The FORTNIGHTLY

A Review of Middle East Regional Economic & Cultural News & Developments

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Written & Edited by Seth J. Vogelman*

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1.   ISRAEL GOVERNMENT ACTIONS & STATEMENTS

1.1. Israeli & Greek Prime Ministers Showcase Bilateral Alliance

On his first trip abroad since the outbreak of the coronavirus, Greek Prime Minister Mitsotakis met with Prime Minister Netanyahu on 16 June in Jerusalem. Mitsotakis is the first leader to arrive in Israel since the pandemic began. The Greek prime minister headed a large official delegation — including five ministers who held separate meetings with their Israeli counterparts. The visit constitutes the fourth Government-to-Government (G2G) forum. After the one on one meeting, a larger meeting was convened, where the two leaders signed three memoranda of understanding: one each on cyber, agriculture and tourism.

The issue of resuming flights and reopening Greece to Israeli tourists represented a top priority for Mitsotakis in his meeting with Netanyahu. It now seems that Israeli tourists may be able to fly to Greece as of early August, without entering a 14-day quarantine upon their return. Netanyahu said it also depends on what happens with the coronavirus pandemic, but if the numbers allow it, 1 August is the target date for opening the skies. For the past several weeks, Netanyahu has been discussing with counterparts in Greece, Cyprus, Austria and other countries less infected by the virus possible ways of relaunching regional tourism and the creation of bilateral travel corridors.

Another topic brought up by Mitsotakis was increasing Turkish activity in the Mediterranean, citing "recent incidents of illegal and provocative Turkish behavior at our sea, air and land border" and "the destabilizing effect that Turkey has made vis-a-vis its relationship with Libya.'' Netanyahu brought up in the meeting

ongoing talks on the East-Med pipeline project, which should promote the construction of a 1,900 km. undersea pipeline from Israeli waters to the western Greek mainland via Cyprus and Crete. Jerusalem and Athens agree on almost all of the above issues. Bilateral ties have been reinforced in the past few years, especially on the backdrop of the deterioration in Jerusalem's ties with Ankara. (Al-Monitor 16.06)

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1.2. Knesset Committee Advances Cannabis Decriminalization

The Knesset has advanced legislation for the decriminalization of cannabis. On 21 June, the Ministerial Committee on Legislation approved a bill for the decriminalization of cannabis, which proposes: cannabis to be permitted for those over the age of 21, excluding those in security-related occupations; prohibiting driving under the influence of cannabis; placing limitations on advertising cannabis consistent with tobacco; and developing an advocacy fund for students. In order to become law, the bill will need to pass three readings. The bill is sponsored by Knesset members from the Likud and Blue & White parties. The bill is expected to be presented for its preliminary reading in the Knesset on 24 June. The Likud and Blue & White parties agreed two weeks ago to promote a legislation that would eventually lead to legalization of marijuana, the first step of which is decriminalization. (IMC 22.06)

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1.3. Ban on Foreigners Entering Israel Extended to 1 July

On 10 June, the Israel Airports Authority notified all airlines that tight border controls will remain in force because of the ongoing COVID-19 pandemic. The order that requires returning Israelis to self-isolate for 14 days when coming back to the country from abroad and the complete ban on non-Israeli passport holders entering Israel was extended from 15 June until at least 1 July.

Only two airlines have continued flights to and from Israel throughout the coronavirus crisis - United Airlines with a daily flight from Newark and Ethiopian Airlines with flights from Addis Ababa. Over the past month many foreign airlines including Air Canada, Lufthansa, Delta, Aeroflot and Wizz Air have resumed flights to Israel while El Al and Israir have flown various flights around the world. For the time being, passengers are required to show Israeli passports before boarding these flights to Israel. (Globes 10.06)

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1.4. El Al Extends Commercial Flight Suspension until 31 July

El Al Israel Airlines has extended its suspension of scheduled commercial flights until 31 July, albeit it will continue to use its aircraft for cargo and occasional passenger flights. Earlier, Israel's flagship carrier extended unpaid leave for 5,800 workers until 31 July and said that without state aid it will not be able to resume operations once the country's borders, shut over the coronavirus crisis, reopen. While Israel has eased coronavirus restrictions in the past month, incoming passengers were still required to self-isolate and a ban on foreigners entering the country remains in place.

Due to weak demand, El Al had halted flights in late March and the suspension has been extended repeatedly. El Al and controlling shareholder Knafaim Holdings have been in bailout talks with the Ministry of Finance, which offered to back $250 million in bank loans, but said El Al must issue $150 million in shares. The state said it would buy the shares, giving it a majority in the airline, if no one else would be interested in the purchase. (ILH 19.06)

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1.5. First Section of Eilat Rail Link Approved

Eight years after Israel's government agreed to build a rail link to Eilat, the Southern District Planning and Building Committee has approved for deposit the first section of the plan. The first section, links Beer Sheva with Mishor Rotem via Dimona. This northern section will cost NIS 2.7 billion and for the time being no budget has been approved for the work. Many question the economic feasibility of the entire Eilat rail link project.

The planners estimate that in 2030, there will be 18 - 30 trains to Eilat per day with 5.2 million passengers using the service over the course of each year. In addition, cargo trains will transport 198,000 vehicles and 3,834 tons of chemicals and 108 containers annually. The planners have been working closely with the Planning Administration and the Ministry of Environmental Protection to ensure that the railway does the least possible damage to the desert environment and landscape. The plan involves moving the current Dimona railway station to the city center. The Dimona Municipality has welcomed the plan, which will help promote its new city center plan costing NIS 350 million, including offices and a transport hub including a bus and taxi station as well as the railway station. (Globes 21.06)

2. ISRAEL MARKET & BUSINESS NEWS

2.1. infiniDome Closes a $1.6 Million Seed Round

infiniDome closed a $1.6 Million seed round of funding and the opening of its Pre-series A round. Investors participating in the Seed round include Boundary Holding of India and Luxemburg, Next Gear Ventures of Israel, and Aston Partners of New York. The Seed investment will help infiniDome strengthen its business vision of protecting connected and AI-equipped driverless vehicles.

Recently, infiniDome announced OtoSphere, the world's first GPS Cyber-attack detection and protection solution, tailored for commercial and consumer vehicles. OtoSphere is ideal for Cash-in-transit, High-end Cargo Transportation and Autonomous Vehicle Applications that depend on GPS for localization, timing and monitoring. OtoSphere protects these transit applications which are disabled by inexpensive GPS jammers bought online. infiniDome's patented Phased-Array Anti-Jamming technology solves this problem easily and cost-effectively.

Caesarea's infiniDome provides front-end cyber solutions protecting wireless communications from jamming and spoofing attacks. infiniDome's products protect against attacks of GPS-based systems, which are critical for autonomous vehicles, drones, connected fleets and critical infrastructure. infiniDome's products have been successfully proven in the field and sold to customers globally. (infiniDome 10.06)

2.2. UVeye Plans to Expand Its Operations in the United States

UVeye is planning to expand in the United States with the introduction of products especially designed for car dealers, used-car auction houses and major vehicle-fleet operators. The company plans to open sales and product development offices in Ohio and New York within the next four months, is assembling a team of regional sales representatives and also is exploring various North American locations for production and warehouse facilities in 2021.

UVeye's automated vehicle-inspection systems are equipped with high-speed cameras and artificial-intelligence technology to check for sheet metal damage, underbody component problems and tire wear. Its technology also is used by carmakers to improve manufacturing quality and by security professionals to detect bombs, weapons and other onboard-vehicle threats. North American sites under consideration for future UVeye production facilities include locations in Michigan, Ohio and Texas, as well as several states in the southeastern United States.

Tel Aviv's UVeye develops and provides automated inspection systems for vehicles, powered by artificial intelligence and proprietary hardware. UVeye's deep-learning-driven "Inspection as a Service" unified platform provides an objective, scalable and efficient standard for identifying issues in vehicles as they move through the automotive lifecycle. UVeye's anomaly detection and alerting solutions offer support from assembly-line and paint shop inspections at the OEM manufacturer to the aftermarket applications, including systems for insurance providers, fleet managers, rental agencies, dealerships and used-vehicle auctions. (UVeye 10.06)

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2.3. KuppingerCole Names Xpandion a Leader in the 2020 for SAP Access Control Tools

Tel Aviv's Xpandion announced that the German analyst firm KuppingerCole has named Xpandion an "Overall Leader" in their Leadership Compass: Access Controls Tools for SAP Environment for 2020. KuppingerCole reviewed vendors based on 9 baseline criteria along with 10 advanced capabilities and then grouped them into the following categories: Leader, Challenger and Follower. In addition, Xpandion was named "Product Leader," "Innovation Leader," and "Market Leader" amongst the leaders in the report.

KuppingerCole points out that Xpandion's strength is in having a broad support of business applications beyond SAP. They said Xpandion just makes it into the Leader's segment, despite their rather small partner ecosystem. However, they are amongst the few vendors in this market, demonstrating more than regional presence plus a significant number of customers. Xpandion's next-generation GRC SoD approach utilizes smart built-in intelligence to provide better protection against internal threats while providing more security and control. Xpandion's unique technology allows clients to identify risks and provides more control over access across in all business applications while monitoring user activity in real time. (Xpandion 09.06)

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2.4. PV Nano Cell to Develop Sensors Digital Printing Solution Using Gold Inks

PV Nano Cell has signed, under NDA, an agreement with a well-known, world-leading multinational healthcare company to develop a new inkjet printing technology for the fabrication of sensors using resistor and gold inks. As part of the funded project, PV Nano Cell will develop two project-dedicated inks. The first ink is a high resistance ink – resistor ink and the second ink is a gold based ink. After the successful completion of the inks development, PV Nano Cell will develop the printing process technology to allow mass-production inkjet printing of the sensors. The resistor ink is based on PV Nano Cell prior work and knowledge, developing breakthrough materials and process technologies for embedded passive components.

Migdal HaEmek's PV Nano Cell (PVN) offers the first-ever complete solution for mass-produced inkjet based, printed electronics. The proven solution includes PVN's proprietary Sicrys, silver-based conductive inks, inkjet production printers and the complete printing process. The process includes ink properties' optimization, printer's parameters setup, printing modifications & tailored printing instructions per application. In the heart of PVN's value proposition lies its unique and patented conductive silver and copper inks - Sicrys. (PV Nano Cell 10.06)

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2.5. Planck Announces Series B Funding

Planck announced a series B funding round of $16 million, bringing its total investment amount to $28 million. Planck enables commercial insurers to increase written premiums while reducing expense and loss ratios. The round was led by Team8 Capital, with participation from all existing investors (Viola FinTech, Arbor Ventures, Eight Roads) alongside new strategic investor additions Nationwide and HDI Group.

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Planck's customer base in the US is growing rapidly, and the new round will enable the company to expand its customer base even faster, and to support its global expansion and innovative product roadmap. This funding round was raised during times of uncertainty in which up-to-date and relevant data insights are more important than ever. Real-time data supports digitization processes, increases underwriting efficiency, and helps carriers better assess the rapid changes in their books and corresponding implications.

Founded in 2016, Tel Aviv's Planck provides an AI-based data platform for commercial insurance, working with top US insurance companies and helping them increase premiums while reducing loss and expense ratios. Its mission is to empower commercial insurers by generating insights that streamline the commercial underwriting process, enabling insurers to instantly and accurately underwrite any policy. Planck was founded by a team of serial entrepreneurs with an extensive background in insurance and technology. (Planck 10.06)

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2.6. Nanox Signs $48 Million Agreement for Nanox.ARC Medical Imaging Services

Nano-X Imaging has entered into exclusive distribution agreements for the introduction of Nanox's medical imaging services in Russia and Belarus with local distribution partners. The Nanox System will offer a range of medical imaging services, from 2D X-ray to 3D Tomosynthesis computed tomography and are aimed to be deployed in rural areas for maximum patients' outreach. The services are planned to be operated on a pay-per-scan business model at affordable prices for communities of varying socio-economic status. According to the agreements, subject to regulatory approval and acceptance test clearance, the Distribution Partners will commit to Nanox a combined minimum annual service fee of approximately $48 million over a 3-year term. The service commitment is to be backed by a standby letter of credit in favor of Nanox. The parties will collaborate on the deployment and operation of 600 Nanox Systems comprised of the Nanox.ARC and the Nanox.CLOUD to provide medical imaging services across Russia and Belarus.

Neve Ilan's Nanox is developing a commercial-grade digital X-ray source designed to be used in real-world medical imaging applications. Nanox believes that its novel technology could significantly reduce the costs of medical imaging systems and plans to seek collaborations with world-leading healthcare organizations and companies to provide affordable, early detection imaging service for all. (Nanox 15.06)

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2.7. OCTOPUS Systems Receives Frost & Sullivan Award for Its Smart City Platform

OCTOPUS Systems been selected as the winner of New Product Innovation Award by Frost & Sullivan, a leader in global research and consulting solutions. Coordinating conventional systems requires making sense of several different analyses, extending the time needed to produce an adequate response. OCTOPUS Systems tackles that challenge with its proven command and control system that amalgamates information from various sources, enabling better situational awareness through a convergence of cyber and physical security systems.

The OCTOPUS command and control system integrates many different systems into one brain. This technology is now the foundation for a new smart city solution. The platform enables cities to drastically improve efficiency, safety, and security, leading to a smaller carbon footprint and reduced operational expenditures. Furthermore, through operationalizing Artificial Intelligence (AI) technology, the system reduces human error and manpower redundancy. The system will identify, for example, when components need updating, a light bulb needs switching, or something malfunctions. The OCTOPUS Platform also communicates with essential staff in the city, such as first responders, and processes information about criminal acts, cyber-attacks, weather events, and terrorism.

Bnei Brak's OCTOPUS Systems offers a customizable integrated command and control platform which allows organizations to efficiently manage all assets, technologies, manpower, procedures and compliance in emergency situations, from one centralized database. The system allows for a holistic, 360º-view, of

security events, with more than 350 integration possibilities of physical and IT devices. (OCTOPUS Systems 11.06)

2.8. Optibus Named Technology Pioneer by World Economic Forum

Optibus was selected among hundreds of candidates as one of the World Economic Forum's "Technology Pioneers". Optibus plans and schedules the movements of vehicles and drivers, improving mass transit in hundreds of cities around the world. The company has also been supporting transportation agencies dealing with the complex service planning required for COVID-19 contingency plans and exit strategies.

Following its selection as Technology Pioneer, the Optibus CEO will be invited to participate at World Economic Forum activities, events and discussions throughout the year. Optibus will also contribute to Forum initiatives over the next two years, working with policymakers and private sector leaders to help define the global agenda on key issues.

