



البنك المركزي اليمني
CENTRAL BANK OF YEMEN

ANNUAL REPORT

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2023

General Department of Research and Statistics
Central Bank of Yemen
Head Office -Aden

ANNUAL REPORT

2023

Issued by
General Department of Research and Statistics
Central Bank of Yemen
Head Office -Aden
Board of Directors

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Foreword



The Central Bank of Yemen is pleased to put in the hands of readers, researchers and those interested in economic, monetary, and financial developments in the Republic of Yemen the annual report for the year 2023. We hope that it will benefit everyone who uses it.

The annual report reviews the economic, monetary, and financial developments witnessed by the Yemeni economy during the year 2023, and it consists of four chapters. The first chapter dealt with the economic conditions at the global and local levels, while the second chapter dealt with the latest developments in money and credit. The third and fourth chapters, respectively, are devoted to public finance and external sector developments.

The high level of efforts exerted by the General Administration of Research and Statistics in issuing this report has greatly contributed to the smooth and effective performance of the Central Bank of Yemen, which deserves our deep appreciation. We also do not forget the other departments that contributed with their efforts and data. Therefore, we would like to express our special thanks to the concerned departments for what they have done to make this great work a success.



,God bless

Ahmed Ahmed Ghaleb
Governor

Key Economic Indicators

Economic Indicator	2021	2022	2023
Gross domestic product at market prices ¹			
Billion Rials	19,939.3	26,240.4	24,967.2
Growth in (%)	32.7	31.6	-4.9
Million USD	19,394	23,534	18,424
Growth in (%)	-4.1	21.3	-21.7
Consumer price index (CPI), Annual Growth Rate in %			
CPI (end of period, %)	50.4	-2.7	0.5
CPI (annual average, %)	31.5	29.5	-1.2
Crude oil export price (weighted average) \$/barrel	69.2	96.4	80.6
Exchange rate (period average) USD/YER	1,032.51	1,119.14	1,378.19
Exchange rate (end of period) YER/ USD	1,255.26	1,172.48	1,529.40
Monetary aggregates (Annual Growth Rate in %)			
Broad money (M2)	7.9	0.3	13.6
Narrow money (M1)	11.0	-2.3	9.1
Quasi-Money	3.2	4.6	16.9
Monetary base	13.7	4.4	4.9
Money velocity	3.5	2.5	2.1
Money multiplier	1.6	2.2	2.4
Government Finance (by % of GDP)			
Total revenue	5.5	7.8	4.8
Total expenditure	7.6	11	11.9
Budget deficit	-2.1	-3.1	-7.1
External sector (by % of GDP)			
Current account deficit	-14.2	-17.8	-19.1
Exports of goods and services	13	9.5	6.8
- Oil exports	5.1	4.2	0
- Other exports	7.8	5.3	6.8
Imports of goods and services	72.4	63.8	75.1
- Imports of petroleum products	14.6	16	15.9
- Food commodity imports	19.9	21.2	26.1
- Other imports	37.9	26.6	33.1

(1) World Economic Outlook – April 2023 IMF.

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CHAPTER I:

GLOBAL ECONOMIC PROSPECTS AND LOCAL ECONOMIC DEVELOPMENTS

1- World Economic Growth:

According to the International Monetary Fund's report «World Economic Outlook - April 2024», the global growth rate declined by 3.2% in 2023 compared to a global growth of 3.5% in 2022. The significant slowdown in global growth in 2023 is mainly attributed to the slowdown of the real GDP growth of advanced economies from 2.6% in 2022 to 1.6% in 2023.

As for emerging and developing economies, estimates pointed to a slight increase in real growth to 4.3% in 2023, compared to growth of 4.1% in 2022. As a result, global GDP rose by USD 4.34 trillion in 2023 to reach USD 104.79 trillion, up from USD 100.66 trillion in 2022.

Regarding inflation rates, estimates have indicated a steady decline in global inflation from 8.7% in 2022 to 6.8% in 2023. This is attributed to tight monetary policies supported by a decline in international commodity prices compared to the previous year. This is also true for advanced economies, where inflation declined from 7.3% in 2022 to 4.6% in 2023. In the same vein, the inflation rate in emerging and developing economies declined from 9.8% in 2022 to 8.3% in 2023.

**The global growth
rate declined**

3.2%

Global GDP

**104.79
USD trillion**

Chart 1-1: Global GDP (USD trillion)

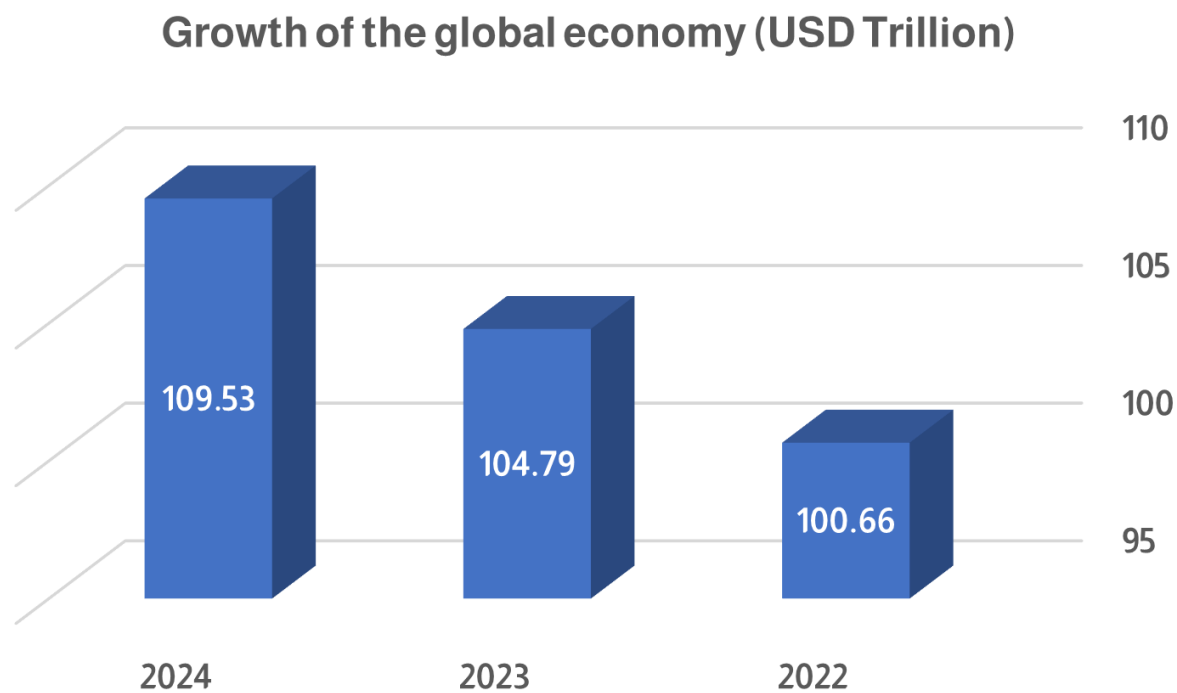


Table 1-1: Global Economy Indicators

Real GDP Growth	Estimates	Projections	
Items	2022	2023	2024
Global Growth Rate	3.5%	3.2%	3.2%
Global Growth (USD trillion)	100.66	104.79	109.53
Advanced Economies Growth Rate	2.6%	1.6%	1.7%
Emerging and Developing Economies Growth Rate	4.1%	4.3%	4.2%
Middle East and North Africa Growth Rate	5.2%	1.9%	2.7%
Low-Income Developing Countries Growth Rate	5.2%	4.0%	4.7%

Source: World Economic Outlook – April 2024 IMF.

Chart 1-2: Real GDP Growth (USD trillion)

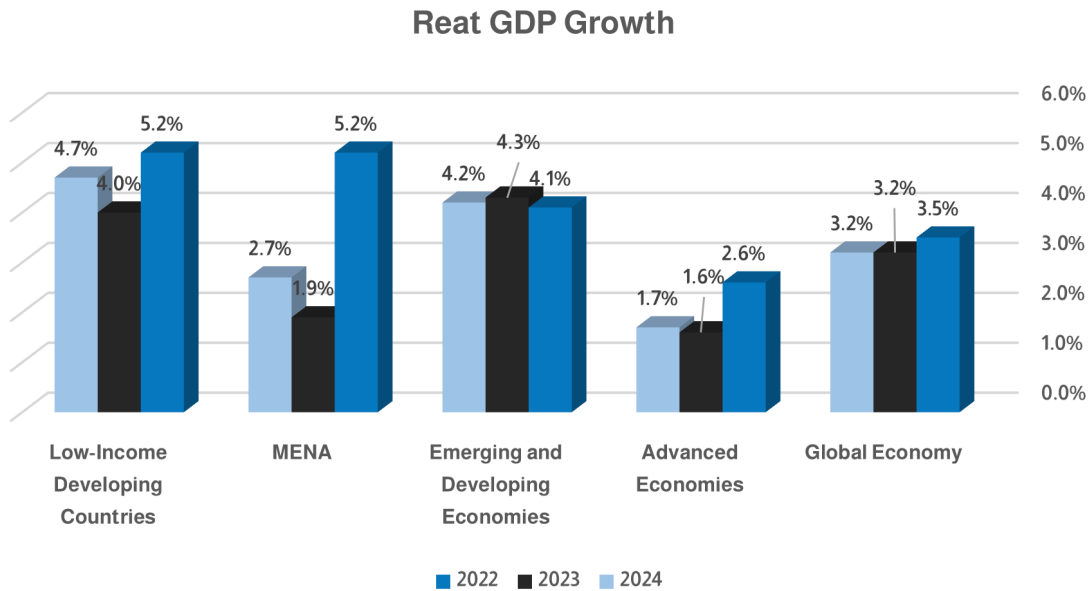
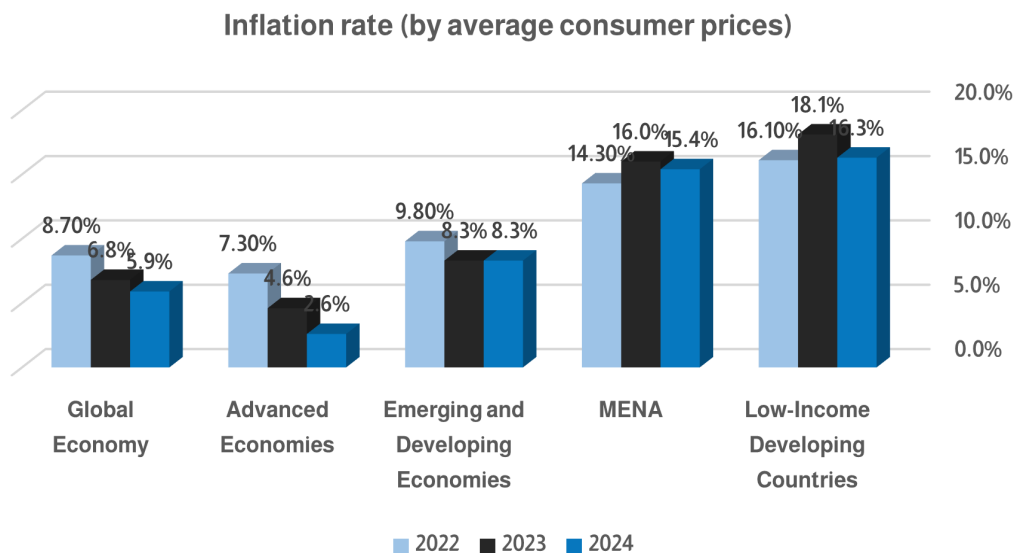


