

# **Local Economic Development Strategy Aden**

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## **Executive Summary**

The Port City of Aden possesses distinctive characteristics and valuable competitive advantages that are derived from its strategic location, natural harbor and historic track-record as an international trade hub. In spite of these endowments, the city has not recently been able to initiate and sustain a process of economic development that lives up to the expectations of its inhabitants, its private sector, leadership and Yemen's national authority. The designation of Aden as the nation's economic capital and the steps that were taken during the mid 1990s on the national level to liberalize the national economy and improve the environment for private sector activity has generated some optimism, and elevated the expectations of national and international investors. However, actual levels of growth in the city's economy and in the pattern and scale of private sector activity have not matched the level of allocated attention, implemented reforms and executed investments. During the same period, the city's primary economic facilities – the Port of Aden (POA) and the Aden International Airport (AIA) have achieved modest growth in the level of their activity except for the significant boost that transshipment throughput at the Port of Aden received once the Aden Container Terminal came on line in 1998. However, this growth and the positive impact of the short-lived expansion in transshipment volume did not succeed in generating tangible economic value for the city economy nor in triggering higher value-added economic activities - an outcome usually sought and aggressively pursued by successful and viable port cities.

Studies carried out by the Port Cities Development program (PCDP) in preparation for the launch of the Local Economic Development (LED) Strategy formulation process and focusing on the assessment of the city's business environment and its competitive position as well as the conclusions of other national studies carried out by various donors, point to a number of factors that have contributed to the limited and disrupted growth. These studies made it clear that even though there are significant exogenous factors related to regional and international political instability that have inhibited growth and derailed public and private sector efforts and have dampened investor enthusiasm, a number of endogenous inhibitors related to a deficient local business environment and an inefficient regulatory apparatus have had as much if not more of a direct contribution to this negative outcome.

The LED Strategy is structured to primarily address Aden's endogenous inhibitors to a process of vibrant and sustained economic development and basically entail pushing Aden, its public sector agencies, economic facilities and the sectors of its economy to satisfy their side of the equation by persevering to close the most critical gaps in their performance and in the quality of their outputs. The

strategy indirectly addresses exogenous factors by hedging against external political and economic shocks through allocating significant attention to diversifying and strengthening the city's sources of economic growth through actively supporting economic sectors and clusters that are local/national market-focused and rely on national resources as their primary source for their inputs.

Specifically, the LED Strategy focuses on rationalizing the institutional, legal and operational structures and relationships between the facilities/authorities of the CORE, encompassing POA, AIA and the Aden Free Zone (AFZ) with the goal of ensuring that this CORE functions as a fully integrated, coordinated and coherent entity capable of effectively recapturing and retaining Aden's position as a regional trade hub. Simultaneously, the strategy focuses on aggressively resolving the bottlenecks within the city's business environment that have inhibited the activities of the private sector and have discouraged national and international investors from capitalizing on Aden's and Southern Yemen's potentials, resources and distinctive competitive advantages. The Strategy also intervenes to ensure that economic value generated at the CORE will substantively benefit the city's economy and that in return, the city's evolving economic sectors and clusters will effectively contribute to broadening and deepening the competitiveness of the CORE. Furthermore, in order to ensure equity, the Strategy focuses on facilitating and aggressively supporting substantive access by the city's micro, small and women owned enterprises to opportunities generated by the city's economy and at the CORE and actively supports increasing the participation women and other marginalized groups through employment in non-traditional but vibrant and promising sectors and clusters of the evolving local economy.

