



Manufacturing Small and Medium Enterprises in Yemen: A Theoretical Background

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ABSTRACT

Small and Medium Enterprises (SMEs) are a significant player in the growth, development and resurgence of economies whether in developed economies, emerging economies, and lower income economies. The contribution of manufacturing SMEs is more significant in lower income economies due to their role in employment, income generation and enhancing the GDP level of the country. This article adopts a qualitative descriptive research approach to explore the sector of small and medium enterprises in Yemen as a lower income economy. The article relies on secondary data publicly available about the manufacturing SMEs sector in order to gain a sufficient insight into the manufacturing SME sector in Yemen.



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INTRODUCTION

Industrialization is said to be the most significant factor contributing to the objective of globally achieving economic development. However, when it comes to the underdeveloped economies, the role of the industrial sector in the economic developed is found to be compromised due to the tremendous number of challenges faced by organizations/enterprises who are into manufacturing sector (Kniivilä, 2007; Cheremukhin, et al., 2017). Such challenges require extra effort from both

Government and Investors to create a conducive business environment that is essential to realize economic development.

Yemen being one of the underdeveloped Countries and the poorest economy in the MENA region, when compared to its neighbouring Countries, the development of the manufacturing sector still lags behind with respect to its growth, development and contribution towards the country's GDP (Saleh & Manjunath, 2021).

The SMEs in low-income countries play a significant role in creating employment and generating income. The manufacturing sector in Yemen has achieved remarkable development during the eighties of the last century due to the oil discovery and its industry. However, due to the recent economic and political instability, a significant deterioration has been observed in the industrial sector where a plethora of challenges are faced by the manufacturing enterprises, which is also hampering their business performance and growth (Saleh & Manjunath, 2022). This study presents a background about the manufacturing sector in Yemen, manufacturing SMEs in Yemen, their contribution and obstacles faced by them.

METHODOLOGY

This article is a review article in nature, it aims to describe and explain the background of the SME sector in Yemen in general and the manufacturing SMEs in particular. It relies on secondary data publicly available in many sources such as the World Bank. The article explores the history of manufacturing SMEs in Yemen, the definition of SMEs in Yemen, the ownership and spread of manufacturing SMEs in the country, and the role of the sector in the economy.

The manufacturing sector during the Ottoman empire in Yemen:

Some trace of development was observed during the Ottoman empire rule in Yemen; such as manufacturing enterprises that were mainly coal-fired power sourced units in many sectors, for instance, the Islamic factory of iron and steel in Sanaa which was into production of iron and steel, basic vehicles and different transport materials; the Islamic military factory which produced light and basic heavy guns and ammunition with manufacturing capacity of around 7 to 10 thousand shotgun bullets daily; Parts manufacturing factory which produced parts for civil and military vehicles; the electric textile factory which produced Cotton textiles, wool textiles and fancy carpets; the Islamic factory for glass which produced multiple types of plain and colored glass; Marble factories to produce many types of marbles; Milling grains factories using multiple methods such as windmills crafts – in mountainous or highland areas, watermills that existed near rivers, springs and streams, steam mills which work with the steam generated by the coal-fired power generation, mills run via animals which function by being pulled and rolled throw animal such as camels or donkeys. Carpentry factories which produced doors, windows, chairs and office furnitures. Other factories such as leather factories, soap factories, and ice factory.

Unfortunately, all these factories did not continue after the Mutawakkilite Kingdom that ruled Yemen after the Ottoman empire 1918-1962, the materials of such factories that existed were taken to the military museum in the capital Sanaa. (Altheeb, 2009; Alaraby, 2016).

Manufacturing before the establishment of Yemen as a republic:

Lacking the required electricity was the major obstacle for the growth of industry in the North Yemen before the unification of Yemen. During 1979, the first electricity power plant was implemented in Hodaidah city with a capacity of 150 kph, in 1988, their capacity increased to 400 thousand tons kph employing around 4000 workers.

The revolution of September 26th 1962 was the start for easing the establishments and development of industries whether extraction industries or processing industries. As the contribution of the industrial sector towards the country's GDP was extremely low during the sixties of the last century, where the contribution of the extraction industry accounted for 0.9% of the total GDP and around 16.4% of the total industry output. Such improvement took place during the eighties where the contribution of the extraction industries increased to become 9.5% of the country's GDP and 44.1% of the total industry output. The factors behind increase and enhancement in the role of industry in the North of Yemen was due to extraction of oil which accounted for 91% of the total extraction industry output which still implied that the role of industry in the economic growth was very low. As for the processing industries, small and medium enterprises existed where they can not be called as factories due to their small size, however, they grew and played a significant role after the revolution in the North of Yemen. The number of small and medium enterprises increased from 19 enterprises during the sixties to become 66 enterprises during 1975 and 101 enterprises during 1984. The more enhancements was observed among food processing industry and metal industry.

