

**The FORTNIGHTLY**

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

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ISRAEL GOVERNMENT ACTIONS & STATEMENTS

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* 1. Bank of Israel Completes the Establishment of a Digital Bank

The Governor of the Bank of Israel and the Supervisor of Banks have notified One Zero Digital ‎Bank of the Governor’s approval to remove the restrictions from the bank’s license, following the ‎bank's meeting the milestones set for it and after the Supervisor’s ‎certification of the completion of the establishment process.‎

[One Zero Digital Bank](https://en.onezerobank.com/) met its milestones, including raising the required amount of capital. After the Supervisor ‎of Banks certified the completion of the process by the bank, the Governor signed the approval ‎to remove the restrictions from the bank’s license and for its continued operation. The Bank's status is now the ‎same as that of all the other banks in Israel - supervised by the Bank of Israel’s Banking ‎Supervision Department to ensure its stability and protect the money of its ‎depositors.‎

The Bank was given a restricted license on 30 December 2019. This license was dependent ‎upon the completion of administrative and operational requirements, the ‎establishment of information systems and infrastructure, connection of the bank to the payment and ‎settlement systems and to monetary tools, as well as the completion of a pilot process and raising the ‎necessary capital. ‎

After 43 years in which no new bank was established in Israel, there were numerous ‎innovative challenges involved in establishing One Zero Digital ‎Bank. It was established under ‎close guidance by many entities at the Bank of Israel. ‎‎(BoI 10.01)‎

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* 1. Bennett & Liberman Agree to Aid For Omicron-Hit Economy

Prime Minister Bennett and Minister of Finance Liberman have agreed a new aid package to help the Israeli economy get through the fifth COVID (Omicron) wave. In the first measure, the number of days of isolation for someone testing positive for COVID was shortened to five days.

In the second measure, officials in the Ministry of Finance and the Prime Minister's Office, with mediation from Deputy Finance Minister Kara, have agreed assistance for the self-employed who need to go into isolation. The state will pay NIS 436 per day to a maximum of four days from 1 January 2021. Retroactive requests back to July 2021 for up to three days can be submitted. The state will also compensate employers whose salaried employees are in isolation with 50-75% of their salary, depending on the size of the business, from the first day. Until now the compensation has only been available from the second day.

The new government package will cost an estimated NIS 200-250 million of which NIS 150 million will for retroactive payments to the self-employed. (Globes 11.01)

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* 1. BIRD Foundation to Invest $8 Million in 9 New Projects

During its meeting on 13 December 2021, held via video conference, the Board of Governors of the [Israel-U.S. Binational Industrial Research and Development (BIRD) Foundation](https://www.birdf.com/) approved $8 million in funding for nine new projects between U.S. and Israeli companies. In addition to the grants from BIRD, the projects will access private sector funding, boosting the total value of all projects to $22 million. Projects submitted to the BIRD Foundation are reviewed by evaluators appointed by the National Institute of Standards and Technology (NIST) of the U.S. Department of Commerce, and the Israel Innovation Authority.

The approved nine projects are in addition to the more than 1,000 projects that the BIRD Foundation has approved for funding during its 44 year history. To date, BIRD's total investment in joint projects is over $370 million, helping to generate sales of more than $10 billion. The projects approved include:

* Civan Lasers (Jerusalem, Israel) and AMET, Inc. (Rexburg, ID) to develop an Advanced Laser Welding System based on Dynamic Beam Laser.
* TempraMed Israel (Tel Aviv, Israel) and Concept Group Corporation (Palm Beach Gardens, FL) to develop thermal insulation to shield the EpiPen Auto-Injector from exposure to high temperatures that can degrade the drug performance.
* Cordio Medical (Or Yehuda, Israel) and International Healthcare (Norwalk, CT) to develop and validate the HearO® system that remotely monitors Congestive Heart Failure patients.
* Mego Afek (Kibbutz Afek, Israel) and Edamame Health (Napa, CA) to develop a Lymphedema remote patient monitoring system.
* Kav-Medida (Herzliya, Israel) & Skycatch (San Francisco, CA) to develop a high precision indoor scanning system to monitor progress in real time throughout all phases of construction.
* Sixgill (Tel Aviv, Israel) and Basis Technology Corporation (Somerville, MA) to develop AI-based technologies, based on natural language processing, to identify cyber threats.
* Agridrones (Kfar Saba, Israel) and ISCA Technologies (Riverside, CA) to develop an intelligent drone-fitted precision dispersion system for natural pesticides and pollination enhancement.
* HIL Applied Medical Proton International (Jerusalem, Israel) and Proton International (Alpharetta, GA) to develop ultra-compact, affordable proton laser based beam therapy.
* SirT6 (Ness Ziona, Israel) and Regulus Therapeutics (San Diego, CA) to develop an innovative treatment for geriatric frailty based on increasing SIRT6 protein levels.

The deadline for submission of Executive Summaries for the next BIRD cycle is 1 March 2022. Approval of projects will take place in June 2022.