### **Organizing the Effort:**

#### Launching the Strategy Formulation Process:

The LED Strategy formulation process was initiated during the 2<sup>nd</sup> City Development Strategy (CDS) workshop in October 2002. The process was grounded in the findings of the business environment and competitiveness studies that were carried out during the preceding 16 months and evolved from that point on through a participatory process that involved close communication between a Local Economic Development (LED) specialist/facilitator and members of the LED Subgroup representing some of the relevant sectors of the local economy, the economic facilities of the CORE, public authorities, as well as institutions that provide support to the private sector and civil society. During this process, LED Subgroup members worked closely with their own advisory units or communicated with the constituency they represented to define the development needs of their sector or entity and then worked on developing and continuously verifying a set of interventions designed to meet those needs. The

inputs by each subgroup member were periodically presented and reviewed by the subgroup as a whole and then integrated with support from the LED facilitator into a coordinated LED strategy. The integrated strategy was then periodically presented to and reviewed by a wider audience of city stakeholders to ensure relevance and accuracy. In addition, each component of the strategy was also presented and discussed further with stakeholders within the sectors/clusters being addressed and that happen to be central to the strategy as well as by representatives of the most critical regulatory agencies.

In parallel to the strategy formulation effort, the strategy team also identified sources of statistical and performance data on the city's primary economic facilities and on strategic sectors and clusters of the local economy which was used to gain a better understanding of the structure of Aden's economy and its broad characteristics. The data will also be used for benchmarking strategy impact and monitoring outcomes as the strategy implementation process is launched. Data on the performance of sectors and clusters of the local economy was accessed primarily through secondary sources aggregated by the Aden branch of the Central Statistics Organization (CSO) as well as through line-ministries, the local branch of the Ministry of Finance (MOF) as well as through regulatory agencies such as the customs, Tax and General Investment Authority and was verified further in some cases through interviews with representative sample firms that are active in the relevant sectors/subsectors or clusters. Information on the performance of economic facilities was collected directly through their authorities as well through CSO and was elaborated upon further by investigating qualitative aspects of their services through interviews with facility users and beneficiaries. Additional cumulative information on central and local revenues generated through the taxation of local economic activities and economic facility revenues as well as other income generated by the local and central authorities through fees for public sector services were accessed through the MOF and the Tax and Customs Authorities. This information will be used to gauge the contribution of the strategy towards increasing central and local revenues which is expected to occur as an outcome of anticipated growth in private sector activities and through the expansion in the activities of the city's primary economic facilities operating at the CORE.

### **Grounding the Strategy:**

The LED strategy formulation process was grounded in a number of sources of information on Aden, its economy, its competitive position and prevailing business environment, the performance of its public sector institutions and authorities and the track record of its primary economic facilities. This information was generated through studies carried out by PCDDP and focused on assessing the competitive position of the port city and the quality of its prevailing business environment as well through local primary and secondary sources of data obtained through branches of line

ministries/authorities, the Central Statistics Organization (CSO) and the Social Fund for Development. These two categories of qualitative & quantitative information will also be tracked and used to monitor the strategy's impact and its effectiveness in kick-starting a sustainable process of economic development in Aden and ensuring its equitable reach to all economic sectors and to the various socioeconomic levels of the city's population.

#### General Indicators:

A review of general information on Aden's population revealed that Aden's population was estimated at 526,000 in 2000 and 660,000 when residents abroad and the segment of population not covered by the census were included. These numbers reflected a 4% rate of annual growth between 1988 (the 1988 Census) and a 5% rate of annual growth between 1994 (the 1994 Census) and 2000 (2000 Estimates). The census also reveals that more than 65% of the population are below the age of 30 while 47% were below age 20 in 2000. Out of an employable population (above 15 years of age) of 132,000, 76,000 men and 19,000 women are employed. A review of poverty indicators for Aden showed a weak ranking by the city in the area of unemployment, percentage of households under the upper and lower poverty lines when compared to the capital city and to the national average indicating the limited access by a significant segment of the population to economic and employment opportunities or the inability of the city's economy to effectively engage the city's population. The city however ranked relatively well under coverage rate of public services (roads, water, sewerage & electricity) as well as under health and education indicators when compared to the capital city and the national average. However, this ranking would probably prove low if compared to that of other competing port cities in the region, especially in Oman and Gulf States.

