

ANNUAL REPORT

2009

THE BOARD OF DIRECTORS CHAIRMAN WORDS



Annual reports are deemed to be a reflective mirror critically important to indicate activities of plans, programs, duties executed by business organizations through the year. The annual reports extend the information to individuals , entities interested in information and studies.

As the GASSP is being one of these business organizations , it started committing , since several years, to issue these annual reports. This report came out amid several economic and financial changes due to internal and external factors and effectors led the making of several economic decisions by the government that directly affected the GASSP's investment and reserves, clearly shown by the drop of investment revenues for this year by (9,5) billion compared to the earlier year 2008 hastening insolvency as negative factors continue.

The actuarial study conducted in 2004 also pointed out to that . It anticipated the reserves will run out by 2029 and complete insolvency ,untaken into account effect of abundant workforce and wages policy.

For the above, I found it an opportunity to urge the GASSP, Board of Directors, besides Council of Ministers, and Economy Supreme Council to look for appropriate investments that may the GASSP participate in. I also urge the Ministry of Finance to re-consider allowing the GASSP to make investment in T-bills, raise interest of government bonds from the current rate (7%) to the currently accredited T-bills interest rate till the acquirement of appropriate substitute investments for GASSP's extra liquidity, to avoid the state treasury insolvency of the fund of the GASSP which is obligatory borne by the treasury of the state according to law knowing that social security expenditures exceeded contributions collected in some governorates.

I may also, at the conclusion of these words, thank GASSP's staff, leaders at the Head Office and all affiliated branches for the efforts exerted in all activities properly imaging the GASSP as indicated in this report.

Preamble

To continue the adopted approach of enhancing the social security awareness, showing social security activities results transparently, this newly framed report supports this approach – shows all fields activities results (admin. Technology, legality, security, and investment).



It also included HR development, social security awareness, legal amendments suggested by the GASSP based on the actuarial study conclusions conducted in 2004, and updates in terms of enforcement of social security law which indicated several shortcomings requiring necessary , appropriate and quick amendments to it (the law) to be in compliance with newest trends and mechanisms adopted in the field of social security according to needs and movements.

The annual report also included investment activities results which is deemed to be the most important activity that is given special consideration by the top leaders of the GASSP for its critical role in maintaining fund's balance; revenues, expenditures. Besides the financial position statement and other statistical schedules giving details in brief.

At the end, I extend thanks to the Chairman of Board of Directors who spare no efforts in drawing investment policy for the extra liquidity, evaluating performance outcomes as assigned by the law.

I may also extend thanks to all Head Office and Branches staff for the efforts exerted as manifested in the outputs of this report.

I also hope that the report contributes to the creation of social security awareness, enhancing partnership among government bodies to co-operate with the GASSP in provision complete insureds' data so as to ease procedures and to serve social security process, especially as the GASSP is converting from the manual system to the IT system to process all works as mentioned in this report.

MAY ALMIGHTY GOD LEAD US ALL TO SERVE THE NATION AND COMMUNITY

Most important indicators for the GASSP activities during 2009

Most important indicators for the GASSP activities during 2009

	sort	amount
1-	Covered civil servants	545,816
2-	Referred to retirement during the year	5,740
3-	Retirees total up to year end	95,266
4-	Service end awardees	35
5-	Debt receivers	4,867
6-	GASSP's gross revenues (for all activities) in millions	78,666
7-	Admin. Expenses total (in millions)	2,120
8-	Social security expenses (in millions)	35,824
9-	Current activities extras (in millions)	40,722

Objectives of the GASSP

There are several direct and indirect objectives the GASSP longing to achieve. Most important of which are:

- 1- Appropriate standard living for pensioners and to provide to their families after passing away.
- 2- Poverty alleviation contribution through pension payment to pensioners and their families after them.
- 3- Organizing work relation between insureds and their work entities.
- 4- Preserving work force rights ,off fear upon ageing , invalidity, work injury, and death.
- 5- Job creation contribution as reaching either one of the two pension entitlement limits.
- 6- Production increase contribution through investments and national economy evolution.
- 7- Exerting efforts to gather comprehensive data of insureds, pensioners and their families so as to promote performance of the GASSP.

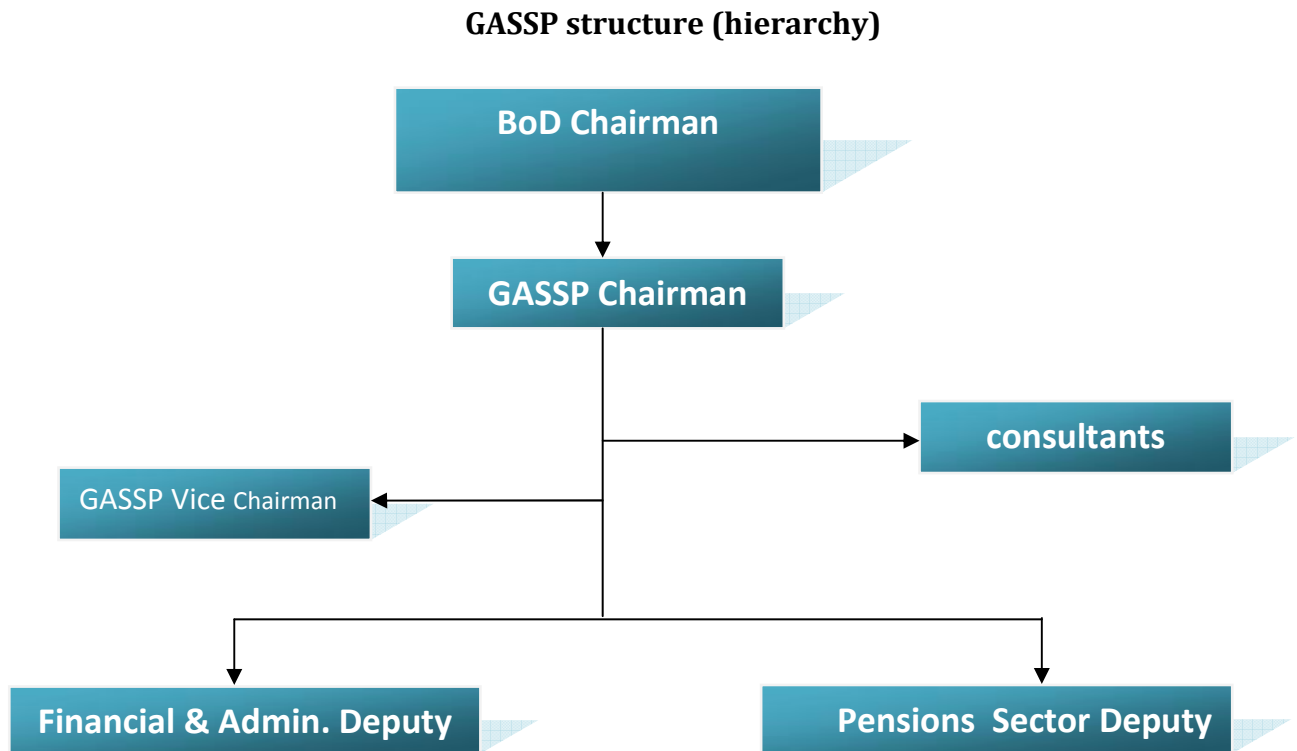


Figure no. (1) indicates GASSP hierarchy

Board of Directors assignments

The BoD is responsible for cash liquidity that must be maintained to meet liabilities of the GASSP. As well as extra fund investment policy , to get the monetary plan accredited, assumed budget draft, closure account, resolution approval, and all bylaws related to the fund and state standards for investments in high economic investment projects and final award of tenders and presentations related to these projects.

Board of Directors Meetings

meetings of the year 2009 focused on investment aspects as deemed to be the most essential duties and responsibilities that must be keen to. Most important decisions taken in this regard are:

- ❖ assign a consultant, expertise house to draft scientific investment policy for GASSP's resources.
- ❖ sugar refinery factory contribution.

