



Yemeni Currency Collapse Path and Repercussions

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Yemen: Shabwa Moves out of Hadi Government Control to Benefit of the UAE

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December 31, 2021

The last week of December 2021 witnessed a big shift in the south of Yemen, as the governorate of Shabwa was handed over to the UAE-backed forces peacefully, after four years of confrontation and tension between these forces and the pro-government forces regarding controlling the region, as the UAE attempts to wrestle control over the oil resources in Shabwa.

The big shift began with the dismissal of the governor of Shabwa, Mohammed Saleh Bin Adyo, who is loyal to President Abdo Rabboh Mansour Hadi's government. Awadh Mohammed Alaulaqi, who is loyal to the United Arab Emirates (UAE), was then appointed as a new governor and used the Emirates' power as a leading member in the Saudi-led coalition in Yemen to put pressure on President Hadi to boldly change the governor of Shabwa.

This move comes after Bin Adyo strongly criticized and worked hard to push the UAE troops out of a compound of the Yemen Liquid Natural Gas (Yemen LNG) plant in Balhaf, Shabwa, which is the largest oil company in Yemen, that was shut down six years ago when the UAE troops overtook it.

Right after he was sworn in as the governor of Shabwa, the newly appointed Governor Alaulaqi arrives in the city of Ataq, Shabwa's capital, via the Saudi-led coalition's military jet.

This dramatic change in local administration followed with the deployment of a huge number of UAE-backed forces — the Al-Amaleqa brigades — into Shabwa's major districts, plus Saudi troops took over Ataq Airport of Shabwa. Also, UAE-backed Al-Nokhba Al-Shabwaniya (Shabwani Elite (Elite of Shabwa)) forces deployed everywhere in Ataq and other towns of Shabwa. This was all part of UAE policy to tightly control all of Shabwa Governorate by its own army troops stationed in Balhaf camp and by UAE-backed local forces.

The UAE-backed forces in Yemen consist of three factions: The security forces of Southern Transitional Council (STC), Al-Amaliqah brigade troops and Western Coast forces lead by Brigade Tareq Saleh, all of whom are focused on trying to gain control over Shabwa in one way or another.

The UAE-backed and secessionist Southern Transitional Council (STC) celebrated this radical change in Shabwa and considered it to be a victory for its political path, which is heading toward separating the south of Yemen from the north, as it was an independent state until 1990, when both states were reunited.

The STC presenting itself as the successor to the former state of South Yemen and its armed wings — like the Security Belt in Aden, Al-Nokhba Al-Shabwaniya in Shabwa, Al-Nokhba Al-Hadramiya in Hadramout and other southern militias — are supported openly financially and militarily by the UAE as army troops and security forces of the separatist STC against the internationally recognized government of President Hadi.

The STC officials appreciated this change and announced that the future of Shabwa will be entirely different than its situation in the past, as they pointed to their new era in controlling Shabwa Governorate, not President Hadi.

Government Forces Under Attack

The remaining army troops and security forces of the government in Shabwa became a target for both the Houthi artillery shells and the Saudi-led coalition air raids, as, when the army troops attacked on Thursday December 30, 2021, more than 10 soldiers were killed and many others were injured.

The separatist STC President Aidarus Al-Zoubaidi arrives in the city of Ataq as the victor in the battle to control Shabwa. STC followers gathered in the city streets, celebrating, dancing, and removing the flag of Yemen from government buildings, replacing it with the flag of the former state of South Yemen that is used by the separatist STC.

Shabwa was the only remaining governorate in the south of Yemen loyal to Hadi's government, as most of the southern governorates became either under the control or influence of the UAE-backed forces.

The UAE-backed local forces tried so many times to take over Shabwa throughout the past three years, but the dismissed Governor Bin Adyo kept taking strong action against them, not permitting them to advance in Shabwa areas, as he used government army troops and strong-capacity tribal militants to prevent STC militants to make any advance toward Ataq and other cities of Shabwa. After they reached a deadlock with him, the UAE used its strong influence on President Hadi to force him into appointing a new governor for Shabwa, and that is Alaulaqi.

A few days later, UAE-backed forces took over all of Shabwa's major cities and towns, trying to push out the remaining government forces from any role or presence in the sensitive posts or positions.

