

** Summary of the results of the second panel discussion **

** Economists Association Group **

** Episode title: **

Import difficulties and the rise in the prices of basic commodities in conditions of war *

Results :

* For the first axis *

* Import and payment difficulties *

1- The war caused great difficulties in the field of import, as all import-related operations were complicated, the high costs, the length of the import period, the scarcity of foreign currency and others.

2- The application of the ban on importing some commodities, which negatively affected the freedom of import and created great difficulties for importers.

3- Banks abandoning the operations of opening documentary credits, which made it difficult for importers to import operations, led to severe disturbances in the importers' dealings with exporters and led to undermining confidence with trading partners.

4- The introduction of new procedures due to the war. Import operations have been severely complicated, such as inspecting commercial vessels heading to the local market at foreign ports, which prolonged import periods and the consequent losses and additional costs, reduced the turnover of capital for importers, and created disturbances in securing market needs of commodities.

5- The spread of the Covid 19 epidemic and the problems it caused in the field of importing from foreign markets.

6- The decline in the exchange rate of the local currency and its effect on the prices of imported goods, as the exchange rates change from the time the commodity is purchased until it reaches the market, which creates many confusion in the field of cost and pricing and its connection to preserving the capital of the importer.

7- The absence of the central bank's role in facilitating import operations, and this affected the role of commercial banks.

8- Import difficulties that emerged during the implementation of the Saudi grant, which negatively affected import and payment processes due to the complexity and delay of procedures.

9 - The high cost and expenses of customs clearance and also transportation costs in the domestic market.

10- The high costs of transportation, shipping, and insurance for ships and goods imported into Yemen, as it is considered an unsafe area.

11- Paying customs twice sometimes, which increases the costs of goods and affects import operations.

12- Difficulties related to printing for printing.

13- Risks of transferring import values through official agencies according to international custom and so forth

Loss or loss, loss or non-conformity with the sites, and a decline in trust between the importer and exporter, and others.

14- The length of the shipping period causes additional costs, for example: ship delay costs and costs

Fees and costs.

15- parts and related to freezing of funds in the balances of dealers on cost.

16 - The high commission of transferring the prices of imports abroad and the risks, a profession with which to reverse work Documentary Credits.

17- Violating the law in paying fees to pay payment fees in exchange for paying fees to pay for payment in exchange for the calculation of transport costs from the port to warehouses and a margin.

* For the second axis *

* High basic prices: *

A- External factors for the rise in commodity prices:

1 - Increasing the area designated for sale in the commercial ports

Cause higher shipping costs.

2- The high cost of insurance for ships and goods.

3- The rental of vessels ready to transport goods with a length of delay to the country of export.

4- Delay in the arrival of licenses from Dubai ports to the main port.

5 - The spread of the Covid 19 epidemic and what it caused in the global markets made it difficult to import operations and caused additional costs.

6 - Price increases in global markets from time to time.

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7 - The length of time the goods arrive from the country of origin to the local market and the additional costs that may result from that.

B_ the internal factors of the rise in commodity prices:

- 1 - The war and the political, security and economic turmoil that came with it, which caused an increase in prices.
- 2 - The deterioration of the local currency exchange rate against foreign currencies.
- 3 - Fees and royalties borne by merchants, starting from the port of arrival until the arrival of goods to Consumer, which is added to the commodity price.
- 4 - The difficulty of opening documentary credits and resorting to informal channels in paying the value of imports, and the accompanying additional costs and many financial risks, which leads to higher commodity prices.
- 5 - The stagnation of importers' balances with banks and money changers and the difficulty of transferring them quickly to pay off the value of imported goods, which reduces the capital turnover and increases the cost.
- 6 - The high cost of customs clearance fees at the ports and the increase in prices they cause.
- 7 - The rise in the prices of oil derivatives and their great impact on the transfer of goods from the ports to the market, and the increase in the prices of basic commodities that this generates.
- 8 - Weakness of price control agencies legally mandated to do so.
- 9 - Risks of collecting commodity prices in the market due to forward selling and its effects on prices and reducing the margin of competition between importers.
- 10- The increase in demerage fees in the ports.
- 11 - High costs due to miscalculation of the added value at customs ports.
- 12- Costs resulting from paying customs duties at ports and inside, in violation of the law.

C- The factors that led to the difference in the prices of basic commodities in the local market:

- 1 - The absence of a single authority in the area of price control.
- 2 - The difference in currency exchange rates between Aden, Mukalla and Sana'a.
- 3 - The increase in prices due to the levies and royalties, the long transportation distance, and the difference in fees and taxes between Aden and Sana'a.
- 4 - The war and the divisions and difficulties it caused do not help merchants to unify market prices, which causes additional costs.

* For the third axis *

* Organization of the relationship: the Chamber of Commerce, the Ministry of Industry and Trade, the Ministry of Finance and the Central Bank *

- 1 - Activating the laws regulating the relationship between the parties related to import and payment, and any other regulations that help to overcome difficulties and a comfortable solution to solve problems, which contributes to overcoming difficulties facing import.

2 - Coordination of work between the aforementioned parties helps to create areas for joint action and helps facilitate import and payment procedures.

3 - The absence of information centers in the concerned authorities does not provide possibilities that help in accessing information as a necessary commodity in making important decisions in the field of import and export and the operations associated with them.