Tel Aviv's Optibus is a cutting-edge software platform that brings much-needed innovation to the essential mobility mode at the heart of public transportation. Optibus leverages a robust combination of artificial intelligence, advanced optimization algorithms and distributed cloud computing to make public transportation smarter, better and more efficient – and ultimately nourish freedom of movement and sustainable cities. A cloud-native SaaS company founded in 2014, Optibus powers complex transit operations in over 300 cities around the world, planning and scheduling the movement of vehicles and drivers to improve the quality and reliability of transit service and make operations more efficient. (Optibus 16.06)

2.9. Salt Security Closes $20 Million Series A Funding Round Led by Tenaya Capital

Salt Security has raised $20 million in Series A funding led by Tenaya Capital, which has provided early-growth stage capital to transformational venture-backed technology businesses such as Palo Alto Networks, Armis, Lyft, and Kayak. This infusion of capital will enable Salt Security to continue investing in product development and innovation, address new use cases, and expand sales and marketing to meet increasing demand. To date, the company has raised a total of $30 million in equity financing.

Salt Security prevents attacks that are impossible to detect with traditional security point-products. Salt is the only vendor in the space that can protect against all threats listed on the Open Web Application Security Project (OWASP) API Security Top 10 in addition to other increasing API-related security risks.

Tel Aviv's Salt Security protects the APIs that are the core of every SaaS, web, mobile, micro-services and IoT application. Its API Protection Platform is the industry's first patented solution to prevent the next generation of API attacks, using behavioral protection. Deployed in minutes, the AI-powered solution automatically and continuously discovers and learns the granular behavior of a company's APIs and requires no configuration or customization to help ensure API protection. (Salt 16.06)

2.10. Pagaya Announces a $102 Million Series D Funding Round

Pagaya announced a $102 million Series D funding round led by a prominent strategic financial institution. Aflac Global Ventures (the venture capital holding company of top insurance firm, Aflac Incorporated), Poalim Capital Markets (the investment banking arm of Bank HaPoalim), Viola, Oak HC/FT, Harvey Golub (Pagaya board member and former Chairman of American Express), Clal Insurance, GF Investments and Siam Commercial Bank (through its Digital Ventures arm) participated in the round.

In the four years since launching, Pagaya has grown to manage over $1.6 billion of assets for banks, insurance companies, pension funds, asset managers, and sovereign wealth funds entirely with its sophisticated AI. Pagaya effectively re-opened the consumer credit asset-backed security (ABS) market in May with a $200 million ABS fully managed by its AI — the first issuance amongst marketplace lenders in months, and the firm's seventh deal to date. The firm's total ABS issuance is now over $1 billion in just a year and a half.

Pagaya will use the investment to hire more top tier data scientists, develop its technology further, and continue its pursuit of new asset classes, such as real estate and other fixed-income assets like auto loans, mortgages, and corporate credit. The firm's growing AUM, speed between ABS deals, expansion of its Origination Group and the Series D investment all point to the monumental transformation of the lending market. Pagaya's data-driven asset management has set a new standard.

Tel Aviv's Pagaya is a financial technology company reshaping asset management using machine learning and big data analytics to manage institutional money. With a focus on fixed income and alternative credit, Pagaya offers a variety of discretionary funds to institutional investors, including pension funds, insurance companies, and banks. Pagaya's unique technology platform, Pagaya Pulse, runs on a suite of artificial intelligence technologies and state-of-the-art algorithms to consistently deliver a high and scalable performance edge. (Pagaya 17.06)

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2.11. Elbit Systems Wins $38 Million Contract to Maintain the IAF's T-6 Trainer Fleet

Elbit Systems was awarded a contract valued at approximately $38 million from the Israeli Ministry of Defense to provide operation, maintenance and logistic services for the Textron T-6 trainer aircraft fleet of the Israeli Air Force (IAF). This contract award follows a decade during which Elbit Systems has provided the IAF with operation and maintenance services for the T-6 fleet, meeting the IAF's standards of service, availability and flight safety. The contract will be executed over a five-year period, with an option for an additional five-year period.

The T-6 fleet is used by the IAF for cadet test flights during the basic training phase of the Flight Academy course. Elbit Systems also provides logistic services and training technologies to two other fleets of the IAF Flight Academy, the M-346 trainer jet fleet and the GROB G-120A trainer jet fleet. In addition, a joint venture of Elbit Systems UK and a subsidiary of KBR provides procurement, operations and maintenance services for three aircraft types of the UK Army Flight Academy.

Haifa's Elbit Systems is an international high technology company engaged in a wide range of defense, homeland security and commercial programs throughout the world. The Company, which includes Elbit Systems and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence surveillance and reconnaissance, unmanned aircraft systems, advanced electro-optics, electro-optic space systems, EW suites, signal intelligence systems, data links and communications systems, radios, cyber-based systems and munitions. (Elbit Systems 22.06)

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2.12. Microsoft Acquires CyberX to Enable Unified Security Across Converged Networks

CyberX announced that it is being acquired by Microsoft. By integrating the CyberX platform with the Azure IoT stack, Azure Security Center for IoT, and Azure Sentinel, the first SIEM with native IoT support, Microsoft will now provide a simpler approach to unified security governance across both IT and industrial networks, as well as end-to-end security across managed and unmanaged IoT devices, enabling organizations to quickly detect and respond to advanced threats in converged networks.

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CyberX's founders will join Microsoft and the platform will continue to be enhanced and supported by CyberX personnel. In addition, Microsoft is committed to the channel and will continue working with CyberX's strategic reseller and technology partners worldwide. The CyberX platform will continue to be available in a hybrid model supporting both cloud-connected and air-gapped networks.

Founded in 2013, CyberX achieved tremendous growth with the world's largest enterprises adopting its IoT/OT security platform to secure their facilities worldwide. Funded by Norwest Venture Partners, Qualcomm Ventures, Flint Capital, Glilot Capital Partners, Inven Capital and OurCrowd, Herzliya's CyberX delivers the only IoT/OT cybersecurity platform built by blue-team experts with a track record of defending critical national infrastructure. That difference is the foundation for the most widely deployed platform for continuously reducing IoT/OT risk and preventing costly outages, safety and environmental incidents, theft of intellectual property, and operational inefficiencies. (CyberX 23.06)

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2.13.   SciPlay Acquires Leading Casual Game Developer Come2Play

Iowa's SciPlay Corporation has acquired Come2Play, an Israeli based developer and manager of casual mobile games. This acquisition brings the company in to the fast growing casual gaming segment.

Headquartered in Tel Aviv, Israel with additional development offices in Poltava City, Ukraine, Come2Play's social mobile games are enjoyed by casual game players from around the world. Come2Play's innovative game, Solitaire Pets Adventure, presents a new and fresh spin on the classic game solitaire while its Backgammon Live is the leading backgammon experience available. Come2Play brings an experienced and talented international team that will join forces with SciPlay's worldwide team to drive game advancements and revenue expansion.

Since its founding, one of SciPlay's core strategies has been to bring on the best new content and supercharge it with the Company's industry leading player acquisition and revenue generation engine. The Company's last acquisition, SpiceRack, brought the popular bingo game Bingo Showdown into the SciPlay portfolio in 2017. SciPlay drove incredible results after the acquisition by more than tripling the games' revenue.

The transaction closed effective 22 June 2020 and does not materially impact the Company's liquidity position, which is over $300 million with no debt on the balance sheet. Financial details of the transaction are not being disclosed. (SciPlay 23.06)

3.   REGIONAL PRIVATE SECTOR NEWS

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3.1. Jordan's Al-Ahliyya Amman University Selects Ellucian to Drive Modernization Efforts

Reston, Virginia's Ellucian, a provider of software and services built to power higher education, announced that Al-Ahliyya Amman University (AAU), the first private university in Jordan, has selected several Ellucian solutions to support a university-wide initiative to transform the digital experience for students, faculty and staff. Together with strategic partner ICC, Ellucian will deploy Ellucian Banner Student and Ellucian Mobile at the preeminent Middle East institution. Ellucian's solutions will empower AAU to be more agile, efficient and data-driven as higher education evolves to meet the needs of today while also preparing for the future.

AAU is undergoing a campus-wide digital transformation initiative designed to improve the overall student experience by offering innovative technology solutions. Ellucian Banner will create a central repository for student data, enabling much easier access to information from mobile and other devices, as well as establishing tools to support student success. By streamlining student information management, Banner will help AAU deliver a more transparent and intuitive digital experience.

ICC, a leading software and services provider in the Gulf countries, Middle East and North Africa, is an important strategic partner in this initiative. Leveraging its expertise in higher education in the region, ICC will support the implementation and management of Ellucian solutions and collaborate with the university to ensure it receives the highest quality service while addressing AAU's strategic business needs. (Ellucian 16.06)

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3.2. Ajar Raises $7.5 Million in Total Funding to Revolutionize Real Estate Management

Ajar has closed its pre-series A round with participation from SBX Capital, 500 Startups, and Seeds Partners, bringing its total raised to date to $7.5 million. The newly raised investment will be deployed to further deepen its platform capabilities, grow the team, and expand its footprint in the MENA region and beyond.

Ajar proved to be most critical amid the COVID-19 crisis. Faced with a global financial crisis, lockdowns, and increasing unemployment (which in turn, affected rent payments), landlords and real estate companies turned to Ajar for both a cost-cutting online solution and for advice on how to navigate the uncertainty brought by the pandemic. The company focused heavily on market education throughout the crisis, releasing several studies and collaborating with government entities to help them understand the state of the real estate market and guide their strategies.

Dubai's Ajar was one of the earliest PropTech players in the Middle East to focus on solutions beyond property listing. The company was established in Kuwait with the aim of solving the nuance of collecting and paying rent and has since expanded its product to include a full suite of automation solutions, which help real estate investors manage their properties efficiently to maximize their return on investment. Ajar has been gearing up for a regional expansion that includes Saudi Arabia, Egypt and Bahrain. With a spike in demand since the beginning of the crisis, the company is accelerating its entry into these markets and focusing more on global digital expansion. (Ajar 09.06)

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3.3. Clip the Deal Successfully Raises Seven-Figure Series A Round

Dubai's Clip the Deal, a digital grocery coupons and deals platform, announced the completion of their Series A round with a seven-figure amount raised. The Investment round was led by Optiscape Network Holdings, a UAE based Retail and Distribution Investment group with a special focus on Retail Tech. Existing investors, NB Ventures and Mishaal Alireza also participated in the round.

The announcement came as the digital evolution of the grocery retail market has picked pace and Clip the Deal has positioned itself as the go-to digital platform for deals. The app has been the number one trending shopping app on Google Play Store in 2019 and its proprietary technology connecting Offline retail with online product discovery and fulfillment was nominated for Best Tech Collaboration at GITEX Awards 2019. The company will use the funds to expand into new markets and categories, invest in technology, and to hire top talent to drive business growth. (Clip the Deal 18.06)

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3.4. Souq Becomes Amazon.sa in Saudi Arabia

Amazon and Souq announced the launch of Amazon.sa, which replaces Souq.com in Saudi Arabia, nearly three years after Amazon's $580 million acquisition of the e-commerce platform. All existing Souq.com customer credentials, wish lists, orders, delivery addresses, payment methods and customer support queries have been converted to new Amazon.sa accounts. Customers shopping on Amazon.sa will enjoy free next day delivery on orders above SAR 200, as well as the option of paid same day delivery to select

areas in the kingdom. Saudi shoppers can pay in local currency using debit and credit cards. They can also opt for a cash–on-delivery option and make installment payments from select banks in the kingdom.

Amazon is building a local logistics and operations network spanning across the kingdom. Currently, it operates three fulfillment centers and 11 delivery stations across the nation, with a workforce of more than 1,400. The company announced that women will make up approximately 40% of the workforce at its newest 226,000 square-foot Jeddah facility. (Various 17.06)

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3.5. Noon Academy Raises $13 Million in Pre-B Round Funding

Noon Academy has raised $13 million in pre-B round funding. The round was led by STV, which previously co-led the company's previous Series A round, with participation from additional investors Alturki Holding and Ahmed El Kalla's NFX Ventures. Interest in the raise led to oversubscription; while the initial target was $5 million, the company closed at $13 million, signaling strong investor confidence and validation despite it being a challenging time for start-ups seeking financing.

EdTech has largely been focused on serving education, but Noon Academy is spearheading the efforts toward direct-to-student learning. Students are eager to learn if given the right tools and engaged effectively, and the 13x student growth Noon Academy has seen over the past year and the above-average engagement levels support this. The company's main differentiator lies in its functionality; their platform incorporates social and gamification features that enable users to have an enjoyable, collaborative learning experience with teachers and fellow students through study groups, peer engagement, and contests. This has resulted in its social learning platform achieving 5 times the global industry average of a student's daily engagement.

Riyadh's Noon Academy is one of the fastest growing EdTech startups in the Middle East, with over 2 million registered students (KSA & Egypt) and rapidly expanding to other geographies. Their app is designed to enhance the virtual classroom experience for students & tutors. Now, one can join & organize sessions with a group of your friends. Noon made connecting with the best online tutors that much easier for students and tutors alike. The company is building the largest SOCIAL learning platform that would make the study experience fun and interactive! Students would learn from their peers, compete with them, and initiate LIVE on-demand tutoring together in their study groups.

Noon Academy's 119-strong in-house team is currently split across offices in Saudi Arabia, Egypt, India, and Pakistan. The investment will also support the opening of a new company hub in London, where Product, Design, and Data Science teams will be based. (Noon 21.06)

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3.6. OTO Courses Successfully Raises Six-Figure Bridge Round

Cairo-based digital one-to-one English education platform OTO Courses has secured a 6-figure investment closing a bridge round led by AUC Angels and ChangeLabs. The startup has unveiled its latest digital learning product "DardshEnglish.com" to respond to the COVID-19 pandemic. The company has acquired more than 1,000 new users monthly and realized an average monthly GMV Growth of 16% since January 2020.

OTO Courses is a digital platform that offers general and specialized English language courses for individuals or businesses. OTO stands for 1-to-1 and that is how personal the courses are. Courses offered are General English, Advanced Conversation, Business English & Test Preparation, as well as conversational English practice sessions. English teachers are carefully selected and trained to deliver the promised quality the students expect. OTO Courses aims to bridge the gap between traditional education and what the labor market really needs, by providing available and affordable quality education to anyone, anywhere, and anytime.