Similarly, in the South of Yemen, industry was basic regardless of the existence of many industrial enterprises. Except oil refining units and power supply plants, industry activities were basic and manual. However, remarkable development was realized by the industry sector in the south of Yemen during the seventies and eighties such as 65% growth in manufacturing, 25% growth in the number of workers in the industry sector, and 199% growth in employee compensations. Industrial establishment were observed in the south of Yemen in all sectors – the public, private and the cooperative sector (Abdulhabeeb, 1985; CSO, 1989; Alawadhi, 2003).

Defining small and medium enterprises:

Defining Small and medium enterprises in Yemen has three perspectives as per Social Fund for Development (SFD), Ministry of Industry and Trade (MIT), and Central Statistical Organization (CSO).

The first perspective as per Social Funds for Development which is one of the organizations dedicated for supporting and empowering SMEs, the same perspective was also adopted in the National Strategy for Micro and Small Enterprises Development. SFD classifies SMEs based on the number of employees, employees range from five to fifty employees among small and medium enterprises, where small enterprises are the enterprises who employ what ranges between five and ten employees/workers, micro enterprises are the one employing what ranges between one and four employees/workers, while medium enterprises are enterprises that their

full-time employees/workers are not more than 50 employees/workers (Aliriani, 2013; PSDP, 2011; Alnedhari, 2009).

The second perspective is adopted by the Ministry of Industry and Trade (MIT). It defines micro enterprises as the one who employ four or less employees and with an investment capital that is less than one million Yemeni Rials. It also defines small enterprises as the enterprises that employ up to ten employees/workers and investing an amount that is not more than two million Yemen Rial (YR) which is equal to 5000 USD (MIT, n.d.).

The third perspective is adopted by Central Statistical Organization (CSO), which defines micro enterprises as the enterprises employing one to four employees/workers, small enterprises are the enterprises employing five to nine employees/workers, medium enterprises are the enterprises employing ten to twenty four employees/workers while large enterprises are the enterprises employing twenty five or more employees/workers (Rashid, 2007; CSO, 2005).

It can be concluded from this discussion that until now, an official definition of SMEs that classify them according to the number of employees, investments and sales returns is still absent in Yemen (Alnedhari, 2009).

Such perspectives mentioned above, are used by such organizations for the purpose of preparing their reports and reporting their progress, rather than considering such classification to be the official classification of SMEs in Yemen.

In an empirical study, entrepreneurship and enterprising activities in Yemen were compared with similar underdeveloped economies, like the Afghani, Bangladeshi, Rwandan, and the Sudanese economies. The study output have unveiled that Yemen, when compared with other economies, is the least to adopt entrepreneurial activities, adopt reforms to boost entrepreneurship in the country, and above all, to provide clear and unique classification of SMEs in the Country. The study also revealed that the government of Rwanda and Bangladesh were found to be the best in defining and classifying SMEs as the enterprises in Rwanda are classified based on the number of employees, annual turnover, and net capital investments, while the same is adopted in Bangladesh – where enterprises are also classified based the sector as well – service and manufacturing (Saleh & Manjunath, 2021).

Taking into consideration the fact that almost all the business sectors in Yemen (95%) fall into the category of SMEs, which implies the need for a detailed and unique classification of SMEs to be adopted in Yemen; instead, as mentioned above, each official organization in Yemen adopts a different classification when reporting activities pertaining to the SMEs sector, let alone the fact that the sector of SMEs in Yemen is not supervised by a unique authority as it is in many other countries such as India – where a specific ministry is dedicated to the SMEs sector (Saleh & Manjunath, 2020a; 2020a).

Manufacturing enterprises in Yemen:

Yemen lacks a proper up to date database that is dedicated for SMEs operating in the country. Therefore, characteristics relating to SMEs are challenging to obtain/describe. The last comprehensive survey conducted regarding manufacturing enterprises was in 2010. Conducting

the survey was supported by the United Nations Development Program (UNDP) and GIZ (the German development agency). According to the results drawn from this survey, the number of manufacturing enterprises in 2010 was 27,796 enterprises.