4 - Converting manual work into automatic helps speed procedures at customs ports and facilitates obtaining transactions with the least possible amount of effort, costs and time, and the absence of that complicates all operations.

5 - Activating the role of chambers of commerce and granting them their role in commercial activity and considering them an essential part and effective partner for working with government agencies, helping to create an appropriate environment in the field of import and export, and to secure the needs of the economy and the population.

6 - The formation of joint committees that bring together the parties entrusted with importation helps in quick solutions to urgent problems and developing collective solutions that serve merchants instead of a partial solution for each importer separately.

7 - We believe that the existence of permanent follow-up committees in the chambers of commerce activate and strengthen the relationship with the official authorities, which will serve the merchants and contribute to overcoming difficulties in the field of import and other areas.

8- Perhaps the selection of permanent representatives of the Federation of the Chamber of Commerce to the official equivalent authorities is possible and facilitating coordination in the areas of joint work.

9 - Holding periodic and emergency meetings between the Federation of Chambers of Commerce and official bodies is an available means of solving problems and overcoming difficulties in the field of import and other joint work areas.

* For the fourth axis *

* Suggested Solutions*

1 - The state undertakes its duties represented by the Central Bank by directing all foreign currency resources and making them use for the benefit of opening documentary credits.

2 - Carry out all possible means to increase oil and gas exports, reopen all channels to increase other exports, and supply export revenues to the Central Bank of Yemen to create an adequate balance to ensure opening credits and meeting importers' demands.

3 Reducing speculation in the foreign exchange market, conducting exchange operations within the local market, reopening cashiers' accounts at commercial banks, gradually withdrawing currency from the market, and making it possible to use it in import operations through documentary credits.

4 - Searching for intermediary or correspondent channels and banks to conduct financial transfers for the benefit of merchants and to avoid doing so through Lebanese banks.

- 5 - Effective coordination between commercial banks and the Central Bank in the area of governance of the banking system in Yemen by restoring confidence in foreign banks, merchants and depositors, which helps to feed the balances in correspondent banks, which helps facilitate import and creates confidence in exporters to the local market.
- 6 - We call on the government and the coalition to cancel the ban on prohibited goods due to their importance to the population, such as solar panels and their accessories.
- 7 - We call on the government to facilitate procedures for importing solar panels and their equipment and to cancel customs duties on them due to their importance to the population in light of electricity problems.
- 8 - We demand the government and the coalition to open sea and land ports and facilitate the flow of goods and products, whether in the field of exports or imports, due to the importance of this in forming an adequate balance of hard currencies at the Central Bank, especially with the declaration of the coalition to stop the war unilaterally and taking into account to revitalize the economy and provide a minimum of food security for the population .
- 9 - Maintaining the current customs exchange rate, facilitating customs clearance procedures, and working to speed up customs procedures at all ports.
- 10- Demanding an end to the war and the abolition of all exceptional measures that limit the country's freedom of trade in the areas of exports and imports, due to the importance of this in the areas of development, reducing unemployment, meeting the needs of the population, reducing costs, and creating a competitive environment similar to neighboring countries.
- 11- Re-developing the country's commercial relations, especially with the main partners, and finding possible channels to facilitate import and export operations and their operations.
- 12- Re-activate the relationship between the Chambers of Commerce, the Ministry of Industry and Trade and local authorities to secure the population's needs of basic commodities and give them priority in the field of import and provide currency for that purpose
- 13- We call on the state to create a competitive environment in the field of import in order to develop and develop the market economy and to create competitive wages that encourage securing the market needs of commodities at appropriate competitive prices.
- 14- Activating the role of the Central Bureau of Statistics in providing the necessary information for the economy and importers, revitalizing research and statistics work in the Ministry of Finance and Trade and the Central Bank and linking them with the parties involved in import and export operations to help in making decisions based on reliable information.
- 15- Activating the laws related to commercial activity such as the Internal Trade Law, the Law on Encouraging Competition, the Prevention of Monopoly and Commercial Fraud, the Food Law and the Regulation of its Circulation, the Law of Standards and Metrology and Quality Control.
- 16- We demand the government and the coalition to declare the liberated areas safe areas to reduce shipping costs and insure imported goods.

17- We call on the Central Bank, the Ministry of Finance, the Ministry of Industry and Trade, the Chambers of Commerce and the Money Exchange Syndicate to coordinate the development of a mechanism to facilitate import and export operations and payment processes.

18- Creating an electronic platform for information linkage between the Central Bank, the Ministry of Finance, the Ministry of Industry and Trade, the Customs Authority, the Tax Authority, the Chambers of Commerce and the commercial banks, with the allocation of electronic information windows to the aforementioned bodies to facilitate import procedures, especially the opening of the documentary credit automatically, which effectively contributes to saving time and reducing costs .

19- We recommend the formation of a coordination council between the official authorities associated with import and the chambers of commerce to find quick solutions to problems related to import and transfer to ensure food security and meet the needs of the population and the economy in conditions of war.

20- The government should form a negotiating team that includes representatives from the Ministry of Industry and Trade, Chambers of Commerce and Ports, the Ministry of Transport and the Ministry of Legal Affairs to negotiate with international insurance companies with the aim of reducing the cost of insuring ships coming to Yemen's ports that are under the authority of the recognized government in order to reduce the cost of import and be guided by the similar step taken by the Yemeni government With international insurance companies, after the accident targeting the French oil tanker off the coast of Mukalla, the Economists Association supervising and drafting the results:

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