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The startup intends to utilize the newly raised funds to further develop its online platform as well as grab more of the market share left wide open after most educational centers in Egypt have shut down. OTO Courses has delivered more than 350,000 on-line hours so far, with more than 150 instructors on board. More than 15,000 learners have been developed. With its proprietary advanced in-house built system, OTO is further trying to push costs down as well as make its products more affordable for students. OTO Courses also targets B2B clients, with success stories with more than 15 major regional companies. (OTO Course 21.06)

3.7. MoneyFellows Raises $4 Million in Series A round from Partech & Sawari Ventures

Cairo's MoneyFellows, a web and mobile-based platform that enables individuals to access interest-free credit and better saving achievements has raised a $4 million Series A investment round from Partech and Sawari Ventures. This news comes almost one year after they raised their $1 million Pre-Series A round.

MoneyFellows is a financial enabler that digitizes money circles or ROSCA (known as *gam'eyas* in the Arab world, chit funds in India, committee in Pakistan, Tandas in Mexico and tontine in West and Central Africa). This allows users to more effectively manage and fulfill their financial needs. The company is a first-mover in supporting the financial inclusion and digital transformation mandate of the Egyptian government and Central Bank of Egypt.

Currently, MoneyFellows has more than 150,000 active users that are verified by a user assessment algorithm. The investment will be used to expand the company's operations nationwide in Egypt as well as further across Africa. The company also plans to launch a slew of new products in the coming months. (MoneyFellows 22.06)

3.8. Greek Supermarkets Set for Growth

Greek supermarkets are expected to post 5.3% growth in turnover this year, as any losses in the second half from the expected contraction of the economy will have been offset by the jump in demand as soon as the first case of the coronavirus was recorded in Greece. Notably, in case of a second wave of Covid-19 this fall, as epidemiologists expect, the rise in supermarket turnover this year is seen expanding to 8.1% compared to 2019, according to IRI's Analytics Center of Excellence.

From the start of the year until 24 May, Greek supermarket turnover grew 14.7% year-on-year, with the increase in that period's last three months (February 24 - May 24) coming to 21.5% on an annual basis. The fact that the sales growth in both scenarios is expected to be below 10% for the whole year is to a great extent attributed to the recession expected in the Greek economy, which is already reflected in consumer confidence.

With or without a second wave of Covid-19, the domestic cleaning products category is set to show the biggest rise in sales this year. According to IRI projections, this category will show an increase of 8.9% without a second wave of cases and an 11.6% jump with a second wave this fall. (eKathimerini 11.06)

4. CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

4.1. Morocco to Partner with Germany to Develop Green Hydrogen Sector

Morocco signed an agreement with the German Federal Minister for Economic Cooperation and Development for the development of the green hydrogen production sector. Under the hydrogen agreement

signed on 10 June in Berlin, the Moroccan Ministry of Energy, Mines, and Environment will partner with the German Ministry of Economic Cooperation and Development to set up research and investment projects in the use of hydrogen, which constitutes a source of ecologically sound energy. Both ministries will join efforts to establish two projects as part of the two countries' economic cooperation.

The first project, named "Power-to-X", will focus on the production of green hydrogen, proposed by the Moroccan Agency for Sustainable Energy (MASEN). The second project concerns the establishment of a research platform on "Power-to-X," knowledge transfer, and the strengthening of related skills. This comes in partnership with the Research Institute for Solar Energy and New Energies (IRESEN).

The hydrogen alliance will also enable Morocco to build Africa's first plant for the production of the "green gas," with the objective of mitigating the emission of 100,000 tons of carbon dioxide. Morocco's economic development dynamic will effectively serve the purpose of the agreement, highlighting the Green Morocco Plan, which placed the country at the African forefront of renewable energy. Germany presented the National Hydrogen Strategy with a proposed investment of €7 billion. A hydrogen alliance with Morocco is also part of the strategy. Approximately €2 billion would be allocated for cooperation with international partners, including Morocco. Morocco and Germany enjoy bilateral cooperation in the field of renewable energies, dating back to 2012 when the two countries signed the Moroccan-German Energy Partnership (PAREMA). (MWN 10.06)

5. ARAB STATE DEVELOPMENTS

5.1. Lebanon's Inflation Rate Surges to 10.7% in February 2020

According to the Central Administration of Statistics (CAS), the monthly inflation rate in Lebanon surged to 11.4% in February 2020, up from 3.15% in Feb. 2019. The ensuing inflation rate in the first two months of 2020 surged to 10.7%, up from 3.16% recorded by February 2019.

All sub-components of Lebanon's consumer price index (CPI) recorded substantial increases in the first 2 months of the year. The average costs of Housing and utilities, inclusive of water, electricity, gas and other fuels (composing 28.4% of CPI) climbed by 3.5% year-on-year (YOY) by February 2020. Owner-occupied rental costs (composing 13.6% of Housing and utilities) rose by an annual 2.7% while the average prices of water, electricity, gas, and other fuels (11.8% of Housing & utilities) recorded a substantial increase of 4.4%YOY, over the same period. In addition, average prices of Food and non-alcoholic beverages (20% of CPI) surged by 17.1% by February 2020. As for the average price of Transportation (13.1% of the CPI), it rose by 18% despite the annual 3.95% drop in the average international oil prices to $59.77/barrel by February 2020.

Moreover, the average costs of Education (grasping 6.6% of CPI) rose by 4% YOY while average prices of Clothing and Footwear (5.2% of CPI) surged by 27.5% YOY by February 2020. In addition, the average costs of Health (7.7% of the CPI) increased by a marginal 0.6% YOY over the same period.

The inflation rate is expected to rise further in the upcoming months (March April and May). The Lebanese pound accelerated its depreciation and reached unprecedented levels against the dollar during this period. However, worth mentioning that on 27 May, the central bank issued two separate Circulars, Nos. 556 and 557, providing commercial banks with foreign currency to finance the imports of raw material for industry and the imports of basic food and the raw material for the agro-food industry. These measures are expected to put a lid on the rise of related prices, especially those of food products. (CAS 08.06)

5.2. Jordan Falls by One Place in World Competitiveness Ranking

Jordan dropped one place — from 57th rank in 2019 to 58th in 2020 — in the annual IMD World Competitiveness Ranking comprising 63 countries. The annual report, published by the Swiss-based institute IMD, provides detailed information on countries' performance in regards to the efficiency of their economies, governments, businesses and infrastructure, covering a wide array of categories.

The challenges facing Jordan in 2020 include high unemployment especially among women and youth and maintaining macroeconomic and fiscal stability, as well as regional instability and continuing to host a large refugee population. These also include the repercussions of the coronavirus crisis on the economy and "weak economic growth", in addition to the high cost of electricity, which affects the competitiveness of business and economic sectors.

In the competitiveness evolution section, the report cites the 15 biggest improvements and the 15 biggest declines in the overall performance of the economy. In Jordan, the 15 improvements were in consumer price inflation, exchange rate stability, real GDP growth per capita, current account balance, number of patents in force, country credit rating, adaptability of government policy, transparency, exports of commercial services and gasoline prices. They also included renewable energies, justice, pupil-teacher ratio (secondary education), government subsidies and bureaucracy. The 15 declines included labor force long-term growth, compensation levels, patent application per capita, government budget surplus/deficit, population growth, employment long term growth, brain drain and tax evasion. They also include parallel economy, pupil-teacher ratio (primary education), new business density, stock market capitalization, use of digital tools and technologies, shareholders' rights and environmental growth.

In the economic performance ranking, Jordan stayed in the 62nd rank in 2019 and 2020. However, the Kingdom fell from the 35th to the 46th rank in the business efficiency ranking for the same period. In the government efficiency ranking, Jordan dropped from the 43rd to the 45th place in the same comparison period as well, while infrastructure remained in the 58th rank.

Singapore has retained the first place in both 2019 and 2020, followed by Denmark, Switzerland, the Netherlands and Hong Kong SAR. (JT 16.06)

►►**Arabian Gulf**

5.3. Facebook is UAE's Most Popular Social Media Platform

The most popular social media platform in the UAE is Facebook, with eight million users, while English is the preferred language for social media users in the country across all platforms, according to a report by Dubai-based data intelligence provider Crowd Analyzer. The annual 'State of Social Media' report offers insights on key social media platforms in Egypt, Saudi Arabia, the UAE and Kuwait. It revealed the most viewed page by Facebook users in the UAE is the TV news channel, Sky News Arabia.

The preferred platform for social media users in Saudi Arabia, on the other hand, is Twitter, which has been a significant increase in usage from 2019 to 2020, surging from 11 million to 14 million Saudi users. The vast majority of online content from the Saudi kingdom is published in Arabic across all platforms, with the exception of Facebook, which has more content generated and shared in English, the report revealed.

However the most active nation in the region on Facebook is Egypt, while Twitter is rising among Egyptians, with most tweets revolving around TV, music and fashion. In Kuwait, more than half of the country's population - 2.7 million out of 4 million - is on Facebook, with English users outnumbering their Arabic counterparts by more than one million. Instagram, particularly Instagram for Business, is also gaining popularity in Kuwait, with users uploading personal photographs to the main platform while Instagram for Business supports marketing initiatives.

Moreover, the report revealed 2019's top performing industries, including the telecommunications sector, which was the most talked-about across all social media platforms compared to monitored industries,

accounting for 37.7 million interactions out of the total 131.6 million recorded interactions. The banking and finance industry accounted for 30 million activities, while the automotive sector followed with 29.4 million activities and the e-commerce industry with 26.3 million activities. The ride-hailing sector came in last with 8.2 million interactions. (AB 20.06)

5.4. US Records a $15.6 Billion Trade Surplus with the UAE

The United States recorded a $15.6 billion trade surplus with the UAE in 2019 – its third largest in the world. The figures were announced as the two countries held their seventh Economic Policy Dialogue via a video conference call, with a vow to expand relations and pursue new economic, trade, investment and commercial opportunities. UAE trade and investment supports more than 116,000 American jobs, while it represented the United States' largest export market in the Middle East and North Africa for the 11th consecutive year, with non-oil trade between the two countries continuing to consistently increase.

During the meeting, the UAE raised concerns about steel and aluminum tariffs imposed by US President Trump's administration – a 25% tariff on steel and 10% addition on aluminum imports was implemented in 2018. The US imports an estimated 26,000 tonnes of steel from UAE-based Emirates Steel annually. Both sides have also agreed to explore new potential areas for cooperation in a range of sectors, including food security, health security and healthcare research, space, customs matters, emerging technologies, and women's economic empowerment in line with the United States' Women's Global Development and Prosperity Initiative. (Various 21.06)

5.5. Saudi to Offer $1 Billion Stimulus Package for SMEs

Saudi Arabia will offer a SAR 3.7 billion ($1 billion) stimulus package to support more than 500 small and medium-sized industrial companies hurt by COVID-19. The initiatives, announced by the Saudi Industrial Development Fund, are part of a wider package of governmental support, and include the deferral and restructuring of loan payments for hundreds of companies. The fund will also offer lines of credit to partly finance up to three months of operating expenses for qualified companies, and will continue to explore solutions that will support the private sector.

Businesses across the world's largest oil exporter are struggling to stay afloat after measures to slow the spread of the virus, coupled with historic turmoil in global oil markets, have upended the economy. Gross domestic product is expected to shrink the most in two decades this year. The kingdom had put a particular focus on developing its manufacturing and industrial sectors in recent years as part of Crown Prince Mohammed bin Salman's plan to reduce dependency on oil. (AB 16.06)

5.6. Saudi Arabia to Impose New Import - Export Measures in July

Saudi Arabia is to hit back at countries that are placing restrictions on its exports, with import measures of its own, starting from 1 July. An announcement by the General Authority for Foreign Trade said that a number of countries continue to apply measures, conditions and procedures contrary to the rules of international agreements. As a result, Saudi customs duties are to increase at rates ranging from 0.5% to 15% for various products, beginning from 10 June 2020. The products potentially affected by the increased customs duty rates include poultry, meat, dairy products, certain consumer products, some types of drinks and vegetables, spare parts, chemicals, building materials, and vehicles.

For example, chemicals such as carbon, silicon, zinc oxide, sulfonamide and propylene copolymers. The customs duty rate for these products may increase from current rate of 5% to 6.5%. For building materials such as tiles, marble, travertine and alabaster, pipes and tubes, electric wire and cables, will see customs

duty rates increase from the current rates of 5% and 12% to rates ranging between 12% and 15%. For vehicles (other than railway), such as private vehicles and emergency vehicles, the customs duty rate may increase from the current rate 5% to rates ranging 5% and 7%, depending on the product. Any customs rate increase will present an unexpected increase in costs for importers, manufacturers and those involved in the supply chain, including the final consumers. (Various 22.06)

5.7. Saudi Arabia to Hold Limited Hajj for All Nationalities Living Inside Kingdom

Saudi Arabia on 22 June that it would hold a "very limited" hajj this year, with pilgrims already in the kingdom allowed to perform the annual ritual as it moves to curb the coronavirus pandemic. The hajj, one of the five pillars of Islam and a must for able-bodied Muslims at least once in their lifetime, represents a major potential source of contagion as it packs millions of pilgrims into congested religious sites. But the decision to scale back the hajj, which last year drew 2.5 million pilgrims, is fraught with political and economic peril and comes after several Muslim nations pulled out of the ritual. The kingdom's hajj ministry said the pilgrimage will be open to various nationalities already in Saudi Arabia, but it did not specify a number.

The decision to limit the event comes as Saudi Arabia struggles to contain a spike in infections, which have now risen to some 161,000 cases and more than 1,300 deaths. The announcement to hold a limited hajj will disappoint millions of Muslim pilgrims around the world who often invest their life savings and endure long waiting lists to make the trip. But it would likely appease Muslims who feared the pilgrimage would entirely be cancelled for the first time in the kingdom's modern history.

The smaller year-round umrah pilgrimage was already suspended in March. Together, they add $12 billion to the Saudi economy every year, according to government figures. A full-scale hajj, which last year drew about 2.5 million pilgrims, was unlikely after authorities advised Muslims in late March to defer preparations due to the fast-spreading disease. (AFP 22.06)

►►North Africa

5.8. CBE Assesses Negative Effect on Egypt's Economy Due to COVID-19 Crisis

On 10 June, the Central Bank of Egypt (CBE) issued its first monetary policy report for 2020. The report stressed that the severity and persistence of the COVID-19 shock will depend on the prevalence and intensity of the ongoing crisis, adding that the structural and stabilization measures are expected to lessen the impact of the disruption on the most vulnerable and help support the recovery in case the COVID-19 crisis is contained. It also expected international food prices relevant to Egypt's consumption to decline in 2020 more strongly compared to the previous monetary policy report, before increasing slightly in 2021.

