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Aden Consular District (Summary of Current Economic Information)

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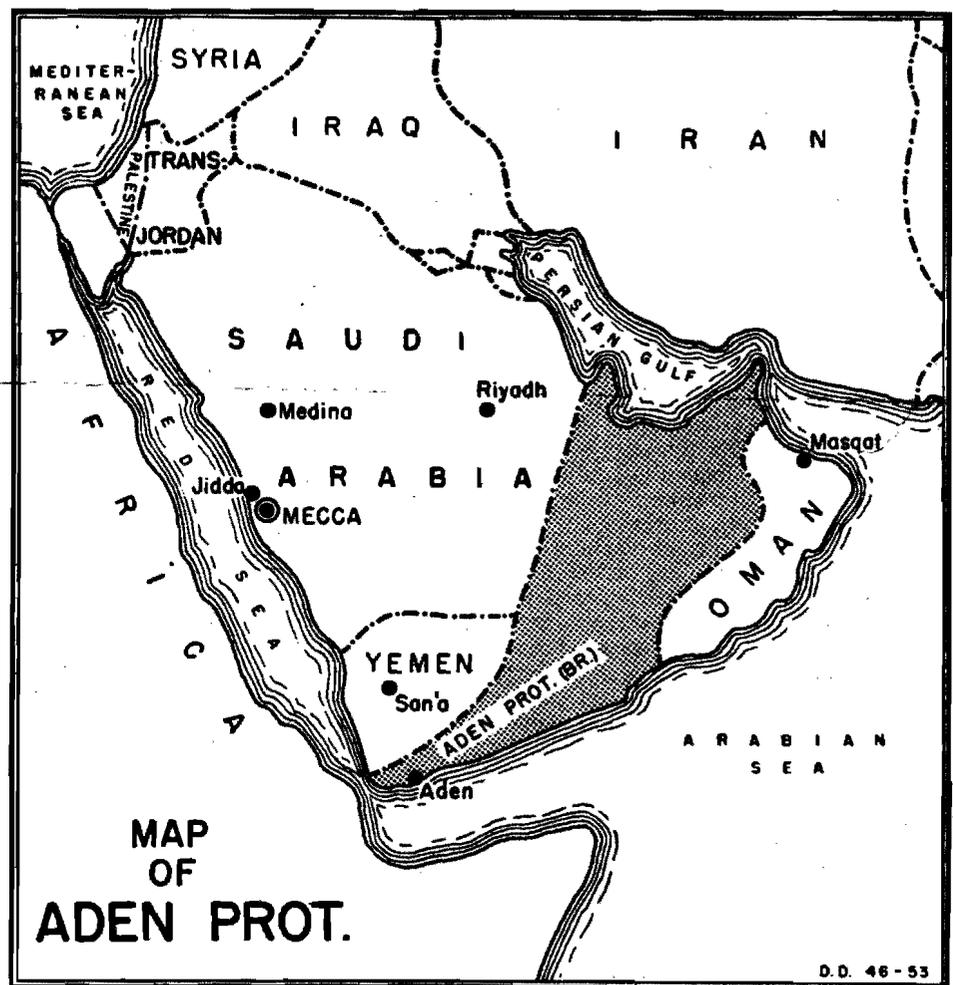
The Aden Consular District includes Aden Colony and Protectorate, the Kingdom of the Yemen, British Somaliland, and the small islands off the southern Arabian coast. Inasmuch as Aden serves as the commercial center of this area, this report deals almost wholly with that district.

The Yemen

The Yemen, an independent country under the rule of the Imam Yahia, occupies the southwestern extremity of the Arabian Peninsula, comprises about 75,000 square miles and has a population estimated at 4,000,000. In the lowlands the climate is hot, but cool in the mountains which parallel the coast. Principal products of the country entering into world trade are Mocha coffee, and sheep and goat skins, and the chief imports are cotton goods, kerosene, hardware, and foodstuffs. The people engage in agricultural and pastoral pursuits and fishing. The currency of the country is the Maria Theresa dollar. Much of the trade of the Yemen passes through Aden, via the port of Hodeida or via interior caravan routes.

British Somaliland and Protectorate

The Protectorate contains about 68,000 square miles and has a population of about 340,000, almost all Somalis. It is hot and dry on the coast, but cool in the highlands with rains and some vegetation. Somali dialects are used generally, but English and Arabic are employed commercially. Imports consist chiefly of cotton goods, sugar, rice, and dates. Exports are mainly sheep and goats, gums, and sheep and goat skins. Stock raising and primitive agriculture are the chief occupations. Internal transport is by camel, and in a few districts by motor; small steamers and dhows operate in the coastal



waters. Berbera and Zeilah are the ports. Duties give preference to British Empire goods. Import and currency restrictions are the same as the ones enforced in Aden. The Indian rupee is the currency, and minor banking operations are conducted through commercial channels.