The [BIRD (Binational Industrial Research and Development) Foundation](http://www.birdf.com) works to encourage and facilitate cooperation between U.S. and Israeli companies in a wide range of technology sectors and offers funding to selected projects. The Foundation supports projects without receiving any equity or intellectual property rights in the participating companies or the projects, themselves. BIRD funding is repaid as royalties from sales of products that were commercialized as a result of BIRD support. The Foundation provides funding of up to 50% of a project's budget, beginning with R&D and ending with the initial stages of sales and marketing. The Foundation shares the risk and does not require repayment if the project fails to reach the sales stage. (BIRD 10.01)

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* 1. New Legislation Aims to Snuff Out Smoking Altogether

At a recent meeting of the Knesset's Health Committee, Chairwoman Silman pledged to pass a series of new anti-smoking bills that would raise the minimum smoking age to 21, require police to enforce anti-smoking laws and change the status of apartment balconies to prevent neighbors from having to inhale secondhand smoke. At the meeting, the Health Ministry informed committee members that around 8,000 Israelis die from smoking each year, of whom 800 die as a result of exposure to secondhand smoke. Roughly one-fifth of Israelis smoke. Some 28% of young men who enlist in the army smoke, as do 35% of the Arab sector. (ILH 17.01)

ISRAEL MARKET & BUSINESS NEWS

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* 1. Global-e Announces Closing of Acquisition of Flow Commerce

Global-e announced the closing of its previously reported acquisition of Hoboken, NJ's Flow Commerce, a technology based cross-border e-commerce software solution for emerging brands. Leveraging Flow’s robust API-based technology, Global-e will be well-positioned to provide small merchants with a best-in-class solution, tailored for the needs of emerging brands, with a lightweight integration effort and advanced self-service capabilities, in combination with Global-e’s unique data models and AI-algorithms for conversion optimization. Furthermore, the acquisition is expected to allow Global-e to expand the scope of its exclusive relationship with Shopify to offer certain cross-border services to a broader set of merchants on the platform in addition to its current end-to-end 3rd-party solution catering to established brands.

The deal is valued at up to approximately $500 million (in equal portions of cash and Global-e shares), comprised of a base consideration of approximately $425 million and up to approximately $75 million in potential additional consideration based on certain financial results in 2021, plus approximately $45 million in Global-e shares for certain assumed, performance-based vesting warrants for Flow shares. Concurrently, Global-e issued to Shopify a warrant for approximately $70 million in Global-e shares, as part of the expansion of the strategic partnership between the companies. Flow is expected to generate approximately $20 million in net revenues in calendar year 2021.

Founded in 2013, Petah Tikva's [Global-e](https://www.global-e.com)’s mission is to make global e-commerce “border-agnostic.” Global-e is the world's leading platform to enable and accelerate global, direct-to-consumer cross-border e-commerce. Global-e's end-to-end e-commerce solutions combine best-in-class localization capabilities, big-data best-practice business intelligence models, streamlined international logistics and vast cross-border experience, enabling international shoppers to buy seamlessly online and retailers to sell from, and to, anywhere in the world. (Global-e 04.01)

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* 1. Grove Ventures Raises $185 Million Fund for Early-Stage Startups

[Grove Ventures](http://www.grovevc.com), an early-stage venture capital firm headquartered in Tel Aviv, announced the closing of ‘Grove III’, a $185 million fund that will partner at an early-stage with exceptional Israeli entrepreneurs. The closing of the third fund underscores the success of Grove Ventures’ investment team and strategy. The fund focuses on partnerships with founders who are building the Deep Future - the infrastructure that allows the leap forward for tomorrow’s technologies and digitalization processes and will shape the future of the world. It will focus on tech and science innovations in domains such as Edge computing, Cloud infrastructure, data infrastructure and management, developers’ tools and software, DevOps, AI and automation.

With the announcement, Grove Ventures will have close to half a billion dollars under management. So far, its thesis has been enacted in the investments of over 24 companies including Wiliot, RapidAPI, ActiveFence, Lumigo, Metrolink, Navina, env0 and CommonGround. Grove III will also invest in early-stage (Pre-Seed, Seed and Series A) Israeli startups.

Grove Ventures is an early-stage venture capital investment firm, which partners early with exceptional Israeli entrepreneurs who believe that the Deep Future is now and are ready to build it. Founded in 2016, Grove invests in leading startups developing hard-to-replicate solutions at the intersection of technology, science, and applicable market needs. Its investment thesis is based on the premise that Edge, Cloud and AI create a new set of investment opportunities in multiple sectors, including developer tools, data infrastructure, semiconductors, digital health and cloud infrastructure. (Grove Ventures 06.01)

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* 1. Sygnia Uncovers “Elephant Beetle” Operation Threatening Global Enterprises

Sygnia released its comprehensive report uncovering an organized financial-theft operation termed “Elephant Beetle.” For the past two years, Sygnia’s Incident Response (IR) team has been methodically tracking the Elephant Beetle threat group.

The threat group primarily targets legacy Java applications running on Linux-based machines as its initial means of entry. Over a period of several months, the threat group then uses an arsenal of more than 80 unique tools and scripts to patiently and discreetly expand its foothold and study the compromised organization’s internal financial systems. From there, Elephant Beetle injects fraudulent transactions hidden among regular activity, ultimately stealing millions of dollars over time. The relatively small amounts of money stolen in each incremental instance allows the threat group to avert suspicion and operate virtually undetected. While chiefly focused in the Latin American market, Elephant Beetle has the potential to expand its attacks to organizations worldwide, with Sygnia’s experts already discovering a breach in the Latin American operations of a U.S.-based company.

Tel Aviv's [Sygnia](https://www.sygnia.co) is a Team8 and Temasek company, part of the ISTARI Collective. Sygnia provides incident response and cyber security consulting services, helping organizations worldwide to quickly contain and remediate attacks and proactively enhance their cyber resilience. The proven track record, commitment, and discretion have earned Sygnia the trust of security teams, senior executives and management boards at leading organizations worldwide including many of the Fortune 500 companies. (Sygnia 05.01)

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* 1. Shield Closes a $15 Million Series A Round to Address Surging Demand

Shield closed a $15 million Series A funding round led by Macquarie Capital and OurCrowd with significant participation from Mindset Ventures. Shield will use the funding to significantly expand its U.S. presence with a New York City office, while further establishing itself in markets throughout Europe, the Middle East, Africa and the Asia Pacific. The funding will also be used to ramp up development of Shield’s end-to-end, award-winning communications compliance platform.