#### Performance of the city's economy:

The pattern of private sector investment channeled through the General Investment Authority between the years 1996 & 2002 reflects a relatively high level of activity during 1998-99 reaching \$38 & \$47 Million per year respectively. However, investment levels plummeted during the following years and bottomed out at just over \$900,000 by 2002 and indicating a drastic erosion of investor confidence. No data was available on the investment pattern within the Micro, Small and Medium scale economic activity but a flat or declining rate is suspected given the stagnation in the value of production by this category of economic activity which will be discussed later. Public sector investment channeled through public sector ministries peaked at about \$38 Million in 1998 but declined and fluctuated between about \$13 (in 1999) and \$30 (in 2001) Million during 1999 to 2002. The value of production

by large scale economic activity (public & private) during the years 1996 & 2002 fluctuated between a high of about \$52 (reached in 2001) and a low of \$34 (reached in 2002) indicating overall stagnation.

On the other hand, central revenues generated at the governorate level grew significantly during the same period expanding from about \$65 Million in 1997 to over \$128 Million in 2001 while expenditures at the governorate level also grew but a lower rate from about \$40 Million in 1997 to over \$56 Million by 2001. These figures did not include local and shared revenues generated at the District level and other revenues generated at the Governorate level. This rate of growth of governorate level central revenues could be an indication of aggressive and effective collection by central authorities and executive organs operating at the local level but could not be an indication of growth of the local economy since economic activity indicators reflected a mismatch between the two.

Aden's economic facilities represented by POA and AIA achieved modest to good growth in their base activity which constitutes inbound and outbound throughput of general and bulk cargo in the case of POA which grew at an average rate of 17% annually between 1992 & 2002 (not including oil or transshipment cargo) and passengers as well as air cargo in the case of AIA which grew at annual rate of 7% and 25% between 1996 & 2002 respectively. However, the rate growth in transshipment throughput achieved primarily through ACT was much higher at 92% annually between the years 1998 & 2002 but collapsing completely after the attack on the French oil tanker off the coast of Mukalla in October 2002 which caused an exponential increase in insurance rates in response to the sudden deterioration of Aden's and Yemen's War Risk rating. Transshipment throughput has marginally recovered during the latter part of 2003 in response to the adjustment of insurance rates responding a financial deposit placed by the Government of Yemen (GOY) but has a long way before it regains its September 2002 levels.

#### Aden's Competitive Position:

The assessment of Aden's competitive position pointed to significant advantages possessed by Aden and derived from its strategic location, the potential access it offers to its investors to a sizable and underserved national market, an enterprising and well endowed (technically, professionally and financially) resident and Diaspora population as well as a substantial historic track record as a regional and global trading hub. Tangible signals of this potential began to materialize with the set-up and commissioning of the Aden Container Terminal (ACT) in 1998 when transshipment volume through ACT grew from 38,000 TEU in 1998 to 80,000 in 1999, 248,000 in 2000, 377,000 in 2001 and peaked at 388,000 in 2002. This pace of growth signaled a high level of viability for the growth of other trade

related, higher value-added functions at the city and within the CORE which was reflected by the increase in the number of applications and inquiries filed by interested investors for the set-up of warehousing, re-export and service activities at the estates of the AFZ and within the city.

The fast rate of growth in throughput at ACT and the increase in the level of interest by investor groups was clearly felt by some of the region's competing ports who simultaneously initiated or accelerated efforts and actual investment in port capacity expansion projects and the aggressive marketing of their services in the area of transshipment and trade support. However, during the same period that witnessed transshipment growth, the city did not achieve any comparable levels of growth in most of its other sectors or in the level of activity and economic returns achieved by its other economic facilities. This reality confirmed that Aden's location holds significant potential and that such potential could be reaped through offering efficient, cost effective and high quality services which were delivered by ACT. However, this potential would continue to remain unrealized if the level of quality and efficiency of the city, its business environment and the services delivered by its public sector institutions and authorities and through its private sector clusters and sectors remain below international standards and expectations.

