

ORIGIN USIS-2 INFO AMB DCM ECON

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RR RUEHIA RUFHTV RUEHAS RUFHRA RUFHBA RUEHRH

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DE RUFESN #2640 124 \*\*

ZNR UUUUU ZZH

R 041301Z MAY 93

FM AMEMBASSY SANA A

TO RUEHIA / USIA WASHDC 9188

INFO RUFHTV / AMEMBASSY TEL AVIV 1412

RUEHAS / AMEMBASSY ALGIERS 0722

RUFHRA / AMEMBASSY RABAT 1005

RUFHBA / AMCONSUL CASABLANCA 2739

RUEHRH / AMEMBASSY RIYADH 8733

RUEHEG / AMEMBASSY CAIRO 1190

RUEHTU / AMEMBASSY TUNIS 0213

BT

UNCLAS SANA A 02640

CLASS: UNCLASSIFIED  
 CHRGE: USIS 05/03/93  
 APPRV: PAO:HMAHONEY  
 DRFTD: AFAO:BMARCOIS  
 CLEAR: NONE  
 DISTR: USIS  
 ECON  
 ORGIN: QCR

USIA FOR P/DF -- SCHLOEDER; NEA -- KHOURY

E.O. 12356: N/A

SUBJECT: U.S. SPEAKER -- MORTADA MOHAMMED

1. SUMMARY. IN FOUR LECTURES TO FOUR DIFFERENT CHAMBERS OF COMMERCE THROUGHOUT YEMEN, MR. MOHAMMED WON OVER HIS AUDIENCES WITH HIS CANDOR AND FORTHRIGHT ANSWERS. HE SPOKE ABOUT THE CONCEPT OF PRIVATIZATION, GIVING EXAMPLES OF TRANSFERS THAT WERE SUCCESSFUL AND OF SOME THAT WERE LESS SO. HE ALSO ADDRESSED BOTH SIDES OF DEALING WITH AMERICAN COMPANIES, I.E. IMPORTING AND EXPORTING, AND GAVE OUR AUDIENCES CONCRETE ADVICE ON DEALING WITH AMERICAN COMPANIES. END SUMMARY.

2. USIS SANA A AND THE EMBASSY'S ECON-COMMERCIAL OFFICE FOUND MR. MCHAMMED'S VISIT VERY HELPFUL. WE APPROACHED THIS AS A JOINT PROJECT WITH ECON, AND FOUND ITS UTILITY GREATLY ENHANCED AS A RESULT. HIS FIRST NIGHT, MORTADA RECEIVED A THREE HOUR BRIEFING FROM THE EMBASSY'S ECON COUNSELOR. THIS GAVE HIM A FRAMEWORK FOR ASSESSING YEMEN'S RELATIVE STRENGTHS AND WEAKNESSES, IN BOTH THE PUBLIC AND PRIVATE SECTORS. AND THE PRESENCE OF THE COMMERCIAL SECTION'S FOREIGN NATIONAL EMPLOYEE AT EACH OF THE LECTURES WAS A BOON DURING THE QUESTION-AND-ANSWER SESSION: MR. MOHAMMED ANSWERED QUESTIONS FROM THE PERSPECTIVE OF A U.S. COMPANY, AND FROM A GENERAL, THEORETICAL PERSPECTIVE; AND THE COMMERCIAL REP ANSWERED THOSE DEALING WITH THE SPECIFICS OF COOPERATION BETWEEN YEMENI COMPANIES AND THE EMBASSY. WE TRAVELED THE COUNTRY, SPEAKING AT THE CHAMBERS OF COMMERCE IN SANA A, HODEIDAH, TAIZ, AND ADEN. THE LECTURE WAS ESSENTIALLY THE SAME IN EACH PLACE, COVERING ISSUES OF PRIVATIZATION, PUBLIC-PRIVATE SECTOR COOPERATION, COMMERCIAL LINKS FOR IMPORTING PRODUCTS FROM AMERICAN COMPANIES, SUPPLYING

AMERICAN COMPANIES WORKING IN YEMEN, IMPROVING SHIPPING LINKS BETWEEN AMERICA AND YEMEN, AND INFLUENCING THE GOVERNMENT TO PROVIDE A BUSINESS CLIMATE MORE CONDUCTIVE TO FOREIGN INVESTMENT. AT EACH LOCALE, THE COMMERCIAL REPRESENTATIVE BRIEFED MORTADA ON THE ISSUES LIKELY TO ARISE, AND ON THE OVERALL BUSINESS CLIMATE OF THE PARTICULAR CITY. AND IN ADEN, WE ARRANGED A SOCIAL CALL ON THE PRESIDENT OF ADEN'S CHAMBER OF COMMERCE THE NIGHT BEFORE THE LECTURE, WHICH MR. MOHAMMED USED TO SOLICIT BACKGROUND INFORMATION ON ADENI BUSINESS ATTITUDES. USING THIS INFORMATION, HE WAS ABLE TO TAILOR EACH LECTURE TO THE NEEDS OF EACH AUDIENCE, EMPHASIZING THOSE POINTS OF MOST INTEREST TO HIS HEARERS. FOR EXAMPLE, IN HOFFIDAH, THE ONLY PORT IN THE FORMER NORTH YEMEN, HE EMPHASIZED SHIPPING RULES AND IMPORTATION; WHILE IN TAIZ AND SANA A, HE SPOKE OF OPPORTUNITIES FOR YEMENI BUSINESSES TO SUPPLY AMERICAN COMPANIES WORKING IN YEMEN. (MOST FOREIGN COMPANIES HERE PURCHASE THEIR SUPPLIES FROM THE UNITED STATES OR EUROPE. MR. MOHAMMED POINTED OUT THAT IN ORDER TO SUPPLY SUCH COMPANIES, A YEMENI FIRM WILL HAVE TO BE ABLE TO GUARANTEE A STEADY SUPPLY, DUTY-FREE PRICES, AND RELIABLE SERVICE. AFTER THE LECTURE, DISCUSSION FOCUSED ON SPECIFIC STEPS YEMENI BUSINESSES COULD TAKE TO IMPROVE THEIR PROSPECTS IN THIS AREA.) IN ADEN, HIS LECTURE FOCUSED MORE HEAVILY ON PRIVATIZATION, AN ISSUE OF GREAT IMPORT IN A FORMER MARXIST STATE. HE EMPHASIZED THAT PRIVATIZATION IS NOT SIMPLY A MATTER OF THE GOVERNMENT SELLING OFF ASSETS AND ABANDONING RESPONSIBILITIES, BUT IT IS A MATTER OF DETERMINING WHETHER PUBLIC OR PRIVATE ENTITIES COULD PROVIDE THE BEST SERVICES IN THE MOST EFFICIENT MANNER; AND, MOREOVER, WHICH PRIVATE ENTITY COULD PROVIDE THE SERVICE. HE EMPHASIZED THAT IF A COMPANY FAILED TO RENDER THE NECESSARY LEVEL OF SERVICE, THEN THAT WAS NOT A SUITABLE TRANSFER. THESE COMMENTS SOFTENED THE ATTITUDES OF MANY IN ATTENDANCE, ESPECIALLY THE MEDIA REPRESENTATIVES, WHO ARE VERY WARY OF PRIVATIZING SCHEMES, SEEING THEM AS PLOTS TO APANDON THE GOVERNMENT'S RESPONSIBILITY TO THE POOR AND GIVE AWAY

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