchange Rate (Sanaa)	YER/USD	Weekly	Houthi areas	Market surveys	Medium
GDP Growth	% annual	Annual	National	World Bank	High
Food Basket Cost	YER	Monthly	Regional	WFP VAM	High
Humanitarian Funding	USD millions	Quarterly	National	OCHA FTS	High
Bank Deposits	YER billions	Quarterly	By region	CBY reports	Low-Medium

Users can directly download data (CSV/JSON) for their own analysis. This catalogue ensures transparency about where data comes from and flags limitations.

- The catalogue underpins the entire site's credibility, as every number is traceable and documented.

Cross-Cutting Visualization & UX Features

Unified Filters

Global filtering system for timeframe, geographic focus, sector, currency regime, and source confidence level

Tooltips & Methodology

On-hover tooltips with exact values and source references; methodology cards explain calculations and caveats

Visual Storytelling

Interactive line charts, bar graphs, maps, and network diagrams illustrating money flows and structural shifts

Custom Indices

Hawala Dependence Index, Bank Disintermediation Score, Sanctions Fragmentation Index synthesize complex trends

Accessibility

High-contrast colors, alt-text on images, bilingual fonts for clarity and universal access

The unified filter design ensures content is *context-aware* – crucial in Yemen's case, where regional differences (north vs. south) are stark. State management updates all relevant charts and narratives simultaneously.