Unfortunately, the momentum initiated by ACT was abruptly terminated as a result of the attack on the French tanker along the coast of Mukalla in October of 2003 which caused the total collapse of transshipment traffic and led its client base of shipping lines to shift their activity to other competing ports in the region. Simultaneously, a number of these competing ports initiated immediate action to secure the edge they have suddenly gained over Aden by increasing investment in capacity, further streamlining services and enhancing their cost competitiveness. The collapse of transshipment throughput was immediately followed by a significant slowdown in the level of interest by potential investors looking to initiate warehousing, re-export and vessel service and supply activities at the CORE. It also caused a significant slowdown in the volume of business transacted by the city's trade and vessel support service providers that have witnessed impressive growth during the period of expansion in throughput and causing a substantial reduction in the revenues that were indirectly generated for the city economy through growth in shipping volume through ACT. However, the attack did not have as drastic of an impact on the volume of activity taking place through the Ma'alla Terminal (MT) (inbound and outbound general & bulk cargo) nor at AIA (passenger & inbound & outbound air cargo) but caused a significant increase in shipping rates triggered by the elevation of Aden's war risk rating and the corresponding increase in insurance cost.

During the years of growth in transshipment throughput at ACT and prior to the October tanker attack, other critical factors and conditions that represent prerequisites for sustained growth in transshipment and for triggering a range of high value-added economic activities that usually flourish in and around a port city once transshipment levels reach feasible and sustainable levels where not in place. Our competitiveness assessment identified many areas of weakness in Aden's performance and in the capacity of its public and private sector institutions and firms which curtails its ability to utilize its existing advantages and to deepen or expand their scope to further secure its position. These weaknesses were found to be significant when contrasted with other successful and highly competitive port cities in the region and beyond and their resolution is a prerequisite if Aden is to capture its potential position as a high caliber regional player and to effectively secure its role as a primary high value-added service hub along global trade routs.

#### Aden's Business Environment:

Even though some improvements have been introduced to the regulatory environment for private sector activity in Yemen through government actions to liberalize the economy in addition to ongoing efforts to enhance the efficiency of regulatory authorities, a significant amount of work continues to be seriously needed in order to tangibly streamline the prevailing business environment. The assessment of Aden's business environment revealed a paralyzing adversarial relationship between private sector firms and the regulatory authorities operating at the local and central levels. .

Most categories of private sector firms operating in Aden face a multitude of bottlenecks which they encounter throughout their operating life cycle. Such obstacles are faced by firms during the phase of inception of their preliminary business concepts and persist through their registration, set-up and operating phases. Bottlenecks that face investors during the initial phases of project formulation and license issuance lead many to abandon their initiatives and discourage others from even considering Aden as a potential base for their operations. Inefficiencies faced by investors during project set-up and operation phases forces others to endure limited growth or failure during the remaining life cycle of their ventures. The cumulative outcome of this situation has been stagnation of growth in private sector activity and an inability on the part of promising city-based sectors or clusters to develop their competitive advantage in the national and/or regional markets.

## **The LED Strategy:**

### The Vision:

The LED Strategy was guided by the Vision statement for Aden's future development which was articulated by the city's stakeholders during the 2<sup>nd</sup> CDS workshop which reflected their aspirations for Aden and provided a clear direction for the strategy formulation process. The stakeholders were unified in their desire and determination to develop Aden into **“A modern city with an economy based on sea and air services, international trade and tourism building on its competitive advantage to become an attractive hub for local and international investment”**. The stakeholders were confident that the people of Aden, its private sector and institutions will be able to fulfill this vision and that the city's competitive position and significant untapped potentials will provide the realistic foundation for fulfilling this vision.