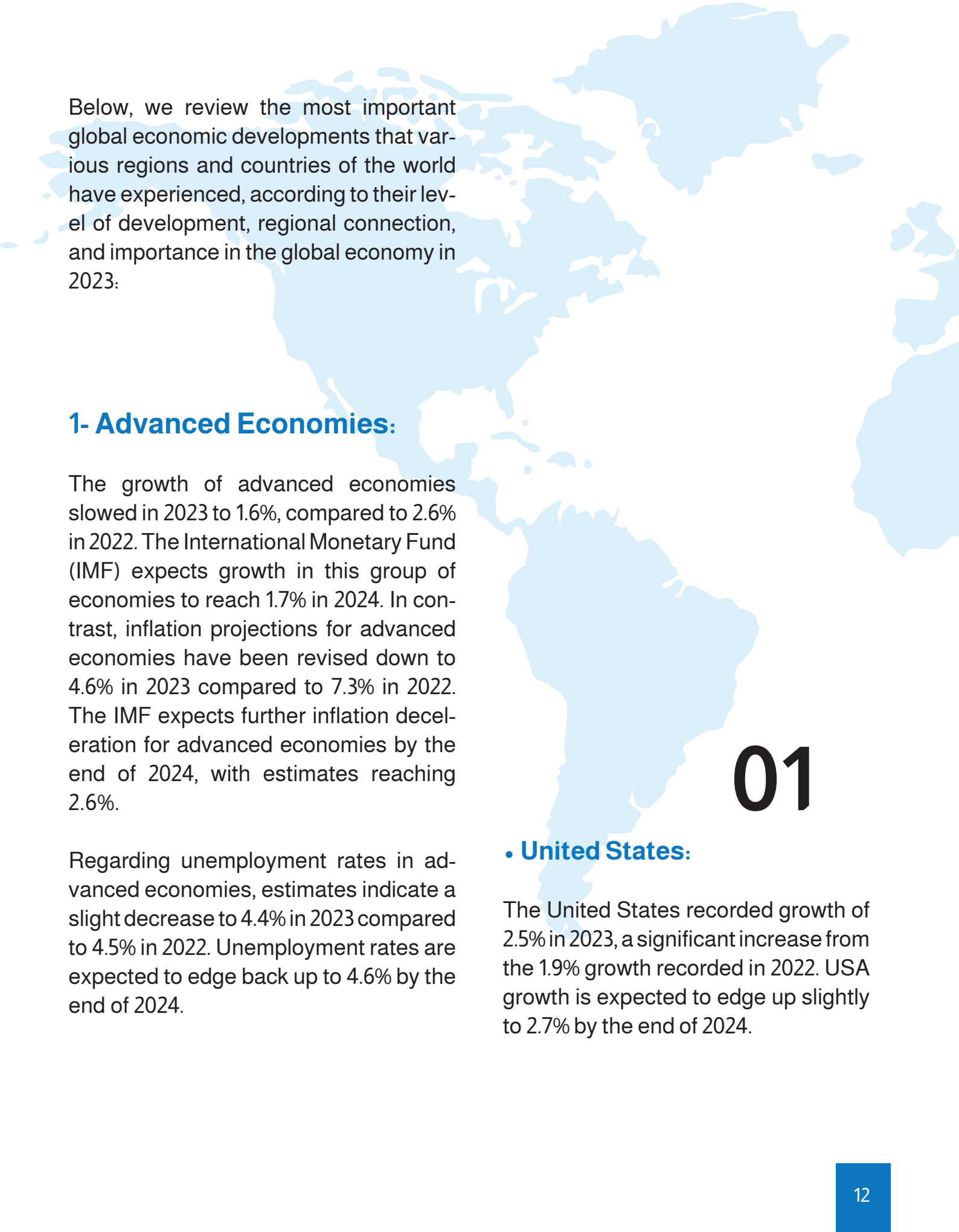
Table 1-2: Inflation rate (by to average consumer prices)

Inflation Rate (by average consumer prices)	Estimates		Projections	
Items	2022	2023	2024	
Global Economy	8.7%	6.8%	5.9%	
Advanced Economies	7.3%	4.6%	2.6%	
Emerging and Developing Economies	9.8%	8.3%	8.3%	
Middle East and North Africa	14.3%	16.0%	15.4%	
Low-Income Developing Countries	16.1%	18.1%	16.3%	

Source: World Economic Outlook – April 2023 IMF.

Chart 1-2: Inflation rate (by average consumer prices)





Below, we review the most important global economic developments that various regions and countries of the world have experienced, according to their level of development, regional connection, and importance in the global economy in 2023:

1- Advanced Economies:


The growth of advanced economies slowed in 2023 to 1.6%, compared to 2.6% in 2022. The International Monetary Fund (IMF) expects growth in this group of economies to reach 1.7% in 2024. In contrast, inflation projections for advanced economies have been revised down to 4.6% in 2023 compared to 7.3% in 2022. The IMF expects further inflation deceleration for advanced economies by the end of 2024, with estimates reaching 2.6%.

Regarding unemployment rates in advanced economies, estimates indicate a slight decrease to 4.4% in 2023 compared to 4.5% in 2022. Unemployment rates are expected to edge back up to 4.6% by the end of 2024.

• United States:

The United States recorded growth of 2.5% in 2023, a significant increase from the 1.9% growth recorded in 2022. USA growth is expected to edge up slightly to 2.7% by the end of 2024.

01



02

• Eurozone:

Despite experiencing a slowdown in growth in 2023, with an expansion of 0.4% compared to 3.4% in 2022, the International Monetary Fund (IMF) projects a modest rebound for the Eurozone, with growth reaching 0.8% by the end of 2024. This is attributed to an anticipated relative improvement in the performance of the German economy. Meanwhile, inflation rates in the Eurozone are estimated to have eased to 5.4% in 2023, down from 8.4% in the previous year. This downward trend is expected to continue, with inflation reaching 2.4% by the end of 2024.

As for the Eurozone unemployment rate, it edged down slightly to 6.5% in 2023, compared to 6.7% in the previous year. The IMF anticipates a modest uptick in the Eurozone unemployment rate to 6.6% by the end of 2024.

03

• Japan:

The Japanese economy exhibited moderate growth in 2023, expanding at a rate of 1.9%, compared to 1% in the previous year. However, projections indicate a slowdown in economic momentum, with growth anticipated to decelerate to 0.9% by the end of 2024. Inflationary pressures have emerged, with the IMF estimating an inflation rate of 3.3% in 2023, a significant increase from the negative 2.5% recorded in 2022. Despite this surge, inflation is projected to ease to 2.2% by the end of 2024. The unemployment rate remained stable at 2.6% in 2023, matching the figure from the previous year, and is expected to edge down slightly to 2.5% by the end of 2024.

2- Emerging and Developing Economies:

International Monetary Fund (IMF) estimates project growth in emerging and developing economies at 4.1%, 4.3%, and 4.2% for the years 2022, 2023, and 2024, respectively. Separately, inflation in emerging and developing economies is estimated to have reached 8.3% in 2023, with projections for it to remain at the same level by the end of 2024.

On the other hand, the Indian economy registered growth of 7.8% in 2023, compared to 7% growth in the previous year.

Regarding inflation rates, estimates indicate that emerging and developing economies in Asia recorded an average rate of 2.4% in 2023, compared to 3.9% in 2022. Inflation in emerging and developing economies is projected to remain stable at 2.4% by the end of 2024.

01

• Emerging and Developing Asia:

According to International Monetary Fund (IMF) estimates, emerging and developing economies in Asia recorded growth of 5.6% in 2023, compared to 4.4% growth in 2022. This growth in 2023 is largely attributed to the performance of the Chinese economy, which expanded by 5.2% in 2023. However, growth in the Chinese economy is expected to slow to 4.6% by the end of 2024 due to the ongoing impact of the Chinese real estate crisis, which is anticipated to intensify.

02

• Middle East and North Africa:

The economies of the Middle East and North Africa (MENA) region grew by 1.9% in 2023, compared to growth of 5.2% in the previous year. The slowdown in growth in 2023 was a natural result of the continued political and economic instability in countries such as Yemen, Libya, Lebanon, Syria, Sudan, and Iraq. This instability led to a deterioration of tourism and trade in these countries, as well as continued weakness in investment, oil production, and rising un-

employment rates. Investor confidence was also weak, competitiveness declined, and public finance deficits increased in many MENA countries. However, the International Monetary Fund (IMF) expects a relative improvement in MENA economic growth, reaching 2.7% by the end of 2024.

On the other hand, the inflation rate in the MENA economies in 2023 was 16%, compared to 14.3% in 2022. The inflation rate is expected to decline to 15.4% by the end of 2024.

• **United States:**

↑ **2.5%**
Growth

• **Eurozone:**

↓ **5.4%**
Inflation rate ↓ **0.4%**
Growth

• **Japan:**

↑ **3.3%**
Inflation rate ↑ **1.9%**
Growth

• **Emerging and
Developing
Asia:**

↓ **2.4%**
Inflation rate ↑ **5.6%**
Growth

• **Middle East
and North
Africa:**

↑ **16%**
Inflation rate ↓ **1.9%**
Growth

2- Local Economic Developments:

According to the International Monetary Fund's report «World Economic Outlook - April 2024», Real GDP contracted by 2% in 2023 compared to a growth of 1.5% in the previous year. Preliminary estimates indicate that real GDP is projected to contract by 1% by the end of 2024.

On the other hand, estimates showed that the general price level index recorded a decrease by 1.2% during 2023, compared to a rise of 29.5% in 2022. The inflation rate is expected to reach around 16.9% in 2024 (According to the preliminary estimates of the IMF).

According to the Food Security Technical Secretariat - Aden, the survey on the cost of full Survival Minimum Expenditure Basket ²(SMEB) reached YER 87,631 in 2023, compared to YER 86,144 in 2022, an increase of 1.7%.

Regarding developments in domestic liquidity and its components during 2023, broad money (M2) increased by YER 1,408.2 billion, or 13.6%, to reach YER 11,750.5 billion. The increase in 2023 came as a result of the rise in quasi-money by YER 1,009.4 billion or 16.9% and currency in circulation (M1) by YER 165.1 billion or 4.8%.