- ❖ Contribution at ASSA Real Estate company.
- ❖ Contribution at the Al-Saleh Residential Project, 4 billion payment as advances to the Ministry of Construction based on Council of Ministers resolution in this regard.
- ❖ Contribution in capital of the Arab Yemen Libyan Holding Company was made payable.
- ❖ approve financial statements for years 2006-2007.

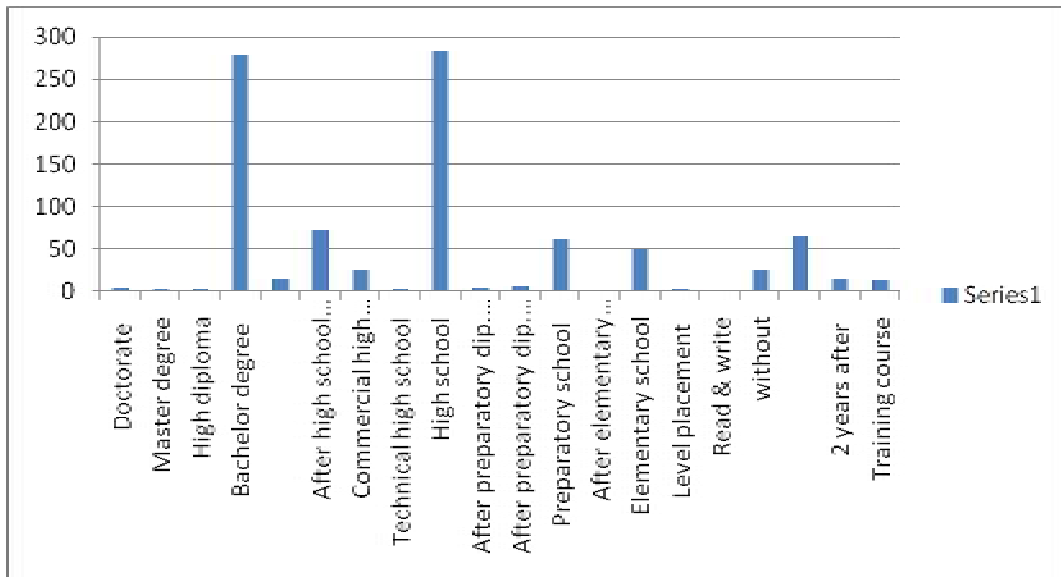
in addition to several investment opportunities were being on meetings agenda for deliberation and were declined ,as being no economically feasible ,by the Board.

administration activities

Human Resources:

GASSP staff reached in the year 2009 (931) across the republic including Syoun, Socotra, branches. males constitute 82% and 17% for females. employees holding high school certificates percentage 33%, bachelor degree 31%, less than high school 26%. percentage of employees holding diploma after high school is %7 , and holders of qualification upper bachelor degree %7.07.

figure no. 2 shows qualifications for GASSP staff



Human Resources Training

the GASSP re-held training course (15 courses) in Word processing application from January to March 2009 so as to complete its objective of computer illiteracy elimination among employees and to adjust with IT systems operation commencement. employees enrolled for training (132) employee of the Head Office, the Capital and the Secretariat branch . Their number consecutively is (19,113) males (86%) females (14%). on the other note, the GASSP held a training program for (24) employees of Sana'a Branch the use of

integrated IT systems for the GASSP from 10/5/2009 to 31/5/2009. the GASSP also held training courses at the same scope for (55) staff of the secretariat Branch from 12/9/2009.

Retirees and Employees Honoring Ceremony:-

honoring retirees:

since 2006, a yearly ceremony is held to honor newly retired staff.

As a continuation of this trend, the GASSP held an honoring ceremony for retired staff as an appreciation and gratitude for years of service to insureds and retirees. honored staff are granted :



- gross monthly salary.
- donating a day exclusion out of the GASSP employees wages totaling (1,192,000) YR for each retiree. this financial privilege enables retirees to set up their own micro-enterprise to assist retirees with their lives after service termination at the GASSP.
- A deceased pensioner is exempted from all payment for debts or loans.

Honored retirees names of GASSP's staff

Fannah Mohamed hussen- Abbyn branch.

Omar ba-zanbour- Al-Mukklah branch.

Abdullah hussan Al-Faquier Head Office.

Nowr Al-Hubaishi Aden.

Hussein Gasheem Sana'a.

Jamal Al-Hendi Sana'a.

honoring employees of the GASSP

As a continuation of this trend, the GASSP held an honoring ceremony for the distinguished employees for 2009. the GASSP is custom to hold a ceremony annually. the ceremony was attended by the Vice Minister of Civil Service and Insurance besides the Chairman of the GASSP and a number of its leaders and employees.

an entertainment trip for the employees

on the occasion of the two glorified revolutions (26 September, 14 October) , the GASSP organized a trip to Ibb, Taize, and Aden for three days on October.



external participations and international cooperati

schedule no. (2) shows leaders and staff participation at workshops held abroad in 2009

Workshop title	Holding date	Holding place	Participants	Executing entity
Fifteen regional social conference and saving funds	2-5 March 2009	Cyprus	3	ISSA
Acquainting Jordanian social security financially	15-22 April 2009	Jordan	3	GASSP
Information and communication technology	3-5 June 2009	Spain	1	ISSA
Training course / retirement programs& social security finance	29/6-10/7 2009	Italy	1	International Training Center
Acquainting the Jordanian pension & settlement	14-18 August 2009	Jordan	3	GASSP

The schedule above indicates external participation and international cooperation intensification between the GASSP and the brotherly Arab state of Jordan to get acquaintance with the Jordanian experience in the fields of IT systems, human resources caring, work procedures simplifications besides to benefit from the other states social security experiences as mentioned above schedule no. (2)

external participation centralized at attending several training sessions and workshops in many Arab and foreign countries related to social security aimed at reciprocation of experiences in the field of social security.



Social security awareness

The strategic objective for the period 2006-2010 was to create a social security importance awareness among beneficiaries subject to social security law provisions terms by all media outlets,



and to work to print information and dissemination of it to make them acknowledgeable with social security system benefits and its essentiality for social and economic development and stability for beneficiaries and their families.

As an execution to this objective ,the GASSP had taken several measures during the year that were:

- ❖ Allocation of half –page at the state-run daily AL-THOURAH newspaper for social security awareness dissemination, first issue printed on 9/6/2009 issue no. (6281).
- ❖ Annual report completion and distribution to all governmental bodies , un-governmental bodies and who may have interest.
- ❖ Issuance of (100) articles and news through the year in AL-THOURAH newspaper.
- ❖ Arabic – English website designing completion.
- ❖ Work procedures guide issuance at the Head Office in addition to earlier work procedures guides for covered civil servants, investment directory , and a variety of brochures.

The website

The GASSP has initiated Arabic language website to simplify procedures targeting service recipients, and to make use of such technology to improve its performance and services. In addition to allow beneficiaries and interested to scan reports, statistics, legislations related to social security and other important information, most important of which ;forms related to services provided aiming at delivering services easily and to be a mean of contact and a reply to enquiries.

The GASSP has adopted during the year the notion of developing the Arabic language website and created an English language website to open up cooperation with international social security associations as the GASSP is a member of the International Social Security Association and have had several participation in seminars, workshops in Arab and un-Arab countries.



Work procedures simplification by setting up public services divisions

To simplify work procedures and easement of service delivery to beneficiaries, the GASSP initiated , in its plan for the year, divisions of public services to ease procedures at the two Branches of Sana'a and the Secretariat as primary steps that included the following :-

- ❖ Revision of the documentary circle for work procedures to form a vision to ease procedures.
- ❖ Create Public Service Divisions assigned to receive all transaction from the public to be completed and to get in contact with the clients.
- ❖ Provision of all materialistic , humanitarian requirements and IT systems.
- ❖ Designing initial IT Control system and monitoring papers going through work chain procedures and evaluation of performance.