### The LED Strategy Goals:

The LED strategy aims to achieve the following broad goals:

- Achieve a sustained rate of growth in Aden's economy and in the output of its private sector. The LED strategy aims to create the necessary environment which enables the healthy and sustained growth of Aden's private sector driven by growth in demand for products and services generated by anticipated expansion of economic activity at the CORE and in demand in the national market. It also aims to deepen the competitive advantage of specific strategic sectors and clusters and secure their sustainable access to external/regional markets.
- Ensure equitable access to economic opportunity generated at the CORE or within the city economy for all firm categories that operate in Aden and for all socio-economic segments of its population and thus significantly reduce the city's unemployment rate, the number of households under the upper poverty line and eliminate the number of households under the lower poverty line. The strategy will achieve this goal through increasing job and business opportunities (with a focus on Women and on typically marginalized socioeconomic segments of the city's population), level of worker productivity and the average wage in clusters targeted by the strategy and others that are expected to benefit as a result of strategy implementation.
- Increase Aden's contribution to the national economy. The LED strategy will aim to improve the performance of Aden's economic facilities at the CORE and grow their level of activity and capacity utilization and thus increase the revenues generated through them by the city, the center and the city economy. The strategy also aims to grow Aden's private sector, improve the competitive position of its sectors and clusters, expand their revenues and improve their margins and increase their contribution through taxation, to local and national revenues.

### The LED Strategy Objectives:

In order for the LED strategy to achieve the broad goals outlined above, it will focus on activating two primary sources of potential economic growth which Aden possesses but has been marginally successful at mobilizing. The first is represented by its CORE. The second encompasses the city's economic sectors and clusters.

Over the past decade, significant levels of investment have been allocated towards improving the capacity and service quality of its CORE facilities. However, the rate of growth of economic activity at the CORE measured by the level of capacity utilization at its facilities, value of direct revenues generated for the city or national budgets as well as direct and indirect economic value transfer to the city economy, has not justified the level of allocated investment and anticipated returns.

Over the same period, Aden's economic sectors and clusters have witnessed spikes in investment flows but maintained a subsistence level of performance and achieved limited growth. This outcome has persisted in spite of the significant potentials perceived by investors who based their enthusiasm on the potentials of the sizable and underserved national market and the comparative advantage that they could develop in regional markets through operating out of a strategically located and well-endowed port city.

The LED strategy approaches the challenge of activating these two potential sources of economic growth in Aden along three tracks:

- The first is through enhancing the operating efficiency and competitiveness of CORE facilities, introducing a practical and sustainable system of coordination between them and improving the business environment for CORE-based enterprises as well as CORE facility users.
- The second is through improving Aden's business environment and quality of life to enable the city to accommodate the growth and development needs of its various economic sectors and clusters and the requirements of its evolving and highly diverse communities.
- The third is through putting in place the necessary mechanisms and enabling policies that ensure the unrestricted flow of economic value between the CORE and the city economy with the goal of diversifying the economy, increasing economic opportunities and ensuring long-term equity.

Specifically, the LED strategy aims to produce the following broad outcomes:

- Create the necessary conditions that will stimulate and support sustained growth in the scope and volume of activity at Aden's sea port and airport and in the level of investment and resultant high value-added economic activity at its free trade zone (the CORE).

The LED strategy focuses on resolving the jurisdictional entanglement which exists between the facilities of the CORE and is perceived as the primary contributor to the inability of the CORE to effectively and coherently market its potentials and deepen its competitive position in the region. It also focuses on clarifying the market potential and position of the CORE in the region and beyond and on devising an effective and coordinated marketing strategy for its combined capacities and for those of each of its facilities.