Shield brings an immensely needed cloud native solution that is disrupting an outdated legacy vendor market through its cutting-edge platform that automatically captures, archives and provides surveillance over the communication channels that have become especially relied upon as remote and hybrid work environments become more permanent. Through rigorous data enrichment, powerful analytics, enhanced search tools and proactive surveillance, Shield offers a tailored platform that applies advanced Artificial Intelligence and Natural Language Processing capabilities throughout the entire communications lifecycle. An almost instant Time to Value solution, Shield makes communications compliance a competitive advantage.

Ramat Gan's [Shield](https://www.shieldfc.com) is an advanced end-to-end workplace intelligence platform that allows organizations of any size to mitigate risks, escape the dead-end legacy archive, improve operational efficiency and reduce compliance costs. Shield redefines the way enterprises and financial institutions manage and mitigate communications compliance risks by applying advanced AI, NLP and other capabilities. (Shield 13.01)

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* 1. INHOPE Collaborates with ActiveFence to Fight Against Online Abuse of Minors

ActiveFence announced that the company is now a funding partner for INHOPE, the global network of hotlines combating online Child Sexual Abuse Material (CSAM). ActiveFence provides trust and safety teams and online integrity professionals at some of the largest digital platforms with the intelligence, technology and expertise to cultivate a safer online world. The company protects the public from CSAM, as well as disinformation, terror, hate speech, fraud, and other online harms.

Partnerships like these are essential to eliminate CSAM online by taking a unique, proactive approach to identify harmful content before it gets to internet platforms. INHOPE and ActiveFence will join forces to promote the wellness and resiliency of digital first responders working every day on the front lines to make a difference in how society combats these issues.

Binyamina's [ActiveFence](https://www.activefence.com/) is pioneering the proactive approach to online integrity, and empowers the world’s leading Trust and Safety teams to secure their platforms. ActiveFence protects billions of users across the world, in over 80 languages, from child abuse, disinformation, fraud, hate speech, spam and terror as well as other online harms and unwanted content. With a unique intelligence based, cross-platform approach, ActiveFence gathers multi-source data to detect threat actors and identify dangerous networks trying to abuse our partners’ services. (ActiveFence 10.01)

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* 1. Pentera Announces a $150 Million Series C Funding at $1 Billion Valuation

Pentera has raised $150 million in Series C funding led by K1 Investment Management, with participation from Evolution Equity Partners and Insight Partners. Additional investors include Awz Ventures, a Canadian-Israeli VC group, and Blackstone. The round brings Pentera’s valuation to $1 billion after only three years in the market since the debut of its automated penetration testing technology.

The funding makes Pentera the highest-valued company in its category. With more than 400 enterprise customers, the recent funding allows Pentera to scale operations across all functions and regions, and grow its headcount from 150 to 300 employees by the end of 2022, on its journey to an IPO. Pentera will use the new funding to grow its global operations and product line, with the mission to empower every enterprise in every vertical to confidently reduce cyber risk and become attack ready. Recent additions to Pentera’s product portfolio include its RansomwareReady and Log4Shell validation modules.

Petah Tikva's [Pentera](https://www.pentera.io/) is the category leader for Automated Security Validation, allowing every organization to test with ease the integrity of all cybersecurity layers, unfolding true, current security exposures at any moment, at any scale. Thousands of security professionals and service providers around the world use Pentera to guide remediation and close security gaps before they are exploited. (Pentera 12.01)

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* 1. Second Nature Launches an AI-Powered Interactive Sales Coaching Solution

Second Nature announced the company's launch alongside a $12.5 million Series A round of investment by signals Venture Capital, StageOne Ventures, Cardumen Capital and Zoom Video Communications via the Zoom Apps Fund. With the closing of this round, the total capital raised by Second Nature stands at $15.5 million. The company is the first to offer a software platform for immersive sales simulations in natural language with an AI-powered conversation partner called "Jenny." Sellers can raise their efficacy while managers can spend more time focusing on generating revenue and less time watching recordings. The solution has already been commercially deployed by industry leaders such as Zoom.

Second Nature solves a key challenge facing large-scale organizations today: how to efficiently ramp-up sellers' knowledge to drive revenue, confidence and skills. The company's solution enables sales professionals to get up to speed on new products and services faster, practice selling with an interactive coach, expand sales reach more quickly, and streamline deal closing. Sophisticated algorithms enable Jenny to ask and answer questions, even those that are not pre-scripted. Powered by advanced AI and NLP, Second Nature provides virtual practice partners of a variety of ages, ethnicities and genders, that use conversational AI to hold voice discussions with salespeople, score them and help them improve on their own.

Tel Aviv's [Second Nature](http://www.secondnature.ai) helps people have better conversations. The company is the first to offer a platform for immersive sales simulations in natural language. By practicing with "Jenny" and other AI-powered conversation partners, sales professionals improve their performance and confidence by gaining real time, personalized feedback. Managers and executives use Second Nature to effectively roll out their strategy and influence their teams' conversations in the field, at scale. (Second Nature 12.01)

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* 1. Eureka Receives $8 Million from YL Ventures to Drive Secure Cloud Data Growth

Eureka received $8 million in seed funding led by YL Ventures with participation from renowned security executives and serial entrepreneurs. Founded by Palo Alto Networks (PANW) veterans, Eureka enables security teams to mitigate the risk of data loss and theft in multi-cloud environments by gaining control over their organization’s entire cloud data security posture and compliance.