The situation between the two sides is so tense, it's like a powder keg that could explode at any moment, but the government forces have no strong backing to support them after the dismissal of Bin Adyo.

In this conflict, a bold question has been raised: Why does Shabwa appear to be more important than other governorates in Yemen at this juncture?

The major reason behind that is because Shabwa is an oil-rich province.

It serves as a home for the most productive oil fields, as well as a gas plant, the Yemen Liquefied Natural Gas (LNG) terminal, which is the largest plant in Yemen and is used for exporting LNG from Ma'rib Governorate's block 18 oil field to the world, which had been operated by a Total Energies-led consortium until it closed in 2015.

Shabwa also hosts oil sector No. 5, which is one of the largest productive sectors in Yemen, which can produce about 25,000-30,000 barrels per day, which is already connected to a pipeline that facilitates the transportation of oil from sector 5 through sector 4 and then on to Al-Nashima oil port in Shabwa on the Arabian Sea coast.

Since 2016, the UAE-backed forces have had control of the Balhaf facility, which is the largest facility in Yemen to export the Liquefied Natural Gas through a main gas pipeline that extends from the Safer oil fields in Ma'rib Governorate to the Arabian Sea through the port of Balhaf.

As a result, the Yemeni government and the Total Energies-led consortium of Yemen LNG plant in Balhaf have not received any revenue for exporting LNG through Balhaf terminal since 2015, as well as no compensation or advantage of any kind related to this situation, as Total Energies said. The Yemeni government lost hundreds of millions of US dollars annually due to the closure of the Balhaf facility by the UAE, who used its complex as a military camp for its troops.

The UAE Focusing on Controlling Oil-Rich Areas

It seems that the UAE insists on controlling Shabwa Governorate for many reasons, the first of which is for its oil production and it has the only gas-exporting facility in Yemen. The second reason for the UAE wanting control over Shabwa is for its strategic location, which is in the heart of Yemen, and sharing a border with the Arabian Sea, as well as with the oil-producing governorates, such as Ma'rib and Hadramout. The third reason UAE wants control over Shabwa is for its strong tribal structure, which is deeply loyal to Abu Dhabi, as many of its tribal leaders and sheikhs have strong contacts with the UAE government, like the newly appointed governor of Shabwa, Governor Alaulaqi.

The strategic focus of the UAE is to control the oil-producing sectors in Shabwa, Ma'rib and Hadramout governorates, controlling the seaports of Shabwa and Hadramout, as they already control Aden's seaport.

With these events, the UAE is aiming to guarantee big and sustainable resources in Yemen for funding the UAE-backed local forces in southern governorates, as well as to redeem the cost that the UAE paid during the past seven years of its military operations in Yemen as a major member of the Saudi-led coalition in Yemen.

Reports out of Shabwa had been saying that the UAE-backed forces, which withdrew suddenly from Hodeida Governorate (west) last November, 2021, have started to advance toward the three districts of Shabwa, (Osailan, Baihan and Ayn), which the Houthis militants had taken over last October 2021, in order to try to get them back from the Houthis and to secure the oil-producing areas and roads in the neighboring Ma'rib and Shabwa governorates.

The bottom line is that the Yemeni government of President Hadi no longer has control over Shabwa Governorate, as Hadi handed it to the UAE-backed forces to the benefit of the Abu Dhabi Government, which is similar to what happened in Aden and other southern governorates of Yemen during the past six years.

Despite the southern governorates that had been considered to be part of the remaining territories in the hands of the Yemeni government, but there was no place left for President Hadi to refine his presidential influence after the Iran-backed Houthi rebels took over the capital Sana'a on September 21, 2014. Plus, the UAE-backed STC took over the temporary capital of Aden and did not allow President Hadi to go back to Aden to live, while president of the country. He has spent almost seven years in exile in Riyadh, so far.

Hadi lost most of his influence and loyal followers, one after the other since Amran Governorate had fallen into the hands of Houthi rebels until Shabwa handed it to the UAE-backed forces. Hadi seemingly hasn't learned any lessons from being president since February 21, 2012, as he is continuously making big mistakes by going against his honorable presidential authority as he keeps accepting the influence of and making statements word-for-word for the UAE and Saudi Arabia.

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