- Simultaneously and with the intent to diversify the city's sources of potential growth and reduce the its vulnerability to exogenous political and economic shocks, the strategy aims to create a conducive and responsive environment that enables growth in the scope and scale of activity of the city's economic sectors and clusters (the City Economy) and provides sufficient stability that allows them to build-up their competitive advantage in local, regional and international markets.
- Ensure the transfer of high value-added economic and functional benefits between the CORE and the City Economy and increase the contribution of each towards the competitiveness of the other through actively supporting and facilitating the operations of a series of city-based linkage clusters to function as competitive suppliers of a range of products and services to CORE-based enterprises and facility users.
- Ensure that in addition to effectively carrying out their function of catering to the international and regional trade sectors, CORE facilities must also apply sufficient and focused attention to providing competitive and highly responsive trade support and facilitation services to import/export reliant city-based (as well as South Yemen) sectors and clusters. Ensuring responsiveness to the needs of such local clients will stimulate their growth and contribute directly to enhancing their competitiveness in local as well as international markets and will in turn generate a substantial source of business for the CORE in the long-term.
- Ensure the equitable distribution of CORE and City generated economic opportunities and wealth among the city's communities through facilitating access for typically marginalized communities, sectors of the economy and the city's labor force by directly supporting micro and small enterprises as well as women in the economy in order to secure their sustained and high value-added participation in the activities of linkage clusters and other vibrant city-based sectors and clusters.
- Develop livable, well integrated and well serviced urban centers capable of providing a suitable base capable of supporting the needs of a demanding multi-national community and

accommodating a vibrant mix of socioeconomic activities that normally evolve in a regional/international port city.

### **Implementing the LED Strategy:**

#### Strategy Implementation Plan

In order to ensure the successful launch and effective implementation and long-term positive impact of the LED Strategy, six outputs should be pursued and systematically developed during the life of the PCDP in each port city. The first four should be perceived as prerequisites and must therefore be urgently and quickly produced while the last two will need to be developed gradually and at a pace that proves viable for their fulfillment.

1. Ensure that the necessary capacity is in place at the Local Economic Development Department (LEDD) for taking-on and internalizing of the LED Strategy and effectively managing the comprehensive task of responsively adjusting and guiding its implementation.
2. The successful set-up of new, and the strengthening of existing participatory mechanisms to ensure the accurate and nuanced conveyance of the needs of Aden's communities and the articulation of the requirements of its private sector.
3. Securing the required buy-in, adoption and active support of the LED strategy, its scope and objectives by the city's leaders and representatives at the Governorate and District levels and by the Executive Organs, the private sector and civil society.
4. The effective resolution of the jurisdictional entanglement at the CORE and the launch/set-up of a practical mechanism (Institutional arrangement) capable of achieving sustained coordination in the realm of planning, investment allocation, development and operation by CORE facilities.
5. The accelerated achievement of measurable improvement in the quality of Aden's business and regulatory environment to be facilitated through the commitment of its public sector authorities and the substantive contribution by and perseverance of its private sector.
6. The effective development of sustainable and high-caliber capacity at the relevant departments of the Local Authority through LEDD to enable them to gradually assume their natural role of comprehensively managing local level public expenditures, management and development of public assets and growing of local revenues.

### **Monitoring Impact of LED Strategy:**

The LED strategy has identified specific data categories to be monitored in order to keep track of the impact of strategy interventions on the performance of economic sectors and clusters, the performance of the city's economic facilities and the quality and efficiency of the services provided by the city's public and private institutions that regulate, facilitate and support private sector activities. The specific sources for these information categories were also identified but will require further investigation by the LEDD and the formulization of access privilege to ensure unrestricted data flows.

Under most of the areas of strategic focus/objectives proposed by the LED Strategy, there are a set of achievements that should supercede the full fledged rollout of the strategy strands and their related interventions. These achievements must be perceived by strategy implementers/monitors as prerequisites and should thus be aggressively and consistently pursued in order to ensure that the necessary foundation has been in place for the later phases of strategy interventions.

### Monitoring Prerequisite Indicators:

In monitoring strategy impact on the CORE, the strategy implementation and monitoring team must ensure that the recommended studies to clarify the sources of jurisdictional entanglement at the CORE and others that develop a marketing strategy for the CORE's facilities have been successfully carried out. They must then ensure that their recommendations have been adopted and have begun to reflect positive impact on the functioning and competitiveness of the CORE before they could justifiably begin to monitor the strategy's effect on investment patterns at the CORE or on growth of throughput at its facilities.