Furthermore, according to the report, Brent crude oil prices incorporated in the domestic inflation outlook are expected to remain subdued driven mainly by low global demand due to lockdown measures imposed in many countries, even after OPEC and non-OPEC member countries reached an agreement to cut daily production by 9.7 million barrels. For the domestic market, the report said that domestic prices for some fuel products were reduced in April with a magnitude that allows for the savings to be utilized in supporting higher costs expected from facing the crisis, as per the announcement by Egypt's Fuel Automatic Pricing Committee.

Tracking Egypt's growth, the report showed that the economic growth of Egypt's external environment softened slightly to 2.1% in Q4/19, down from 2.3% in Q3/19, after declining for four consecutive quarters between the third quarter of 2018 and the second quarter of 2019.

Egypt's annual headline inflation broadly stabilized at an average of 2.3% in Q1/20, after inching up in the Q4/19 from an average of 1.9% in Q3/19. There was a sharp reversal in the capital flows into emerging

markets in March, which was the sharpest since 2008, and continued in April 2020 for the third consecutive month, albeit at a slower pace owing to the increased risk aversion towards emerging markets following the COVID-19 crisis and its associated containment measures. The current account deficit stabilized on annual terms in the fourth quarter of 2019, after narrowing in the third quarter of 2019 for the first time since the second quarter of 2018, driven by contributions from remittances, the non-hydrocarbon trade deficit and net investment income deficit.

For the GDP, the report showed that real GDP growth continued to stabilize at 5.6% in Q4/19 and H1/20, which is the same level of FY2018/19 and the highest since FY2007/2008. The unemployment rate inched up to 8% in the fourth quarter of 2019, up from 7.8% and 7.5% in the second and third quarters of 2019 respectively. (CBE 10.06)

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5.9. Egypt's Annual Inflation Rate Drops to 4.7%

Egypt's annual urban consumer price inflation rate declined to 4.7% in May, down from 5.9% in April, recording the lowest figure in six months, the Central Agency for Public Mobilisation and Statistics (CAPMAS) announced on 10 June. CAPMAS attributed the May inflation rate decline to the 0.3% year-on-year drop in food and beverage costs, which reflects the decreasing demand on such commodities during Ramadan. Usually, demand hikes on food and beverage items during that month. It also announced that the urban inflation on monthly basis registered 0% for the second month in a row. Meanwhile, the Central Bank of Egypt said the annual core inflation rate slipped to 1.5% year-on-year in May, down from 2.5% in April.

In April, Egypt's annual urban inflation recorded 5.3%, down from 7.2% in January, with monthly inflation recording zero%, according to CAPMAS. The annual inflation for rural Egypt recorded 4.5% in February, with monthly inflation recording -0.1%.

In October, the International Monetary Fund (IMF) lowered its forecast for Egypt's consumer price index (CPI) to 9.6% for fiscal year (FY) 2019/2020 from 10.7%. The IMF expected Egypt's inflation rate to slow down to 7.4% in FY 2020/2021 and seven% in FY 2021/2022, according to the IMF's fifth and final review of Egypt's economic reform program. The fund also projected that Egypt's economic growth will reach 5.9% during FY 2019/2020. In May, Egypt received a $2.77 billion loan from the IMF under the rapid finance facility (RFI) to address the repercussions of the COVID-19 outbreak on the Egyptian economy. (CAPMAS 10.06)

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5.10.   Egyptian House of Representatives Passes FY2020/1 Budget

On 17 June, the Egyptian House of Representatives approved in a plenary session the state's budget for FY2020/1 after leaving it largely unchanged from a draft released by the Finance Ministry in April. Members of parliament requested at least EGP 4 billion to be added to the spending bill for education and academic research. The House Education and Scientific Research Committee had recommended adding EGP 22 billion to the Education Ministry's share of the budget.

The authorities had previously allocated some EGP 255 billion for health (now EGP 258.5 billion, according to final figures) and EGP 423 billion for education, higher education and scientific research (now EGP 424 billion). This means the total amount allocated to health and education has increased by 43% y-o-y from EGP 545 billion in FY 2019/20. The final allocation fulfills a quota mandated by the constitution, which requires an allocation equal to 10% of GDP for health- and education-related spending.

The budget is due to be revised once after 30 September, the Finance Ministry said. The ministry had made it clear last month that it plans to further tweak key assumptions of the budget as it gets more clarity

on the road ahead. President Abdel Fattah El Sisi is due to ratify the budget before the start of the fiscal year on 1 July. (Enterprise 17.06)

5.11.   World Bank Gives $400 Million to Support Egypt's Universal Health Insurance System

The World Bank's Board of Executive Directors approved to provide $400 million to support Egypt's Universal Health Insurance System (UHIS) as the country's pathway toward achieving universal health coverage (UHC) and improving the health outcomes of its citizens. The project supports the government's efforts to put in place the building blocks of the Universal Health Insurance System; to roll the system out in Phase I Governorates; and to offer temporary financial protection to the most vulnerable across the country to protect them from high out-of-pocket health expenditures resulting from the COVID-19 outbreak. The UHIS will contribute to building human capital through investing in early years of life and providing better health care, antenatal care, and targeted childhood stimulation.

The project is also complementary to the World Bank financed COVID-19 Emergency Response Project approved last month for $50 million in support to the Government of Egypt's immediate and critical requirements to tackle the COVID-19 response.

Egypt's Universal Health Insurance Law (UHIL) guides the implementation of the Universal Health Insurance System and accelerates progress toward Universal Health Coverage in line with the health pillar of Egypt's 2030 Sustainable Development Vision. The law envisions mandatory coverage for all citizens in the country, including vulnerable groups who will be subsidized by the government. Over the years, the World Bank has strengthened its engagement in Egypt's health sector, including the Transforming Egypt's Healthcare System Project, which was launched in September 2018 to help improve health service delivery in Egypt. (Egyptian Streets 17.06)

5.12.   Egypt Considers Raising Tariffs on Imports of Steel and Iron Billets

Egypt's Ministry of Trade and Industry is considering raising tariffs on imports of steel and iron billets. Ministry officials met recently with representatives from integrated and rolling mill factories to discuss policies to protect domestic industry during the pandemic, according to the official.

The Ministry postponed in April cutting import tariffs imposed on steel rebar and iron billets for a six-month period. The ministry had imposed a 25% duty on steel rebar and a 16% duty on iron billets for three years, which were to be gradually reduced over three years, but the first round of the plan was called off earlier this month to keep larger factories afloat amid the pandemic. Small-scale rolling mills are still threatening to halt production, challenging protectionist duties in place on iron billets, a key input they import. The ministry also launched an investigation in April into potential dumping of imported aluminum products in the domestic market, after state-owned Egypt Aluminum began reported losses citing the practice. (Enterprise 14.06)

5.13.   Morocco Meets US 2020 Fiscal Transparency Requirements

The United States' released its annual fiscal transparency report on 15 June, revealing which countries meet minimum requirements of public oversight following US financial aid. The review lists Morocco among 76 countries out of 141 that meet the minimum requirements deemed crucial for economic stability and public financial management. Over the past decade, to better align itself with internationally accepted accounting principles, Morocco has made strides to strengthen budget transparency and modernize the management of its public finances.

The Moroccan government has undertaken initiatives to improve the quality of information accessible to citizens and parliamentarians. It has also continuously sought to revamp its reporting approach in order to popularize budgets and increase readability. Since 2012, the Citizen's Budget has served as a prime example of efforts made to present the public with more budget transparency. The process of implementing of the provisions of the Finance Act "culminated in the achievement of significant progress in the results of the Open Budget Survey for 2017; ranking Morocco 2nd in the Middle East and North Africa (MENA) region in terms of budget transparency."

Countries identified on the government's 2020 "Not Meeting Minimum Requirements of Public Transparency" list includes Algeria, marked among the majority of countries that did not make significant progress, for its ill-timed publications of budget proposals and end-of-year reports. Other MENA countries struggling to abide by the US' minimum transparency requirements, such as Egypt, Lebanon and Libya, are noted as providing incomplete reports and failing to make information regarding government-guaranteed state-owned enterprise debt publicly available. The assessment also deemed Saudi Arabia as mismanaging its reports.

Under section 7031(b)(3) of the US Foreign Appropriations Act, the yearly review seeks to ensure proper spending of US taxpayer money by evaluating the records of countries receiving aid from the US. The United States Department of State measures the degree to which key budget documents are made publicly available, substantially complete, and generally reliable. "The review also includes an assessment of the transparency of processes for awarding government contracts and licenses for natural resource extraction." (MWN 16.06)

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5.14.   Morocco 57th Most Powerful Country in the World But 1st in the Maghreb

Morocco has ranked the 57th most powerful country in the world, according to US News and World Report. The kingdom climbed four places from the 2019 list, where it ranked 61st. The US News and World Report "Most Powerful Countries" ranking lists 80 countries that "consistently dominate news headlines, preoccupy policymakers, and shape global economic patterns." The index focuses on five main axes; namely military strength, the strength of international alliances, economic influence, political influence and leadership.

According to the rankings, Morocco is the most powerful country in the Maghreb, coming in ahead of Tunisia which appears on the 61st position. Algeria, Libya and Mauritania were excluded from the 80-countries list. Continentally, Morocco is the fifth most powerful country in Africa, behind Egypt (25th globally), South Africa (32nd), Kenya (52nd), and Ghana (55th).

In the Middle-East and North Africa, Morocco ranked 10th regionally, behind Israel (eighth globally), Saudi Arabia (10th), the United Arab Emirates (11th), Turkey (16th), Qatar (18th), Egypt (25th), Jordan (33rd), Lebanon (38th) and Oman (39th).

The power ranking is a component of the constantly-updated US News and World Report "Best Countries" ranking. The overall rankings put Morocco as the 40th best country in the world. The criteria used in the evaluation include adventure, citizenship, cultural influence, entrepreneurship, heritage, openness for business, power and quality of life. (MWN 22.06)

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5.15.   World Bank Loans Morocco $500 Million to Advance Digitalization Reforms

The World Bank announced on 22 June that it approved a $500 million loan to Morocco to support the North African country's plan to boost digital inclusion reforms. The loan is part of the Financial and Digital Inclusion Development Policy Financing Project (DPF) to support mechanisms to promote digital transformation in Morocco. The program seeks to enhance financial inclusion and access to more competitive digital infrastructure and services for business and individuals. The World Bank lauded the

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"rapid" digital transition initiative during COVID-19, emphasizing that the pandemic has exacerbated the need for digitalization

Like other countries, some of Morocco's digitalization plans have seen light amid the crisis, including remote education, work and judicial processes. During the crisis, "Morocco's digital transition accelerated rapidly, showing the country's capacity for a greater scale-up, observed the World Bank.

The new loan is the second of its kind from the World Bank to Morocco in one week. On 16 June, the World Bank approved a $54.27 million loan to help Morocco tackle the COVID-19 crisis. The World Bank has also expressed its satisfaction with Morocco's "effective approach" to curbing the spread of the pandemic. (MWN 23.06)

6. TURKISH, CYPRIOT & GREEK DEVELOPMENTS

6.1. Cyprus' GDP Falls by 1.3% in First Quarter

According to Eurostat, the seasonally adjusted GDP decreased by 1.3% in Cyprus and 1.6% in Greece during the first three months of 2020, when coronavirus began to bite, compared with the previous quarter. In Q4/19, GDP had grown by 0.1% in both the euro area and the EU, rising 1% in Cyprus but already declining by 0.7% in Greece. On an annual basis, the seasonally adjusted GDP decreased by -0.9% in Greece, but increased by 0.8% in Cyprus from 3.2% in Q4. (fm 09.06)

6.2. Cyprus Most Improved Country in Competitiveness Report

Cyprus is the best-improved country in the IMD World Competitiveness Centre 2020 report after rising 11 places to rank 30 among 63 nations. According to the report, Cyprus' impressive progress is mainly due to the continued improvement of the general economic situation, especially in the field of employment and investment attraction. The state's improved efficiency is mainly in public finances, a better institutional and business environment, and the improvement of the welfare state. Another factor is the increased efficiency of businesses due to the reduction of corporate debt, increase in workforce, and improvement of the financial environment and business practices.

Cyprus's position has improved in all categories that make up the overall ranking, with a particularly significant improvement in the categories of business efficiency and state efficiency, as well as overall economic performance. Cyprus recorded great progress compared to 2019 in the long-term growth rate of the workforce, the budget surplus and the growth rate of fixed capital investments. Export of goods, the cost of electricity for industrial purposes and the degree of concentration of exports to a few trading partners were among the criteria that deteriorated sharply in 2020. In terms of economic performance, Cyprus ranked 13, rising from 19th place last year. Regarding the state's efficiency, Cyprus came 21st, compared to 32 in 2019.

Singapore topped the list of 63 countries, followed by Denmark, while the USA which fell to number 7 from the third spot it held last year. (fm 16.06)

7. GENERAL NEWS AND INTEREST

*ISRAEL:

7.1. Tel Aviv Mayor says City to Recognize Same-Sex Marriages

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On 21 June, the municipality of Tel Aviv-Jaffa said it would allow same-sex couples and non-traditional partnerships to register their union with the city hall in order to benefit from matrimonial rights. The city's mayor, Ron Huldai announced the decision to coincide with Pride Week in Israel. The new policy will allow couples to obtain housing tax reductions and other benefits, including child daycare services.

Although gay marriage is not illegal, the Chief Rabbinate of Israel, which has jurisdiction over marriage services in the country, refuses to perform or recognize such unions. Couples who cannot or refuse to have their marriages consecrated by the Chief Rabbinate can choose to have civil, interfaith and same-sex unions performed abroad, usually in neighboring Cyprus. The state will then legally recognize the marriage after couples register their union with Israel's Ministry of Interior. Although designed primarily for LGBT couples, the change in marriage policy would also allow secular couples and those who oppose religious marriages to be recognized as married without having to leave the country. (IH 22.06)

*REGIONAL:

7.2. Egypt Turns to UN as GERD Talks Collapse

Egypt has called on the UN Security Council to prevent Ethiopia from unilaterally filling the Grand Ethiopian Renaissance Dam after last-ditch talks collapsed in mid-June, the Foreign Ministry said19 June. Egypt said it remains committed to a diplomatic solution, President Abdel Fattah El Sisi said in a televised speech. This came a day after the Irrigation Ministry again announced that there had been no progress in the latest round of negotiations and accused Ethiopia of "intransigence" on both technical and legal aspects of the talks. Addis Ababa refused to agree to a legally-binding dispute settlement mechanism and objected to the inclusion of an effective measure to cope with drought. The Ethiopian Irrigation Ministry, meanwhile, claimed that major technical disagreements have been resolved but that legal aspects will require further talks. Sudan's irrigation minister Abbas supported this, telling reporters that the three countries have reached an agreement on "90-95%" of the technical aspects but that legal points remain a stumbling block.

