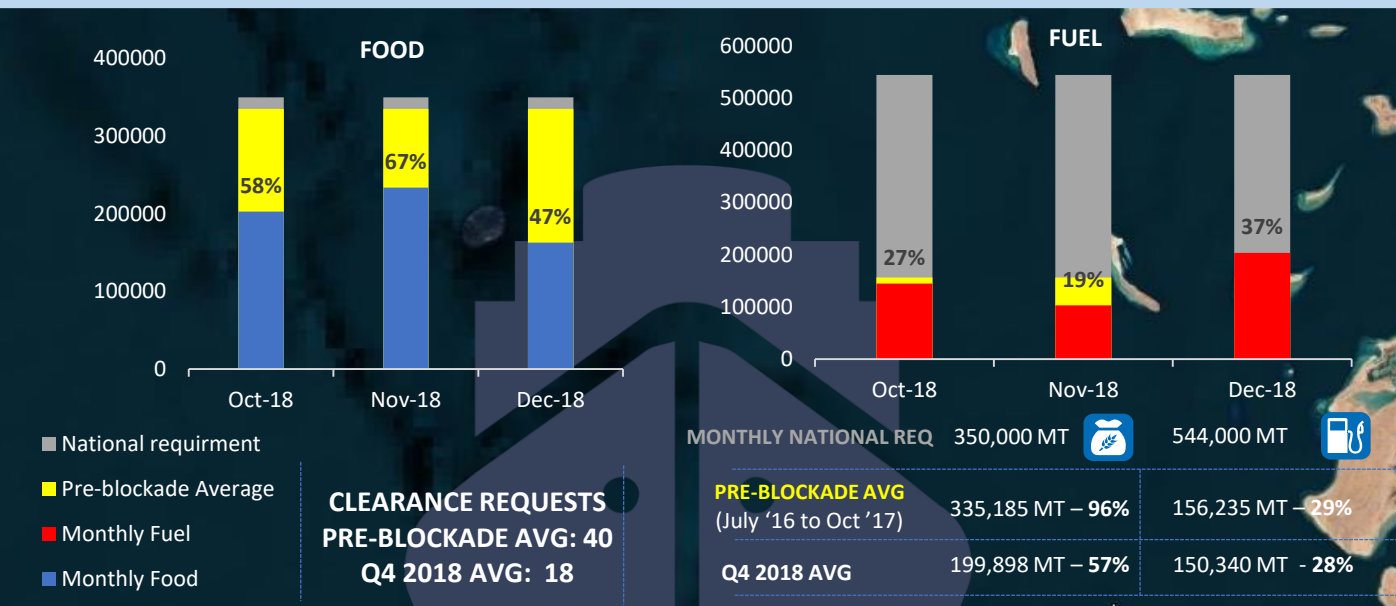
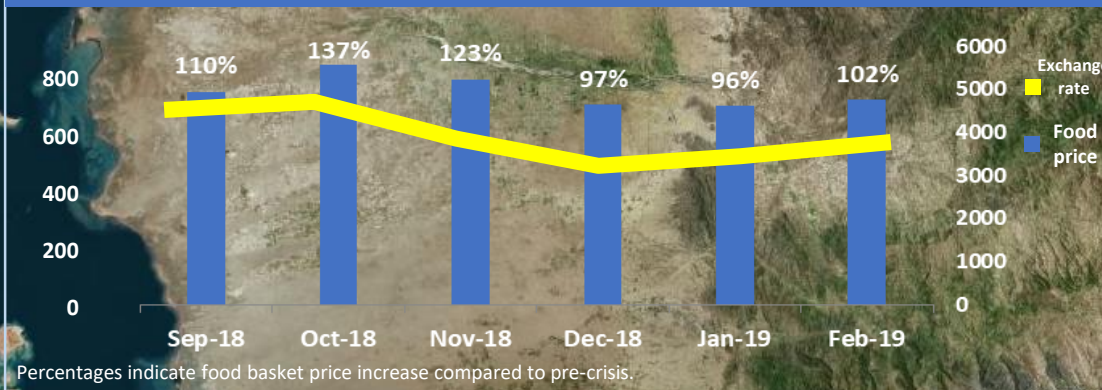