Social security and pensions law adjustments

Further to efforts through earlier years and as an implementation of the actuarial study findings which recommended apply reform measures in the social security and pensions system to persist GASSP sustainability , avoidance of insolvency, and performance development which required some provisional terms adjustments. In this regard , law adjustment draft was referred to the Council of Ministers whom referred it to a ministerial committee, later referred to a technical committee formed of all concerned authorities i.e. the GASSP, Council of Ministers, Ministry of Civil Service and Insurance, Ministry of Finance, Ministry of Interior, Ministry of Defense, Social Security Authorities. After completion of adjustment assignment, the technical committee referred the draft back to the Ministerial Committee for contemplation and preparation for issuance.

The adjustments dealt with important issues and a strategy to delay fund insolvency and provisions of additional privileges (benefits)to insureds and pensioners, most worth noting are:

- ❖ Work injury compensation rise.
- ❖ Terminal cancellation of pensions un-entitled.

Besides other adjustments in terms of reference to retirement, pension entitlement as well as adjustment that ensure minimum limit to maintain fund of the GASSP and postpone financial deficiency in the long run.

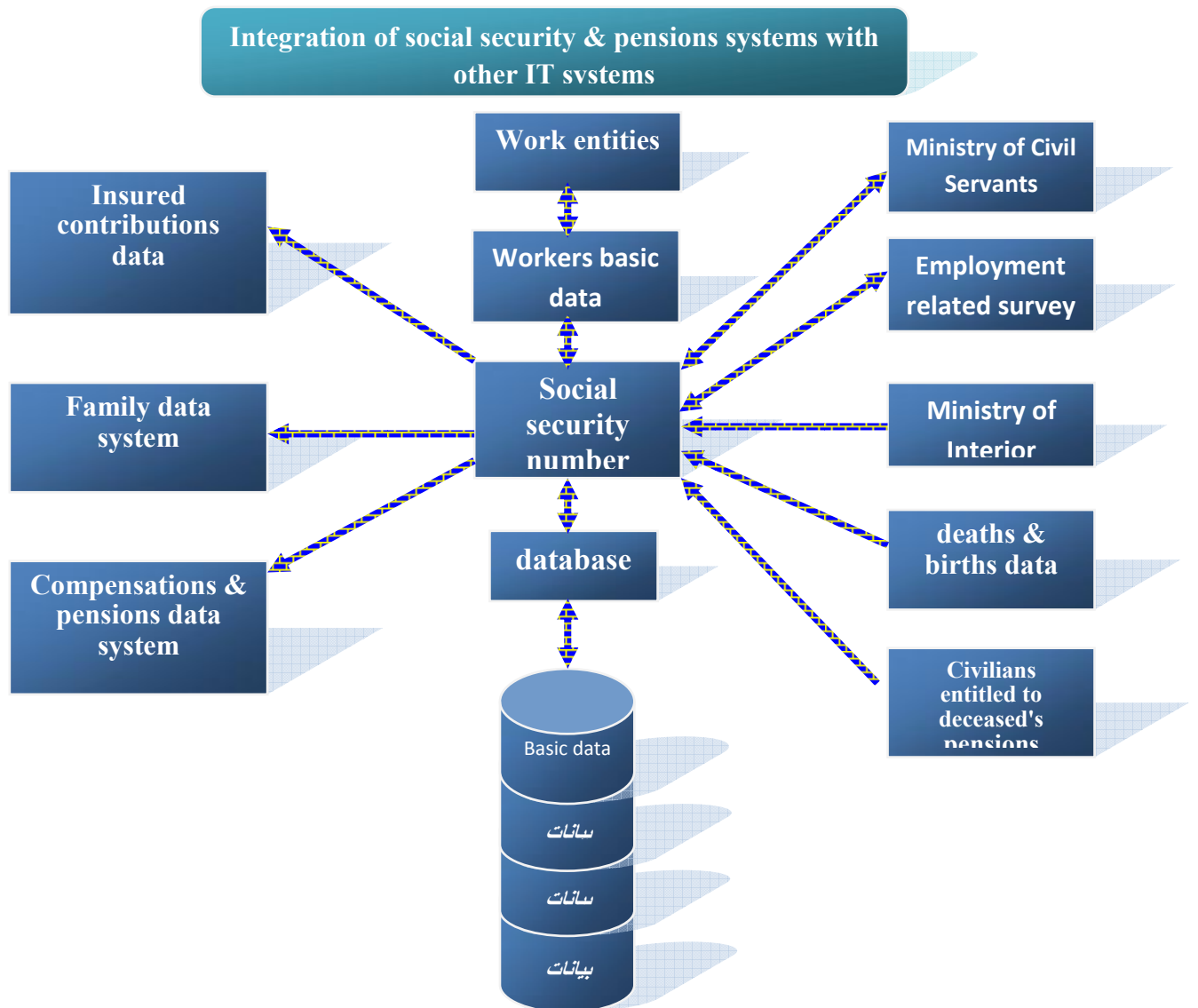
Network linkage with the Ministry of Civil Service and Pensions

In accordance with the government tendency and its recommendations of network linkage and auto contact to public units employees data, and as necessitated by the common interest for the GASSP and the Ministry of Civil Service and Insurance, a committee was formed to apply network linkage and to take implementation procedures. The GASSP has taken all linkage requirements in collaboration with the Ministry of Civil Service and Insurance. The linkage has been made to reciprocate employees data and pensioners and to update data.

Positive effects of network linkage

- ❖ Reciprocation of information between the GASSP and the Ministry of Civil Service.
- ❖ Acquirement of information and data rapidly.
- ❖ It will be as an encouragement to the other state bodies get them all linked.
- ❖ Acquirement of reports as demanded , no restoration to the admin. correspondence which is time consuming.
- ❖ Detection of any duplication among employees and pensioners.

IT Systems



IT System

Recognizing the importance of IT use in administrative development as a tool to promote work, easement of procedures, better services provision, complete control and a decision making helping tool, the GASSP sought to set up an integrated IT system. Its annual consecutive plans included computers procurements, training staff to efficiently and effectively use the computers.

The GASSP encountered several challenges halted operation of the IT system for a quite long time mentioned in the earlier annual reports. The latest was the company abandonment of duties assigned to it leading the GASSP to assign completion of IT system installment to employees of IT Depart. previously trained to use the system.

Through 2009 the GASSP sought operation of the system in the two Branches , Sana'a , Secretariat, in which the system was tested to modify faults that occurred, adhering to the newly adopted adjustment to law regulating GASSP work and to operate the system at the other Branches better.

The system has a sole data unit center considering integration of subsystems being its components to ensure achieving the following objectives:

- ❖ To accurately and quickly deliver social security services to insureds, their work entities, and pensioners.
- ❖ Follow- up contribution premiums continuously and effectively.
- ❖ Prevent duplication of social security benefits.
- ❖ prepare monthly balancer revision for Branches, balance sheet, and closure accounts.
- ❖ provision of the necessary information to draw social security policy, making the necessary plans with execution.

IT system components

the IT system is composed of several subsystems :

- ❖ social security number system , family system and work entities system.

these systems provide all basic necessary data for each single element enabling recognition of each element and distinction leading to no-duplication. these systems are the key ones for the rest of the systems.

social security system

it aims at the following:

- numerate and register basic data of insureds, pensioners, and eligibles whatsoever their social security case might be.
- giving each individual a social security number to be solely acknowledgeable.

- to easily follow- up the social security case.
- no contribution duplication, or pensions duplication, or a mistaken compensations.
- enquiries by the social security number instead of the name, birth date, or any other data that may be inserted.
- means of integration and connection.
- characterized with linkage possibility with the Ministry of Civil Service and Pensions.

family system

it is designed to :

- register data of insureds and their families, getting social security numbers for those who have not been given one.
- updating data of insureds and their families (birth, divorce, death).
- shortly settle entitlements, and immediate cashing of deceased pension.
- accurate follow-up for dependents entitlements.
- availability of detailed information about the families of insureds, pensioners, enabling preparation of actuarial financial check on time with accuracy required.
- avoidance of pensions disbursement ineligibly.