Addis Ababa will begin filling the dam when its rainy season begins in July regardless of whether it reaches an agreement with Egypt and Sudan, Ethiopian foreign minister Gedu Andargachew reiterated during a recent interview. (Enterprise 17.06)

8. ISRAEL LIFE SCIENCE NEWS

8.1. Cannabics & Cannomed to Develop Cannabis Strains Targeting Cancers

Cannabics Pharmaceuticals has signed a Memorandum of Understanding with Cannomed Medical Cannabis Industries to develop cannabis cultivars targeted to treat cancers of different types. The collaboration will allow Cannabics to further expand its portfolio of cannabinoid compositions that will be extracted from Cannomed's 17 unique strains, thus contributing to its compound library matrix. Cannabics will proceed to utilize its High Throughput Screening (HTS) facility in Israel to extract the active ingredients and examine their anti-tumor properties on a variety of human cancer cells of various types.

Rehovot's Cannomed Medical Cannabis Industries is a publicly traded company on the Tel Aviv stock exchange that engages in growing, distributing, and marketing of medical grade cannabis. Cannomed operates along the entire value chain of the medical cannabis industry and holds 17 unique proprietary genetic strains.

Cannabics Pharmaceuticals is a U.S public company that is developing a platform that leverages novel drug-screening tools to create cannabinoid-based therapies for cancer that are more precise to a patient's profile. By developing tools to assess effectiveness on a personalized basis, Cannabics is helping to move cannabinoids into the future of cancer therapy. The Company's R&D is based in Israel, where it is licensed

by the Ministry of Health to conduct scientific and clinical research on cannabinoid formulations and cancer. (Cannabics Pharmaceuticals 10.06)

8.2. Tyto Care and SWICA Partner to Improve Telehealth Offering

Tyto Care and SWICA, one of Switzerland's leading health insurance companies, announced their partnership to integrate Tyto Care's TytoHome solution into the existing offering from SWICA's telemedicine company, santé24. A successful pilot with 200 SWICA employees in 2019 showed that the combined solution optimizes healthcare provider workflows and reduces costs. With over 2,000 devices deployed to patients in their homes and over 1,000 visits conducted so far, the partnership marks the widest-scale deployment of TytoHome in Europe to date.

TytoHome is supplementing santé24's phone-based telemedicine offering by enabling patients with a TytoHome device to perform guided, comprehensive self-examinations anytime, anywhere. The exam data is then securely provided to a clinician via the Tyto platform for review and treatment. If necessary, a doctor will also connect with the patient via phone or conduct a live video visit for further examination to provide diagnosis and treatment.

Maximizing Tyto Care's AI guidance technology, this workflow boosts doctors' productivity and increases convenience for patients by reducing in-person visits, allowing patients to receive high quality care from home. The integrated solution also allows clinicians to treat more patients and conditions remotely without increasing the time spent per patient, and significantly reduces costs for payers while maintaining the quality of care. To date, 88% of SWICA users have reported satisfaction or high satisfaction with the TytoHome telehealth solution.

Netanya's Tyto Care is transforming primary care by putting health in the hands of consumers. The company seamlessly connects people to clinicians to provide the best virtual home examination and diagnosis solutions. Tyto Care's solutions are designed to enable a comprehensive medical exam from any location and include a hand-held, all-in-one tool for examining the heart, lungs, skin, ears, throat, abdomen, and body temperature; a complete telehealth platform for sharing exam data, conducting live video exams, and scheduling visits; a cloud-based data repository with analytics; and built-in guidance technology and machine learning algorithms to ensure accuracy and ease of use for patients using the device at home. (Tyto Care 10.06)

8.3. Binah.ai Raises $13.5 Million in a Series B Financing Round

Binah.ai announced the successful raising of $13.5 million in a Series B round of financing. The investment funds will serve to accelerate the delivery of Binah.ai's ambitious roadmap and support the ever-growing global market demand for its vital signs monitoring solution with increased sales and marketing efforts. The funding round was led by Maverick Ventures Israel, along with other investors including Esplanade Ventures, Sompo International, GiTV and iAngels, who invested in Binah.ai in its seed fundraising series.

Using a unique mix of signal processing and artificial intelligence technologies, combined with a proprietary mathematical framework, Binah.ai allows users to extract vital signs measurements with medical-grade accuracy in under 2 minutes, including: heart rate, heart rate variability, oxygen saturation, respiration rate and soon, blood pressure. Vitals that Binah.ai expects to add to its monitoring capabilities include hemoglobin, temperature and others, aiming to turn its app into the go-to health monitoring tool.

Tel Aviv's Binah.ai's award-winning technology delivers on the company's vision and mission to allow for basic and universally accessible health and wellness services for everyone, anywhere. They are helping to define and shape the future of digital healthcare and wellness by providing a video-based, easy-to-use vital signs monitoring tool, delivered with medical-grade accuracy. Binah.ai's proven app has countless

use cases that span fields including telemedicine, remote patient monitoring, primary care, personal and corporate wellness, preventive medicine, virtual trials, nursing homes, insurance, in-car wellness and many more. (Binah.ai 10.06)

8.4. Citrine Global Corp. Announces a Strategic Investment in Nanomedic

Citrine Global Corp. approved an investment in Nanomedic Technologies through participation in an exclusive funding round open only to existing Nanomedic shareholders and their affiliates. Citrine Global decided to participate with $450,000. The funding round of $2.2 million is already fully subscribed.

Nanomedic developed SpinCare, the first and only system that integrates the revolutionary electrospinning technology into a portable, bedside device, offering immediate wound and burn care treatment. This exceptional product, developed during the past five years, is patent protected. SpinCare treats burns, wounds, and surgical injuries by mimicking human tissue. The lightweight device emits a proprietary nanofiber "second skin" that completely covers the area that needs to heal. The method avoids any need to come into direct contact with the wound, thus eliminating the painful routine of bandage dressings and risk of infection. The transient skin then fully develops into a secure physical barrier with tough adherence. Once new skin is regenerated, the layer naturally peels off. Using the product does not require any special training. At present, the product is designed for use in hospitals and clinics but in the future, the company will market the product for emergency use such as ambulances, for military use and ultimately for home care.

Citrine Global Corp.'s business activity is comprised of creating value and implementing expansion strategies for growth-stage technology companies, offering multi-strategy solutions combining strategic marketing, business development, real estate and asset management services and financing solutions. Such wide spectrum of services is targeted at helping create an integrated strategy that supports our client companies in achieving their local and global expansion ambitions. The company operates in the Israeli market, via its fully-owned subsidiary, which targets Israeli startups and technology companies in the fields of Healthcare, Wellness, Food Tech and Israeli Medical Cannabis companies.

Lod's Nanomedic is an innovative nanotechnology company focused on the development and manufacturing of portable electrospinning technology. Nanomedic has long identified the significant potential of combining electrospinning nanotechnology and biomaterials for a wide range of medical applications and is leading the innovative approach of bedside (on-the-spot) manufacturing using its first and only worldwide commercialized portable electrospinning device. Nanomedic is the only company that was able to minimize the electrospinning technology from large machines into a hand held, battery operated, commercialized device. Nanomedic has state-of-the-art facilities (ISO 13485 certified) along with a strong team and proven expertise and knowhow in developing medical equipment. (Citrine 16.06)

8.5. Accellix Raises $9.5 Million in a Series D Financing Round

Accellix announced a Series D financing round of $9.5 million led by bioMérieux, a world leader in the field of in vitro diagnostics for over 55 years. All existing major investors participated in this raise and have also agreed to convert their pre-existing convertible note in the amount of $8.5 million, bringing the company's total funding in this round to $18 million. This latest round of funding will be used to further expand the market reach of the Accellix system for Cell Therapy QC, enabling its customers greater access to the expertise, scale, resources, and technology needed to effectively assess the quality of life saving immunotherapies.

The Accellix platform eliminates extensive training and complex operational procedures by automating inherent manual complex flow cytometry processes. It provides accurate and immediate flow cytometry results at the point of need, removing the requirement of sending samples out to a central lab. bioMérieux

has been searching for such a platform that will complement their Industry-leading Microbial Quality Control offering and it is their intention to work with Accellix on enabling them to advance their market reach and service and support capabilities.

Jerusalem's Accellix is a biotechnology company dedicated to developing and commercializing the Accellix platform to enable its customers in the field of cell and gene therapy to meet their critical QC requirements as they advance life changing therapies benefiting patients worldwide. Accellix empowers its customers by migrating their existing cell assays to the Accellix platform. The Accellix platform is a benchtop cytometer operating and reading capillary cartridges integrated with dry reagents. It provides unmatched reproducibility and ease of use for automated multi-parametric cell analysis. (Accellix 11.06)

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8.6. CLEW Gets FDA Authorization (EUA) for Its Predictive Analytics Platform

CLEW announced that the U.S. FDA has issued Emergency Use Authorization (EUA) for the company's ICU solution. With CLEWICU healthcare providers use predictive screening information to help identify patients with an increased likelihood of being diagnosed with respiratory failure or hemodynamic instability which are common complications associated with COVID-19.

The AI-based algorithms are machine-learning models trained to identify respiratory failure and or hemodynamic instability hours in advance. This allows for additional evaluation and potentially early intervention, planning, resource management. CLEW's AI models were trained on nearly 100,000 patients in the ICUs, and scales to cope with patient volume surges while reducing a caregiver's exposure risk to infected patients. CLEW's models were developed and intended for both local ICUs and TeleICUs and integrates best practice modules. The streamlined at-a-glance web application is designed for near real-time access to patient data and provides tools for both worklist, unit and multiunit views, featuring unit occupancy and patient risk level. CLEW-ICU integrates caregiving of local and remote teams enabling workflow and resource decision making.

Netanya's CLEW provides real-time AI analytics platforms designed to help providers make better informed clinical decisions by predicting life-threatening complications across various medical care settings. CLEW's goal is to provide solutions that could improve outcomes and safety, streamline patient care, and efficiently handle regulations and penalties, ultimately lowering the cost of care. Originally developed and proven in the ICU, CLEW will develop machine learning models that have the potential to optimize clinical resources and guide health care providers in predicting patient deterioration, across all care settings. (CLEW 16.06)

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8.7. DreaMed's Automated Insulin Delivery Featured in Medtronic's New System

DreaMed Diabetes announced the use of its Artificial Pancreas algorithm in Medtronic's new CE Marked MiniMed 780G Advanced Hybrid Closed Loop system. Collaboration between Medtronic and DreaMed dates back to 2015, when the two companies signed an exclusive worldwide development and license agreement.

The development of the MD-Logic algorithm was initiated at the Institute of Endocrinology and Diabetes at the Schneider Children's Medical Center of Israel in 2007. The successful project spawned the creation of DreaMed Diabetes and an agreement with Medtronic, leading to the implementation of the algorithm into the MiniMed 780G system. The "MD-Logic Artificial Pancreas algorithm," is an advanced hybrid closed loop system for controlling patient glucose levels. Its uniqueness is in its ability to alter both basal insulin and provide automatic correction boluses in real time, while changing the way these correction boluses are provided. This process depends on sensor glucose reading dynamics and the information from the insulin pump. The MD-Logic technology's effectiveness was validated in many clinical studies. The technology was the first to be tested in a multicenter, multinational randomized controlled study in a diabetes camp, as chronicled by a study in the New England Journal of Medicine. In June 2012, the technology was also the

first to be used by patients at home and in 2015 it was the first to receive regulatory approval from EU authorities.

Medtronic is now implementing features of the MD-Logic Artificial Pancreas algorithm in the automatic correction boluses of its next generation MiniMed 780G system, a system that will be used by many people with type 1 diabetes around the world. Adding this capability to the MiniMed 780G system will fulfill many unmet needs of people with diabetes, such as with controlling glucose around meals. Specifically, it will help mitigate the hyperglycemia that results from missed or late meal boluses, as well as the hyper- and hypoglycemia that often result from inaccurate calculation of the carbohydrate content of a meal.

Petah Tikva's DreaMed Diabetes is a medical device company providing personalized diabetes treatment optimization solutions. The company was established in 2014 and has been vigorously working on the DreaMed Advisor portfolio, decision support tools in the diabetes management space. DreaMed became the first and only company in the world to receive a CE Mark and FDA clearance for DreaMed Advisor Pro, a decision support system in Type I diabetes patients using data from CGM/SMBG and insulin pumps. The company is continuing to develop the DreaMed Advisor portfolio which will aid all people living with diabetes no matter the insulin therapy or diabetes type and their healthcare professionals to provide personalized insulin therapy. (DreaMed Diabetes 17.06)

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8.8. Equinom Brings Back Genomic Diversity to Legumes

In its commitment to the global drive for greater food security, seed breeding specialist Equinom is leveraging advanced breeding techniques to promote agricultural biodiversity. The company upholds its pivotal position in inducing better crop resilience and increased yield and affirms that stimulating natural genetic seed variability must be recognized as a primary component of ensuring a continuous supply of nutritious food to feed the ever-growing global populace. Equinom expressed its committed goal to help sustain productive agricultural ecosystems by bringing back the quality and genomic diversity in food crops lost or neglected over the past 100 years as the agriculture industry shifted its focus on cultivation to animal feed rather than human consumption.

Using its patented computational seed breeding technology, Equinom targets multi-trait properties by combining traditional germplasm with exotic varieties and screens their DNA material in order to build the perfect seed. This is achieved without the need for gene editing or modification.

The agricultural world is facing multiple challenges. Farmers are expected to feed more people on less land. They also are increasingly aware that they cannot continue to provide "empty crops" to health-conscious consumers demanding more choice. Equinom applies its breeding techniques to a broad spectrum of less-established protein sources, such fava beans, mung beans, and cowpeas, which innately carry superior nutritional values. Equinom currently is screening and selecting legume grains rich in rhizobium, gram-negative soil bacteria that fix nitrogen.