In monitoring growth in the volume and value of transaction between CORE-Based users/investors and city-based service provision clusters/sectors, strategy implementation team must first assess if the proposed interventions that are aimed at streamlining access requirements and procedures for city-based firms have actually been successfully carried out. Only then could they begin to feasibly monitor the pattern of growth in the value and scope of transactions between city-based service providers and CORE-based users. Furthermore, monitoring of growth in the volume and value of such transactions should also be preceded by an assessment of the level of completion and operational efficiency and cost effectiveness of proposed special bonded zones that are intended to further facilitate the flow of transactions.

In monitoring growth in city-based private sector activity, the strategy implementation team should track the level of accomplishment and the effectiveness of the series business environment improvement interventions proposed by the LED Strategy. Growth in the scale and scope of the targeted economic sectors and clusters could only take place when the city's business environment has been tangibly and consistently improved at all levels including regulatory, public sector services and infrastructure, business support and quality of life to name only a few.

In monitoring impact of LED Strategy on Equity and the level of inclusion of marginalized sectors of the economy and segments of the city's population, the strategy implementation team must track the progress in the introduction of stream-lined procedures intended to support the entry of and participation by normally marginalized enterprises (micro, small and women owned firms) in the activities of vibrant clusters and sectors of the economy. Unless such mechanisms are effectively put in place, improvement in the level of income and a measurable reduction in the percentage of households that are currently under the upper and lower poverty lines would not take place.

#### Monitoring Quantitative Indicators:

The LED Strategy has identified a number of sources through which LED Strategy impact could be monitored and responsively adjusted.

The primary source of secondary data is CSO which functions as a depository of Governorate level data collected from the various Executive Organs, the Ministry of Finance (MOF) and the city's economic facilities.

The Social Fund for Development maintains an extensive and very impressive and valuable GIS linked database of that provides a multitude of poverty indicators covering service provision, education, health, and literacy poverty indicators for the Governorate and its Districts.

The local branch of MOF represents a primary source of data which will be used to monitor impact of the LED Strategy on central, shared and local revenues generated at the Governorate and District levels through taxes, fees and service provision dues.

The Tax Authority (both covering large firms at the Governorate level as well small firms at the district level) is another source of data which will provide an indication of growth in the activities of the various sectors of the economy.

The Customs Authority represents another source of very valuable data which is more likely to accurately reflect the real level of transactions executed by the private sector in the area of importation of raw materials, semi-finished and finished goods as well as the export of locally extracted unprocessed, semi-processed and processed materials as well as other locally processed products.

The General Investment Authority (GIA) represents another valuable source of information on the pattern and scale of investment allocated to the different sectors of the local economy. GIA's databases also provide insight into the pattern and level of interest by inquiring investors and the scale of potential allocations they are considering placing in Aden if opportunities prove suitable.

The local branch of the Ministry of Industry (MOI) also manages the industrial and commercial registry databases which are of significant value for monitoring the total pattern of growth in the various sectors of the local economy since they include all scales of activity and not only medium and large investment as is the case with GIA.

The Ministry of Labor (MOL) maintains a valuable database on the labor force which reflects pattern changes and concentrations of employment as well as age and gender profiles of the labor force.

Aden's economic facilities – POA, AIA and AFZ – represent another very valuable source of data on throughput (in the case of POA & AIA) and level of investment by sector (in the case of AFZ) which represents a critical source that will enable the monitoring of growth of CORE based activity.

In addition to the above listed sources, the LED Strategy team utilized a flexible system for accessing qualitative data on the various aspects of Aden's economy, business environment and the perception of investors of the prospects for the city and for their particular sectors or clusters. This system must be maintained, developed and utilized by the LEDD for monitoring and for strategy adjustment and should rely on the expanded representation through the LED Subgroup.