The ratio of currency in circulation to broad money in YER was 30.6% in 2023, while the ratio of demand deposits to broad money in YER was 10% in 2023. The ratio of quasi-money deposits (time, savings and earmarked deposits) to broad money in YER was 59.4% in 2023, and the ratio of foreign currency deposits to broad money was 49.5% in 2023.

As for developments in exchange rates, the average exchange rate of the USD against the Yemeni Rial was 1,364.71 YER/USD in 2023, compared to 1,119.96 YER/USD in 2022. It is noteworthy here that the depreciation rate of the exchange rate was 21.9% in 2023 compared to 8.4% in 2022. This is due to the great pressures facing the Yemeni economy due to the impact of a number of circumstantial and structural factors related to the decline in foreign currency reserves and a record rise in total demand to finance the essential and non-essential imports bill, in addition to the complete halt of oil export revenues, which are considered the main source of hard currency reserves, as a result of the Houthi terrorist threats to oil production and export facilities.

2) The cost of full Survival Minimum Expenditure Basket (SMEB) for an average family of (7) . The food basket consists of 75 kg of flour, 10 kg of red beans, 8 liters of imported vegetable oil, 2.5 kg of sugar, and 1 kg of iodized salt.

Regarding developments in public finances, public revenues decreased by YER 855.5 billion in 2023, by 41.6% to reach YER 1,199.4 billion, compared to an increase of YER 958 billion or 87.3% in 2022. It is noteworthy that the ratio of public revenues to GDP was 4.8% in 2023, compared to 7.8% in 2022. Public expenditures also increased in 2023 by YER 97.9 billion or 3.4% to reach YER 2,975.2 billion and its ratio to GDP was about 11.9% in 2023, compared to 11% in 2022.

While the overall balance of the general budget of the state in 2023 showed a cash deficit of YER 1,775.8 billion, representing 7.1% of GDP, compared to a cash deficit of YER 822.4 billion or 3.1% in 2022. It is noteworthy that the revenue coverage ratio for public expenditures in 2023 was 40.3%, compared to 71.4% in 2022.

With regards to the developments of domestic public debt since the decision to transfer the operations of the Central Bank of Yemen CBY to the temporary capital Aden in September 2016, it recorded a total value of about YER 6,229.5 billion in 2023, compared to YER 4,555.7 billion in 2022. Borrowing from the Central Bank in 2023 constituted the primary source of financing for domestic public debt, amounting to YER 5,813 billion, representing 93.3% of total

domestic public debt, while Islamic Sukuk constituted the second source with a total value of YER 253.5 billion, representing 4.1% of the total domestic public debt, followed by Treasury Bills and Certificates of Deposit constituted the third source with a value of YER 163 billion, representing 2.6% of total domestic public debt.

Regarding the developments in the external public debt, actual data indicates an increase in the International Development Association's IDA debt balance by USD 70.3 million, or 6.1%, at the end of 2023, reaching a total of USD 1,224.6 million. The increase in the debt balance for the International Development Association IDA during 2023 is mainly attributed to global changes regarding the valuation rate of Special Drawing Rights.

As for the developments in the external sector, preliminary data during 2023 showed an approximate Overall Balance of Payments deficit of USD 269 million, representing 1.5% of GDP in 2023. This deficit in the balance of payments is primarily due to a current account deficit of approximately USD 3,518 million, representing 19.1% of the GDP in 2023.

The Most Important Local Economic Developments In 2023



11,750.5

YER billion
Money supply
M2



87,631

YER
The Cost of
Food Basket



2%

Real GDP
Contraction



2,975.2

YER billion
public
expenditures
Increased



1,199.4

YER billion
public
revenues
decreased



1,378.19

YER
The Average
Exchange Rate



1,224.6

YER billion
The Debt Balance
for The International
Development
Association




269

Balance of
Payments



6,229.5

YER billion
Domestic Public
Debt



CHAPTER II:

MONEY AND CREDIT

1. CBY Balance Sheet:

The total balance sheet of the Yemeni Central Bank increased by YER 2,448.2 billion, or 26.8% to reach YER 11,597.2 billion in 2023 compared to an increase of YER 1,527.4 billion, or 20% in 2022.

Table 2-1: CBY Balance Sheet (YER billion)

Items	2022	2023
Foreign Assets	1,574.4	2,486.8
Domestic Assets	7,574.6	9,110.3
Government	6,625.5	8,127.8
Public Enterprises	309.5	309.5
Banks	0.0	0.0
Fixed and Other Assets	639.5	673.0
Assets = Liabilities	9,149.0	11,597.2
Base Money	4,688.6	4,919.1
Banknotes Issued	3,707.2	3,889.8
Banks	981.3	1,029.3
Government	352.4	329.1
Public Enterprises	104.9	128.0
Social Security Fund	58.7	58.7
Certificates of Deposit	0.0	0.0
Foreign Liabilities	3,266.9	5,575.9
Other Liabilities	677.5	586.4
Capital and Reserves	386.0	576.2
Revaluation Account	-1,458.7	-2,315.8
Special Drawing Rights	1,120.5	1,438.3
Other Liabilities	629.7	887.7

Source: CBY

Assets:

The net foreign assets of the Central Bank decreased by YER 1,396.6 billion, or 82.5% to record a negative value of YER 3,089.1 billion in 2023, compared to a decrease of YER 1,069.8 billion or 171.8% in 2022.

The decline in net foreign assets is mainly attributed to the repayment of installments and interests on external public debt, as well as the interventions conducted by the central bank through weekly FX auctions since November 2021. Additionally, there was an increase in external liabilities due to significant pressures on the local currency.

The net claims on the government increased by YER 1,525.5 billion, or 24.3% to reach YER 7,798.7 billion in 2023, compared to an increase of YER 799.4 billion or 14.6% in 2022. Meanwhile, the receivables from public enterprises remained unchanged, recording YER 309.5 billion in 2023.

Chart 2-1 Relative Importance of Assets 2022

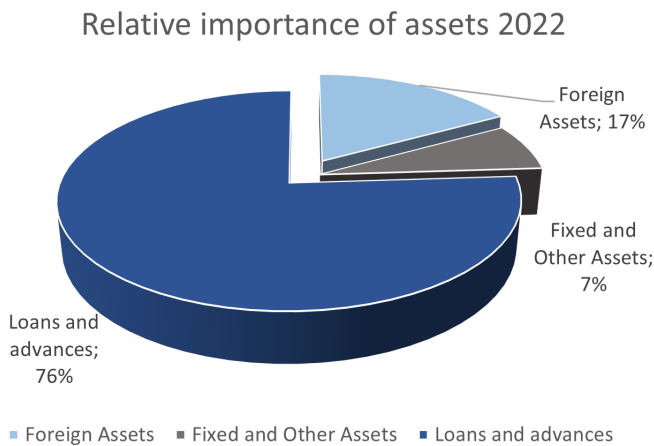
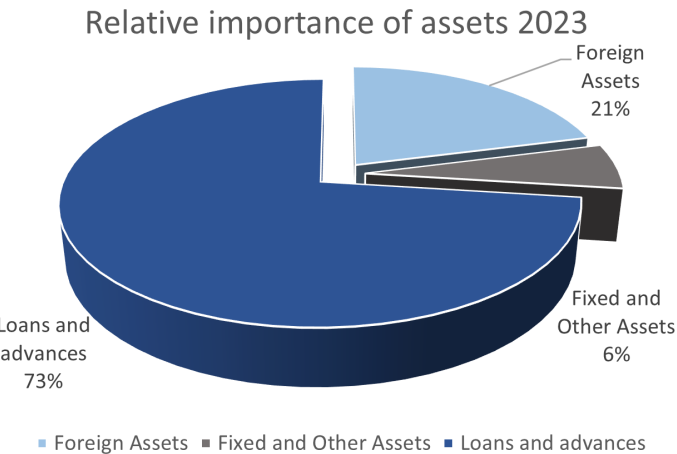


Chart 2-2 Relative Importance of Assets 2023



4,919.1	3,089.1	11,597.2
YER billion	YER billion	YER billion
Base Money	The net foreign assets	The total balance sheet

Liabilities:

The monetary base (currency outside banks + currency in banks› vaults + banks› balances at the central bank) increased by YER 230.5 billion or 4.9% to reach YER 4,919.1 billion in 2023, compared to an increase of YER 197.8 billion or 4.4% in 2022. The increase in 2023 is primarily attributed to a rise in the issuing currency by YER 182.5 billion or 4.9%, bank deposit balances by YER 48 billion or 4.9%, and public sector deposits by YER 23.1 billion or 22%, reaching YER 128 billion.

Deposits of social security funds remained unchanged since the transfer of Yemeni Central Bank operations to Aden, recording YER 58.7 billion at the end of 2022.

Other net items increased by YER 124.6 billion or 328.4% to reach YER 86.7 billion in 2023, compared to an increase of YER 511.2 billion or 93.1% in 2022.

Chart 2-3: Relative Weight of Liabilities 2022

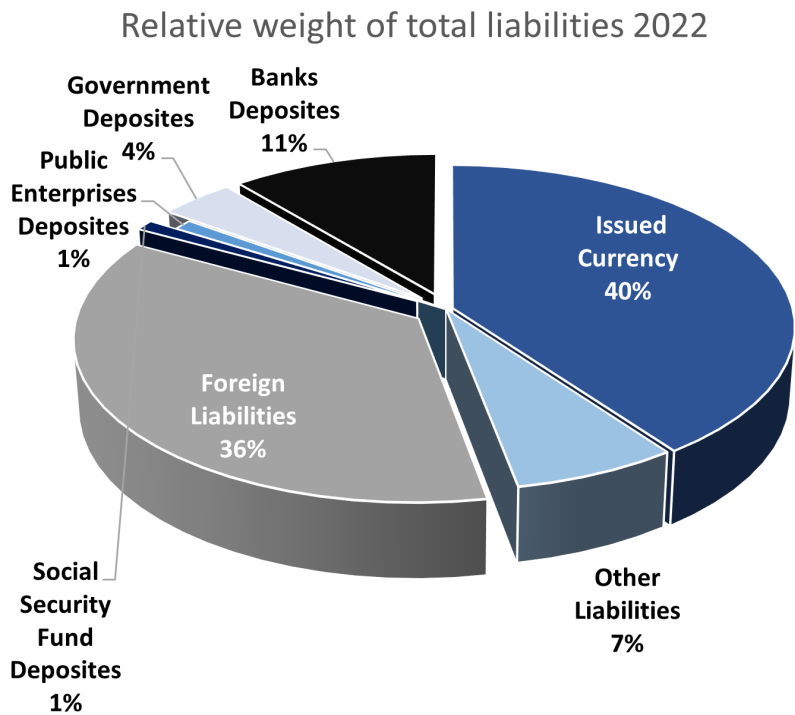
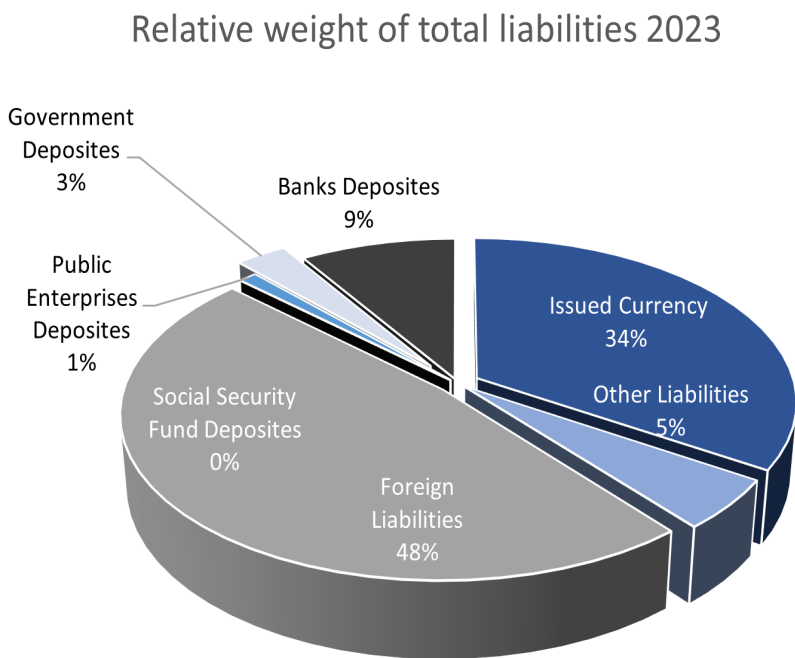