Ownership in the manufacturing sector:

Statistics show that majority of the commercial sector in Yemen operate as small and medium enterprises (SMEs) accounting for more than 95% of firms and companies falls into the category of small and medium enterprises in Yemen (World bank, 2013). Further, majority of the commercial activities in the business sector belongs to the private sector (ILO, 2019).

Similarly, when it comes to manufacturing SMEs, the private sector is dominating the ownership in Yemen, as the ownership of majority of enterprises (98.31%) is held by the private sector, and the rest is divided among other types of ownership: 0.77% belongs to the public sector, 0.49% belongs to the cooperative sector, 0.15% belongs to the private foreign sector, 0.13% belongs to joint private sector, 0.08% belong to the Waqf sector – which is concerned with property that is charitable endowment according to the Islamic law, 0.05% belongs to mixed sector, and 0.02% belongs to non-government organization, while at the same time no ownership is held by regional or international organization (CSO, 2013).

When taking the ownership percentage into consideration, the report of the comprehensive survey reveals that the ownership differs between large enterprises and SMEs. Where the majority of large enterprises (53.52%) are owned by the private sector, 30.99% are owned by the public sector, the firms and companies owned by the joint private sector and the mixed sector account for 10.57% and 3.52% respectively, while 1.4% of large manufacturing enterprises are owned by the cooperative sector and the foreign private sector with 0.70% respectively (CSO, 2013).

However, when medium sized manufacturing enterprises are concerned, it is observed that the private sector owns the majority of the medium manufacturing enterprises in Yemen accounting for 82.30%, while 9.79% are owned by the public sector, the joint private sector owns around 3.01%, the cooperative sector and the mixed sector owns around 1.69% and 1.51% respectively; the foreign private sector and the sector of non-government organizations own around 1.32%, and 0.38% of medium-sized manufacturing enterprises respectively (CSO, 2013).

In case of small manufacturing enterprises, majority (97.46%) are owned by the domestic private sector, the public sector owns around 1.39% of the small manufacturing enterprises in Yemen, and the rest which is 1.15% of small manufacturing enterprises are owned by other sectors with different portions for each sector (CSO, 2013).

In case of micro enterprises are concerned, majority of the micro manufacturing enterprises (99.09%) are owned by the private sector, while the cooperative sector owns around 0.40%, and the rest of the micro manufacturing sector (0.41%) is owned by other sectors with a small portion with each sector (CSO, 2013).

It can be observed from the results drawn from the comprehensive survey of manufacturing enterprises that the private sector dominates the ownership of the manufacturing enterprises in Yemen. However, such dominance by the private sector is among micro, small and medium manufacturing enterprises (98.3%), and not among large manufacturing enterprises which are held by the public sector, the foreign private sector and the non-government organizations. The large scale foreign private and non-government participation is found very less in the sector of micro, small and medium enterprises (CSO, 2013).

Spread of manufacturing enterprises in Yemen:

The capital city of Sanaa'a consists of the majority of manufacturing enterprises according to the formal statistics furnished by the comprehensive survey conducted in 2010. Around 70.86% of manufacturing firms/enterprises are located in seven cities in Yemen, where Alamanah hosts the highest percentage of manufacturing enterprises (18.06%) as compared to the other cities, the second rank is held by the city of Taiz which hosts around 13.93% of manufacturing enterprises, Ibb city is ranked third in hosting manufacturing enterprises as it hosts around 12.24%. Dhamar city hosts around 8.05% of manufacturing enterprises in Yemen which makes it ranked the fourth city, Hadhramaut city is ranked fifth hosting around 7.49%, the sixth and seventh ranks are held by Hodaiah city and Sanaa city as they host around 6.88% and 4.21% respectively. Beyond the share of manufacturing enterprises host by these seven cities, the rest are distributed among the other cities with percentages less than one of the total manufacturing enterprises (CSO, 2013).

Manufacturing enterprises who are into food processing account for 43.75% of the total manufacturing enterprises, followed by metal accounting for (14.78%), the non-metallic manufacturers accounting for (11.02%), and the textile manufacturers accounting for (10.80%) and the rest of manufacturing enterprises are distributed across the industry with very low percentages (CSO, 2013).