Rapid cloud migration is generating tremendous value for forward-thinking organizations, but security teams are struggling to keep up with the pace of data proliferation. Cloud adoption and increased hyper-automation make it easier for businesses to generate and utilize cloud data stores, which often contain sensitive personal, financial and operational information, as well as IP and trade secrets. Unfortunately, while these burgeoning data stores present opportunities for enterprises, they are also growing as increasingly attractive targets for bad actors.

Tel Aviv's [Eureka](https://www.eureka.security/) seeks to address this growing challenge, without inhibiting the productivity driving the cloud data expansion, by using the power of automation. The Eureka Cloud Data Security Posture Management platform enables security teams to successfully navigate the ongoing and often chaotic expansion and growth of cloud data. Eureka automatically discovers entire enterprise cloud data store footprints, data store content and security and compliance risk while continuously monitoring, improving and communicating cloud data security posture and compliance. (Eureka 12.01)

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* 1. Volkswagen Innovation Hub TLV Chooses ADASKY for its MaaS Startup Challenge

ADASKY was selected as the winner of Konnect – Volkswagen Group Innovation Hub Tel-Aviv and VW Commercial Vehicles "Startup Challenge," competing against other leading Israeli startups. In the "StartUp Challenge" Konnect and Volkswagen Commercial Vehicles screened more than 30 Israeli startups. In the final round 10 of them pitched in front of the experts' team of Konnect and VW Commercial Vehicles in Germany. ADASKY won a paid proof-of-concept with VW Commercial Vehicles. ADASKYs technology will be evaluated for VW Commercial Vehicles for level 4 autonomous vehicles.

ADASKY technology detects pedestrians, vulnerable road users at night and in harsh weather, where most other sensors fail. ADASKY's automotive-grade thermal sensor has been upgraded with "Time-To-Collision" (TTC) software, enabling Automatic Emergency Braking (AEB) and Forward Collision Warning (FCW) capabilities through its thermal vision technology.

Yokneam's [ADASKY](http://www.adasky.com) was established in Israel, January 2016, and led by former IDF Air Force high-ranking officers and automotive tech veterans with a mission to make mobility safer by way of advanced thermal sensing technologies in order to save lives.

Konnect is the Open Innovation Hub of the Volkswagen Group in Tel Aviv, Israel. The Innovation Hub's mission is to scout, test and match deep-tech Israeli startups to the Volkswagen Group brands, based on the core focus topics and needs of the Group. (ADASKY 13.01)

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* 1. Roland Berger & Start-Up Nation Central Partner for Innovation in the GCC Region

International consulting firm Roland Berger is partnering with Start-Up Nation Central, the independent non-profit organization connecting global corporations, investors, and governments to the Israeli tech innovation ecosystem. Together, the two organizations will advance commercial opportunities for Israeli technological innovation companies interested in operating within the Gulf Cooperation Council (GCC).

Based on a recently signed MOU, Roland Berger will collaborate with Start-Up Nation Central on a series of strategic initiatives. The parties will also carry out joint research and analysis, marketing, and promotional activities. The cooperation is expected to help fulfill the promise of the Abraham Accords that were signed 15 months ago and to further deepen the ties between the signatory states.

Start-Up Nation Central has already taken substantial steps to build bridges between the member states' innovation ecosystems. In December 2020, it officially launched the UAE-IL Tech Zone, an exclusive platform aimed at bridging technological, entrepreneurial, business, venture capital, and government collaborations between the UAE and Israel. The growing community, already connecting more than 2,000 business, innovation, and technology leaders from both countries, is gradually evolving to become a GCC regional community.

In July, Start-Up Nation Central signed an agreement with The UAE Minister of State for Food and Water Security, to set up a framework for addressing shared food and water security challenges. Under the terms of the framework, Start-Up Nation Central will scout and map Israeli innovative solutions and the Minister will connect them with the relevant Emirati companies and government initiatives that can benefit from these solutions. Together, Start-Up Nation Central and Roland Berger are now looking forward to further driving innovation and cross-national cooperation in the Middle East.

Tel Aviv's [Start-Up Nation Central](https://www.startupnationcentral.org/‎) is the address for corporations, governments, and investors to connect with the Israeli tech ecosystem. Start-Up Nation Central catalyzes growth opportunities by bringing Israeli tech innovation to global business and societal challenges. Established in 2013, Start-Up Nation Central is a not-for-profit organization funded by philanthropy. (SNC 12.01)

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* 1. SKY Israel Private Equity Firm Closes a $350 Million Fourth Fund

Tel Aviv's [SKY Israel Fund](http://www.skyfund.co.il) has closed its $350 million fourth investment fund. Founded in 2005, SKY specializes in mature Israeli companies. It now has some $800 million under management in its four funds. SKY's investment policy is to buy control or joint control in companies and be actively involved in creating value in them. Most of the investors in SKY's fourth fund are institutional bodies, which invested in the previous funds, while they have been joined by some new investors. Although the new fund was oversubscribed, SKY decided to cap the fund at the planned ceiling and continue operating in a similar business environment to the previous funds.