Chart 2-4: Relative Weight of Liabilities 2023



2. Consolidated Balance Sheets of Commercial and Islamic Banks:

The consolidated balance sheet of commercial and Islamic banks in 2023 showed an increase of YER 1,951 billion, or 22.2%, to reach YER 10,731.6 billion. This is mainly due to the adoption of the valuation of banks foreign positions at the market exchange rate since January 2023.

Assets:

Net foreign assets of commercial and Islamic banks increased by YER 459.4 billion or 17.5% to reach YER 3,078.1 billion in 2023. The increase in 2023 is mainly due to the increase in correspondent accounts by YER 218.1 billion or 20.4%, and foreign currency by YER 173.9 billion or 46.1%. Total foreign assets recorded an increase of YER 471 billion or 17.6% to reach YER 3,140 billion

Bank reserves (cash in vaults + balances at the central bank) increased by YER 359.7 billion or 17.8% in 2023 to reach YER 2,381.8 billion, compared to an increase of YER 117.2 billion or 14.3% in 2021. This in-

crease is mainly due to the increase in local currency in banks' vaults by YER 17.4 billion or 6.3%, and the increase in banks' balances at the central bank by YER 342.3 billion or 19.6%. In terms of the share of banks' reserves as a percentage of their total deposits, it experienced a slight decline from 29.3% in 2022 to 29.2% in 2023.

Loans and advances increased by YER 504.5 billion or 15.7% to reach YER 3,719.4 billion in 2023, driven by a rise in loans to the private sector by YER 377.4 billion or 29%, and a surge in loans to the government by YER 127.1 billion or 6.6%.

10,731.6

YER billion

**The consolidated balance
sheet of commercial and
Islamic banks**

Table 2-2: Consolidated Balance Sheets of Commercial and Islamic Banks (YER billion)

Items	2022	2023
Foreign assets	2,669.0	3,140.0
Foreign currency	373.1	547.0
Banks abroad	1,068.4	1,286.5
Nonresidents	0.0	0.0
Foreign investment	1,227.5	1,306.4
Reserves	2,022.1	2,381.8
Local currency in vaults	275.4	292.9
Deposits with the CBY	1,746.7	2,088.9
Gross loans and advances	3,214.8	2,264.8
Private sector	1,301.6	1,679.0
Public enterprises	0.0	0.0
Government	1,913.2	2,040.3
Certificates of deposit	0.0	0.0
Treasury bills purchased from the CBY (repos)	0.0	0.0
Other assets	874.6	1,490.4
Assets = Liabilities	8,780.5	10,731.6
Deposits	6,910.6	8,153.7
Demand	940.6	1,174.2
Time	914.0	651.4
Saving	339.7	449.4
Earmarked	66.2	60.0
Foreign currency	4,650.1	5,818.6
Government	0.0	0.0
Foreign liabilities	50.3	61.9
Banks abroad	50.3	61.9
Nonresidents	0.0	0.0
Other liabilities	1,819.7	2,516.1
Loans from the CBY	7.5	7.6
Capital and reserves	541.7	667.2
Diverse liabilities	1,270.4	1,841.2

Source: CBY

Chart 2-5: Relative Importance of Assets 2022

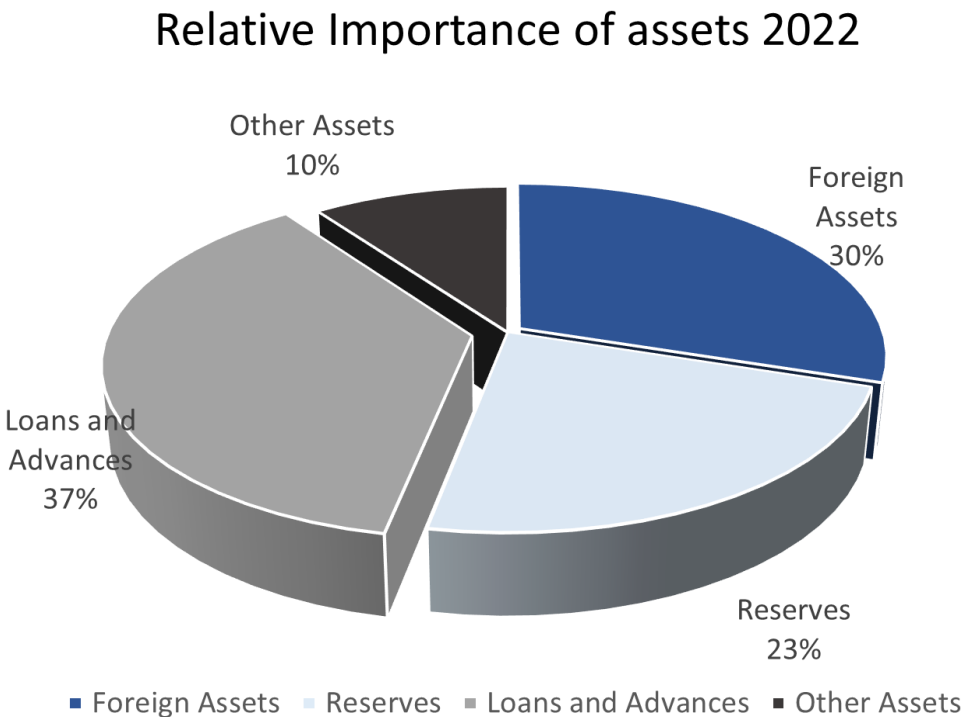
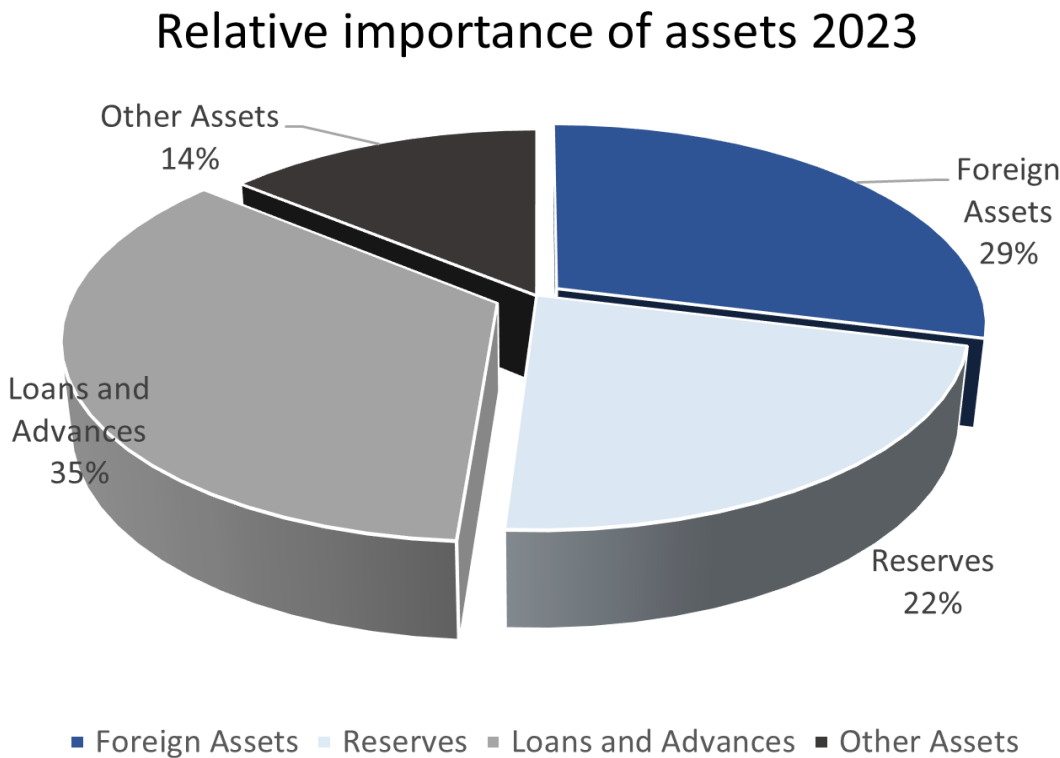


Chart 2-6: Relative Importance of Assets 2023



Liabilities:

Total deposits of commercial and Islamic banks in Yemen witnessed a remarkable growth of YER 1,243.1 billion or 18% in 2023, reaching YER 8,153.7 billion. This substantial rise can be attributed to the combined growth of demand deposits by 24.8% and savings deposits by 32.3%, while time deposits and earmarked deposits experienced declines of 28.7% and 9.4%, respectively, during the same period.

Other net liabilities also exhibited a significant upward trend, expanding by YER 80.5 billion or 8.5% to reach YER 1,025.7 billion in 2023. This growth is partially attributed to the substantial rise in capital and reserves of commercial and Islamic banks, which surged by YER 125.4 billion or 23.2% reaching YER 667.2 billion in 2023. This aligns with the directives issued by the Central Bank of Yemen at the beginning of 2023, mandating a 50% annual increase in the capital of microfinance banks over a two-year period. On the other hand, diverse liabilities also recorded a notable increase of YER 570.9 billion or 44.9%, reaching YER 1,841.2 billion in 2023.