Work entities systems (employers)

Designed to :

- numerate work entities insured socially by the GASSP.
- Assign each work entities a number to stand out from other entities.
- Possibility of acknowledging work entities (employers) in all Branches.
- Up-to -date modification either integration or addition of Branches.
- Easement of monthly contributions calculation and collections.
- Inspection simplification.
- Systems of (insureds' data, contributions, collections follow-up, pensions and compensations) represent systems group to numerate , and record insureds' data enabling the keep of historical records to calculate contributions, and automatic calculation for wages data, service periods, and pensions calculation.

Insureds' (covered) contributions system:

Designed to :-

- -Record covered employees data such as contribution periods, wages historical graduation first by first, keeping updated historical records of all covered employees during and after service characterized with automatic gathering covered employees data regardless of employing entities.
- Social security duplication avoidance.
- Calculation simplification of periodic due contributions.

- Record all data of debts granted to insureds such as deemed service periods and its contributions collection.
- Data availability that allow pre-drafting of pensions, compensation quickly performed without restoration to any document.
- Provisions of automatic data control upon entry and after entry.

Contributions and follow- up system:

Aims to ;-

- Keep computerized records defining insureds' wages for each work entity.
- Define and calculate monthly required contributions.
- Follow-up each government body to make contribution payable.
- Request governmental bodies to make due loans payable to GASSP.

Pensions and compensation system:-

It performs the following:-

- Pensions disbursement and compensation definition accurately and quickly, upon request and distribution of pensions entitles to beneficiaries.
- Instant and precise follow-up for entitlements conditions.
- Prevent acquirement of social security benefits ineligibly.

Accounting systems: investment system, staff affairs system, procurement and inventories system, salaries and wages system, and accounting systems aim to perform the following:

- Rendering social security process through the different phases into financial figures automatically to be fixed at the historical financial record file first by first.
- Directing data to the financial accounts from the basic data automatically using eligibility principle according to functions of each system.
- Terminally suspend paper use at work as records- for the time being- to achieve control and avoid entry errors and reference, besides integration between systems.
- Having the possibility of creating current accounts automatically for employing entities including due contributions and its payments showing credit and debts balances.
- The possibility of preparing monthly auditing statements to enhance control.
- Prepare monthly auditing balances.
- The possibility of approving current accounts statements for employing entities.
- Automatic internal control.
- Apply continuous inventories system.
- Record data of distributing extra liquidity on the various investment opportunities in light of rates set in the investment policy.
- Follow-up interests for the available investment opportunities to be preference.
- Keep automatic historical records of total reserve invested, and changes as may occur.

- Employment records of staff of the GASSP e updatable according to change in their career such as promotion ,bonuses, vacations ...etc.
- Calculation of salaries and wages of staff and all financial entitlements.

Statistics system:

Performs the following:-

- Provide all information , and statistics reports of all individuals socially covered, and the surrounding environment , updatable first by first.
- Use of statistics methods to come up with rates of social risks as well as mathematics rates functions.
- Production of different statistical reports about the various activities of the GASSP.
- Use of decision – making support system.

Actuarial inspection system:

Performs:-

- Prepare necessary inputs to inspect the actuarial position.

IT requirements:-

The system depends on the use of PC's as terminal users, provisions of data transmission system , nets, and electronic archive. The system goes along with a training plan for the following levels:-

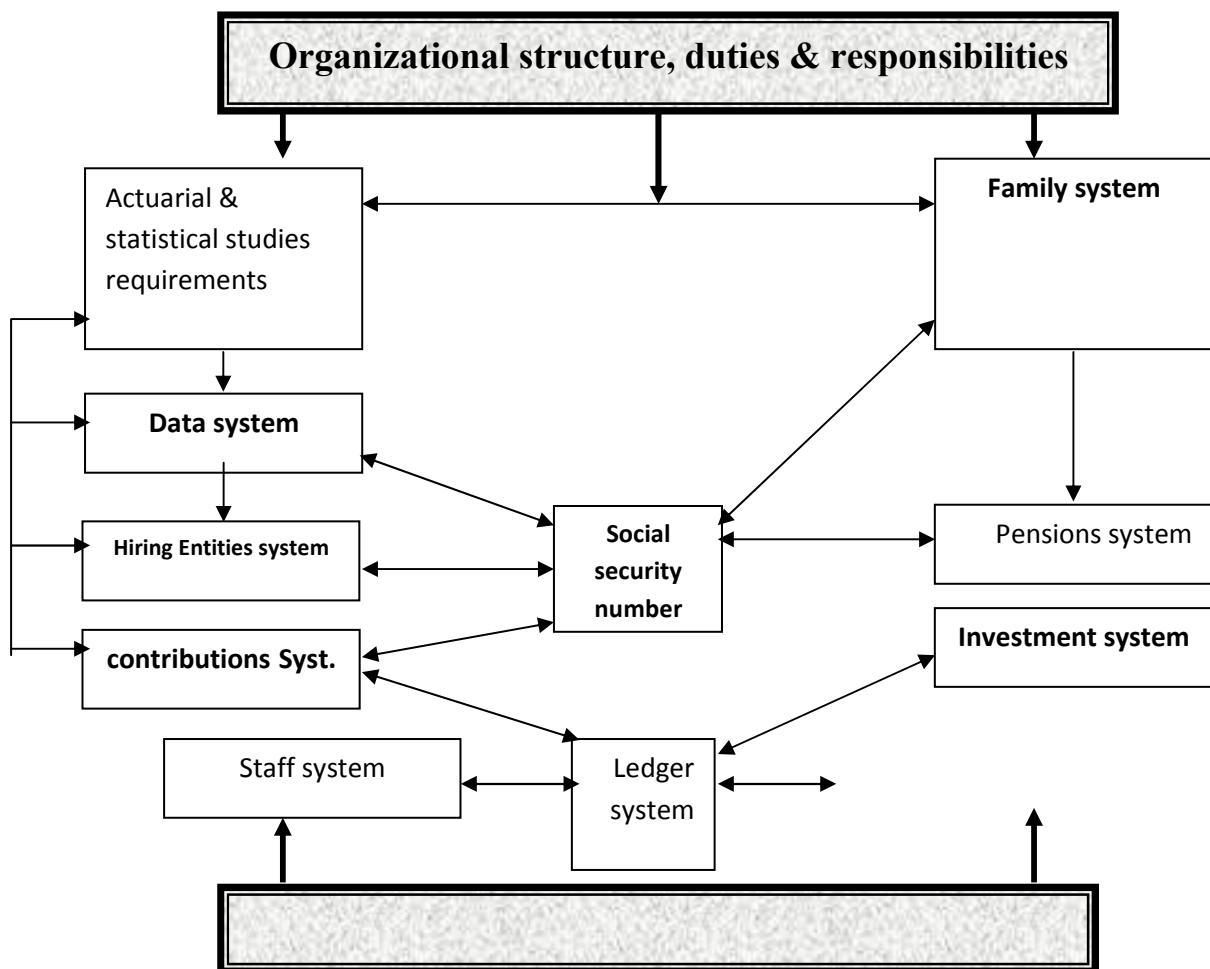
- Programmers.
- System operators.
- System users.

Most important challenges encountered while installing and operating IT system

- 1- The source version for the IT system from phase one to phase four was received from the assigned company (DMS) included some shortcomings which required some modification by the GASSP, where the special analysis of systems (from phase one to phase four) was re-studied ,with the basic data structure, comparing old screens performance with the late executive version, and treating left shortcomings and problems that occurred during application.
- 2- For phase five, the major obstacle was the unavailability of any source version and the available one was the late executive version only with lot of shortcomings and un-functional due to lot of problems. Let alone modification and future additions that may be aligned. For that, the technical team of the IT Depart. was assigned to design phase five systems where system analysis was completed, consulting

competent officers at concerned departments to make the system meets work needs. However, work is still up to the time being.