SKY's third fund was raised in 2017 and completed its investments last year by acquiring 100% of NGSoft from BATM Advanced Communications and 50% of Soltam Systems. In the past two months SKY has realized two of its investments from the third fund - Groo, which was acquired from Groupon and sold to Melisron at a multiple of 6.5 on its investment, and the IPO of iDigital - iCon Group at a valuation of ten times SKY's investment. These were just two of eight deals completed by SKY over the past two years. (SKY Israel 12.01)

REGIONAL PRIVATE SECTOR NEWS

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* 1. Rain Raises $110 Million in Series B Funding Co-led by Paradigm and Kleiner Perkins

Bahrain's [Rain](https://www.rain.bh) has raised $110 million in Series B funding. The round was co-led by Paradigm and Kleiner Perkins with participation from numerous parties including Coinbase Ventures, Global Founders Capital, MEVP, Cadenza Ventures, and CMT Digital. Founded in 2017, Rain will utilize this investment to expand across other countries and regions, enhancing its technology with an advanced trading platform and continuing to grow the team as cryptocurrency adoption continues to increase globally.

This announcement follows a Series A round of funding, led by MEVP with participation from Coinbase Ventures, during which Rain raised $6 million in January of 2021. Having done over $1.9 billion worth of transactions and amassed over 185,000 active users, this round of Series B funding is a milestone within an already monumental year for the company.

While continuing to focus on regional expansion, Rain seeks to offer a safe and secure space to buy, sell and store cryptocurrencies, as well as provide regular educational opportunities for those interested in learning more about cryptocurrencies.

Rain Management W.L.L, based in Bahrain, became the first licensed crypto-asset service provider in the Middle East in 2019 by the Central Bank of Bahrain. The platform serves as a safe space to buy, sell and store approved cryptocurrency at competitive pricing and fees. Rain continues to evolve as a company and develop the technology to optimize the user experience. (Rain 17.01)

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* 1. ADQ to Create UAE’s Largest Healthcare Platform within Pure Health

Abu Dhabi’s ADQ has entered into an agreement to consolidate several companies within Pure Health, creating the largest healthcare provider in the UAE. Abu Dhabi Health Services Company (SEHA) and The National Health Insurance Company PJSC (Daman) will merge into Pure Health as part of the agreement. Additionally, Tamouh Healthcare, Yas Clinic Group and Abu Dhabi Stem Cell Centre will also become a part of Pure Health, which already has a diversified portfolio of hospital management, laboratory services, medical supplies and healthcare informatics. Patients will benefit from access to greater clinical expertise and healthcare services across the spectrum of care.

ADQ will become the largest shareholder in Pure Health; other shareholders include Alpha Dhabi Holding, International Holding Company (IHC), AH Capital and Ataa Financial Investments. The transaction is subject to customary closing conditions, including regulatory approvals. (GB 05.01)

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* 1. Visa Projects Over 50% of UAE Consumers Going Cashless by 2024

Visa’s newly-released Back to Business Global Study – 2022 SMB Outlook has revealed that 94% of consumers in the UAE will continue to use digital payment as much as, or more than, in 2021. Also, more than half of UAE consumers (52% vs 41% globally) plan to go cashless by 2024, with nearly all (99%) consumers seeing benefits of a cashless society. Moreover, 96% of small and mid-size businesses (SMBs) surveyed in the UAE (vs 74% globally) said accepting new forms of payments is fundamental to their growth.

According to this year’s study, which surveyed small business owners and consumers in nine markets – Brazil, Canada, Germany, Hong Kong, Ireland, Russia, Singapore, UAE and the US – the consensus outlook for 2022 is one of optimism and intent to digitize even more.

A majority of small businesses in the UAE (71% vs 59% globally) said they already are, or plan to be, cashless in the next two years. All small business owners surveyed in the UAE (100% vs 82% globally) said they plan to accept some form of digital payments in 2022, including crypto, with 35% (vs 24% globally) indicating a willingness to accept currencies such as Bitcoin.

Of small businesses with an online presence, nearly all those surveyed in the UAE (99%) attributed their survival through the pandemic to e-commerce, which accounted for an average of 58% of revenue (over the last three months). Over two-thirds of UAE consumers (68% vs 41% globally) saying they have abandoned a purchase because digital payments were not accepted, SMBs are wise to continue to grow digital payment acceptance. Due to ongoing supply chain issues, 69% of UAE consumers (compared to 59% globally) are willing to buy internationally.

The most important factor cited to help them feel more comfortable with international commerce is positive customer reviews (55%). This aligns to 86% of SMBs (compared to 50% globally) that plan to increase cross-border sales in 2022. However, a majority (96%) of UAE’s SMBs find it challenging to accept and process cross-border payments, demonstrating demand for faster, seamless and secure cross-border payment solutions. (GB 14.01)

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* 1. Reef & Americana Partner to Open Cloud Kitchens Across MENA

UAE’s Mubadala Capital-backed Reef, the largest operator of delivery kitchens, logistics and proximity hubs in North America, announced a joint venture with and Americana Group (Americana), the largest food and beverage operator in the Middle East region. The JV has been formed with the aim of opening cloud kitchens that will operate Reef, Americana and third-party brands throughout the Middle East and North Africa. It is expected that the latest partnership will accelerate Reef’s expansion through Americana’s real estate portfolio and end-to-end value chain throughout the region.

In 2020, Mubadala Capital, a wholly owned asset management subsidiary of Mubadala Investment Company, led a $700m funding round into Reef, along with SoftBank, Oaktree Capital Management, UBS Asset Management and Target Global.

Reef has a proximity ecosystem of over 8,000 locations and a team of more than 18,000 members. The company established its presence in the Middle East in August 2021. To date, the company has partnered with several international brands to bring its cloud kitchens concept to local neighborhoods, including MrBeast Burger in Dubai and Another Wing, which Reef globally launched in partnership with DJ Khaled, opening 165 locations in three continents. In November last year, Reef acquired iKcon Restaurant, a UAE-based cloud kitchen company, marking the Miami-based company’s first major transaction in the region.