Among large manufacturing enterprises (employing more than 50 employees), Sanaa city hosts the highest number accounting for 21.83%, Taiz city hosts the second highest number with 16.90%, followed by Hadhramaut with 14.08%, Aden is ranked fourth hosting 12.68%, Hodaiah and Ibb hosting 11.27% and 6.34% respectively, and Albaydha hosts 4.93%. It is worth mentioning here that all these seven cities host 88% of total large manufacturing enterprises in Yemen, while large scale enterprises barely exist in cities like Ma'areb and Mahweet, there is absence of any large scale enterprises in cities like Dhamar, Hajjah, Raimah and Aljawf (CSO, 2013).

In case of medium sized manufacturing enterprises (which employ between 10 to 50 employees), Alamanah hosts the highest portion of them with 28.44% of the total medium sized manufacturing enterprises. The second highest portion is hosted by Taiz city with 15.82%, Hadhramaut with 12.05%, and Hodaiah with 10.55%. These four cities represent 66.85% of medium sized manufacturing enterprises, and the rest, i.e. 33.15%, is divided among the other cities with smaller percentages (CSO, 2013).

In case of small manufacturing enterprises, Alamanah is ranked first hosting 27.25%, followed by Taiz and Hodaidah with 12.57% each, Hadhramaut with 8.46%, and Aden with 6.31%. It is worth mentioning here that these cities host more than 75% of total small manufacturing enterprises in Yemen, while the remaining cities are found to host less than 1% each.

When it comes to hosting micro manufacturing enterprises [21,801 employing up to four employees], Alamanah is found to be the number one host in case of large, medium and small manufacturing enterprises. Alamanah hosts 15.54% of the total micro manufacturing enterprises, followed by Taiz with 14.19%, Ibb with 13.53%, Dhamar with 9.25%, Hadhramout with 7.10%, Hodaidah with 5.37%, and Sanaa with 4.85% of the total micro manufacturing enterprises in Yemen. It is worth noting that around 70% of micro manufacturing enterprises are hosted by these cities while the remaining cities host less than 1% each (CSO, 2013).

It can be observed that hosting higher number of micro, small and medium sized manufacturing enterprises is relevant to the size and population of Yemeni cities, and the opposite is relevant to the cities hosting the least number of manufacturing enterprises.

The role of small and medium manufacturing enterprises in the Yemeni economy:

In this section, the literature is reviewed to present the contribution of the sector of manufacturing small and medium sector towards the economic development through the dimensions of employment, employee compensations, and value added.

Employment:

Since the sector of small businesses sector is known for employment creation and income generation, whether it is a developed, developing or a least developed economy. Similarly, the small business sector in Yemen has been a major contributor towards employment, income generation and economic development. The table below (Table 1) shows statistics relating to the role that micro, small and medium manufacturing enterprises play in regards to employment.

From the table (Table 1), the following becomes very obvious; the increase of employment among micro, small and medium manufacturing enterprises observed between 2003 and 2017 is around 35.7%, where the employment percentage of micro enterprises in 2003 was 48.5% of the total employment of the SME sector and increased to 52.1% in 2006, 52.4% in 2009. The percentage has declined after that to become 50.3% in 2012 and 44.5% in 2015 as well as 2017 (CSO, 2003, 2006, 2009, 2012, 2015, 2017).

when evaluating the contribution of small enterprises, the rate of employment to the total sector employment was 12.7% in 2003 with a very minor increase through the following years to become 17.6% in 2006, 17.9% in 2009, 18.3% in 2012, 19.5% in 2015 and 2017. Medium enterprises are the major contributor to the employment compared with other enterprises, they contribute to the total employment of the SME sector by 38.8% in 2003, however, this employment contribution has declined to become 30.3% in 2006, 29.7% in 2009 and it began increasing again to become 31.4% in 2012, 36% in 2015 and 2017 (CSO, 2003, 2006, 2009, 2012, 2015, 2017).

This indicates a moderate level of growth in the number of employed workforce among micro, small and medium enterprises without taking into consideration the other factors that cause such increase in the size of workforce. The growth in this sector significantly has an impact on the economic development of the country in general which boosts the ability of SMEs to contribute towards the GDP of Yemen. Among micro, small and medium manufacturing enterprises, micro manufacturing enterprises have been on the top employing the highest number of workforce in Yemen, this indicates that micro manufacturing enterprises are the major contributor when it comes to employment (Table 1). It is worth mentioning here that when taking the total contribution across the years, micro enterprises appear to be the major contributor with the percentage of 48.8 % of the total employment across all the years compared with small Enterprises (17.8%) and medium enterprises (33.4%) (CSO, 2003, 2006, 2009, 2012, 2015, 2017).