Kibbutz Givat Brenner's Equinom is concurrently ramping up its global presence to support farmers and agricultural stakeholders during the COVID-19 epidemic, strategically working to bring seeds "closer to home" and shorten supply chains. This also boosts traceability, vital to assuring overall food safety and building better consumer trust. (Equinom 17.06)

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8.9. Kamada Announces Availability of its Hyperimmune IgG Therapy for COVID-19

Kamada provided an update on its development of a plasma-derived immunoglobulin (IgG) product for Coronavirus Disease (COVID-19). Kamada completed manufacturing of the first batch of its plasma-derived IgG product for COVID-19 utilizing the Company's approved proprietary IgG platform technology, and additional production is ongoing. The initial vials are available for compassionate use in Israel. In

The Fortnightly may also be found at: http://www.atid-edi.com

addition, Kamada's proposed clinical protocol for a Phase 1/2 clinical trial was submitted to the Israeli Ministry of Health, and the Company expects to initiate the study during the third quarter of this year.

In order to expand its clinical development program to the U.S., Kamada, with the support of Kedrion Biopharma, intends to conduct a pre-Investigational New Drug (pre-IND) meeting with the U.S. FDA early in Q3/20 in order to obtain FDA's acceptance of the proposed clinical development program. Pursuant to the Company's global collaboration agreement with Kedrion for the development, manufacturing and distribution of the plasma-derived IgG product for COVID-19, Kedrion is currently collecting COVID-19 convalescent plasma from U.S. recovered patients that will be used by Kamada to manufacture additional batches of the product.

Rehovot's Kamada is a commercial stage plasma-derived biopharmaceutical company focused on orphan indications, with an existing marketed product portfolio and a late-stage product pipeline. The Company uses its proprietary platform technology and know-how for the extraction and purification of proteins from human plasma to produce Alpha-1 Antitrypsin (AAT) in a highly-purified, liquid form, as well as other plasma-derived immune globulins. The Company's flagship product is GLASSIA, the first liquid, ready-to-use, intravenous plasma-derived AAT product approved by the U.S. FDA. (Kamada 17.06)

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8.10.   Enlivex Makes New Japanese Patent Application for ALLOCETRA Immunotherapy

Enlivex Therapeutics announced that the Japan Patent Office (JPO) has issued a notice of allowance for a patent application covering ALLOCETRA, the company's immunotherapy product candidate. Upon issuance, the new patent will provide additional intellectual property protection around methods of using ALLOCETRA and pharmaceutical compositions comprising the same. The company expects the new patent to issue in Japan during the Q3/20.

ALLOCETRA was designed to provide a novel immunotherapeutic mechanism of action that targets life-threatening clinical indications that are defined as "unmet medical needs". Such clinical indications include organ dysfunction and acute multiple organ failure associated with sepsis and COVID-19, as well as solid tumors, which can be treated via modulation of the tumor microenvironment.

Nes Ziona's Enlivex is a clinical stage immunotherapy company, developing an allogeneic drug pipeline for immune system rebalancing. Immune system rebalancing is critical for the treatment of life-threatening immune and inflammatory conditions which involve hyper-expression of cytokines (Cytokine Release Syndrome) and for which there are no approved treatments (unmet medical needs), as well as solid tumors immune-checkpoint rebalancing. (Enlivex Therapeutics 18.06)

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8.11.   Tarsius Pharma Completes Trial Enrollment of TRS01 for Non-infectious Uveitis

Tarsius Pharma announced the completion of patient enrollment in the company's Phase I/II trial of TRS01 in patients with active anterior non-infectious uveitis. TRS01 is a Potential First-in-Class topical immune-modulator agent with a novel mechanism of action for treatment of ocular inflammation. This phase I/II trial (GADOT 20/20) is a dose ranging trial to evaluate the safety and efficacy of TRS01 in patients with anterior non-infectious active uveitis. At the end of the extended enrollment timeframe, 16 patients were enrolled to the GADOT 20/20 trial.

The GADOT 20/20 trial is the first step in transforming the way ocular inflammation is being treated. The company expects to complete all requirements toward commencing the Phase III trial early 2021. Ocular inflammatory diseases impose a significant medical and economic burden on society, affecting hundreds of million people worldwide and posing severe risks of vision loss and blindness. The TRS Platform Technology has the potential to effectively treat a broad array of autoimmune and inflammatory ocular diseases.

Zichron Yaakov's Tarsius Pharma was established in 2016 and is focused on developing TRS, a breakthrough, bio-inspired platform technology for the treatment of blinding ocular diseases. The company's investors include Sun Pharmaceuticals, a global pharmaceutical company, BioLight Life Sciences, as well as private investors and family offices. This project has received funding from the European Union's Horizon 2020 research and innovation program under grant agreement No. 879598. (Tarsius Pharma 22.06)

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8.12.   SGTech Commended for its Sustainable Livestock Waste Management Solution

Based on its recent analysis of the European livestock waste management market, Frost & Sullivan recognized Israel-based Sustainable Green Technologies (SGTech) with the 2019 European Technology Innovation Award for the Integrated Ecosystem Solution (IES). The IES is a biological process combining enhanced biogas production with simultaneous removal of nutrients from livestock manure and slurry. Its patented, chemical-free waste management process enables the generation of biogas with methane content of 65%, which results in 30% higher energy than the one generated using conventional anaerobic digestion solutions.

The innovative approach behind SGTech's IES process allows the company to cater to a wide range of clients in the livestock sector across Israel and Europe. The optimized process design and performance demonstrated in a lab and pilot scale-up will accelerate the commercialization phase and help it realize its goal of providing customized livestock waste management solutions. The company aims to license its IES process to biogas developers so they can build and operate (BOT/BOO) facilities and provide long-term operation and maintenance services to dairy farms.

Founded in 2015, Netanya's Sustainable Green Technologies (SGTech) was born out of the desire to create a more sustainable world. Specifically, SGTech has aimed to address environmental issues resulting from improper waste management in the livestock industry. Through years of Research and Development, SGTech has developed innovations in nutrient recovery, integrated biogas solutions, and water recycling. SGTech's patented Integrated Ecosystem Solution (IES) is an Anaerobic Digestion (AD) technology specifically designed for the treatment of livestock waste – the technology produces enriched biogas and simultaneously removes and recovers nutrients from the waste stream. The result is an end-to-end solution that improves each area of sustainable agriculture – cleaner energy, cleaner water and cleaner soil. (Frost & Sullivan 23.06)

9.   ISRAEL PRODUCT & TECHNOLOGY NEWS

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9.1. Xperi & Tower Announce New License for 3D Stacked Image Sensor Technology

San Jose, California's Xperi Holding Corporation and Tower Semiconductor announced Tower's license of Invensas ZiBond and DBI 3D semiconductor interconnect technologies. This technology complements Tower's manufacturing of its state of the art stacked wafer BSI sensor platforms for time of flight (ToF), industrial global shutter and other CMOS image sensors on 300mm and 200mm wafers. In addition, Tower Semiconductor will explore the use of Invensas enabling 3D integration technologies for a broader range of applications, including memories and MEMS devices.

With the recently released full design kit for hybrid bonding, Tower's customers can now design their products on two different wafers, an imager wafer and a mixed-signal CMOS wafer, that are then stacked together with electrical connections on a pixel level, from 10um pitch for applications such as Direct ToF (dToF) and event-driven sensors, down to 2.5um and even below for applications such as mobile ToF for face recognition applications. This separation into two wafers allows very high speed circuitry on the CMOS side, with very high sensitivity pixels, due to backside illumination, and extremely low dark current, below 1

electron/sec per square micron at 60 degrees Celsius, on the imager side. Tower's unique platform also allows the use of different Epi thicknesses for near infrared sensitivity enhancement.

Migdal HaEmek's Tower Semiconductor, a leader in high-value analog semiconductor foundry solutions, provides technology and manufacturing platforms for integrated circuits (ICs) in growing markets such as consumer, industrial, automotive, mobile, infrastructure, medical and aerospace and defense. Tower Semiconductor focuses on creating positive and sustainable impact on the world through long term partnerships and its advanced and innovative analog technology offering, comprised of a broad range of customizable process platforms such as SiGe, BiCMOS, mixed-signal/CMOS, RF CMOS, CMOS image sensor, non-imaging sensors, integrated power management (BCD and 700V), and MEMS. (XPER-I 10.06)

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9.2. Sixgill and King & Union Join Forces for Next-Gen Threat Intelligence Visualization

Sixgill has partnered with Alexandria, Virginia's King & Union to provide users of its Avalon Cyber Analysis Platform with contextual and actionable insights to help them proactively protect their organizations. Through this partnership, Avalon users will now be able to visualize intelligence from Darkfeed, Sixgill's automated stream of indicators of compromise (IOCs).

The goal at King & Union has always been to provide the visualization, threat intelligence, tools, and collaboration security analysts need in a single, integrated workspace to enable better decision making and accelerate threat investigations. Darkfeed provides the most comprehensive and accurate insights to help Avalon users quickly unify, visualize and enrich threat intelligence in a single workspace to better understand data relationships. This partnership will enable King & Union to redefine operational threat intelligence, drive unparalleled value to our users, and create a positive impact for their customers. Powered by Sixgill's unmatched intelligence collection capabilities, Darkfeed users will benefit from automated and exclusive visibility into their threat environment and receive early warnings to help them identify, track, and neutralize threat actors targeting their organization.

Tel Aviv's Sixgill's fully automated threat intelligence solutions help organizations protect their critical assets, reduce fraud and data breaches, protect their brand and minimize attack surface. Sixgill's Investigative Portal empowers security teams with contextual and actionable alerts as well as the ability to conduct real-time investigations. Rich intelligence streams such as Darkfeed harness Sixgill's unmatched intelligence collection capabilities and deliver real-time intel into organizations' existing security systems to help proactively block threats. (Sixgill 09.06)

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9.3. CyberArk Alero Improves Remote User Security with New Authentication Options

CyberArk announced new advancements for CyberArk Alero that enable remote users to securely access critical systems managed by CyberArk from any mobile device – including non-smartphones. By combining Zero Trust and multi-factor authentication, CyberArk Alero is a leading SaaS-based solution that provides fast, easy and secure privileged access for remote users based on a passwordless, biometrics approach. In cases where smartphone use is limited, Alero now supports SMS and push notifications, expanding the number of remote users such as third party vendors, employees and contractors who often require privileged access to sensitive systems and data to do their jobs.

In addition, CyberArk also announced that it has added a new datacenter in Frankfurt, Germany to address increasing global demand for Alero. This datacenter will accompany existing datacenters in North America – extending Alero's global footprint. Finally, furthering its investments in innovation, CyberArk has now been granted six patents for a variety of Alero features including biometric authentication.

Petah Tikva's CyberArk is the global leader in privileged access management, a critical layer of IT security to protect data, infrastructure and assets across cloud and hybrid environments and throughout the DevOps

pipeline. CyberArk delivers the industry's most complete solution to reduce risk created by privileged credentials and secrets. (CyberArk 16.06)

9.4. Newsight Imaging Introduces SpectraLIT for Spectral Analysis Applications

Newsight Imaging released its SpectraLIT, a compact development kit suitable for testing Newsight technology and developing proof-of-concept devices for the healthcare and food & beverage industries or other liquids analysis.

SpectraLIT is a development kit based on Newsight's spectrometer-on- chip. It allows for spectral profiling of substances in wavelengths between 400 to 700 nm in a matter of seconds. The next generation of SpectraLIT will be able to support wavelengths between 400 to 1100 nm. The kit will allow diagnostic and analytical companies a fast market introduction of a portable, and low-cost diagnosis device. SpectraLIT is controlled by a Windows-based demo SW that displays, analyzes and stores the spectral profiles of the tested substance. SpectraLIT uses standard cuvettes, which are easily inserted through a slide covered by a top lid, allowing full isolation of the tested substance from any external ambient light.

Nes Ziona's Newsight develops advanced CMOS image sensor chips for two main applications: 3D depth camera for Robotics, Industry 4.0, Automotive Safety and Mobile. The second application is a spectrometer on chip providing affordable quality inspection solutions for the medical, water, food & beverage industries etc. The company has 14 US and EU patents, was named Cool Vendor in the Novel Sensors category by Gartner and received 3 grants from the Israel Innovation Authority. (Newsight Imaging 12.06)

9.5. Illusive Networks Reduces SOC Overload and Speeds Incident Response

Illusive Networks is introducing new on-demand forensics capabilities as part of its continued efforts to streamline security operations. Security operations center (SOC) teams today are grappling with massive increases in alerts due to COVID-19 work-from-home initiatives and aggressive increases in state-sponsored and organized criminal attacks. Incident response teams waste valuable hours sifting through multiple tools and systems, looking for the contextual data needed to validate escalation. Illusive's precision, real-time forensics reduce response time by up to 90% and enable SOC teams to increase focus on broader correlation, analysis, and eradication efforts.

Using Illusive Networks' Forensics On Demand solution, SOC teams can reclaim a vast chunk of the expensive time and effort lost to manual activities typical in the processes of triage, ticket enrichment, investigation and validation—while becoming more proactive and efficient in incident response. With Illusive's agentless technology, incident response teams – especially tier 2 analysts charged with investigating whether an incident merits further action – can initiate forensics collection on any targeted machine at any time. In mere seconds, Illusive returns precise intelligence that typically would require hours of manual intervention and analysis to compile.

The Illusive Platform provides a rich timeline of artifacts, reveals misconfigurations and vulnerabilities, detects infiltration, and discovers real-time connections. Forensic intelligence can be gleaned from any system-generated security event, including other cybersecurity solutions, such as Endpoint Detection and Response (EDR) and Security Information and Event Management (SIEM).

Tel Aviv's Illusive Networks uses next-generation deception technology to stop cyber-attacks by paralyzing attackers, destroying their ability to make decisions, and depriving them of the means to move sideways towards attack targets. Illusive's inescapable deception and attack surface reduction capabilities eliminate high-risk pathways to critical systems, force attackers to reveal themselves early in the threat lifecycle, and capture real-time forensics that accelerate incident response. Built on agentless, advanced automation, and requiring very little security team support, Illusive immediately shifts the advantage to defenders,

freeing precious resources from the complicated and data-heavy approaches that overloaded them in the past. (Illusive Networks 16.06)

9.6. PenTera Selected by St. Margaret's Hospice to Automate Penetration Tests

Pcysys has announced that St Margaret's Hospice Care in the UK, has chosen Pcysys' Automated Penetration Testing Platform, PenTera, to continuously test its IT infrastructure. The PenTera platform ethically challenges the entire IT network with the latest hacking techniques, prioritizing remediation efforts towards vulnerabilities and controls that carry the majority of the risk. With PenTera, organizations perform remote and local penetration tests on-demand, to benchmark, maintain, and grow their cyber resiliency. The platform spans the testing of security controls, vulnerabilities, credential strength, access privileges, network policies, and devices. With PenTera, organizations can grow their cyber defense efficacy, their IT team productivity, and save on external consulting costs.

