
The Central Bank of Yemen - First Issue

The economy of North Yemen was often precarious during the years after the revolution. Following the peace settlement between the republican and royalist forces in 1970, the International Monetary Fund (IMF) was approached for advice and assistance. One of the recommendations made by the IMF was for the creation of a central bank and the abolition of the Yemen Currency Board. Consequently the Central Bank of Yemen was established on 27 July 1971 with the new authority absorbing the functions of the Currency Board and, in recognition of its new role, measures were taken to prepare a new series of bank notes.

The first issue of the Central Bank of Yemen made its appearance in 1973, and it consisted of notes in the denominations of 1, 5, 10, 20 and 50 rials. In 1976 the series was supplemented by the issue of a 100-rial note. The text on the front of these notes is divided into four sections just like their predecessors. The text across the top of the notes reads “The Central Bank of Yemen” and is written in a script called *Kufi*. This script is one of the oldest Arabic styles, dating to the ninth and tenth centuries, and was designed to be used by instruments such as chisels for inscribing stone. In recent times it has undergone a revival and now replaces the more cursive styles of script in many areas. The title of the Central Bank is followed by the large text declaring the denomination, and the third section which is read in conjunction with the denomination. The one rial note reads:

“One Rial issued according to the law of the Central Bank of Yemen on behalf of the Central Bank of Yemen.”

The last phrase “on behalf of the Central Bank of Yemen” is written in a slightly smaller script than the rest of the statement. The final section is the signature followed by the title of the signatory - “Governor of the Bank”.

The original issue of these notes carried the signature of Abdul Aziz Abdul Ghani (signature type 5), who was the first Governor and Chairman of the Central Bank of Yemen. Abdul Ghani held the position for several years before becoming Prime Minister in 1975, after which date the Deputy Governor, Abdulla al-Sanabani, held the reins of the Bank. Al-Sanabani was finally appointed Governor in 1978 and his signature (type 7) appears as the second signature variety for the 1-, 10- and 50-rial notes. The other denominations (5, 20 and 100 rials) have only the original signature variety belonging to Abdul Aziz Abdul Ghani.

The first issue of the Central Bank continues the use of Yemeni buildings, panoramas, and sculptures from Southern Arabian antiquity to illustrate the notes, but the notes have been completely re-designed for the new issuing authority. The 1-rial note has an illustration of the al-Baqiliyah mosque in Sana’a on its front and a view of coffee trees against a backdrop of mountains on the back. Predominantly green, it maintains the same basic colour of its earlier counterparts of the same denomination. There are two varieties of this note, with the varieties being most easily distinguished by the change in signatures; however the second variety uses fluorescent inks for the serial numbers and signature, whereas the first variety does not.

The 5-rial note is predominantly red, continuing the similarity in colour to its earlier counterparts. The back of the note carries a view of a small village set atop a mountain outcrop, but of particular interest is the illustration which appears on the front of the note. According to the Annual Report of the Central Bank of Yemen for 1973, this is an illustration of the seat of the Zabeid government in the town of Zabeid between al-Hudaydah and al-Mukah. However the illustration is based on a photograph in a book by Hans Helfritz (see the section on “Illustrations”) and is of buildings in the Wadi Du’an, an area of the Hadhramawt in South Yemen, or “occupied” Yemen as the northerners referred to it. The choice of this illustration appears to have been a mistake, with the mistake possibly having been made because the buildings are of a similar style to buildings within Zabeid fortress. The confusion in selecting this photograph may have been compounded by the fact that the caption in the edition of Helfritz’ work from which the bank note designs were adapted might not have indicated it was of buildings in the Wadi Du’an. The caption below the photograph in the French edition of *Land Without Shade* simply states “Jeux d’ombre

et du lumière” (Play of shade and light), whereas the caption in *The Yemen - A Secret Journey* clearly states the buildings are located in the Wadi Du’an.

The 5-rial note of this issue is one of three notes in this series which did not get issued with the second signature type (the others being the 20- and 100-rial notes). Why this may be the case is open to speculation, but in the case of this denomination it is possible that the failure to re-issue the note was due to the poor quality paper on which it was printed. Examples of the notes that have been in circulation for a reasonable period of time show a great deal of wear (more so than other denominations), with pieces missing and numerous tears apparent on most of the notes. The circulated notes also have a very grubby appearance, and this would appear to be related to both the quality of the paper and the large amount of off-white ink used on the note - it tends to show the dirt more than a solid colour.

The 10-rial note continues the use of blue as the dominant colour for this denomination and the theme of South Arabian antiquities is also continued. The illustration on the front is of an over-sized bronze head of King Dhameer Ali, an illustration based on a sculpture held in the Sana’a museum. The back of the note carries an illustration of one of the Imam’s palaces in Sana’a which has been converted to a government building, and is described in the annual report of the Central Bank for 1973/74 as the “Republican Palace”. This note has two varieties, based on the same factors as the varieties of the 1-rial note: the addition of fluorescent ink for the serial numbers and the signature, and the change in signatures.

The 20-rial note is predominantly purple, continuing the association of this denomination with this colour which was introduced in the previous issue. With the illustration of a marble sculpture of a seated figure on the front of the note, the theme of South Arabian antiquities is continued, while on the back the famous terraced mountains of Yemen are depicted. This is one of the three notes in this issue with no variety.

The 50-rial note of this issue adopts an olive-green colour, a standard continued into the third issue of the Central Bank. With an ancient statue from Ma’rib depicted on the front of the note, the back holds an illustration of the famous “Bab al-Yemen”, one of the gates in the ancient wall which used to surround Sana’a. This note has two varieties, with the determinants again being the signature and the use of fluorescent inks for the serial numbers and the signature.