The Americana Group owns exclusive franchise rights for the management and operation of over 1,950 restaurants representing some of the world’s leading F&B brands including KFC, Pizza Hut, Hardee’s, Krispy Kreme, Wimpy and TGI Fridays in 13 markets across MENA and the CIS. (GB 07.01)

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* 1. Kitopi Launches its First Kitchens in Bahrain and Qatar

Kitopi is celebrating a double milestone with two new market launches in Bahrain and Qatar, as it completes four years in the region. With the newly-launched kitchens, Kitopi now serves five markets across the GCC. The cloud kitchen platform has also announced it will establish its presence in Singapore and Malaysia in the second half of the year.

In July last year, Kitopi announced its $415 million Series C funding round, led by technology-focused investment fund, Softbank Group Corp’s Vision Fund 2. The investment, the fund’s first in a UAE-headquartered company, propelled Kitopi to the hallowed ‘unicorn’ status.

Dubai's [Kitopi](https://www.kitopi.com/), which initially focused on on-demand food delivery, has now expanded its offerings to include meal plans and dine-in concepts. Kitopi’s growth strategy has also seen it invest in several leading food companies. It plans to invest up to $1 billion in the next two years to develop and expand a network of the best local, regional and international brands that have synergy with its operating platform. The company will continue to support licensed brands alongside its portfolio of invested brands. (Kitopi 13.01)

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* 1. E-Commerce Fulfillment Startup Shorages Raises $700,000 in Seed Round

Dubai's E-commerce fulfillment startup [Shorages](https://www.shorages.com/) has successfully raised $700,000 in its seed funding round led by Mayfair Holdings, alongside other angel investors and serial entrepreneurs.

Launched in 2019, Shorages offers brands the digital, regulatory, and warehouse infrastructure needed to unlock online sales in the GCC. Its fulfillment centers around the UAE are prepared to receive inventory and dispatch orders across the GCC region. By providing seamless fulfillment services Shorages is banking on empowering established local and regional brands as well as setting the stage for international players to tap into the GCC market.

The company adopts an efficient method of work with seamless integration in third-party websites. First, Shorages receives inventory in one of their fulfillment centers in the UAE. Once done, Shorages will integrate their order fulfillment system with a brands’ website. After that, once an order is received on the website, Shorages’ fulfillment team will pick and pack orders before dispatching them with the last-mile courier for delivery across the GCC. The company offers this service across multiple order types such as Amazon FBA, FBM, Noon, and website orders. In addition to the above, the company acts as a distributor for certain key brands they partner with. (Shorages 13.01)

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* 1. UAE’s Fit On Click Raises $1.5 Million in Pre-Series A Financing Round

Dubai's [Fit On Click](https://fitonclick.com/) has successfully raised $1.5 million in its latest funding round as it continues on its growth journey through Ventures Lab, the Venture Builder program launched last year by Modus Capital and Hub71. The latest Pre-Series A round was led by Arrow Capital. Fit On Click has delivered fitness and wellness employee engagement programs to over 200 corporates to date. The startup also recently launched Fitze, a “reward as you move” app that incentivizes its users to earn coins and unlock rewards for every step they take.

Fitze was initially released in Beta to encourage residents to stay active during the COVID-19 lockdown. Since its official launch, the app has accumulated a base of +20,000 users, hosted multiple corporate challenges, and partnered with over 100 brands to provide diverse rewards.

The startup is one of a select few that has been accepted into Ventures Lab - the Venture Builder program run by Modus Capital, a Venture Builder and VC fund, and Hub71, a flagship Abu Dhabi government initiative that enables innovation and growth opportunities for tech startups. Based out of Abu Dhabi, Ventures Lab empowers entrepreneurs to accelerate transformational ideas and build sustainable and scalable startup ventures. Fit On Click joined the program with a particular focus on strengthening and scaling Fitze. Modus is working operationally with the team to refine its product, strengthen the tech platform, and execute on user growth and retention strategies. (Fit On Click 11.01)

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* 1. Resecurity Opens New AI-Driven R&D Center in Saudi Arabia

Los Angeles' [Resecurity](https://www.resecurity.com/), a US-based cybersecurity and intelligence company, has announced its further expansion in the Middle East by creating a dedicated R&D center in Riyadh, Saudi Arabia. The new center will accelerate AI-driven cybersecurity services delivery across the Middle East and Saudi Arabia in close collaboration with local talent and security leaders.

The United States and Saudi Arabia have longstanding security, trade and economic relationships essential to each countries' infrastructure. In support of this relationship, Saudi Arabia launched its Vision 2030 program in April 2016 to diversify the economy through increased trade and investment with the United States and other countries. To accelerate this growth, Saudi Arabia has invested heavily in its digital transformation and the emerging cyber threats that have come with it, focusing on international partnerships, security management solutions and cybersecurity crisis response. The country has prioritized cybersecurity as a pillar of its economic development, implementing major initiatives to raise the levels of cybersecurity readiness.

To attract local cybersecurity talent for R&D center, Resecurity has secured a number of internships with students and graduates from King Saud University, King AbdulAziz University and King Abdullah University of Science and Technology. These educational alliances will further facilitate knowledge transfer and will adapt perspective technologies to the needs of key enterprises in Saudi Arabia.