- 3- When system operation began at Sana'a Branch, networking with other Branches was a problem where several methods were tested, leading to depend on the terminal connection to be fast and less stressed resulting in a better performance.
- 4- System users at Sana'a Branch were trained on IT system use requiring tremendous efforts.
- 5- GASSP's Branches encounter a number of difficulties with work entities in terms of data collection. A workshop is to be hold for staff affairs G.M. at work bodies with aim of raising social security awareness, and IT use importance for work simplification and delivery of services to beneficiaries.



Social security activity

The GASSP execute provisions of the social security and pensions law no. (25) for the year 1991 and the executive bylaw no.(25) for the year 1992 issued to provide social security for state admin. Staff and mixed/ public sector. These are classifieds as the following:-

- ❖ State civil servants and the public / mixed sectors employees who are appointed at accredited posts , delegates to Arab or foreign association.
- ❖ Supreme authorities officers.
- ❖ Judicial authorities, diplomats, consulars posts occupants.
- ❖ Entities subject ,according to regulation ,to the social security and pensions law.

Social security scope

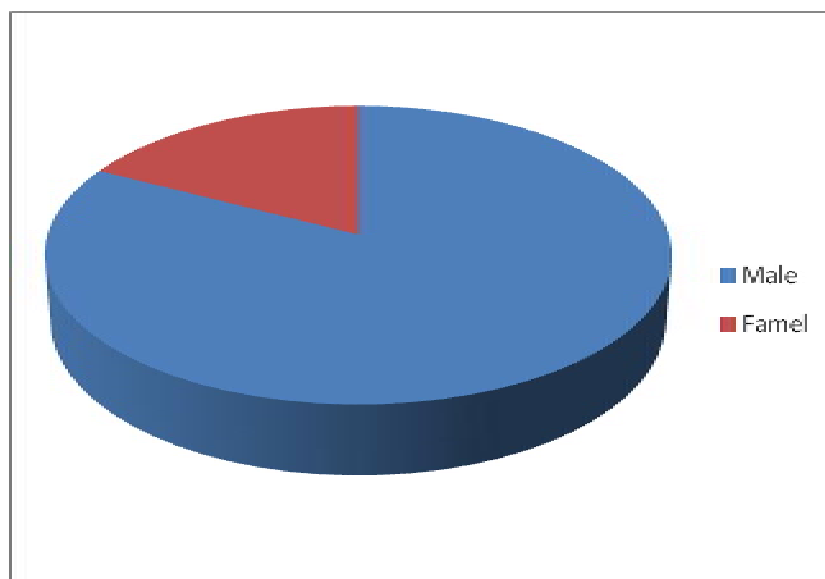
1- The GASSP provides a bunch of social securities to beneficiaries that are:-

- ❖ Old age, invalidity , and death.
- ❖ Work injury, and occupational deceases.

figures no.(7,6) indicates types of social security provided and eligibility conditions.

2. المؤمن عليهم

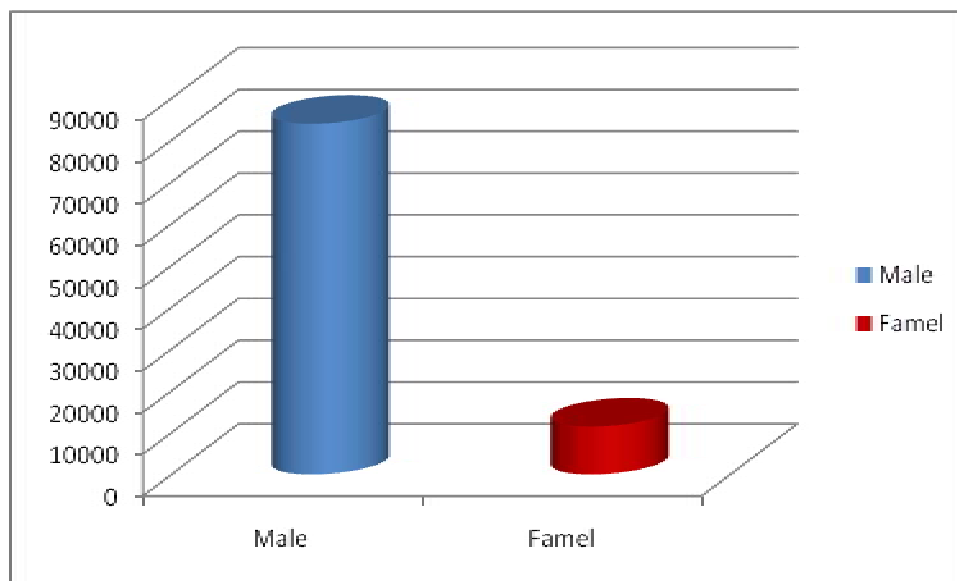
- ❖ State civil servants and public/ mixed sector number in 2009 was (545,817) employee in comparison to (523,312) employee at the end of 2008 with increase percentage of 4%.
- ❖ Male covered percentage in 2009 was 83%, for females it was 17% as shown the figure (4)



Pensioners

- ❖ Retirees number at the end of 2009 was (95,266) compared to (90,048), increase rate 5.80%.
- ❖ Male retirees by 2009 end was (82,876), rate of (88%), whereas female retirees number (11,390) , rate of 12%.
- ❖ Alive retirees number is (54,664), rated (57%), while dead retirees number is (40,602) rated 43%.

The figure no. 5 indicates retirees according to gender for 2009



Pension calculation

1- Alive cases:-

Pension is calculated according to the following equation

$$\text{Pension} = (\text{last monthly salary} \times \text{number of actual months of services}) / 420$$

When service period is calculated, fraction of more than half a month is mended to a month and is deleted if less than a month.

2- death, complete invalidity to work

- ❖ Normal death cases or complete invalidity, pensions is calculated according to the following equation

Pension = salary at the month of death x number of actual months of services) /420.

Then comparison between the equation result and the minimum wage limit (20,000) ,or half of the last complete wage of insured is to be granted ,whichever is the best of the three choices.

- ❖ In case of death and chronic invalidity as a result of work injury , pension is (100%) of the last wage whatsoever actual service period.

Service-end reward calculation

It is calculated on the basis of 9% of the total remitted contributions termed actual service period be one complete year.

Other social security benefits

schedule no. (3) indicates number and cost of extra benefits for 2009

	Beneficiaries in figures		Amounts in thousands
	2008	2009	
Marriage grants	46	40	-
Funeral expenses	1,384	1,270	83,511
Work injury compensations	75	24	1,301
Debts	4,304	4,867	752.207

- ❖ Female beneficiaries from marriage grants disbursed by the GASP reduced from (46) case in 2008 to (40) case in 2009 . this grants is disbursed to females upon marriage on basis of their pension portion for one whole year.
- ❖ Beneficiaries of funerals preparation expenses reduced from (1,384) case in 2008 to (1,270) case in 2009. Funeral disbursement ,pension of two months, is paid if pensioner deceased to the family to help with the funeral expenses.
- ❖ Work injury compensation recipients reduced form (75) case in 2008 to (24) case in 2009 . It is disbursed for covered employees upon injury related to work, or caused due work nature.
- ❖ The GASSP grants debts to alive retirees for small fees in return when gotten sick ,or a member of the covered employee family, or pilgrimage, build a mansion, renovation , pensioner or dependent(s) marriage. Debts granted increased from (4,304) in 2008 to (4,867) in 2009 with increase rate of (13%).

INVESTMENT ACTIVITY

The GASSP has a critical economic role that is extra fund investments in economic projects and sectors. This role contributes to the alleviation of poverty . Some economists categorize retirement funds as semi- financial organizations resembles in its activity banks, insurance , and health insurance firms, as it (the GASSP) receives contributions to be invested in way to achieve its social and economic development objectives for state generally, assisting to maintain monetary real value, and avoidance of risks of erosion due to inflation.