Chart 2-7: Relative Weight of Liabilities 2022

RELATIVE WEIGHT OF LIABILITIES 2022

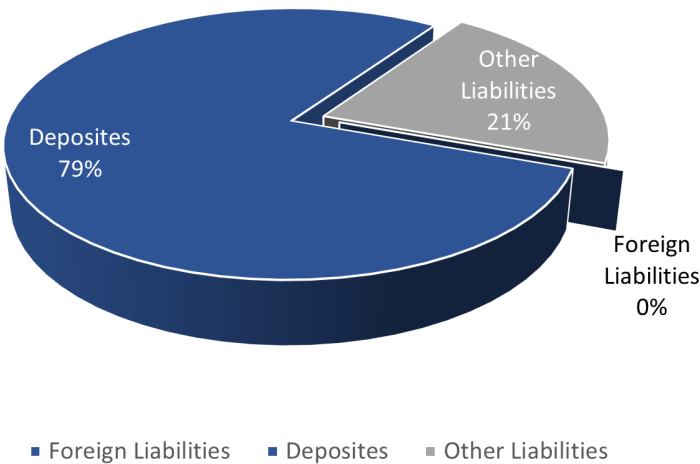
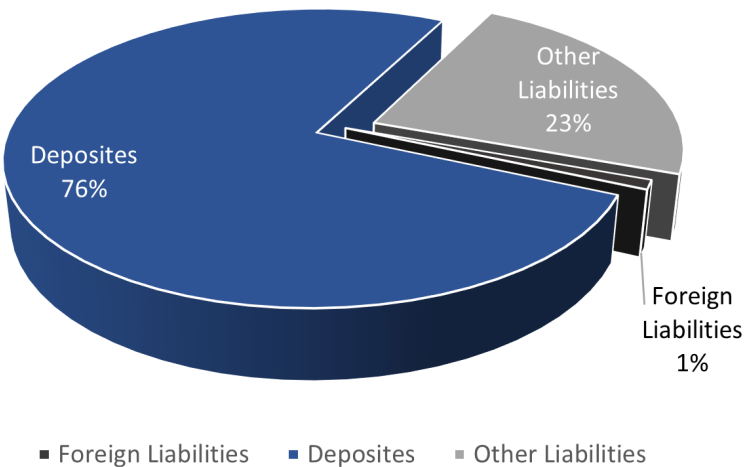


Chart 2-8: Relative Weight of Liabilities 2023

RELATIVE WEIGHT OF LIABILITIES 2023



Deposits Structure:

Demand deposits experienced a remarkable increase of YER 233.6 billion or 24.8% in 2023, reaching YER 1,174.2 billion. This substantial growth propelled demand deposits to constitute 14.4% of total deposits in 2023.

Savings deposits also exhibited a notable upward trend, expanding by YER 109.7 billion or 32.3% in 2023 to reach YER 449.4 billion. This growth positioned savings deposits to account for 5.5% of total deposits in 2023.

In contrast, time deposits experienced a decline of YER 262.5 billion or 28.7% in 2023, reaching YER 651.4 billion. This decline resulted in time deposits constituting 8% of total deposits for 2023.

Earmarked deposits also registered a downward trend, falling by YER 6.2 billion or 9.4% in 2023. This decline positioned earmarked deposits to account for a mere 0.7% of total deposits in 2023.

Foreign currency deposits witnessed a substantial growth of YER 1,168.5 billion or 25.1% in 2023, reaching YER 5,818.6

billion. Foreign currency deposits constitute 71.4% of total deposits in 2023. On the other hand, domestic currency deposits maintained a share of 28.6% of total deposits in 2023.

Credit Facilities:

The total facilities granted to the private sector provided by banks operating for various economic sectors increased by YER 377.4 billion, or by 29% in 2023, to reach YER 1,679 billion.

1,679
YER billion
Credit Facilities

3,078.1
YER billion
Net Foreign Assets

8,153.7
YER billion
Banks Deposits

3. Money Supply:

Money supply (M2) witnessed a remarkable growth of YER 1,408.2 billion or 13.6% in 2023, reaching YER 11,750.5 billion. This increase comes as a result of the expansionary effect resulting from the credit granted to the government in financing the state's general budget, amounting to YER 1,652.7 billion or 20.2%, and the credit granted to non-governmental sectors increased by YER 354.3 billion or 24.5%, and the other net items increased by YER 338.5 billion or 155.4%.

Net foreign assets of the banking system experienced a significant decline of YER 937.2 billion, representing a 101.2% decrease, during the year 2023. The bulk of this decline was attributable to the central bank, whose net foreign assets diminished by YER 3,089.1 billion. In contrast, commercial and Islamic banks witnessed an increase in their net foreign assets of YER 3,078.1 billion.

The examination of domestic liquidity developments in 2023, based on its components, reveals an overall increase. Money supply (M1) ex-

panded by YER 398.7 billion or 9.1%, to reach YER 4,771.1 billion. Quasi-money, on the other hand, witnessed an increase of YER 1,009.4 billion or 16.9%, to stand at YER 6,979.4 billion.

The rise in money supply (M1) in 2023 can be attributed to the combined growth of currency in circulation and demand deposits, which increased by 4.8% and 24.8%, respectively. The expansion of quasi-money in 2023 was driven by the growth of both savings deposits and foreign currency deposits, which witnessed increases of 32.3% and 25.1%, respectively. All in all, this evolution is in line with the quantitative targets set in the annual monetary plan for 2023.

Chart 2-9: Money Supply.

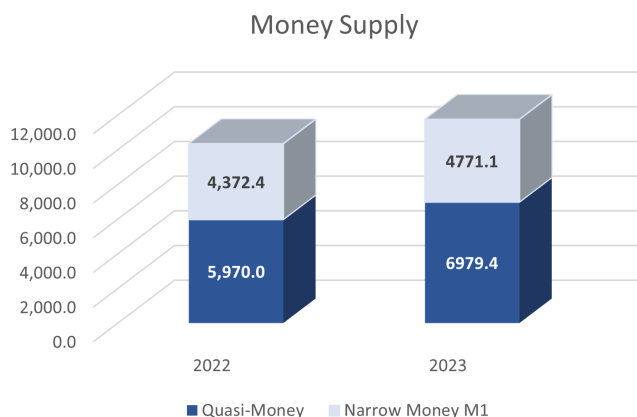


Table 2-3: Monetary Survey

ITEMS	2022*	2023*
Broad money (M2), billion Rials	10,342.4	11,750.5
Broad money, annual % change	-	13.6
Quasi-money, billion Rials	5,970.0	6,979.4
Quasi-money, annual % change	-	16.9
Quasi-money/broad money, %	57.7	59.4
Foreign currency deposits, billion Rials	4,650.1	5,818.6
Foreign currency deposits, annual % change	-	25.1
Foreign currency deposits, as % of total deposits	67.3	71.4
Narrow money (M1), billion Rials	4,372.4	4,771.1
Narrow money, annual % change	-	9.1
Narrow money, as % of broad money	42.3	40.6
Demand deposits, billion Rials	940.6	1,174.2
Demand deposits, annual % change	-	5.3
Demand deposits, as % of broad money	9.1	10.0
Currency in circulation, billion Rials	3,431.8	3,596.9
Currency in circulation, as % of broad money	33.2	30.6
Net Foreign Assets	926.2	-11.0
Net Domestic Assets	9,416.2	11,761.5
Government	8,186.4	9,839.0
Non-Government	1,447.5	1,801.8
Other (Net)	-217.7	-120.7

* Effective January 2023, financial positions are valued at market prices.

4. Exchange Rate and Monetary Policy Developments:

1. Exchange Rates:

The average exchange rate of the US dollar to the Yemeni rial in 2023 reached 1,378.19 YER/USD, compared to 1,119.14 YER/USD in 2022. This significant depreciation of the rial against the US dollar can be primarily attributed to the immense pressures faced by the Yemeni economy due to a combination of circumstantial and structural factors. These factors include the decline in foreign currency reserves resulting from the complete halt of oil exports, caused by the Houthi militia's terrorist threats to production and export facilities.

2. Monetary Policy Developments:

Despite the challenging circumstances confronting the national economy due to the ongoing war, the Central Bank persevered in implementing measures related to its monetary policy with the aim of consolidating its role in maintaining overall price levels and exchange rate stability. Among the most noteworthy measures adopted were:

1. A decision to abstain from financing the general budget deficit of the state using inflationary sources.
2. Issuing Islamic bonds.
3. Completing arrangements for issuing government bonds (with guaranteed value) through the Refinitiv platform.
4. Unifying interest rates on local debt.
5. Activating mandatory reserves on banks (especially those with significant positions in the temporary capital, Aden).
6. Unifying exchange rates to mirror actual market rates as per the recommendations of the International Monetary Fund regarding:
 - The exchange rate of the state's general budget.
 - Currency selling prices through auctions.
 - The financial centers' evaluation rate for banks.

Activating a series of measures and reforms aimed at restoring stability in the foreign currency market. These measures include conducting weekly auctions for foreign currencies, starting in November 2021 via the (Refinitiv) electronic platform, to ensure transparency and competitiveness in line with the principles and standards of the free market. As a result, the total offers submitted by the Central Bank from the start of the auctions amounted to USD 2,685 million. While the total value of bids was USD 1,814.6 million, the value of these bids represented 67.6% of the total value of bids. While the allocated amounts amounted to about USD 1,716.2 million.

The Central Bank effectively absorbed YER 2,076.7 billion, representing 44.5% of the growth in the monetary base, by the end of 2023. This achievement marks a significant step towards effective liquidity management utilizing market-based monetary policy tools.



CHAPTER III: PUBLIC FINANCE

The general budget data for the state in 2023 indicates a cash deficit of YER 1,775.8 billion, equivalent to 7.1% of the Gross Domestic Product (GDP) compared to a cash deficit of YER 822.4 billion, which was 3.1% of the GDP in 2022.

I. Public Revenues:

The state's public revenues decreased in 2023 by YER 855.5 billion, or 41.6%, to reach YER 1,199.4 billion, compared to an increase of YER 958 billion, or 87.3%, amounting to YER 2,054.9 billion in 2022. The substantial decline in public revenues during 2023 was primarily attributed to a significant drop in oil revenues reaching YER 1,069.7 billion, or 96.5%, compared to the YER 710.7 billion increase, or 178.8% in 2022. Non-oil revenues also experienced a decline in 2023, reaching YER 137.3 billion, or 14.5%, compared to YER 247.2 billion increase, or 35.3% growth rate in 2022. It is noteworthy that the ratio of public revenues to GDP stood at approximately 4.8% in 2023, compared to 7.8% in the previous year.

