

Press Release

An Escalating Economic War between Warring Parties at the Expense of the People of Yemen

(Translated)

The Central Bank of Yemen, affiliated with the so-called legitimate government in Aden, issued two decisions on Thursday, May 30, 2024. The first decision mandates the cessation of dealings with six banks headquartered in areas controlled by the Houthi group. These banks are: Tadamon Bank, Yemen-Kuwait Bank, Yemen and Bahrain Shamil Bank, Al-Amal Microfinance Bank, Al-Kuraimi Islamic Microfinance Bank, and the International Bank of Yemen. The banks were given a 60-day deadline to relocate their headquarters to Aden. Failure to comply will result in penalties under the Anti-Money Laundering and Combating Financing of Terrorism Law. The second decision involves withdrawing the old edition of the Yemeni currency currently in circulation in Houthi-controlled areas within two months.

On the other hand, the Central Bank of Yemen in Sanaa, which is under the control of the Houthi group, issued a decision to prohibit transactions with 13 banks. These banks were accused of conducting banking activities without licenses and violating the provisions of the Anti-Money Laundering and Combating Financing of Terrorism Law. The Central Bank in Sanaa also accused these banks of engaging with entities internationally condemned for corruption, money laundering, and financing terrorist groups, as well as handing over financial data to hostile countries and entities. As a result, the Central Bank decided to impose a ban on both local and foreign financial and non-financial institutions from dealing with the following banks: Al-Qutaibi Islamic Microfinance Bank, Al-Basiri Microfinance Bank, Aden Islamic Microfinance Bank, Aden First Islamic Bank, Yemeni National Bank – Aden, Cooperative and Agricultural Credit Bank, Aden, Inclusion Islamic Microfinance Bank, Salam Capital Islamic Microfinance Bank, Tamkeen Microfinance Bank, Development Microfinance Bank, Eastern Yemen Islamic Microfinance Bank, Hadramout Commercial Bank and Bin Dawl Islamic Microfinance Bank.

It has been over two years since the truce between the warring parties in Yemen, brokered by the United Nations, began. Initially set for a two-month period with the possibility of extension, the truce aimed to halt military operations, freeze military positions, allow the entry of oil derivatives into Hodeidah ports, and reopen Sanaa Airport as a first step. Subsequent steps were supposed to include opening roads, paying salaries to employees, and reaching an agreement on the economic issues between the parties. Despite multiple extensions of the truce, no agreement has been reached to alleviate the suffering of the people of Yemen to this day.

The people of Yemen have endured tremendous hardships since the war began over nine years ago, a conflict driven by colonial powers—America and Britain—through their local proxies, the Houthis and the so-called legitimate government and its tools. This fierce competition among the colonizers for control over the country's resources has brought immense suffering, including death, destruction, misery, hunger, poverty, unemployment, deteriorating services, and the worst health and living crisis in the world. Yet, the warring parties remain indifferent, showing neither mercy nor compassion towards us!

The economic war, which has claimed more lives than the military conflict, is not a recent development. The economic struggle began with the relocation of the Central Bank to the temporary capital, Aden, in 2016. This was followed by a monetary split at the end of 2019 when the Houthis banned the currency printed by the so-called legitimate government, resulting in two exchange rate systems: a relatively stable system in the Sanaa regions and a volatile, deteriorating system in the Aden regions, with the difference between them recently exceeding threefold. These policies, among others, have led to increased inflation rates for goods and services, adding to the burden on the people of Yemen, who have no stake in this conflict.

As the front-line battles have subsided, the internal conflict has shifted to the economic front. This conflict is now between the southern factions supported by the UAE and Britain, and the northern faction backed by Iran, the Saudis (covertly), and the US. Currency and banking systems are at the forefront of this economic struggle. The decisions of the Aden-based Central Bank have tightened the noose around the Houthis, who, in response, along with their supporters, will work to counteract and escape these constraints.

The economic battle between the warring factions is intensifying, and these decisions will result in the loss of depositors' money and further price increases amid the absence of salaries in Houthi-controlled areas. In the so-called legitimate government areas, salaries do not cover basic expenses, and the high cost of living is crushing people's lives. The primary victims are the Yemeni people, who are powerless in this situation. These circumstances and events are grave enough to awaken the dead and be heard by the deaf.

The main problem lies in the capitalist system imposed on the people, including the economic system. The solution is not in reunifying the central bank and the currency or merely disbursing salaries and other superficial fixes. The solution lies in uprooting this unjust system and those who uphold it, replacing it with the Islamic system under a Dawlah (State) that implements it fully and comprehensively.

O our People in Yemen: The warring factions care only about serving their masters, indifferent to our suffering. They live in luxury, unaffected by currency devaluation or the high cost of living, while leaving us to bear the brunt of the hardship. They have taken control of our lives, dictating every aspect. Our only way out is through fundamental solutions to these crises and problems by implementing the Islamic system, which must be established through the State of the Khilafah Rashidah (rightly guided Caliphate) on the method of the Prophethood. This State will rescue our country and the world from misery and bring about blessings and prosperity. So, Hizb ut Tahrir calls upon you to work with it for this cause, hoping that Allah will grant victory soon, making it a reality that honors Islam and its people. O Allah, make it happen sooner rather than later.

﴿يَا أَيُّهَا الَّذِينَ آمَنُوا اسْتَجِيبُوا لِلَّهِ وَلِلرَّسُولِ إِذَا دَعَاكُمْ لِمَا يُحْيِيكُمْ وَاعْلَمُوا أَنَّ اللَّهَ يَحُولُ بَيْنَ الْمَرْءِ وَقَلْبِهِ وَأَنَّهُ إِلَيْهِ تُحْشَرُونَ﴾

“O you who have believed, respond to Allah and to the Messenger when he calls you to that which gives you life. And know that Allah intervenes between a man and his heart and that to Him you will be gathered.” [Al-Anfal:24].

**Media Office of Hizb ut Tahrir
in Wilayah Yemen**