Chapter 14

A Study on the Internet Security and its Implication for E-Commerce in Yemen

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ABSTRACT

This study examines the use of the Internet for business purposes in Yemen, where main sectors of banking and private trade organizations are observed. Through interviews, a thorough study is performed concerning the Internet facilities available in Yemen, the literacy and use of Information Communication Technology (ICT) in organizations, the level of e-commerce adopted, the main hurdles in the adoption of e-commerce, and measures required to increase the adoption of e-commerce. The study finds that both organizations realize the importance of e-commerce for their business. The main causes in the delay of e-commerce adoption by some are the discrepancies in the infrastructure, high costing of the Internet facilities, bureaucratic hurdles in obtaining the facilities, and the non-availability of a secure environment. Beyond concerns about Internet security, their awareness of security hazards and protection measures is minimal. In light of the data collected, the study has come up with certain recommendations for the interested authorities to improve e-commerce in Yemen.

INTRODUCTION

With web II technology, firms are moving from traditional physical sales and service operations towards e-commerce as well as e-business. Electronic and dynamic websites in today’s world of business are considered as the “click-and-mortar”, “clicks-and-bricks” or “clicks and flips” of today’s companies (Laudon & Traver, 2008). Yemen, over a long historical period, is a country of commerce and its people are famous for their trading and business activities. When the Internet project entered Yemen, the Yemeni business organizations faced challenging competition...
to have a pronounced presence on the web. The aims behind this growing presence are commercial and for the purpose of reducing communication costs. Most of the companies in Yemen started to build their own websites on the web and started using them to communicate with both current and potential customers. In study conducted by Saeed et al. (2005), results show that firms with high electronic commerce competence exhibit superior performance and that customer value generated through Web site functionality partially mediates this relationship. Furthermore, firms have now started to realize the danger that comes from using this modern method of business, which is the difficulty of having a secure business. Laudon and Traver (2008) highlighted that the e-commerce environment holds threats for both consumers and merchants; therefore, unsecure operations can cause a firm to lose successful business.

**Historical Background**

In terms of business, Yemen historically was well known to the rest of the world as a country of trading and a central point for Asian goods that were re-exported to Europe and Africa, therefore; Yemen formed the central market that tied three continents countries: Asian countries with those of Europe and Africa. Its geographical and strategic commercial location enabled it to play a vital role in the past as a commercial route centre of world trade. History is going to repeat itself as Yemen is once again to be an international gateway to business opportunities in three continents – Asia, Europe, and Africa. In 1999 the new container port located in Aden commenced operation. It is located at the crossroads of the Red and Arabian Seas with the Indian Ocean. In addition, the Aden Free Zone will provide new regional trade and business opportunities. Yemen is also very rich in natural resources and cultural heritage. There are many traditional industries in Yemen, which have been handed down from generation to generation such as gem stones, souvenirs and traditional weapons, traditional jewelers, antiques made of silver and gold, Yemeni national clothes and textiles, Yemeni handicrafts and other attractive local things that are characterized by their beauty and attractiveness. Interestingly, the majority of dealers online for those Yemeni local products are oversea companies.

With respect to the history of the Internet, in 1990, Cable & Wireless (C&W) of the UK entered into a joint venture agreement with the Public Telecommunications Corporation (PTC) to form TeleYemen, which is responsible for all of Yemen’s international links and is also Yemen’s mobile franchise carrier. The communication sector, has witnessed some improvements during the last ten years in terms of technology. Most Yemeni regions have been linked to the national telecom network. A fiber optics connection of more than 2,000 Km is now in service. The Internet service was introduced in 1996. TeleYemen initiated the service with a capacity of 2,000 subscribers (MPD, 2000). The demand for service has increased yearly reaching 295,215 subscribers in 2008, while subscribers to the Super Yemen Net (ADSL) service jumped to 24,442 (10,464). The number of Internet cafes across the republic rose from 925 in 2007 to 973 (ITU, 2009).

The WWW service of the Republic of Yemen is still facing troubles because of the absence of alternative competitors, as there are only two ISPs, government owned companies, which provides all the services to all Yemeni customers. In general, most Yemeni business companies are subscribers to the Internet service but the uses of the Internet for business purposes are limited to one aspect of Internet interaction facilities i.e., communication. Active Internet services in the business affairs of Yemeni banks and trade companies has not reached the required level at which the Yemeni business sector can benefit from participating in e-commerce activities. No evidence that any of business organizations are using the Internet for e-commerce purposes. Although hooking up to the Internet can also be a source of significant dangers
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