As critical research domains for the Riyadh R&D center, Resecurity will invest in data science, artificial intelligence and cognitive security technologies to protect the region against emerging threats to protect smart cities and critical infrastructure. Cognitive security is the application of AI technologies patterned on human thought processes to detect threats and protect physical and digital systems. (GB 12.01)

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* 1. Proven Robotics Opens First Robotics Training Center in Saudi Arabia

[Proven Robotics](https://provenrobotics.ai) announced the launch of its first robotics and technical service center in Riyadh, Saudi Arabia. The new service center will help customers to enhance strategic sales and achieve their technical goals, while benefiting from end-to-end local support and expertise in robotics and advanced technologies. The new facility will offer a wide range of services including providing customers with original spare parts, onsite troubleshooting, in-house maintenance from technically certified teams, as well as the installation and configuration of robots. The new facility will support the company’s customers as well as partners and suppliers within the region. It will continue to establish global partnerships with worldwide leaders in the robot manufacturing industry to ensure improved efficiency and support to keep automated systems functioning at optimal performance levels. (GB 13.01)

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* 1. KSA-Based Foodics Acquires Jordan’s POSRocket

Saudi Arabia’s leading GCC Restaurant-Tech startup [Foodics](https://www.foodics.com/) has announced its first acquisition, with the full ownership of Jordan-based [POSRocket](https://www.posrocket.com/), the second largest restaurant Cloud technology provider in MENA. This landmark acquisition is a strategic move by both companies and one that enables Foodics to consolidate the market, as well as take a market leadership position in Egypt, Kuwait, Oman and Jordan on top of the dominant position it already has in the rest of GCC. This first acquisition also opens the door to further upcoming M&A activities and international expansion from the FoodTech startup.

Founded in 2016 in Jordan, POSRocket offers cloud-based POS software for restaurants and retailers, allowing owners to remotely manage operations in real-time. The acquisition will allow POSRocket merchants to benefit from Foodics’ ecosystem in managing payments, supplies and capital lending infrastructure.

Since its inception in 2014, Foodics has successfully already processed over $5 billion worth of orders through its platform and is targeting 150,000 terminals by the end of 2024. With this new acquisition, the two startups will be able to combine their Tech stack and market coverage to create unprecedented regional opportunities across MENA. (Foodics 09.01)

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* 1. Saudi Arabia's Online Team Builder Squadio Raises Seed Round

[Squadio](https://squadio.com/) has successfully raised an undisclosed amount in their seed funding led by SEEDRA Ventures. Founded in 2019 in Riyadh, Saudi Arabia, as an app development company Squadio (previously Ibtikar technologies) successfully pivoted its model to support the growing need of startups and companies seeking to hire and manage their own full-time engineering team remotely with engineers vetted by Squadio’s talent community.

With a portfolio of over 100+ organizations varying from government entities to tech startups, the likes of Monshaat, Sabbar, Morni, Resal, Sabq and more, Squadio helped endless businesses build and manage their tech teams remotely. The startup provides B2B solutions including vetting, hiring engineers, payroll services, plus the option of a product manager (CTO) per squad.

The KSA-based Tech startup plans on channeling its new funds as part of its strategy to improve the client experience, minimize employment time and develop the platform and expand its client base. In addition, Squadio plans on expanding its talent community to more countries and adding more benefits for their talents. (Squadio 14.01)

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* 1. Saudi’s Social Trading Platform Dawul Raises a $5 Million Seed Round

Riyad's [Dawul](https://dawul.net/‎) has successfully raised $5 million in its latest funding round. The SEED round was led by RAED Ventures with participation from Impact46, Seedra Ventures, Derayah Venture, and Sukna Ventures. This unprecedented seed funding round puts the Saudi-based FinTech on the global trading map.

Dawul platform is a pioneering platform specialized in social trading. Established in 2020, it acquired a permit from the Saudi Capital Market Authority to conduct financial technology experiments by the end of the same year and was officially launched in July 2021. Dawul is built to help beginner investors keep looking for automated ways to execute trades or, even better, follow professional traders and their portfolios and investment strategies. This way, they can obtain details of the traders’ operations directly and in real-time.

Dawul introduced the “investment funds” product, which allows users to view the data of investment funds in the Saudi market, and to see all updates and analyses related to their own preferred funds. All this is through alerts and notifications that are sent periodically to help beginners in making decisions regarding the buying and selling of stocks, and the building of their investment portfolios in a transparent and safe manner. As part of its strategy of spreading investor culture, Dawul plans to launch an educational game, the "Japanese candlestick game”. This game aims to educate beginners and enrich their knowledge in analysis methods of market volatility and its risks by making them practice stock price predictions based on stock data and trends of previous sessions. This will help them see results quickly with knowledge of the risks involved in buying and selling stocks. (Dawul 10.01)

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* 1. Tawfeer Market Secures $500,000 in Seed Funding

Egypt's Grocery delivery startup [Tawfeer Market](https://tawfeermarket.com/‎) has raised $500,000 in seed funding, the company announced. The Alexandria-based company said that it had received “contributions” from Alexandria Business Angels Network, without mentioning whether other investors were involved in the round.

Launched in 2020, Tawfeer Market is an online grocery store that currently stocks more than 6,000 products at its fulfillment centers and says deliveries are made within one hour of ordering. Its app has been downloaded more than 100,000 times and has completed tens of thousands of orders, which are seeing double-digit m-o-m growth, according to the statement. The company recently graduated from the AUC Venture Lab accelerator program. (Tawfeer 12.01)

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* 1. Orcas Raises $2.1 Million in a Pre-Series A Round

Giza's [Orcas](https://www.orcas.io/) raises $2.1 million pre-series A round: Egyptian edtech startup Orcas raised $2.1 million in a pre-series A round co-led by CIRA’s NFX Ventures and Access Bridge Ventures. Algebra Ventures, Launch Africa Ventures, Cairo Angels Syndicate Fund (CASF) and Seedstars International also participated.