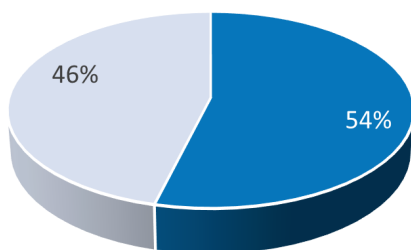
Table 3-1: Public Revenues (YER billion)

Items	2022	2023
Total revenues and grants	2,054.9	1,199.4
Oil revenues	1,108.2	38.5
Non-oil revenues	946.6	809.3
Tax revenues	818.5	721.5
Non-Tax Revenues	128.1	87.8
Grants	0.0	351.6

Source: Preliminary actual data – CBY.

Chart 3-1 Structure of 2022's Public Revenues

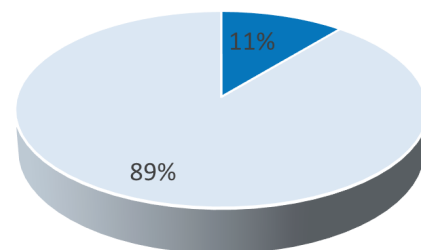
Proportional Distribution of Public Revenues 2022



■ Oil Revenues ■ Non-Oil Revenues

Chart 3-2: Structure of 2023's Public Revenues

Proportional Distribution of Public Revenues 2023



■ Oil Revenues ■ Non-Oil Revenues

1. Oil Revenues:

Oil revenues in 2023 witnessed a substantial decline of YER 1,069.7 billion, representing a 96.5% decrease, and reaching YER 38.5 billion, compared with YER 710.7 billion increase, or 178.8% growth rate recorded in 2022.

The contribution of oil revenues to total public revenues plummeted from 53.9% in 2022 to a mere 3.2% in 2023. Furthermore, the share of oil revenues in GDP diminished to 0.2% in 2023, compared to 4.2% in the preceding year.

2. Non-Oil Revenues:

Non-oil revenues encompass:

Tax revenues (general taxes and customs duties)

Non-tax revenues (diverse duties and domestic gas sales).

Non-oil revenues in 2023 witnessed a decline of YER 137.3 billion, representing a 14.5% decrease, reaching YER 809.3 billion, compared with the YER 247.2 billion increase and 35.3% growth rate observed in the previous year. Non-oil revenues' share of total public revenues increased from 46.1% in 2022 to 67.5% in 2023. Their contribution to GDP stood at 3.2% in 2023, compared to 3.6% in 2022.

• Tax Revenues:

Tax revenues (including customs duties) in 2023 experienced a decrease of YER 97 billion, representing a 11.9% decline, and settling at YER 721.5 billion. Compared the YER 238.1 billion increase and 41% growth rate observed in 2022. Notably, the share of tax revenues in total public revenues increased from 39.8% in 2022 to 60.2% in 2023. The ratio of tax revenues to GDP stood at approximately 2.9% in 2023, compared to 3.1% in the previous year.

• Non-Tax Revenues:

Non-tax revenues (diverse duties and domestic gas sales) experienced a significant decline of YER 40.3 billion, or 31.5% in 2023, reaching YER 87.8 billion, compared to an increase of YER 9.1 billion, or 7.7% in 2022. Additionally, the share of non-tax revenues in total public revenues diminished from 6.2% in 2022 to 7.3% in 2023. Their contribution to GDP also decreased from 0.5% in 2022 to 0.4% in 2023.

II. Public Expenditures:

Public expenditures in 2023 witnessed an increase of YER 97.9 billion, or 3.4%, reaching YER 2,975.2 billion. This compares to an increase of YER 1,360.3 billion, or 89.7% in 2022. Consequently, the ratio of public expenditures to GDP stood at 11.9% in 2023, compared to 11% in 2022.

1. Current Expenditures:

Current expenditures in 2023 increased by YER 117.4 billion, or 4.2%, reaching YER 2,942.5 billion compared to an increase of YER 1,337.8 billion, or 89.9% in 2022. Their share of total public expenditures also rose from 98.2% in 2022, to 98.9% in 2023. Their ratio to GDP stood at 11.8% in 2023, compared to approximately 10.8% in the previous year.

The rise in current expenditures in 2023 was primarily attributed to the following:

- An increase in subsidies and social benefits expenditures by YER 208.2 billion, or 20.8% in 2023, compared to an increase of YER 700.3 billion, or 231.9% in 2022.
- An increase in interest payments by YER 440.6 billion, or 389.9%, in 2023, compared to an increase of YER 63.8 billion, or 130.1% in 2022.
- An increase in other expenses by YER 6.8 billion, or 17.4%, in 2023, compared to an increase of YER 2.7 billion, or 7.5% in 2022.

However, the following expenditures decreased in:

- Wages and salaries expenditures decreased by YER 75.9 billion, or 8.9%, compared to an increase of YER 301.3 billion, or 54.3% in 2022.
- Purchases of goods and services expenditures decreased by YER 462.3 billion, or 56.8%, in 2023, compared to an increase of YER 269.5 billion, or 49.5% in 2022.

Table 3-2: Public Expenditures (YER billion)

ITEMS	2022	2023
Total public expenditures	2,877.3	2,975.2
Current expenditures:	2,825.1	2,942.5
Wages and salaries	856.2	780.3
Goods and services	814.6	352.3
Interest payments	113.0	553.6
Subsidies and social benefits	1,002.3	1,210.5
Other expenditures	39.0	45.8
Capital expenditures	52.2	32.6

Source: Preliminary actual data – CBY.

2.Capital Expenditures:

Capital development expenditures in 2023 witnessed a decline of YER 19.6 billion, or 37.5%, to reach YER 32.6 billion. Compared with YER 22.5 billion increase, or 75.5%, in 2022. The share of capital development expenditures in total public expenditures declined from 1.8% in 2022 to 1.1% in 2023. As a percentage of GDP, capital development expenditures stood at approximately 0.1% in 2023, compared to 0.2% in the previous year.

III. Overall Balance:

The overall balance of the state's general budget in 2023 showed a cash deficit of YER 1,775.8 billion, compared to a cash deficit of YER 822.4 billion in 2022. It is noteworthy that the revenue coverage ratio for general expenditures declined to 40.3% in 2023, compared to 71.4% in 2022.

Table 3-3: Overall Balance (YER billion)

ITEMS	2022	2023
Total public revenues	2,054.9	1,199.4
Grants	0.0	351.6
Total public expenditures	2,877.3	2,975.2
Overall balance	-822.4	-1,775.8

Source: Preliminary actual data – CBY.

IV. Public Domestic Debt:

Amidst the persistent decline in public resources relative to public expenditure, domestic public debt has been on an upward trajectory since the decision to relocate the operations of the Central Bank of Yemen to the temporary capital, Aden, in September 2016. In 2023, domestic public debt reached a staggering YER 6,229.5 billion, representing an increase of YER 1,673.8 billion, or 36.7%, compared to YER 4,555.7 billion in the previous year.

Direct borrowing from the Central Bank remained the primary source of financing for domestic public debt, amounting to YER 5,813 billion in 2023 compared to YER 4,309.7 billion in 2022. Consequently, its share of total domestic public debt decreased from 94.6% in 2022 to 93.3% in 2023. Islamic Sukuk constituted the second source of domestic public debt, reaching YER 253.5 billion in 2023, compared to YER 113.7 billion in 2022. Thus, its share of the total internal public debt will increase from 2.5% in 2022 to 4.1% in 2023. Treasury bills and certificates of deposit constituted the third source of domestic public debt, valued at YER 163 billion in 2023, compared to YER 132.3 billion in 2022. Their share of total domestic public debt, however, experienced a slight decline from 2.9% in 2022 to 2.6% in 2023.

Table 3-4: Public Domestic Debt (YER billion)

ITEMS	2022	2023
CBY financing of the government (overdraft)	4,309.7	5,813.0
Commercial and Islamic bank financing of the government:	246.0	416.5
- Treasury bills and certificates of deposit	132.3	163.0
- Islamic Sukuk	113.7	253.5
Internal public debt	4,555.7	6,229.5

Source: Preliminary actual data – CBY.

V. Public External Debt:

The outstanding balance of the International Development Association (IDA) debt recorded an increase of USD 70.3 million, or 6.1%, at the end of 2023 to reach USD 1,224.6 million, compared to a decrease of USD 213.9 million, or 15.6%, in the previous year.

The increase in the outstanding IDA debt in 2023 is mainly due to global changes in the SDR valuation rate.



CHAPTER IV: EXTERNAL SECTOR

Balance of Payment:

Political and security conditions in the country during 2023 played a fundamental role in the performance of the national economy in general and the external sector in particular, which in turn reflected on the balance of payments and its components.

Yemen's transactions with the outside world during 2023 showed an overall balance of payments total surplus of USD 269 million, compared to a total deficit of USD 437 million in 2022. This represents a percentage of GDP of around 1.5% in 2023 compared to 1.9% in 2022. The surplus in the overall balance of payments in 2023 is mainly due to the improvement of the capital and financial account, which amounted to USD 907 million in 2023, compared to USD 208 million in 2022. This represented 4.9% of GDP in 2023, compared to 0.9% in 2022. It can be noted here that the improvement of the capital and financial account during 2023 is mainly due to the increase in the net financial inflows.

The following is a detailed overview of the main indicators and items of the balance of payments:

I. Current Account:

The current account, which encompasses «transactions related to goods and services, income, and current transfers,» recorded a deficit of USD 3,518 million in 2023, equivalent to 19.1% of GDP. This represents an improvement compared to the deficit of USD 4,186 million and 17.8% of GDP in 2022. The current account deficit is projected to increase by approximately USD 490 million to USD 4,008 million by the end of 2024. The deficit-to-GDP ratio is expected to reach 18% in 2024.

1. Trade Balance:

The trade balance in 2023 experienced an increase of 194 million USD, or 1.5%, reaching USD 12,583 million. Compared to a decrease of USD 1,268 million, or 11% in 2022. The trade balance deficit as a percentage of GDP stood at approximately 68.3% in 2023, compared to 54.3% in 2022. Projections for 2024 indicate an anticipated decrease in the trade balance deficit of USD 806 million, representing a 6.4% increase, resulting in a projected deficit of USD 13,389 million. Additionally, the trade

balance deficit as a percentage of GDP is expected to reach 79% by the end of 2024.

a.Exports:

Total export value plummeted by USD 985 million, or 44%, in 2023, reaching USD 1,256 million, compared to a decline of USD 293 million, or 11.6%, in 2022. As a percentage of GDP, exports accounted for 6.8% in 2023, down from 9.5% in 2022.

Projections for 2024 indicate the exports-to-GDP ration is expected to reach 7.6%.

- **Exports of Crude Oil and Gas:** Crude oil and gas exports have ceased entirely since October 2022 due to threats posed by the Houthis terrorist militia to production and export facilities.