Petah Tikva's Pcysys delivers PenTera, the automated network penetration-testing platform that assesses and reduces cybersecurity risk. The platform runs on the Cloud or on-site to identify, analyze and focus remediation efforts on breachable vulnerabilities. Hundreds of security professionals and service providers around the world use PenTera to perform continuous machine-based penetration tests that improve their immunity against cyber-attacks across their organization networks. (Pcysys 17.06)

9.7. Safe-T Announces New Product by NetNut: Data Center Proxy Network

Safe-T Group announced that its wholly owned subsidiary, NetNut, has launched its Data Center proxy network. The new proxy network, built on agreements and connectivity with leading carriers in the United States, will allow NetNut's customers to enjoy a fast, reliable and robust proxy solution upon which users can build and expand their businesses and target reach. NetNut is releasing this product as part of its long-term plans to provide the best-of-breed solution in the proxy market. This product will be added to NetNut's existing leading Residential Proxy product and will allow customers to choose the best fit for their needs. NetNut plans to expand the Data Center proxy offering to additional territories and to release additional new products in the next coming months.

Herzliya's Safe-T Group is a provider of Zero Trust Access solutions which mitigate attacks on enterprises' business-critical services and sensitive data, while ensuring uninterrupted business continuity. Safe-T's cloud and on-premises solutions ensure that an organization's access use cases, whether into the organization or from the organization out to the internet, are secured according to the "validate first, access later" philosophy of Zero Trust. This means that no one is trusted by default from inside or outside the network, and verification is required from everyone trying to gain access to resources on the network or in the cloud. (Safe-T Group 17.06)

9.8. Rookout's New Data On-Prem Solution Helps Large Enterprises Fetch Data Instantly

Rookout announced an innovative solution called Data On-Prem, which gives large enterprises the ability to quickly solve complex problems involving sensitive data. It accomplishes this by offering its cutting-edge tooling in a SaaS package, while simultaneously meeting all of the security and compliance requirements expected of on-premise solutions. When debating whether or not to adopt a SaaS solution, the main blocker is often the risk involved with sending data out to be managed, stored, processed and analyzed by a 3rd party. Rookout has no interest in client data, and instead focuses on quickly getting companies the data they want in a secure way. In other words, if data is the new oil, then Rookout seeks to be the most effective drill on the market.

Data On-Prem will save companies in data-sensitive environments a tremendous amount of time and money extracting data. Particularly in industries such as finance and healthcare, where dealing with data is a governance and compliance nightmare. According to research published by Digital Enterprise Journal, organizations are losing $2,129,000 per month, on average, due to delays in applications releases. The traditional processes to solve these problems are extremely time-consuming - such as writing endless log lines or waiting for new code to re-deploy - and often involve many levels of controls and approvals. Rookout skips all of that process, and comes with built-in auditing and other controls, allowing engineers to extract the data they need instantly.

Tel Aviv's Rookout is a SaaS product in the software development tool space pioneering the category of Understandability. It lets developers from Enterprise companies fetch data from their code quickly and easily, without breaking anything and without requiring long and complicated code changes and software deployments. This allows developers to fix their software on the fly, giving them time back to focus on building new business-critical applications. It also saves companies hundreds of thousands of dollars monthly by reducing high maintenance costs that come from traditional logging and debugging. (Rookout 18.06)

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9.9. Gilat Releases Flagship VSAT, Achieving Half a Gigabit of Concurrent Speeds

Gilat Satellite Networks announces the availability of its flagship VSAT, Capricorn PLUS, which achieves half a gigabit of concurrent speeds. The VSAT attains highest MF-TDMA channel rate of 100 Mbps over a 30Msps channel enabling full satellite network resource utilization under any link conditions and service needs. Gilat's high-speed VSAT, Capricorn PLUS, is future-ready, built with support for Multi Access Edge Computing (MEC) infrastructure – enabling next generation edge services, such as video caching and IoT gateways. In addition, Capricorn PLUS was designed to serve with maximum efficiency data intensive applications such as 5G backhauling, maritime and enterprise.

Petah Tikva's Gilat Satellite Networks is a leading global provider of satellite-based broadband communications. With 30 years of experience, we design and manufacture cutting-edge ground segment equipment, and provide comprehensive solutions and end-to-end services, powered by our innovative technology. Delivering high value competitive solutions, our portfolio comprises of a cloud based VSAT network platform, high-speed modems, high performance on-the-move antennas and high efficiency, high power Solid State Amplifiers (SSPA) and Block Upconverters (BUC). (Gilat Satellite Networks 18.06)

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9.10. Sapiens' New Version of Its Life Core Suite With Cloud-Native Architecture

Sapiens International Corporation announced the general availability of its upgraded Sapiens CoreSuite for Life & Annuities for North American customers and Sapiens CoreSuite for Life & Pension for clients in the EMEA and APAC regions. Version 9 features a new and improved SmartSuite solution, with a library of pre-configured products and processes, including four new completely configured smart packs that accelerate time to market for launching products. All smart packs are fully documented inside interactive software, rather than static documents. The SmartSuite solution includes an advanced testing framework, with more than 5,000 automated test cases that ensure faster go to market for customers.

SmartSuite also includes an improved configuration tool that enables business users to independently set up and tailor insurance products with no coding required, speeding up the process of launching new products, or product updates. The CoreSuite solution will help accelerate launches for life insurance providers with streamlined and simplified business processes, and available, open architecture. The suite now offers one-click, cloud-native architecture – version 9 supports full cloud deployment on pods via dockers for quick and easy container provisioning, networking, load-balancing, security and scaling. Also, Excel as a service (EaaS), an innovative microservice, was added to this upgraded version. This microservice enables calculations on live integrated excel sheets, without the need for compilation.

The Fortnightly may also be found at: http://www.atid-edi.com

Holon's Sapiens International Corporation empowers insurers to succeed in an evolving industry. The company offers digital software platforms, solutions and services for the property & casualty, life, pension & annuity, reinsurance, financial & compliance, workers' compensation and financial markets. With more than 35 years of experience delivering to over 500 organizations globally, Sapiens has a proven ability to satisfy customers' core, data and digital requirements. (Sapiens 23.06)

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9.11.   Hub Security Releases First-of-its-Kind Quantum-Proof HSM

Following the close of its $5 million Series A funding round in late April, Hub Security unveiled its next-gen Hardware Security Module (HSM), the first to offer quantum-proof capabilities to enterprises. The new solution includes hardware-embedded support for quantum-resistant algorithms as well as quantum source of randomness — features designed to protect against the next generation of cyber threats and attacks.

Hub Security's newest HSM will help organizations weather the coming evolution of cyberattacks and threats related to quantum computing. While current industry-standard HSMs are equipped to run quantum computing algorithms, many of them provide these capabilities purely on a software level, making them low-performing and unsuitable for cloud and payment processing and other real-world applications. Hub Security's HSM offers high-performance military-grade key management and cryptographic solutions built on FPGAs. Now coupled with its latest quantum-proof release, the company will enable cloud and enterprise industries to safeguard against massive attacks by novel and critical cyber threats.

Tel Aviv's Hub Security is a top-tier, military-grade provider of HSM and key management solutions for fintech, cloud, and blockchain security. Leveraging military-grade cybersecurity tactics and utilizing cutting-edge innovations, Hub Security has developed a family of products that provide the highest level of enterprise security available on the market today. (Hub Security 23.06)

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9.12.   Authomize Unveils Its Automated Authorization Governance & Management Solution

Authomize announced the launch of an Automated Authorization Governance and Management solution. Authomize enables organizations to manage and secure complex and vastly different applications across cloud and on-premise applications with precision and ease. Acting as a bridge between IT Ops and security teams, Authomize prevents permission sprawl and ensures adherence to security and compliance standards, significantly reducing IT's workload, while enhancing security posture. Authomize also announced a $6 million seed round backed by Blumberg Capital, M12 Microsoft's venture fund, and Entrée Capital.

Authomize removes this challenge by delivering a holistic view of authorization across all scattered applications. It also grants deep granular visibility with prescriptive and corrective suggestions to enable organizations to take informed and fully automated actions. Authomize's solution dramatically reduces the burden on IT and secures identities by providing them with the exact right level of permissions, while also managing risk and ensuring compliance. Authomize has developed a unique technology called "SmartGroups", which aggregates data in real-time from multiple enterprise IT systems and dynamically infers the "right-sized" permissions. Using this data, the platform then offers predictive and prescriptive suggestions to IT and Security teams to enable them to take smart actions or automate processes.

Tel Aviv's Authomize enables organizations to manage and secure complex and vastly different applications across hybrid environments. The intelligent Prescriptive Analytics engine helps IT and Security teams flawlessly automate operations around authorizations to control and prevent permission sprawl, maximize productivity, and simplify the entire identity lifecycle management process. (Authomize 23.06)

10. ISRAEL ECONOMIC STATISTICS

10.1. OECD Forecasts Israel's Economy Shrinking by 6.2% in 2020

The OECD's (Organization for Economic Co-operation and Development) economic forecast for Israel projects negative growth of 6.2% this year. This is similar to the forecast published by the IMF on 14 April. The Bank of Israel sees the economy shrinking by 4.5%. According to the OECD, if Israel is hit by a second wave of the coronavirus pandemic in the winter, its economy will shrink by 8.3% this year, and will not recover before 2022. For 2021, the OECD sees Israel's GDP growing by 5.7% in 2021, or by 4.4% if there is a further outbreak of the virus.

The OECD's report says that Israel's lockdown measures were strict in relation to those of other countries, but shorter. It sees the Israeli economy recovering slowly, with high unemployment and uncertainty weighing on economic performance. A second coronavirus wave will further delay recovery, and will cause more bankruptcies and long-term economic damage.

The OECD forecasts unemployment in Israel falling to 7.5% by the end of 2020 and to 6.6% by the end of 2021, assuming that there is no second wave of the virus. On that assumption, the OECD forecasts that the fiscal deficit will reach 11.1% of GDP by the end of this year, and will fall to 8.4% by the end of 2021. In the event of a further coronavirus outbreak at the beginning of winter, the unemployment rate will fall to 8% at the end of 2020 but will rise again to 8.8%, the OECD predicts, while the deficit will reach 12% of GDP by the end of this year, sending the country's debt/GDP ratio soaring to 78.7%. A severe second outbreak of coronavirus will mean that the deficit can be expected to be double-digit in 2021 as well, at 10.4%, sending the debt/GDP ratio even higher, to 86.6% in 2022.

The OECD remarks that despite the rapid spread of the coronavirus, the mortality rate in Israel has so far remained fairly low, and attributes this to the low average age of the population and to the country's public health system. Its report notes that Israel was one of the first countries to bar foreign visitors, used mobile phone tracking to enforce the lockdown policy, carried out a relatively large number of tests for the virus, and injected resources amounting to 0.7% of GDP (some NIS 10 billion) to strengthen the public health system. The OECD estimates that the lockdown shut down one third of economic activity in Israel, and finds that since it was removed, private consumption using credit cards has made a rapid recovery, reaching levels approaching those seen before the pandemic struck by the end of May. In tourism, hospitality and entertainment, however, activity is still depressed.

The report states that the government and the central bank took appropriate steps to support household income and corporate liquidity, and recommends continuing with such measures until the economy is on a growth track once more. It says that if recovery is weak, further measures may be required to encourage employment, strengthen professional training, and boost liquidity for small businesses, and it recommends that in such circumstances the Bank of Israel should ease liquidity further and expand its asset buying policy. (OECD 10.06)

10.2. Israel's Economy Contracted by 6.8% in First Quarter

Israel's economy contracted by 6.8% on an annualized basis in the first quarter of 2020, the Central Bureau of Statistics announced in its second estimate. This figure is an improvement on the Central Bureau of Statistics first estimate of 7.1% but is still the worst figure since the data was first calculated in 1995. Bearing in mind that the Israeli government only went into lockdown in mid-March, the second quarter growth figures are likely to be even worse. The Bank of Israel forecasts that Israel's economy will shrink by 4.5% this year but the OECD is more pessimistic and predicts a contraction of 6.2%. (Globes 16.06)

10.3. Number of Unemployed Job Seekers Falls to 23.5%

In May 2020, the third month of the coronavirus crisis, some 35,400 job seekers in Israel registered with the Employment Service, a drop of 80.6% compared to April, when 182,000 signed on. Prior to the crisis, unemployment in Israel was at a record low of 3.9%, with approximately 25,000 job seekers registering each month. The month of May saw a total of 1.16 million job seekers on the Employment Service rolls, 938,300 of whom signed up between March and May. Of these, 136,000 had been registered prior to the corona epidemic. At the end of May, the number of registered job seekers stood at some 960,000.

According to the Employment Service, 206,500 Israelis have reported that they returned to work. By the end of May, the percentage of unemployed members of the workforce dropped to 23.5%, after spiking to 27.5% in April. The Employment Service insists that the number of Israelis who have returned to work is higher than the data, which is based on self-reporting, indicates.

May saw some 7,800 people laid off, a drop of 51.3% compared to April when 16,000 workers were laid off. Laid-off employees accounted for over one-fourth (27.1%) of all workers who registered with the Employment Service in May, compared to 11.8% in April and 6.4% in March. Some 18% of all workers who registered with the Employment Service since the start of the corona crisis have returned to work. (Israel Hayom 17.06)

11. IN DEPTH

11.1. SAUDI ARABIA: Saudi Arabia Economic Report – 2020

Bank Audi's Group Research Department released its 2020 Economic Report for Saudi Arabia.

A Recessionary Year for the Kingdom Amid Oil Sector Weaknesses and Pandemic Spillovers

• Saudi economy falling into recession

The oil sector weaknesses along with the COVID-19 crisis are pushing the Kingdom's economy into recession. Saudi's real GDP growth is forecasted at -2.3% in 2020, down from 0.2% in 2019. This slowdown comes within the context of OPEC+ members' agreement to cut oil production, which looks set to cause a substantial decline in Saudi exports, adding to the adverse effects of the global spread of COVID-19 and the collapse in oil prices. The 2020 contraction actually represents the sharpest contraction in the Kingdom's growth over the past couple of decades.