It also helps poverty alleviation through investment of extra liquidity in the monetary sector indirectly as these investments lead to positive results, some of which:-

- a- Inflation rate reduction as T-bills absorbed liquidity in market , this led to increase income of individuals ,then alleviate poverty as a results.
- b- Reduction of deficiency of the general budget as the Central Bank of Yemen put T-bills in the market to get the required finance to budget deficiency instead of abroad finance, or a new issuance of currency which either of them has harmful aftermath on the national economy and resulting in more poverty in the community.

Clearly as shown above that the GASSP believes in the importance of investments in the real sector that represents the base to achieve real results, increase economic growth, and raise national income generally which will bring in tremendous returns in the long run.

GASSP INVESTMETN SCOPES

schedule no (4) indicates investment scopes in the years 2008,2009(amounts in thousands)

Investment scope	2008	Percentage	2009	Percentage
Monetary investments	257,190,376.90	87	242,100,000.00	85.30
Investment in firms	35,224,551.91	12	39,283,232.10	13.84
Debts	1,754,235.84	1	2,470,989,050.53	0.86
Real estate investment	2,120,689.18	1	2,709,665,220.34	0.95
total	296,289,853.83	100	286,563,886,373.82	100

Investment lagged in 2009 to YR (286.5) billion whereas it reached YR (296) billion in 2008 resulting in minus growth rated (%3.28).

Total investment for the GASSP declined by the end of 2009 as a result of amounts accumulation in the current account due to openness of monetary investment i.e. government bonds at the outset of 2009, compelling the GASSP to remit all monetary investments to government bonds, as the Central Bank of Yemen allowed the GASSP to purchase government bonds every beginning Tuesday of each month leading to accumulation of GASSP's T-bills revenues amount YR (7) billion, besides US\$ deposits amount YR(34) billion by 2009 end.

THE FOLLOWING ARE INVESTMETN DETAILS

MONETARY INVESTMEN

Monetary investment account reached YR (242) billion by the of 2009 in comparison to YR (257) billion by the end of 2008, with decrease amount YR (15) billion rated (%5.90-).

- By the end of 2009 , the GASSP's balance of government bonds amount YR(242) billion. It yielded YR (11.5) billion of revenues with annual returns rated(%7).
- The GASSP contributed in the issued T-bills. Its balance for the period January 1, 2009 YR (212.7) billion yielding returns of YR (5) billion during the year, average annual returns as shown from schedule no. (5).
- US\$ deposits were opened by the Central Bank of Yemen. The GASSP balances at the beginning of the year YR (42) billion yielding returns YR (96.7) million.

schedule no. (5) indicates returns yielded from T-bills through 2009

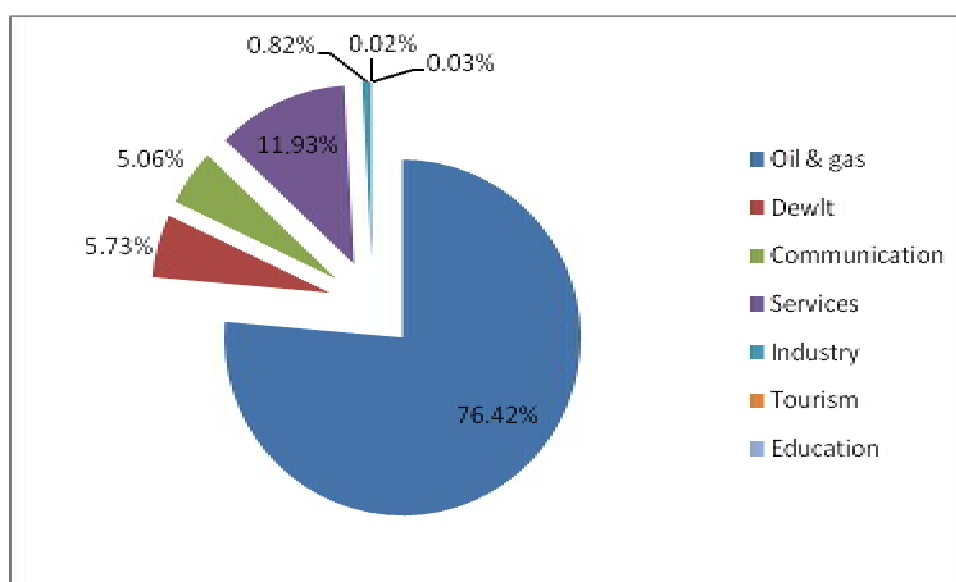
PERIOD	AVERAGE ANNUAL RETURNS
91 day	%14.79
182 day	%14.91
364 day	%14.98

- Balance of companies investment YR (39) billion by the end of 2009in comparison to YR (35) billion by 2008 , increase amount 4 billion.
- Through the Presidential Residential Project to limited income individuals , the GASSP finance building (800) residential units in Aden governorate, completion rated approximately (%40) by the end of 2009.
- The GASSP was keen ,through 2009, to increase these scopes of investments and risks involved of increasing inflation rate ,so the GASSP raised its share at the Arab Yemen Libyan Holding Company, and its share at the Yemen Sugar Refining Company of rate (%10).

Schedule no.(6) shows GASSP's shares at companies through 2009

	Sector	Percentage for 2008	Percentage for 2009
1-	Oil & gas	% 85.05	%76.42
2-	Dewlt	% 5.60	%5.73
3-	Communication	% 5.56	%5.06
4-	Services	% 3.71	%11.93
5-	Industry	% 0.04	%0.82
6-	Tourism	% 0.02	%0.02
7-	Education	% 0.01	%0.03
	total	% 100	% 100

Figure no.(8) indicates contribution according to sectors



Loans investment

Loans investment increased from YR (1,754) billion in 2008 to YR (2,470) billion in 2009 with increase amount of YR (716) billion rated (%40) .

Real estate investment

Real investment reached YR (2,120) billion during 2008 and increased to YR (2,709) billion through 2009 yielding increase YR (589) million.

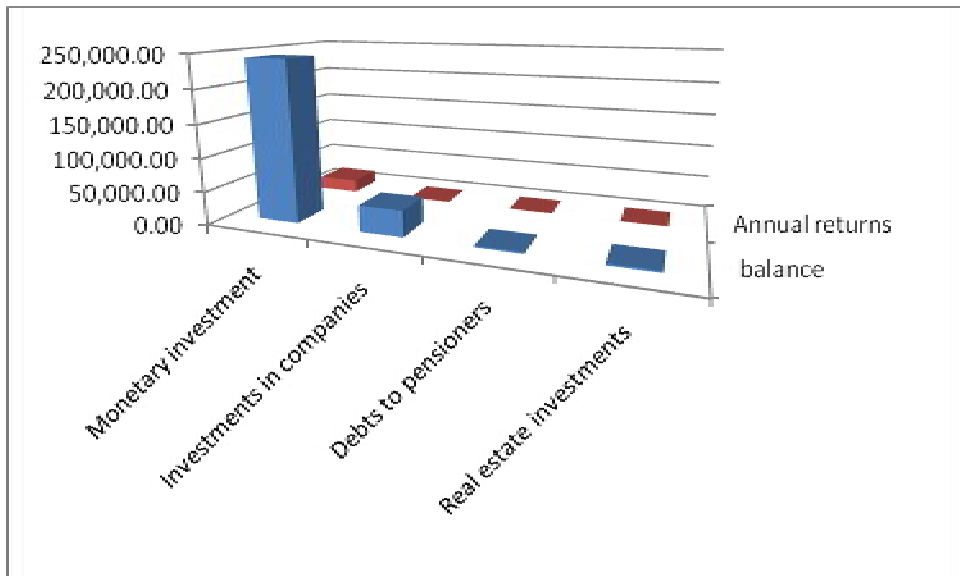
Schedule no.(7) shows investment scopes and returns through 2009