- **Other Exports:** The value of non-oil exports surged by USD 5.3 million, or 0.4% in 2023, reaching a total of USD 1,256 million, compared to a decline of USD 289.3, or 18.8% in 2022. Non-oil exports' share of total goods and services exports also increased from 55.8% in 2022 to 100% in 2023. The contribution of non-oil exports to GDP rose from 5.3% in 2022 to 6.8%

in 2023. Non-oil exports are projected to continue their upward trajectory in 2024, with an anticipated increase of USD 23 million or 1.8%, reaching a total value of USD 1,279 million. Their share of GDP is also expected to climb to 7.6% by the end of 2024.

Chart 4-1: Exports of Goods and services 2022

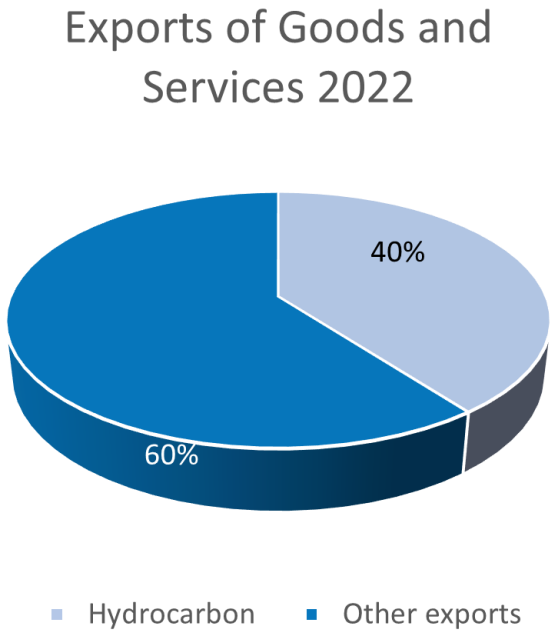
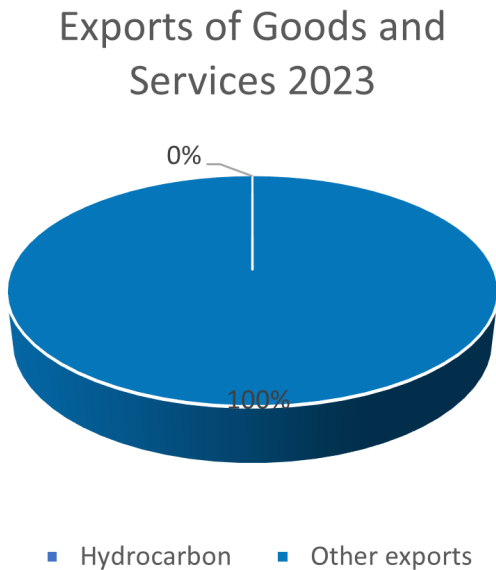


Chart 4-2: Exports of goods and services 2023



b. Imports:

Total import value decreased by USD 1,179 million, or 7.9% in 2023 to reach USD 13,839 million, compared to an increase of USD 975 million or 6.9% in 2022. Imports accounted for approximately 75.1% of GDP in 2023, compared to 63.8% in the previous year. Import value is projected to increase by USD 829 million or 5.99% to reach around USD 16,668 million by the end of 2024. The share of imports-to-GDP is expected to reach 86.6% by the end of 2024.

- **Imports of petroleum products:**

Imports of petroleum derivatives declined by USD 836 million or 22.2% in 2023 to reach USD 2,930 million, compared to an increase of USD 942 million or 33.4% in 2022. Their share of total goods imports also decreased from 25.1% in 2022 to 21.2% in 2023 and accounted for 15.9% of GDP in 2023, compared to 16% in 2022. The value of petroleum derivatives imports is projected to increase by USD 6 million or 0.2% to USD 2,936 million in 2024. Their share of GDP is projected to reach 17.3% in 2024.

- **Imports of essential goods:**

The value of essential food imports declined by USD 198 million, or 4%, to reach USD 4,802 million in 2023. This compares to an increase of USD 1,140 million and a

29.5% growth rate in 2022. The share of essential goods imports in total goods and services imports also rose from 33.3% in 2022 to 34.7% in 2023. As a proportion of GDP, essential goods imports reached approximately 26.1% in 2023, compared to 21.2% in 2022.

Essential goods imports are projected to surge by USD 932 million or 19.4% in 2024, reaching approximately USD 5,734 million. Their share of GDP is expected to stand at 33.8% in 2024.

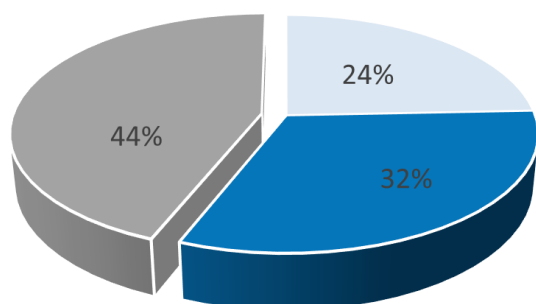
- **Other imports:**

The value of other imports declined by USD 145 million, or 2.3%, reaching USD 6,107 million in 2023, compared to a decline of USD 1,107 million, or 15%, in 2022. Despite this decline, the share of other imports in total imports of goods and services increased from 41.6% in 2022 to approximately 44.1% in 2023. The ratio of other imports to GDP reached 33.1% in 2023, compared to 26.6% in 2022.

It is projected that the other imports declining will continue during 2024, this time by 2% or USD 109 million, to reach USD 5,998 million (35.4% of the GDP).

Chart 4-3: Imports of goods and services
2022

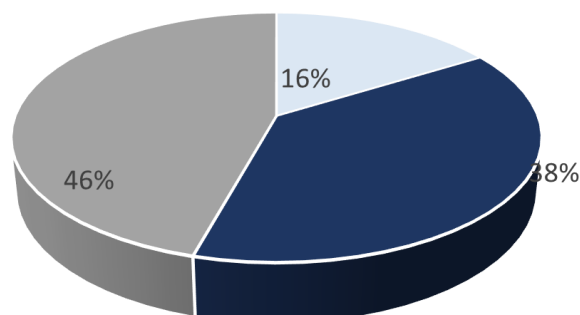
Imports of Goods and Services 2022



■ Hydrocarbon ■ Food ■ Other imports

Chart 4-4: Imports of goods and services
2023

Imports of Goods and Services 2023



■ Hydrocarbon ■ Food ■ Other imports

Balance of Income and Transfers (Net):

The net income and transfers balance surged by USD 474 million, representing a 5.5% increase, to reach USD 9,065 million in 2023. This compares to the USD 169 million decrease, or 1.9%, recorded in 2022. As a proportion of GDP, the net income and transfers balance stood at 49.2% in 2023, up from 36.5% in the previous year.

The primary driver behind the improvement in the net income and transfers balance in 2023 was the USD 296 million, or 3.4%, enhancement in the transfers balance. The income balance increased by USD 178 million, or 121%. This surge in the transfers balance

can be attributed to the rise in both remittances and withdrawals from donor grants by USD 25 million and USD 271 million, or 0.4% and 9.9%, respectively.

Projections for the end of 2024 indicate a further USD 316 million, or 3.5%, increase in the net income and transfers balance, bringing it to USD 9,381 million. The share of net income and transfers balance to GDP is expected to decline by 55.4% at 2024.

II. Capital and financial account:

The capital and financial account recorded a surplus of USD 907 million, representing 4.9% of GDP in 2023, compared to a surplus of USD 208 million, or 0.9% of GDP in 2022. The net capital and financial account is projected to decrease significantly by USD 1 billion, or 110.3% to reach around USD 93 million (0.5% of the GDP) by the end of 2024.

907 million in 2023, compared to USD 208 million in 2022. This represented 4.9% of GDP in 2023, compared to 0.9% in 2022. It can be noted here that the improvement of the capital and financial account during 2023 is mainly due to the increase in the net financial inflows.

III. Overall Balance:

The overall balance registered a surplus of USD 269 million in 2023, or 1.5% of GDP, compared to a deficit of USD 437 million, or 1.9% of GDP in 2022. The surplus in the overall balance of payments in 2023 is mainly due to the improvement of the capital and financial account, which amounted to USD

Table 4-1: Balance of Payment (USD million)

ITEMS	2022	2023
Exports of goods and services	2,241	1,256
Crude oil exports	990.3	0.0
Other exports	1,250.7	1,256
Imports of goods and services	15,018	13,839
Petroleum products	3,766	2,930
Food	5,000	4,802
Other imports	6,252	6,107
Balance of goods and services	-12,777	-12,583
Balance on Hydrocarbon Trade	-2,775	-2,930
Balance of incomes and transfers	8,591	9,065
Incomes	-147	31
Transfers	8,738	9,034
Remittances	6,000	6,025
Donor financing	2,738	3,009
Current account	-4,186	-3,518
Capital and financial account net	208	907
Capital inflows net	0	0
Financial inflows net	208	907
Errors and omissions	3,541	2,880
Overall balance	-437	269

Source: CBY and IMF.



STATISTICAL TABLES

Monetary survey					
(In Millions of Rials)					
Items	2019	2020	2021	2022*	2023*
Broad money (M2)	6,080,891.7	6,819,972.5	7,290,996.3	10,342,374.0	11,750,536.7
Broad money, annual change	7.3	12.2	6.9	-	13.6
Quasi-money	2,635,591.8	2,738,745.4	2,765,956.2	5,969,977.6	6,979,415.9
Quasi-money, annual change	5.8	3.9	1.0	-	16.9
Quasi-money to broad money	43.3	40.2	37.9	57.7	59.4
Foreign currency deposits	1,450,343.0	1,511,900.9	1,568,901.9	4,650,061.0	5,818,560.0
Foreign currency deposits, annual change	5.9	4.2	3.8	-	25.1
Foreign currency deposits to total deposits	44.6	43.0	42.9	67.3	71.4
Narrow money (M1)	3,445,299.9	4,081,227.1	4,525,040.1	4,372,396.4	4,771,120.7
Narrow money, annual change	8.4	18.5	10.9	-	9.1
Narrow money (M1) to broad money M2	56.7	59.8	62.1	42.3	40.6
Demand deposits	653,883.4	850,901.0	910,502.6	940,586.3	1,174,235.3
Demand deposits, annual change	11.9	30.1	7.0	-	24.8
Demand deposits to broad money (M2)	10.8	12.5	12.5	9.1	10.0
Currency in circulation	2,757,195.1	3,185,009.0	3,568,838.6	3,431,810.1	3,596,885.4
Currency in circulation to broad money (M2)	45.3	46.7	48.9	33.2	30.6

*Monetary Survey (YER million)

* Based on market exchange rates.