Aden Colony and Protectorate Principal Geographic and Economic Facts

Area and Boundaries

Aden Colony and Protectorate, situated on the volcanic southern tip of the Arabian Peninsula, comprise an area of about 112,000 square miles

with a coast line on the Gulf of Aden of 750 miles. The peninsula of Aden Colony encloses an exceptionally good natural harbor.

On the northwest the Protectorate is bounded by the Kingdom of the Yemen and the vast desert of the Empty Quarter; on the east it borders on the dominions of the Sultanate of Oman.

Topography

Most of the territory of the Protectorate is rugged, nonarable land ranging in altitude from sea level to 8,000 feet. The western part of the Protectorate looks to Aden Colony as its outlet to the sea, and the eastern portion—the Hadhramaut—is served by the lesser port of Mukalla. Seasonal mountain floods provide the only water for irrigation.

Climate

The climate of Aden is very hot and humid, with some respite from November to April. The summer temperature ranges from 95° to 105° F., and the relative humidity is about 80 percent owing to hot winds from the sea. Little if any relief is available at night. During the months of May, June, July, and August the southwest monsoon brings sand storms from the outlying desert regions.

Population

The official civilian population of the Colony was 45,992, according to the Census of 1931. During the last 14 years, especially since the outbreak of World War II, however, there has been a considerable increase in the population, and at present various estimates place it between 50,000 and 60,000. The population is composed of Arabs, Jews, Somalis, Indians, and Europeans. The Arab group accounts for 70 percent of the total population.

No official census has been taken in the Protectorate, but it has been estimated officially that about 600,000 persons inhabit this area.

Form of Government

The British Crown Colony of Aden is administered by a Governor who is also Commander in Chief. He is aided by an Executive Council of five members. There is no Legislative Council.

In the Protectorate the Sultans rule their respective territories, but are responsible for their actions to the Governor and Commander in Chief.

Production

Agriculture is extremely limited and is confined to small, favorably situated areas in the Protectorate which benefit from seasonal mountain floods. At present and in the near future, the regions are and will continue to be far from self-sufficient.

The only articles manufactured in Aden Colony and the Protectorate are salt evaporated from sea water, laundry soap, tobacco and cigarettes, and sesame oil. Salt now is produced principally as ballast for ships. No statistics are available regarding actual production figures, but it is reported that 70,000 long tons were sold in 1943.

A small amount of tobacco is raised in the Eastern Protectorate, but is used in supplying local needs. A small factory in Aden produces laundry soap, but the production is sufficient only for use locally and in neighboring Red Sea ports. Several small plants engaged in extracting oil from sesame seeds have been closed because of a lack of seeds, but there is hope for an early resumption of this industry.

The fishing industry is geared only to the requirements of domestic consumption. The construction of dhows, although of small tonnage, is extremely important for the pursuits of native traders. Production is limited to about seven vessels a year with an average carrying capacity of about 200 tons.

Transportation

There are no railways in Aden Colony and Protectorate nor inland waterways. Coastwise shipping is carried on between ports of the Red Sea.

There are few roads in the Colony and Protectorate. The Aden Settlement maintains 31 miles of surfaced road, but the tracks into the Protectorate are often impassable by automobile and are used chiefly by camel caravans.

There is no domestic airway. British Overseas Airway Corporation operates a regular passenger and cargo service from Aden west to Addis Ababa, Asmara, Khartoum, and Cairo; and east to Karachi. The Lhormoksar airdrome, maintained in Aden by the Royal Air Force, is used by all air traffic through the Colony. Another air field is maintained by the Royal Air Force at Sheikh Othman. Future passenger service to and from this field is contemplated.

Aden is the only seaport in the Colony. It has no deep-water wharves, but there are 17 deep-water mooring berths in the harbor, with 6 berths for lighter-draught coastal steamers. Six wharves have total storage accommodations for 60,000 tons.

Communication Facilities

Aden is served by Cable and Wireless (Mid-East) Ltd., and is connected by cable to the east and west.

On November 15, 1945, there were approximately 350 telephones in use, excluding those in military and naval installations. The telephone system is operated as a government monopoly

by the General Post Office, and the service is limited to the colony. The only long-distance line is to Lahej, a town 25 miles to the north.

At present there are no commercial radio communication facilities in Aden.

Currency

The Aden monetary unit is the Indian rupee containing 16 annas of 12 pies each. A strict control of exchange has been enforced since September 1939, following the general program of all sterling areas. The dollar rate of exchange varies according to the exchange rate in Bombay, but averaged 326 rupees per \$100 in 1945.