Further, small manufacturing enterprises are found to be the least contributor to employment generation. It is worth mentioning that small manufacturing enterprises are very less in quantity when compared to medium enterprises and micro enterprises in Yemen, this describes the variance in the employment percentage between medium enterprises on one hand and micro and medium enterprises on the other (Table 1).

Employee compensations:

Since employment has grown among micro, small and medium manufacturing enterprises, similarly, the employment compensations has also increased during the last two decades with total compensation of employment among manufacturing enterprises during 2003 was 21,688 Million Yemeni Rial has seen a major growth and stood at 55,379 Million Yemeni Rials during 2017.

Similar to the variance in employment, the compensation of employees has also been observed to be higher among medium manufacturing enterprises, and the least employee compensation is observed among small enterprises (Table 2). As observed in the table, employee compensation of micro enterprises was 12.7% to the total employment compensation of the SME sector during 2003 and 4% of the total contribution of micro enterprises across the years. This percentage has increased significantly to become 30.6% of the total sector contribution and 15.5% of the total contribution of the micro enterprises across the years.

Small Enterprises are found to be the least contributing when it comes to employee compensation where it was 9% of the total sector contribution and 4.9% of the total contribution of small enterprises across the years. This percentage has witnessed improvement through the years to become 14.4% of the total contribution of the sector and 20% of the total contribution of small enterprises across the years (CSO, 2003, 2006, 2009, 2012, 2015, 2017).

As for medium and large enterprises, their contribution to the employee compensation of the SME sector was 78.3% in 2003 and became 64.3% percent in 2017 while their share of the total contribution of medium enterprises across the years was 10.2% in 2003 and became 21.5% in 2017.

Table 1: Employment among manufacturing SMEs in Yemen 2003 - 2017

years Enterprises	2003		2006		2009		2012		2015		2017		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	(%)
Micro	66,258	48.50% ^a	1,20,233	52.10% ^a	96,644	52.40% ^a	86,589	50.30% ^a	87,935	44.50% ^a	82,659	44.50% ^a	5,40,318	-48.80%
		12.3% ^b		22.3% ^b		17.9% ^b		16.0% ^b		16.3% ^b		15.3% ^b		
Small	17,399	12.70% ^a	40,543	17.60% ^a	32,951	17.90% ^a	31,534	18.30% ^a	38,417	19.50% ^a	36,112	19.50% ^a	1,96,956	-17.80%
		8.8% ^b		20.6% ^b		16.7% ^b		16.0% ^b		19.5% ^b		18.3% ^b		
Medium and large	53,077	38.80% ^a	69,829	30.30% ^a	54,807	29.70% ^a	54,185	31.40% ^a	71,145	36.00% ^a	66,876	36.00% ^a	3,69,919	-33.40%
		14.3% ^b		18.9% ^b		14.8% ^b		14.6% ^b		19.2% ^b		18.1% ^b		
Total	1,36,734	-12.30%	2,30,605	-20.80%	1,84,402	-16.70%	1,72,308	-15.60%	1,97,497	-17.80%	1,85,647	-16.80%	11,07,193	-100.00%

Source: (CSO, 2003, 2006, 2009, 2012, 2015, 2017). Note: a) Percentages are calculated based on the total of each year. b) percentages in paratheses are calculated to the total of all category across all years.

Table 2: Employment compensation among manufacturing SMEs in Yemen 2003 – 2017

years Enterprises	2003		2006		2009		2012		2015		2017		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	(%)
Micro	2,744	12.7% ^a	10,689	30.6% ^a	15,420	33.7% ^a	15,680	27.0% ^a	12,540	21.3% ^a	11,787	21.3% ^a	68,860	25.07%
		4.0% ^b		15.5% ^b		22.4% ^b		22.8% ^b		18.2% ^b		17.1% ^b		
Small	1,960	9.0% ^a	4,935	14.1% ^a	7,775	17.0% ^a	8,855	15.3% ^a	8,507	14.4% ^a	7,997	14.4% ^a	40,029	14.57%
		4.9% ^b		12.3% ^b		19.4% ^b		22.1% ^b		21.3% ^b		20.0% ^b		
Medium and large	16,984	78.3% ^a	19,329	55.3% ^a	22,562	49.3% ^a	33,435	57.7% ^a	37,867	64.3% ^a	35,595	64.3% ^a	1,65,772	60.36%
		10.2% ^b		11.7% ^b		13.6% ^b		20.2% ^b		22.8% ^b		21.5% ^b		
Total	21,688	7.90%	34,953	12.73%	45,757	16.66%	57,970	21.11%	58,914	21.45%	55,379	20.16%	2,74,661	100.00%

Source: (CSO, 2003, 2006, 2009, 2012, 2015, 2017) Note: a) Percentages are calculated based on the total of each year. b) percentages in paratheses are calculated to the total of all category across all years.