The 100-rial note was introduced in this issue as a new denomination, some three years after the initial release of the lower denomination notes. The new note carries an illustration of an ancient marble sculpture (a cupid and a griffin) on the front and a view of Ta’izz on the back. The violet colour which was introduced for this note has continued to be used for all subsequent issues of this denomination. The 100-rial note of this issue is an exception for two reasons: it has fluorescent ink for the signature and serial numbers even though it carries signature type 5, and it is the first note to carry a latent image (in the intaglio panel at the bottom centre). It is also the first time in any Yemeni issue that intaglio printing is used on the back of the note. Significantly, this note was issued after the initial issue of the lower denominations, and the new features, which would have cost more to produce, are used only on the highest denomination note. There are no varieties of this note.

A quick appraisal of the security features in the notes of this issue shows little difference between this and the preceding issue, with all notes carrying a security thread and a watermark, although there is now a new watermark of the second State Emblem. However it is in the use of fluorescent inks that the security of the notes was increased, and it is because of the use of fluorescent inks that varieties in notes of this series are first seen. Quite simply, those notes which carry signature type 5 - with the exception of the 100-rial note - are one variety, where fluorescent inks are used only in the background colours, while those with signature type 7 form another variety, where fluorescent inks are used for the signature and serial numbers, as well as for some background colours.

The question of coins in circulation was an early consideration of the Central Bank when it was formed in 1971. The Treasury notes of 10 and 20 buqshas were still circulating at this time, but they became mutilated very quickly and were a liability to the new authority, due to the costs involved in producing more notes. The Central Bank was also aware of the problems associated with having the rial divided into 40 units instead of the generally accepted 100 units of other currencies. Consequently the officials of the Bank decided to issue new coins and to take the opportunity of introducing the decimal system to the currency. However the process was slow to become reality, probably due to the decision to introduce the bank notes first. The Bank’s proposal to change the units of the rial from 40 to 100 was agreed to by the Council of

Ministers in early 1973 and a Republican Decree was issued by the Supreme Council to enact the change. In November 1973 the Central Bank accepted a bid from a British company to mint the new coins for an anticipated delivery in November 1974. The delay in issuing these coins was apparently a contributing factor in the Central Bank releasing an extra 5 million rials in 10- and 20-buqsha notes in December 1972 in an effort to counter the lack of coins available. (Prior to this move there were approximately 3.625 million rials of these notes in circulation.) The release of so many notes was perhaps an over-reaction to the problems they were attempting to solve, as the additional notes were withdrawn from circulation in the period from February to December 1973. By the end of this period all the additional Treasury notes placed in circulation had been withdrawn, but the number originally accounted for by the Treasury continued to circulate.

The preparations for the introduction of the new coins did not go according to plan, and the decimal currency coins were not released until 1 April 1975. Under the new system, 100 fils equalled one rial, and the buqsha coins of the old currency were exchanged at a rate of one buqsha for two-and-a-half fils. It is not known for certain when the 10- and 20-buqsha notes disappeared from circulation, but it is thought that while the bulk of them would have quickly disappeared, many notes would have continued to be used for a number of years and been exchanged at their equivalent 25 and 50 fils respectively. Notes of the Yemen Currency Board continued in circulation for many years after the creation of the Central Bank of Yemen and when the 5- and 10-rial notes of the Central Bank's second issue were introduced in 1981 a notice printed by the Central Bank specifically stated that all previously issued notes would still remain valid, including those of the Yemen Currency Board.

11. 1 Rial



The front of 11a.



The back of 11a.

First issued: 15 July, 1973

Front: Al-Baqiliyah Mosque - see illustration #14.

Back: Coffee plants with mountains in the background - see illustration #15.

Size: 125mm x 65mm.

Watermark: Type 2.

Colours:

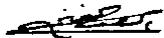
The front has green intaglio printing, with a lithographic underprint of purple and green, and a multicoloured boss in the centre and lower portions of the note. The boss includes the colours purple, blue, brown and light green.

The back is predominantly green with purple highlights, and is printed using lithography.

Varieties are determined by changes in signature types and by the use of non-fluorescent and fluorescent inks for the serial numbers and signature.

11a

Signature: Type 5.



Serial numbers: 1/1 to 1/17

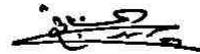
Replacement notes: Unknown.

Number issued: 67 million.

Fluorescent features: None.

11b

Signature: Type 7.

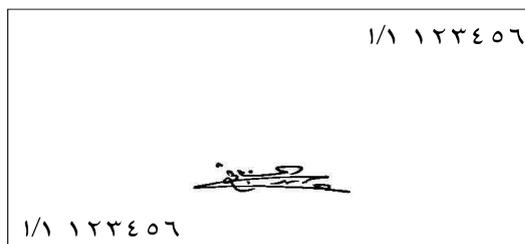


Serial numbers: 1/1 to 1/11

Replacement notes: Unknown.

Number issued: 11 million.

Fluorescent features: Signature and serial numbers.



N.B. It is difficult to distinguish the differences between this note and the 1-rial note of the second issue of the Central Bank (SHS.18). Therefore the following description of SHS.11 should be compared with the later entry:

Dark green sky over mosque; pattern over watermark appears “indented”; the four patterns holding the numerical value of the note (Arabic numeral) have shallow scalloped edges; and the serial numbers are 4mm high.