(amount in YR million)

Investment scope	YR balance 2009	Rate	Annual returns 2009 in YR	rate
Monetary investment	242,100.00	84.60	19,835.86	98.73
Investments in companies	39,283.23	13.73		-
Debts to pensioners	2,470.37	0.86	90.00	44.6
Real estate investments	2,709.67	0.95	254.01	1.26
total	286,563.27	100	20179.87	100

- ❖ Monetary investment represented (% 84.5) percent out of investment total for 2009 yielding returns YR (19)billion corresponding to (% 95.08) percent out of total returns yielded for all investments during the year .
- ❖ All GASSP's investment turned into government bonds with returns rate of (%7).
- ❖ Investment in companies represented (%13.17) percent out of all GASSP's investment yielded returns rated (%3.27).No returns for some companies due to delay of closure account preparation and dividend up to date of drafting this report.
- ❖ Investment of substitute loans represented rate of (%0.86) out of all investments yielding returns rated (%0.43) out of total yields through the year 2009.
- ❖ Real estate investment represented rate of (% 0.950 yielding returns rated (%1.22) out of total yielded returns through 2009.

المشاريع المنجزة خلال العام 2009 (9) Figure no.



Schedule no (8) indicate projects accomplished through the 2009

Project title	Cost
Amran branch building	94,000,000
Two floor addition to Mahouyt branch building	34,000,000

Investment activity development

The GASSP stated in the five-year plan (2000-2010) an objective that is to lay the verified technical and scientific foundations for GASSP's extra's liquidity investments, drawing investment strategy and policy appropriate for work circumstances, and to prepare staff required in this field, and to monitor and supervise investment projects planned to be executed, and to verify error that may occur during implementation, and to look in new and guaranteed –profit investments, and to carry out periodic evaluation of investment projects for that the GASSP realizes the essence of investment development. Therefore, the GASSP got into contractual agreement with an expertise house in the field of preparing:-

- ❖ G. Dept. of Investment re-structuring.
- ❖ Investment guide.
- ❖ Investment strategy, and ten-year monetary investment plan for the cash allocated for investment according to the investment policy.
- ❖ Initial feasibility studies for some investment opportunities.

Future tendencies

Firstly:- to grow GASSP's sources to maintain the financial balance, to contribute to the current growth of returns than investment and to develop the national economy through:-

- ❖ Making investment in the field of energy, oil refining with experienced energy investors after drafting reference terms of feasibility studies.
- ❖ Exerting efforts to get into feasible , profit-gaining investments such as airlines, and manufacturing.
- ❖ Investing in government bonds at the Central Bank of Yemen.
- ❖ Setting- up residential commercial buildings in Aden (as location is set and delivered to contractors and started execution after having all licensed made for a number of two buildings five floor each.
- ❖ Preparing the feasibility study to eradicate the existing building of Hadah to build up a commercial building.
- ❖ Completing building headquarters for branches in governorates of (capital Secretariat, Taize, Aden, Hajah).

- ❖ Purchasing real estate buildings for investment purpose in main governorates of (Aden- Capital Secretariat).
- ❖ Building up real estate investments buildings in some governorates (Aden – Capital Secretariat) after preparing the required designs.
- ❖ Purchasing land to build up tourist entertainment project in Ga'a Al-Quidi.
- ❖ Setting- up residential units to these limited incomes in Aden governorate (800 unit) in coordination with the Ministry of Construction.

Secondly:- develop GASSP's resources management and raise performance efficiency through:-

- ❖ Keep contact with and follow-up the Ministry of Finance to complete the executive procedures to deduct contributions from the source.
- ❖ Follow –up delayed loans of governmental bodies due to the GASSP such contributions and others.
- ❖ Entry of insureds contributions data and their social security wages at branches of (Sana'a – the Capital Secretariat- Aden).
- ❖ Follow-up the Ministry of Finance to reimburse the GASSP for amounts paid on its behalf according to minutes signed in this regards as follows:-
 - Living price hikes differences for complementary periods.
 - Exceptional differences.
 - Judicial Authority differences.
 - Strategy differences for retirees.
 - Pensions of cargos /discharging workers.
 - Abundant workforce pensions.
 - Diplomats differences.
- ❖ Training qualified GASSP's staff (850) trainees, total of (28) courses of computer basic applications and administrative courses.

Thirdly:- proceed with the legal reforms in light of the actual study outcomes through:-

- ❖ following up adjustments to the law of social security and pensions and to put into effect the legal adjustments after approval.
- ❖ Preparing a memo to verify social security contribution rates after issuance of the amended law draft.
- ❖ Preparing a guide of settlement (pension settlement), and accredited social security entitlements after issuance of the amended law draft.

Fourthly:- automation of all GASSP's activities, and to build up a comprehensive civil servants database of insureds civil servants, pensioners, and their families to ease performance development through :-

- ❖ Adjustment completion of remaining programs of the integrated IT system in compliance with process of system launching.
- ❖ Programming fifth IT system phase.

- ❖ Train staff (users and technicians at the affiliated branches of ;the Secretariat (66) trainee, Aden (100) trainee, Taize (40) trainee , Al-Hodiedah (25), and Al-Mukalah (50) trainee of the newly installed IT system, besides training (15) staff of the IT G. Dept. in programming and networks, totaling (296).>>>>
- ❖ Purchase devices needed for the Head Office, affiliated branches, completing network connection, and its requirements among the Head Office and branches.
- ❖ Provision of verified data of the IT system according to each system requirement to be entered.
- ❖ Update pensions database.
- ❖ Insertion of insureds social security number.
- ❖ Insertion of pensioners social security number.
- ❖ Develop and activate network connection with the Ministry of Civil Service and Insurance.

Fifthly:- disburse pensions and benefits to pensioners and their families, if died, and ease reference to retirement procedures and to detect duplication by:-

- ❖ Increase pensions for the third phase of the implemented phases of the wages strategy.
- ❖ Referring, those who reached either one of the two eligibility limits, disables, and abundant workforce cases.
- ❖ Service end disbursement for un-eligible for pension.
- ❖ Disbursement of work injury compensations.
- ❖ Conduct field-based researches.

Sixthly:- create social security awareness among beneficiaries and improve services provided through:-

- ❖ Establishment of Public Service Divisions in affiliated branches of the (Capital Secretariat- Sana'a – Aden) to simplify procedures.
- ❖ Setting – up social security awareness review.
- ❖ Issuance of the annual reports for the year 2009.
- ❖ Readiness to prepare the statistical reports of the GASSP's for 2001-2010.
- ❖ Holding cultural informative forums to get law provisions acquainted.

Seventhly:-

- ❖ Evaluation of activities through the third fifth-plan (2006-2010).
- ❖ Prepare the fourth fifth-plan (2011-2015).