Central bank survey					
(In Millions of Rials)					
Items	2019	2020	2021	2022	2023
Monetary base	3,484,670.1	3,948,176.2	4,490,707.4	4,688,551.2	4,919,057.9
Monetary base, annual change	11.5	13.3	13.7	4.4	4.9
Currency issued	2,890,455.7	3,327,532.1	3,802,733.5	3,707,249.2	3,889,751.8
Currency issued, annual change	12.4	15.1	14.3	-2.5	4.9
Banks reserves held at the CBY	594,214.4	620,644.1	687,973.8	981,302.0	1,029,306.1
Banks reserves held at the CBY, annual change	7.2	4.4	10.8	42.6	4.9
Net foreign assets	-603,535.4	-918,196.4	-622,750.1	-1,692,511.4	-3,089,066.5
Net foreign assets, annual change	514.0	52.1	-32.2	171.8	82.5
Net claims on government	4,201,761.6	4,969,165.9	5,473,704.4	6,273,134.4	7,798,676.8
Net claims on government, annual change	19.6	18.3	10.2	14.6	24.3
Velocity (GDP/M2)	2.1	2.2	2.7	2.5	2.1
Money multiplier (M2/Monetary base)	1.7	1.7	1.6	2.2	2.4

Balance Sheet Central Bank Of Yemen					
(In Millions of Rials)					
Items	2019	2020*	2021*	2022**	2023**
Assets	6,558,763.0	6,817,542.3	7,621,546.4	9,148,986.2	11,597,154.6
Foreign Assets	628,377.4	387,837.4	684,001.7	1,574,392.0	2,486,849.6
Loans & Advances	4,841,837.8	5,708,398.8	6,125,867.8	6,935,045.1	8,437,266.9
Government	4,532,337.1	5,398,898.1	5,816,367.1	6,625,544.4	8,127,766.2
Public Enterprises	309,500.7	309,500.7	309,500.7	309,500.7	309,500.7
Banks	0.0	0.0	0.0	0.0	0.0
Fixed & Other Assets	1,088,547.8	721,306.1	811,677.0	639,549.1	673,038.1
Exchange Valuation	0.0	0.0	0.0	0.0	0.0
Liabilities	6,558,763.0	6,817,542.3	7,621,546.3	9,148,986.2	11,597,154.6
Banknotes Issued	2,890,455.7	3,327,532.1	3,802,733.5	3,707,249.2	3,889,751.8
Sight Liabilities	1,031,954.2	1,169,369.0	1,151,205.1	1,497,334.2	1,545,124.9
Government	330,575.5	429,732.2	342,662.7	352,410.0	329,089.5
Social Security Fund	58,688.5	58,688.5	58,688.5	58,688.5	58,688.5
Public Enterprises	48,475.8	60,304.2	61,880.1	104,933.6	128,040.8
Demand Deposits	34,221.4	45,317.2	45,698.9	59,018.5	71,896.3
Time Deposits	0.0	0.0	0.0	0.0	0.0
Foreign Currency	14,254.4	14,987.0	16,181.3	45,915.1	56,144.6
Banks	594,214.4	620,644.1	687,973.8	981,302.0	1,029,306.1
Certificates of Deposits	0.0	0.0	0.0	0.0	0.0
Treasury Bills sold to Banks (repos)	0.0	0.0	0.0	0.0	0.0
Foreign Liabilities	1,231,912.9	1,306,033.8	1,306,751.8	3,266,903.4	5,575,916.1
Other Liabilities	1,404,440.3	1,014,607.5	1,360,855.9	677,499.5	586,361.8
Capital & Reserves	517,489.2	150,248.0	261,915.0	386,018.8	576,175.5
Revaluation Account	171,501.1	216,197.1	174,999.2	-1,458,715.6	-2,315,833.1
SDR's	125,687.8	130,348.7	392,317.4	1,120,527.3	1,438,301.3
Other Liabilities	589,762.2	517,813.6	531,624.3	629,669.1	887,718.1

*Table 3: CBY Balance Sheet (YER million)

* Revision of Central Bank Data since December 2020.

** Based on market exchange rates.

Source: CBY.

Consolidated Balance Sheet of Commercial & Islamic Banks					
(In Millions of Rials)					
Items	2019	2020	2021	2022*	2023*
Assets	4,408,944.2	4,429,735.0	4,594,939.4	8,780,498.0	10,731,565.6
Foreign Assets	909,827.7	916,173.0	971,127.5	2,668,976.2	3,139,968.9
Foreign Currency	97,423	116,374.3	135,080.4	373,146.4	547,044.6
Banks Abroad	470,937	468,121.0	486,826.2	1,068,362.2	1,286,506.3
Non-residents	0	-	-	0.0	0.0
Foreign Investment	341,467	331,677.5	349,220.9	1,227,467.6	1,306,418.1
Reserves	774,539.6	821,159.0	938,344.1	2,022,119.0	2,381,800.7
Local Currency	133,261	142,523.1	233,894.9	275,439.1	292,866.4
Deposits with CBY	641,279	678,636.0	704,449.2	1,746,679.9	2,088,934.3
Loans & Advances	2,319,361.0	2,305,441.0	2,303,640.0	3,214,840.8	3,719,385.2
Government	1,720,765	1,963,675.0	1,798,033.5	1,913,230.1	2,040,342.6
Public Enterprises	20,416	57,542.9	61,041.7	0.0	0.0
Private Sector	578,180	284,222.9	444,564.8	1,301,610.7	1,679,042.6
Certificate of Deposits	1,000	0.0	0.0	0.0	0.0
Treasury bills purchased from CBY	0.0	0.0	0.0	0.0	0.0
Other Assets	404,216	386,962.4	381,827.8	874,562.0	1,490,410.8

Table 4: Consolidated Balance Sheet of Commercial & Islamic Banks – Assets (YER million)

* Based on market exchange rates.

Source: CBY.

Consolidated Balance Sheet of Commercial & Islamic Banks

(In Millions of Rials)

Items	2019	2020	2021	2022*	2023*
Liabilities	4,408,944.2	4,429,735.0	4,594,939.4	8,780,498.0	10,731,565.6
Deposits	3,249,349.9	3,515,971.0	3,660,277.5	6,910,563.9	8,153,651.3
Government	32,818	0.0	0.0	0.0	0.0
Demand	653,883	850,901.0	910,502.6	940,586.3	1,174,235.3
Time	815,740	838,842.0	859,248.6	913,962.5	651,437.8
Saving	260,931	276,257.0	286,904.7	339,721.9	449,384.6
Foreign Currency	1,436,089	1,496,913.9	1,552,720.6	4,650,061.0	5,818,560.0
Earmarked	49,889	53,057.0	50,901.0	66,232.2	60,033.5
Foreign Liabilities	36,602.9	34,990.0	32,534.2	50,261.7	61,853.1
Banks Abroad	33,630	34,990.0	32,534.2	50,261.7	61,853.1
Non-residents	2,973	0.0	0.0	0.0	0.0
Borrowing from banks	0.0	0.0	0.0	0.0	0.0
Other Liabilities	1,122,991.3	878,774.0	902,127.7	1,819,672.4	2,516,061.3
Loans from CBY	13,543	6,813.3	6,813.3	7,537.5	7,639.7
Capital & Reserves	333,681	358,046.9	368,193.7	541,739.9	667,175.3
Other Liabilities	775,768	513,914.0	527,120.7	1,270,395.0	1,841,246.2

Table 5: Consolidated Balance Sheet of Commercial & Islamic Banks – Liabilities (YER million)

* Based on market exchange rates.

Source: CBY

Government Finances					
(In Millions of Rials)					
Items	2019	2020	2021	2022	2023
Total revenues and grants	709,972.1	723,658.7	1,096,893.0	2,054,880.8	1,199,413.3
Oil revenues	354,320.6	259,096.0	397,515.9	1,108,236.9	38,481.6
Non-oil revenues	355,651.5	464,562.7	699,377.1	946,644.0	809,285.6
Tax revenues	276,944.4	289,773.3	580,387.0	818,548.2	721,459.7
Other revenues	78,707.1	174,789.4	118,990.1	128,095.8	87,825.9
Grants	-	-	-	-	351,646.2
Total expenditures	1,547,915.2	1,619,306.4	1,517,025.7	2,877,250.8	2,975,172.5
Current expenditures	1,535,359.1	1,594,671.5	1,487,288.0	2,825,100.3	2,942,536.1
Wages and salaries	867,000.0	698,887.5	554,852.3	856,185.9	780,312.4
Goods and services	185,912.8	489,007.9	545,058.6	814,621.3	352,277.9
Interest payments	70,297.1	67,058.7	49,114.3	112,952.4	553,642.4
Subsidies and transfers	373,607.5	302,477.9	301,975.1	1,002,297.1	1,210,478.1
Other expenditures	38,541.8	37,239.7	36,287.5	39,043.6	45,825.3
Capital expenditures	12,556.1	24,634.8	29,737.8	52,150.5	32,636.4
Overall balance	-837,943.1	-895,647.7	-420,132.8	-822,370.0	-1,775,759.2

Source: CBY.

Table 6: Government Finances (YER million)

Balance of Payments

(In Millions of U.S. dollars)

Items	2019	2020	2021	2022	2023
Exports of goods and services	1,908.0	1,913.0	2,514.8	2,241	1,256.0
Oil	1,131.0	642.0	993.8	990.3	0.0
Other exports	777.0	1271.0	1,521.0	1,250.7	1,256.0
Imports of goods and services	11,857.0	12,472.0	14,076.0	15018	13,839.0
Of which: Oil	2,549.0	1,845.0	2,824.0	3766.0	2,930.0
Of which: Food	2,617.0	3,294.0	3,778.0	5,000	4,802.0
Other Imports	6,691.0	7,333.0	7,474.0	6,252.0	6,107.0
Balance of goods and services	-9,949.0	-10,559.0	-11,561.2	-12,777.0	-12,583.0
Balance on oil trade	-1,418.0	-1,203.0	-1,830.2	-2,775.7	-2,930.0
Balance of incomes and transfers	8,625.0	7,117.0	8,589.0	8,591	9,065.0
Balance of incomes	226.0	-855.0	29.0	-147.0	31.0
Of which: Transfers	8,399.0	7,972.0	8,560.0	8,738	9,034.0
Remittances	4,549.0	4,785.0	5,400.0	6,000	6,025.0
Donor financing	3,850.0	3,187.0	3,160.0	2,738	3,009.0
Current account and Financial account	-1,324.0	-3,442.0	-2,972.2	-4,186	-3,518.0
Capital inflows net	-15.0	-36.0	652.0	208.0	907.0
Capital inflows net	0.0	29.0	31.0	0.0	0.0
Financial inflows net	-15.0	-65.0	621.0	208.0	907.0
Errors and omissions	9.0	2,794.0	3,039.0	3,541	2,880.0
Overall balance	-1,330.0	-684.0	718.8	-437.0	269.0

Source: CBY and IMF.

Table 7: Balance of Payment (USD million).

Disclaimer

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The data in this Report received from sources such as ministries and government agencies are preliminary data, subject to change.

We use projections made by the International Monetary Fund when and/or if no relevant national sources of data and/or information are available.

This Report is issued by the Department of Research and Statistics at the Central Bank of Yemen – Aden.






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