However, Central Statistics Organization in Yemen includes large enterprises with medium enterprises, for the reason that large enterprises are very limited. This is supported by the statement of the World Bank that more than 95% of the business sector in Yemen falls into the category of small and medium enterprises (CSO, 2003, 2006, 2009, 2012, 2015, 2017).

Value added:

When considering the value added among micro, small and medium manufacturing enterprises in Yemen, a remarkable growth has been observed since 2003, from mere 130,183 Million Yemeni Rials in 2003 to 551,955 Million Yemeni Rials by 2017. When evaluating is the rate of the value added by micro enterprises, the table shows that their share of the total sector contribution was 20.5% during 2003 and became 31.5% in 2017. While their percentage of the total contribution of micro enterprises across the years was 3% in 2003 and became 19.5% in 2017 (CSO, 2003, 2006, 2009, 2012, 2015, 2017).

As for small enterprises, their share was 6.6 % of the total contribution of the sector during 2003 and became 7.5% in 2017, while their share of the total contribution of small enterprises across the years was 4.2 % in 2003 and became 20.4% in 2017.

When evaluating the contribution of medium enterprises, the table shows that they contributed to the total value add of the sector by 72.9% in 2003 and changed to 61% in 2017, while their contribution to the total value add of medium enterprises across the years was 6.6% in 2003 and changed to 23.5% in 2017 (CSO, 2003, 2006, 2009, 2012, 2015, 2017).

Similar to employment compensation, medium and large enterprises have achieved the highest value added compared with micro and small manufacturing enterprises (Table 3).

Table 3: Value added among manufacturing SMEs in Yemen 2003 - 2017

Enterprises/years	2003		2006		2009		2012		2015		2017		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	(%)
Micro	26,667	20.5% ^a	80,854	32.5% ^a	2,22,349	48.8% ^a	2,12,823	36.6% ^a	1,77,092	31.5% ^a	1,73,831	31.5% ^a	8,93,616	35.33%
		3.0% ^b		9.0% ^b		24.9% ^b		23.8% ^b		19.8% ^b		19.5% ^b		
Small	8,560	6.6% ^a	24,378	9.8% ^a	31,608	6.9% ^a	54,053	9.3% ^a	42,075	7.5% ^a	41,300	7.5% ^a	2,01,974	7.98%
		4.2% ^b		12.1% ^b		15.6% ^b		26.8% ^b		20.8% ^b		20.4% ^b		
Medium and large	94,956	72.9% ^a	1,43,595	57.7% ^a	2,01,374	44.2% ^a	3,14,010	54.1% ^a	3,43,142	61.0% ^a	3,36,824	61.0% ^a	14,33,901	56.69%
		6.6% ^b		10.0% ^b		14.0% ^b		21.9% ^b		23.9% ^b		23.5% ^b		
Total	1,30,183	5.15%	2,48,827	9.84%	4,55,331	18.00%	5,80,886	22.96%	5,62,309	22.23%	5,51,955	21.82%	25,29,491	100.00%

Source: (CSO, 2003, 2006, 2009, 2012, 2015, 2017) Note: a) Percentages are calculated based on the total of each year. b) percentages in paratheses are calculated to the total of all category across all years

CONCLUSION

The sector of SMEs shouldered the biggest hit during the instability going on in the country, where enterprises were severely impacted by partial; or complete damage, business closure, or re-location of the business operations. Research indicates that SMEs severely suffered such obstacle during the current instability (Saleh & Manjunath, 2020a). This brings on the focus about the importance of decision making practices that can be imparted/adopted among small and medium enterprises, where they would participate in reducing/avoiding the impact of the challenges/obstacles related to the instability and violent conflict going on in the country and similarly enhance the performance and growth of manufacturing SMEs in Yemen.

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