Statistical schedules

Schedule no. (9) indicates employees of GASSP in light of qualification & gender for 2009

	Qualification	Male	Female	total
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1	Doctorate	4	0	4
2	Master degree	3	0	3
3	High diploma	3	0	3
4	Bachelor degree	236	43	279
5		15	0	15
6	After high school diploma	58	14	72
7	Commercial high school	19	6	25
8	Technical high school	2	0	2
9	High school	235	48	283
10	After preparatory dip. 5years	1	3	4
11	After preparatory dip. 3years	4	1	5
12	Preparatory school	50	12	62
13	After elementary school dip.	1	0	1
14	Elementary school	42	8	50
15	Level placement	2	0	2
16	Read & write	1	0	1
17	without	20	5	25
18		49	15	64
19	2 years after	7	7	14
20	Training course	12	1	13
		764	167	931

schedule no.(10) indicates employees distribution according to post occupying & gender for 2009

	Position held	Male	Female	total
1	Chairman of the Authority	1	0	1
2	Vice Chairman of the Auth.	1	0	1
3	Deputy Chairman	2	0	2
4	consultants	8	0	8
5	General Manager	45	1	46
6	Gen. Manager Assistant	29	1	30
7	Dept. Manager	163	15	179
8	Division head	188	64	252
9	Specialized	260	72	332
10	correspondent	16	7	23
11	driver	13	0	13
12	guard	25	0	25
13	services	2	5	7
14	Writer Assistant	10	2	12
	total	763	167	931

Schedule no.(11) indicates estimated employees referred to retirement e in affiliated governorates branches

	Branch	Sort of reference	Date of reference			total
			2010	2011	2012	
1	Aden	age	1	1		2

2		service	2			
3	almukalah	age	1	1		2
4		service				0
5	Abyan	age			1	1
6		service				0
7	Taize	age	1	1		2
8		service				0
9	lahej	age		1		1
10		service	1			
11	shabwah	age	1			1
12		service				0
13	Sana'a	age		2	1	3
14		service				0
15	Al-hudeidah	age			1	1
16		service				1
total			7	6	3	16

Schedule no.(12) employees distribution according to job-grade categorization 2009

		grades																			Total	
		20	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2		1
1	Head office	1	4	6	4	13	15	5	13	9	7	52	16	26	19	23	8	2	27	7	2	259
2	Capital secretariat	1	1	3	1	3	2	4	4	2	1	21	6	4	6	6	2			1		68
3	Sana'a		1	1	1		2	1	3	6	2	11	3	4	7	2	1		3			48
4	aden	1		1	3	1	3	4	3	7	8	27	11	13	7	13	4	4	12			122

5	taiz	2		4	1		1	2	10	3		4	2	7	2	2	1	5	4			50
6	almukala		3		3	3	2	3		3	3	12	3	2	5	6	3		3	1	1	56
7	alhudeidah		2	1	1	2		3				10	8	1	1				1			30
8	lahej	1	1		2					2	2	11	2	4	5	6	1	1	1	1		40
9	ibb		1			1	2	5	2	3		6	5	3	1	1			2			32
10	abyan	2	1	1	1	1		1	3		2	6	2	2	5	4		3	1	1		36
11	hajjah			1				2		2		4	4	2					1			16
12	shabwah	1		2		1	1	2	1	1		5	1	5	3	2			2			27
13	dhamar	1	1	1		3	1		3	1		4	5	2		1			1			24
14	almaharah	1				2			1			1	2	2	2				1			12
15	Sa'dah	1	1			1		4	1	1	1	2	2		2			1				17
16	Al-baida	1		1			1	4	2			4	2	2					1			18
17	Al-mahweet		1					2				2		3		1			1			10
18	Mareb	1						2				2	1	2		1			1			10
19	amran					1		2	2	1	2	5	2	5		1			1			22
20	Al-daleh	1							1	1		3	2		1	1					1	11
21	socatra	1	1				1	4											1			8
22	sayon	1						1				1	2	3			1	2		1		12
		17	18	22	17	32	31	51	49	42	28	193	81	92	66	70	21	18	64	13	3	928

Schedule no. (13); due social security revenue & others for the Head Office and affiliated branches during (2005-2009)

Year	Year revenue	Increase against past year	Increase rate
2005	44,575,494,070.04	9,189,997,663.89	21
2006	60,019,298,121.97	15,443,804,051.93	26
2007	65,506,856,572.44	5,487,558,450.47	8
2008	89,807,926,664.73	24,301,070,092.29	27
2009	78,665,833,611.94	(11,142,093,052.79)-	-14%

Source: Gen. Dept. of Financial Affairs.

Schedule no.(14) ;increase of retirees during (2006- 2009)

Detail	Periodical cases	New cases during the year
2006	71,022	8,280
2007	80,915	10,067
2008	90,048	9,423
2009	95,266	5,740

Schedule no. 15; rate of pensioners to the covered at the end of 2009

	Governorate/district	Covered	pensioners	Rate of pensioners against covered
1	ibb	35,968	2,595	7.21
2	abyan	22,323	7,188	32.20
3	Capital secretariat	98,165	13,314	13.56
4	Al-baida	10,482	741	7.07
5	taiz	54,715	6,919	12.65
6	Al-jawf	6,383	164	2.57
7	hajjah	20,947	1,130	5.39
8	Al-hodiedah	38,666	5,672	14.67
9	sayon	13,151	2,983	22.68
10	Al-mukala	26,966	6,634	24.60
11	dhamar	26,287	1,458	5.55
12	shabwah	15,696	2,069	13.18
13	Sa'adah	9,793	636	6.49
14	Sana'a	21,988	3,423	15.57
15	aden	62,164	30,789	49.53
16	lahej	24,150	6,336	26.24
17	mareb	9,891	455	4.60
18	Al-mahweet	10,941	497	4.54
19	Al-maharah	3,482	373	10.71
20	amran	17,686	894	5.05
21	Al-taleh	9,806	996	10.16
22	rymah	6,166	0	
	total	545,816	95,266	17.45

Schedule no.(16) indicates pensioners during the years 2006-2009, Branches- based categorization

Governorate/district	2006	2007	2008	2009
Capital secretariat	1,098	1,332	1,224	976
Aden	3,716	3,933	3,110	1,419
Sana'a	334	717	433	151
Al-mukalah	250	437	1,172	603
Abyan	439	892	954	501

Lahej	396	405	600	177
Taiz	357	464	421	325
Al-hodiedah	249	350	308	421
Ibb	177	142	168	178
Shabwah	237	151	223	105
Hajjah	83	100	99	152
Dhamar	179	280	60	170
Sa'adah	114	62	49	15
Al-baida	84	82	60	27
Al-maharah	68	11	31	18
Al-mahweet	63	102	29	67
Socatra	11	14	24	8
Mareb	56	113	28	92
Al-jawf	10	30	30	13
Sayon	96	198	188	222
Al-taleh	63	80	87	71
Amran	200	172	125	29
Rymah	0	0	0	0
total	8,280	10,067	9,423	5,740

Source: Gen. Dept. for pensions & entitlements.

Schedule no. (8) indicates funerals cases during the year 2006-2009

Governorate	2006	2007	2008	2009
Capital secretariat	172	162	150	89
Aden	369	414	320	378
Sana'a	52	25	60	39
Al-mukalah	87	105	87	105
Abyan	68	92	105	110
Lahej	92	52	104	112
Taiz	94	81	104	140
Al-hodiedah	80	114	118	101
Ibb	44	33	40	25
Shabwah	30	4	25	22

Hajjah	22	14	14	8
Dhamar	9	10	29	24
Sa'adah	19	9	4	7
Al-baida	14	8	11	17
Al-maharah	0	0	0	0
Al-mahweet	6	3	6	5
Socatra	4	5	0	0
Mareb	2	4	5	5
Al-jawf	0	0	0	0
Sayon	45	38	42	57
Al-taleh	7	8	18	10
Amran	4	2	16	16
Rymah	0	0	0	0
total	1,220	1,183	1,258	1,270

Schedule no.(19) shows total of most important general indicators

>>>>	2008	2009	Difference	Difference rate up to 2009
GASSP's total revenues	89,807,926,665	78,665,833,611.94	-11,142,093,053.06	-14%
Total admin. Expenses, first and second entry	1,360,034,757	1,920,662,466.12	560,627,709.12	29%
Social security expenses	32,707,951,220	35,814,575,927.00	3,106,624,707.00	9%
Investment returns total at the CBY	29,703,619,678	20,179,875,123.52	9,523,744,554.48-	-47%

Total referred to retirees	9,423	5,740	3,683.00-	-64%
Service-end awardees	362	35	327.00-	-934%
Service-end awards total amount	143,064,286	13,023,987.00	130,040,299.00-	-998%
Debts total	1,466,754,133	752,207,279	714,546,854.00-	-95%
total Accumulative retirees	90,048	95,266.00	5,218.00	5%

COMPLETED WITH GOD ASSISTANCE & GUIDANCE