Banking and Insurance

No legal maximum rate of interest exists in Aden. Banks make commercial loans at an average rate of 8 percent, although rates vary according to transaction involved, security, and reputation of the borrower. Rates are seldom less than 6 percent and never more than 10 percent.

Private loans by banks are limited to short periods, with either a guarantor or some tangible security; the rate charged is between 6 and 9 percent per month. Other loans at undisclosed rates are made by itinerant money-lenders in the bazar and native quarters.

No local insurance companies are established in Aden, and no legal provisions relating to such enterprises exist.

Weights and Measures

Imperial weights and measures are in common use, as also are certain Indian weights. For instance, the postal rate for inland letters is based on the tola; foreign letters, however, are weighed by the ounce. A tola is the weight of a freshly minted rupee, i. e., 0.4114 of an ounce. (80 tolas=1 seer and 40 seers=1 Bombay maund of 82.28 pounds. There is, however, a local maund of only 28 lb.)

Foreign Trade

During the first 6 months of 1944, the imports of Aden were valued at \$14,904,615, the chief commodities being fuel oil, cotton goods, grain, coffee, tobacco, and skins. The value of exports in the same period was \$25,814,769, and the principal items were cotton goods, skins, coffee, grain, tobacco, and salt. The similarity of the import and export commodities indicate Aden's character as a distribution and transshipment point. In the first 8 months of 1945 exports to the United States were valued at \$1,733,670.

There are no customs duties, but there is an excise levy on liquors and tobacco.

Sales Potentials

No statistics regarding national wealth or national income are available. However, in a country where the per capita income, although unknown, is very small, national wealth is not believed to be high. Mineral resources are negligible and undeveloped. There is no water power, and capital resources are limited. No figures are obtainable for domestic savings, bank deposits, assets, and liquid resources of Aden Colony. Earnings of the native Arabs and Somalis average \$10 to \$20 per month. Almost the entire native population derives its livelihood from serving as domestic servants, common laborers, and shopkeepers.

Indicators of Business Activity

No information is available regarding the volume of retail sales. In Aden as of January 1, 1945, there were 368 privately owned automobiles, 191 taxis, 216 trucks, and 29 motorcycles. In 1943 it was estimated that approximately 700 radio sets were in use. As of November 15, 1945, there were 350 telephones in the colony. There are four small motion-picture theaters. In November 1945, 2,350 electric meters and 164 electric refrigerators were reported in Aden. Consumption of electrical energy averages 500,000 kw.-hr. per month. No figures are obtainable regarding the volume of construction.

Details of Demand

Aden is primarily a price market; low prices are prerequisites in its de-

mand for foreign products. The tropical climate simplifies clothing and housing requirements. Cotton goods constitute the main item of consumer imports, followed by foodstuffs.

The Adenite's living quarters are very simple. His dwelling usually consists of a stone house of only one or two rooms, easily erected without the assistance of modern tools. The better, but rarer, type of Aden home generally is equipped with local hand-made furniture. In very few of the country and town houses of the wealthy or in the homes of foreigners engaged in business or governmental work are found conveniences similar to those in the United States.

Distribution Factors

Aden Colony is the port and commercial center of Aden Protectorate. All financial and commercial firms operating in this region of Arabia have their headquarters in Aden.

Most commercial houses in Aden are not specialized, but handle a wide variety of products which are distributed directly to retailers. Firms engaged in world trade usually not only import the merchandise but also act as wholesalers and retailers. Produce intended for export is gathered by small speculators, sold to larger dealers, and finally reaches large export merchants. Ninety percent of the exports and imports is divided among several large export and import houses.

Aden's market, which includes Aden Protectorate, the Yemen, the Somalilands and Ethiopia, is essentially one in which importers are attracted by the lowest price. There are no advertising agencies in Aden. Limited newspaper advertising is exclusively confined to a 2-page newspaper, published twice a week, with a circulation of 600. There are no outdoor billboards. There are no tramways, and the primitive bus service is patronized largely by a nonreading public.

Trade Practices

Credits are generally limited, cash or 50 percent with order and the remainder against documents being customary. Quotations c. i. f. Aden are preferred, and in pounds sterling if feasible. There are no commercial credit companies.

English is the official language of the colony and is spoken by the educated minority. The prevailing languages are Arabic and Hindustani, but most merchants understand English and carry on commercial correspondence in that language.

Business hours vary, but for the larger commercial firms are usually from 9 a. m. to 12 noon and from 3 to 6 p. m.

Strong packing is advised, with precautions against extreme heat and humidity. Cargo from the United States to this region is sometimes transhipped several times.