• Current account surplus shifting back into deficit on the back of a sharp decline in oil prices

In light of the coronavirus pandemic spread, depressing global oil demand leading to a sharp decline in oil prices since the end of January, Saudi Arabia witnessed, so far, a net deterioration in its external position at large. In fact, the current account balance is expected to shift from a surplus of 6.4% of GDP in 2019 to a deficit of 3.1% of GDP in 2020 as per the IMF, as oil and non-oil merchandise exports are expected to fall drastically this year, accompanied with a drop in tourism receipts with the suspension of religious tourism.

• Dwindling oil prices to significantly widen the fiscal deficit this year

The oil price shock and the measures to contain the spread of the coronavirus have weighed negatively on Saudi's fiscal position at large. The fiscal performance over the first quarter of 2020 indicates a tough start, as the global shock due to the coronavirus pandemic significantly impacted the non-oil sector, while sharply lower oil prices constrained drastically oil revenues. As such, the fiscal balance registered a shift from a surplus of SAR 27.8 billion (or $7.4 billion) in the first quarter of 2019 to a deficit of SAR 34.1 billion (or $9.1

billion) in the first quarter of 2020. In fact, fiscal revenues are expected to decline by about one third this year, almost tripling the fiscal deficit to 12.6% of GDP in 2020, from 4.5% of GDP in 2019, as per the IMF.

• Banking sector adequately buffered against double-blow of COVID-19 and low oil prices

The Saudi banking sector is facing difficult times on the back of the double blow induced by the ongoing global Coronavirus pandemic that has pretty much halted economic activity and the spillovers of low oil prices on the domestic economy and financial sector. Nonetheless, banks' solid financial standing buffers them sufficiently against arising risks, even if the latter eventually lead to some weakening of liquidity, asset quality and profitability metrics. Measured by the total assets of banks operating in the Kingdom, banking sector activity grew by 4.3% in this year's first four months to reach the equivalent of $731.7 billion at end-April 2020, thus adding to the 9.7% yearly growth witnessed in full year 2019.

• Saudi equities down while bond prices up amid flight to safety

Saudi equities plunged in the red during the first five months of 2020, mainly weighed down by the oil price crash and growing global recession fears after the Coronavirus outbreak, while the Saudi debt papers traced an upward trajectory, mainly tracking US Treasuries move, as Coronavirus jitters stoked demand for safety.

• Growing macro challenges at the horizon

Looking forward, fiscal retrenchment will have a negative impact on consumer and business confidence and activity in the coming years, weighing on private consumption. Reduced government funding for development projects, and revenue-raising measures such as tax hikes will weaken domestic demand, given the large role still played by the State in stimulating the Saudi economy at large. (Bank Audi 14.06)

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11.2.   EGYPT: Egypt's Military Companies Seek Private Investments

On 18 June, Al-Monitor reported that the Egyptian military seeks to expand investments in partnership with the private sector, thus crowding out civilian-run companies, amid the economic recession due to the coronavirus crisis.

Military-owned companies in Egypt are a few steps away from rolling out a plan to attract private sector investments and expand their property base. Sovereign Wealth Fund CEO Ayman Soliman said that various private local and international investors made bids to invest in Egyptian companies owned by the military. During a virtual press conference on 8 June, Soliman told the state-run Al-Ahram newspaper that the fund is currently assessing a number of these companies before opening them up to investors. Soliman did not give any details on the companies nor the sectors in which they operate, and did not reveal which investors made bids. Soliman's remarks came after the fund had signed with the armed forces' National Service Projects Organization (NSPO) in February an agreement to rehabilitate and develop a number of the armed forces-affiliated companies in order for them to attract investors.

Egypt's Sovereign Wealth Fund was established in 2018 in order to attract private investments to Egypt and encourage joint investments in state-owned resources and assets, so as to make them more valuable and efficient to the Egyptian economy. The fund offers up to 100% in shares in some of the military-affiliated companies, as the government steps up efforts to attract the much-needed private investments.

The outbreak of the coronavirus pandemic has dealt a heavy blow to the Egyptian economy, and increased pressure on the tourism and trade sectors, as well as on gas exports, after falling short in reviving private investments. Yezid Sayigh, a senior fellow at the Carnegie Middle East Center in Beirut, said that the military's ability to help the civil economy counter the coronavirus crisis repercussions will not be worth

The Fortnightly may also be found at: http://www.atid-edi.com

mentioning. He told Al-Monitor via e-mail, "The military's economic activities are fully dependent on state funding, which will be placed under acute pressure. The military's economy does not bring a product to the export markets. Rather, it banks on sectors or markets — such as the construction sector — which the pandemic may have affected significantly."

He continued, "The military is not a big hero of the economy with an extraordinary capability or magic solutions. It suffers from the same problems that the rest of the economy [sectors] suffers from, and will only survive because it can count on the state's continuous funding and political support."

The projects and funding carried out by the military companies are not made public. Meanwhile, it remains unknown how many of the NSPO's companies will open up to investors. They include El-Nasr for Intermediate Chemicals, the National Company for producing natural water (Safi) and El-Nasr for Services and Maintenance (Queen Service), among many others. Soliman told the Financial Times in February that 10 NSPO companies are being assessed by the fund in order to open them up to investors.

The latest agreement with the fund only involves companies of the NSPO, which is the military's economic arm. Established in 1979, the NSPO has a portfolio of more than 30 companies operating in agriculture, animal and fish production; food industries; mining, industrial and engineering sectors; as well as some public services. The military's economic activities have expanded over the past years to involve the production of various food commodities and consumer goods, and the implementation of economic and construction projects.

Sayigh noted that the military's economic activities were limited for years, and were not in direct competition with the private sector. He added, "Even though the military's role in construction projects has expanded since 2013, subcontracts were made with private businesses to conduct all works, which was beneficial to them." He believes that "there are a few cases — such as in the intermediate chemicals and phosphate-related processing industries — where the military cooperates with large private companies in public-private partnerships. Yet the direct and destructive competition is now taking place in specific sectors such as the cement and steel sectors." "The military's participation in the extractive industries [mines and quarries] also has an actual or potential negative impact on the private companies operating in these fields, although that does not represent a major phenomenon so far," Sayigh added.

As the military's economic influence grows bigger via its companies, the private businesses' fear of the unfair competition also increases; given that the military's political influence allows it to overcome the bureaucratic obstacles.

Sayigh said that the military is crowding out the private businesses in the credit market and in getting bank loans. "It is an unfair competition as the public sector and military benefit from political ties and tax exemptions," he stated. Soliman had also told the Financial Times that the Egyptian regime wants to attract investors into supporting the military-owned companies in order to address the private sector's complaints that the military — via its affiliated companies — controls the sector's lucrative contracts.

Egyptian President Abdel Fattah al-Sisi said in late 2016 that the size of the armed forces' participation in the national economy does not exceed 2%, and rebuffed that the military has control over up to 50% of the country's economy. At the same time, he expressed hope that the military's participation reaches said percentage.

In October 2019, Sisi noted that the military-owned and military-run companies need to be listed in the stock market, in addition to other companies that the government plans to privatize. Sisi has always welcomed the private sector's participation in the projects the military implements. During the opening of two medical and industrial gas factories of a military-owned company in October 2019, he said that the military's projects are not implemented at the expense of the private sector. The Egyptian government adopted a program aimed at bringing about structural reforms to remove constraints on private businesses as part of a more comprehensive economic reform program.

On 5 June, the International Monetary Fund (IMF) said that it reached with Egypt an agreement on a one-year $5.2 billion Stand-By Arrangement to help Egypt ease the impact of the coronavirus crisis. On 19 May, Minister of Planning, Monitoring and Administrative Reform Hala al-Saeed said that the IMF loan "will focus on structural reforms to remove constraints on private businesses." She noted that she will discuss "all hindrances that may face the full participation of the private sector."

Sayigh indicated that the private sector is strongly present in the Egyptian economy and is active in all markets, accounting for 70% to 75% of the gross domestic product and many jobs. He concluded, "The military does neither control the economy as a whole nor does it control the economic policy. Thus, it cannot prevent the private sector from entering markets in general. The real problem for Egypt resides in the policies pursued by President Sisi, as he uses the military as a spearhead for himself." (Al-Monitor 18.06)

11.3.   EGYPT: Is Egypt Ready for Electric Vehicles?

Enterprise asked on 10 June if Egypt is ready for electric vehicles. Over the past year, the Madbouly government has enacted policies to encourage the embryonic electric vehicles market in Egypt. The move makes sense in the long term for both the government and consumers in an age of fuel subsidy cuts and climate change. The COVID-19 pandemic will take a toll on the electric vehicle (EV) sector as worldwide sales fell 45% in January and February, mainly over the lockdown in China — the largest consumer EV market. In Egypt, we're at such an early stage of development that COVID is just a blip.

We have a long way to go before we see a thriving EV market here: Egypt has been lagging in the shift towards EV in general, Khaled Saad, Secretary General of the Egyptian Association of Automobile Manufacturers, told Enterprise. Only 150-200 EV are currently roaming Egypt's streets. He identifies three main challenges hindering the growth of the Egyptian EV markets: Demand has been low; licensing, regulations and legislation for the sector is challenging; and charging stations are few and far between.

The global prices of EV are higher than traditional-fuel-powered cars, Saad said. "About 70% of Egyptian car sales retail in the EGP 200-300k range, while reliable EV are sold at just below EGP 1 million," he explained.

Plus, getting a license plate for an EV is challenging: Egypt still lacks a permanent framework for licensing imported EV, which has been stuck in the pipeline since December 2018. Saad explained that the size of an engine in cubic centimeters is still a critical factor when assessing duties on an imported car — and EVs simply have no engine. The Interior Ministry has been offering temporary license plates and registration for EV owners as a workaround, but it's not a long-term solution. Saad estimates that on average of one car is licensed every month across the country.

So you've successfully managed to import a Tesla. How do you charge it? A typical EV would allow you to charge batteries either through plugging it directly into a wall outlet, which could take around 12 hours, or use one of the fast-charging stations that gets the job done in about 20-30 minutes. This may sound short, but if you drive your EV to a charge hub and find two cars lined up, this could potentially be an hour-and-a-half wait time. More worrisome, where do you even know where to find these charging stations?

Enter the private sector: Revolta Egypt is one of the first Egyptian outfits specialized in EV and inaugurated in February 2018 what it said is the country's first EV charging points on the Cairo-Suez highway. The company has now completed 87 charging stations across the country, with plans to bring that figure to 690 this year.

We also have Infinity Energy, which has earmarked a $60 million investment from the European Bank for Reconstruction and Development for EV charging stations. Infinity has since set up 25, mostly in Cairo

and Giza, and plans to bring the total number of EV charging stations to 100 by the end of the year. The company was unfazed by the pandemic and opened up its first charging station in Alexandria last month.

Where can you find them? The two companies have deployed over 100 charging stations across Egypt in about two years. Though mostly in Cairo and Giza, there are others in Alexandria, the Delta, Sinai and along the Red Sea coast, according to EV locator service Plug Share.

Multinationals are also looking to help, including Schneider Electric, which has been helping companies develop programs for public charging solutions that can be monetized. The company is also helping businesses that run EV fleets reduce total operating costs, Schneider Electric's Regional President of Egypt, North East Africa and the Levant, Walid Sheta, told Enterprise. He explained that the cost of battery storage has been projected to decrease to $200 kW/h this year from $1,000 per kW/h in 2010. Running costs are also much lower, and can save owners thousands of dollars a year through savings on fuel and maintenance.

The public sector is also seeing the potential: Most recently, the Public Enterprises Ministry has been exploring ways to build EV charging stations in Cairo. The National Authority for Military Production also signed an MoU with China's SSE International and Marathon International Technology to begin local production of the stations. The government itself plans to build 1k fast charging stations in the next three years, Public Enterprises Minister Hisham Tawfik had said.

What else has the government been doing to get EV infrastructure ready? The Electricity Ministry is working on developing the infrastructure to actually bring power to charging stations, and is working on setting the tariff for charging. It's not possible for the government to subsidize EV charging, Minister Mohamed Shaker previously said, but it can at least ensure electricity is more steadily available.

The government has also taken the right steps towards stimulating demand by offering conditional customs exemptions on new and used EV imports. Other companies are focused on importing salvaged EVs and selling them directly to Egyptian customers for a fraction of the price. Once the cost is brought down in a couple of years, demand will begin to grow faster, Sheta tells us.

The Finance Ministry, meanwhile, is attempting to support the transition toward EVs by simplifying and cutting the cost of licensing and taxes. Moreover, the Public Enterprises Ministry will stimulate the local manufacture of EV by requiring public authorities, economic bodies, and public sector companies to replace 5% of their fleet every year with electric cars. To make the market even more attractive, the government had pledged to subsidize the costs of the first 100,000 locally-produced cars up to EGP 50,000 per vehicle, on the condition that the cars are able to cover over 400 km per charge.

These plans have taken a backseat because of covid-19: The government had planned to enlist China to build a national EV industry. When China went into a complete shutdown, so did all pending partnerships. The National Organization for Military Production had signed an MoU with China's Geely to manufacture EV locally and the Public Enterprises Ministry had reached a similar agreement with a Chinese auto company. The private sector was also keen on seizing the potential. The local distributor of China's Dongfeng cars, Dershal, had invested $53 million back in 2018 to begin assembling electric cars in Egypt before their plans stalled. These agreements have all stopped as the world braced to fight the pandemic and the economic turmoil that followed, Public Enterprises Minister Hisham Tawfik told Enterprise. El Nasr Automotive, however, was able to restart talks with Wuhan-based Dongfeng after negotiations were halted temporarily.

From the consumer side, you can't hurt what's not there: Aside from freezing projects, the pandemic would, most likely, not impact the EV market growth simply because there is almost nothing to hurt, Khaled Saad told Enterprise.

But in crisis, change may come: In times of crisis, customers often look for alternatives, EV advocate and Electrified founder Ayman Mohamed told Enterprise. Customers must be made aware of all the advantages that EV can offer and once they do the market will become self-stimulated and shift to a higher

gear. "When the LED lighting technology was first introduced at a high price, Egyptians were reluctant to buy until it became clear that investing in an LED light saves them money on the monthly electricity bill and cost of change when the traditional bulbs are busted," he said. The same goes for EV that do not break down as often and in the long run, would save customers from an increasingly less-subsidized and pricier fuel.

Although Egypt is still a long way away from establishing a thriving EV market, the right steps are being taken to speed its development along by both the government and the private sector. Once a critical mass of users is reached in a couple of years, the ownership costs of EVs will be lower than costs of traditional cars, which would bring down the investment cost of EV to a point whereby they will become affordable for more customers in Egypt, Sheta tells us. (Enterprise 10.06)

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