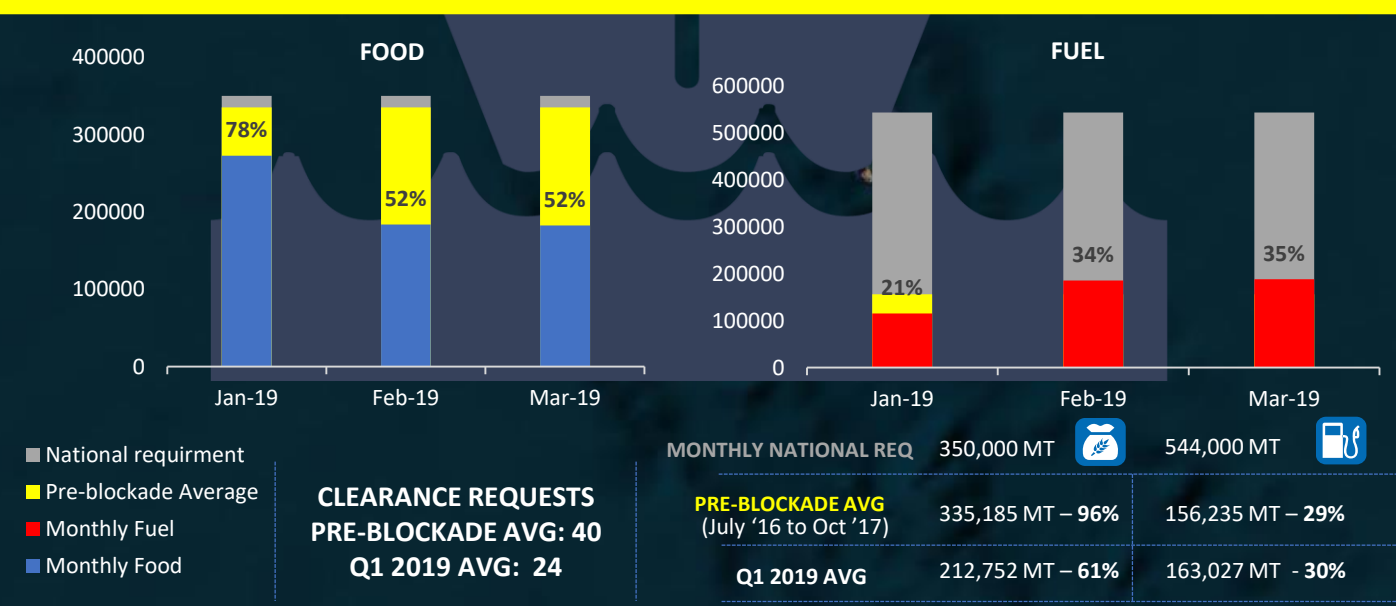
Q4 2018: FOOD IMPORTS DOWN 39%, FUEL IMPORTS MEETING PRE-BLOCKADE AVERAGE



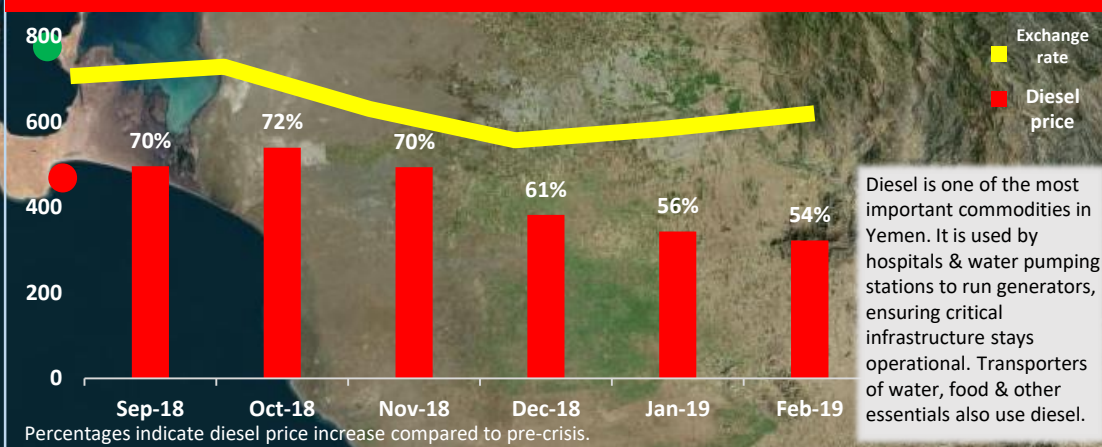
FOOD BASKET PRICE CHANGE ASSOCIATED WITH CHANGE IN YER/USD



Q1 2019: FOOD IMPORTS DOWN 38%, FUEL IMPORTS MEETING PRE-BLOCKADE AVERAGE



DIESEL PRICE CHANGE ASSOCIATED WITH CHANGE IN YER/USD



Diesel is one of the most important commodities in Yemen. It is used by hospitals & water pumping stations to run generators, ensuring critical infrastructure stays operational. Transporters of water, food & other essentials also use diesel.

SUMMARY

Since the start of UNVIM operations until the temporary blockade (pre-blockade period) food imports via Hudaydah and Saleef were meeting 96% of national requirements. Q4 & Q1 import levels were about 40% less than the pre-blockade period. Food items may be imported via other ports, but lack similar capacity.

Fuel imports via Hudaydah & Ras Isa during the pre-blockade period met about one-third of national requirements. Q4 and Q1 import levels were similar, although Ras Isa remains closed. Other ports also have capacity to import fuel.

Following a deposit of \$200 million into the Central Bank of Yemen (CBY) by Saudi Arabia in October 2018, the average exchange rate of the YER/USD appreciated in value, resulting in the price of the minimum food basket to decrease each month until January 2019. Since the use of the \$200 million deposit, lack of liquidity in the CBY has resulted in the exchange rate to depreciate again.

The appreciation of the rial since October 2018 has also resulted in decreased diesel prices. However, similar to the food basket, diesel prices are expected to rise if additional foreign currency is not injected into the CBY to stabilize the exchange rate.