Orcas aims to use the funding to develop its technology, hire new talent and expand into new markets in MENAP. Its tech needs to be customizable but also scalable to smoothly operate in different markets. Operations started in Pakistan’s Lahore in early 2022 and Orcas is planning to expand into the KSA next.

Founded in 2019, the Orcas platform offers online and in-person tutoring and courses for K-12 students as well as personalized learning plans, learning-style assessments, and practice assignments. This marks CASF’s first investment after launching last month as a micro-VC fund to fill the “missing middle” between post-seed and pre-series A investments. The hybrid platform makes use of Orcas’ online tools as well as CIRA’s 21-strong school network. (Orcas 16.01)

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* 1. Careem to Increase Investment in Egypt

Careem told the press that it plans to triple its investment in Egypt in 2022. The ride-hailing company wants to have deployed $11 million in its local operations by the end of the year, up from $3.6 million at the end of Q3/21. Careem, now a subsidiary of US ride-hailing giant Uber, is planning to branch out into new sectors, following its parent into food delivery and courier services as well as digital payments. It’s unclear how much the company plans to spend on these new ventures versus expanding its existing ride-hailing business. (Ent 18.01)

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* 1. ExpandCart Raises $2.7 Million in a Pre-Series B Bridge Financing Round

Egyptian e-commerce platform ExpandCart raised $2.7 million in a pre-series B bridge funding round led by East Asian accelerator Betatron, with follow-on investments from Sawari Ventures and Kuwait’s Agility Ventures. The new funding round will be used to fuel growth in ExpandCart’s current markets (Egypt, KSA, UAE and Kuwait), maximize research and development and build new products to help the startup reach its target of netting 1 million merchants on its platform within the next three years, up from a current 25,000.

The platform was the only African startup to be accepted into Betatron’s accelerator program in 2019, scoring an investment of $150,000, before raising $2.5 million in a series A round in 2020.

Founded in 2013, [ExpandCart](https://expandcart.com/en/‎) is the largest e-commerce platform in the Middle East. Over the past couple of years, they were able to acquire over 2500 paying customers. Their customers were able to receive more than 40,000 orders generating more than $11 million in revenue. (ExpandCart 18.01)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. Dubai Taxi to Add 2,219 Vehicles to Fleet, Including 1,775 Hybrids

Dubai’s Roads and Transport Authority (RTA) has signed a contract to procure 2,219 new vehicles to boost the Dubai Taxi Corporation (DTC) fleet. The new batch includes 1,775 hybrid vehicles; as a result the total number of hybrid vehicles in Dubai Taxi fleet jumps to 4,105 vehicles – which constitutes 71% of the 5,721 vehicles in total operated by DTC.

The Strategic Plan of the Dubai Taxi Corporation (2021-2023) encompasses 51 initiatives based on increasing the market share of DTC taxis from the existing 41.5% to 44% by 2023 and increasing the market share of limousine under the e-hail apps from the existing 8.5% to 12% by 2023. It also seeks to increase the journeys of taxis through the same apps from 14% to 16%. The plan envisages transforming 5% of the taxi fleet to autonomous vehicles by 2023 and increasing the proportion of eco-friendly vehicles to as much as 56%.

The RTA was reportedly the first entity in the region to introduce a trial run of hybrid vehicles and deploy them within the Dubai Taxi fleet between 2008 and 2012. Results from that trial run showed that the hybrids covered more than 550,000 kilometers without sustaining major defects or requiring any major maintenance. (RTA 10.01)

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* 1. Sungrow & KarmSolar Cooperate on the Microgrid BESS Project for Cairo 3A Group

China's Sungrow, the global leading inverter solution supplier for renewables, signed a new BESS contract with KarmSolar, Egyptian largest private sector solar energy provider. Sungrow will provide 2.576MWp PV inverter and 1MW/3.957 MWh energy storage system to build a microgrid for Cairo 3A Poultry Company. This microgrid, by its commission in May, 2022, will generate the energy resources needed by this large-scale company from solar power rather than relying on diesel generator and burning fossil fuels.

Sungrow will help build such a microgrid BESS project in Bahariya Oasis. Sungrow offers the 1500V solar plus storage solution: ST3956KWH(L)-1375UD. As all devices are integrated, the system has less units and occupies less land, and in this way, it is more economical and simpler to transport, install and operate. Equipped with EMS, the post maintenance procedure is also streamlined and smart. In addition, being compatible to bifacial solar modules, and adopting higher-power PCS (max. efficiency up to 99%), this system achieves higher yield. As Bahariya Oasis is a depression with agriculture as the main sector, using clean power bears long-term significance for environmental protection and sustainable development.

Cairo's [KarmSolar](https://www.karmsolar.com/), with Électricité de France (EDF) being its strategic shareholder, spearheads the growth of the private solar energy market in Egypt, revolutionizing the solar market through innovative and integrated solutions across the residential, industrial, agricultural, commercial and touristic sectors. With unique technical and financial expertise, supported by tits in-house Research and Development, KarmSolar leads the Egyptian market with the largest portfolio of private solar energy projects. (Sungrow 14.01)

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* 1. EBRD & GCF Support Morocco's Green Economy with €25 Million in Financing

The European Bank for Reconstruction and Development (EBRD) is joining forces with the Green Climate Fund (GCF) to provide €25 million in financing to the Moroccan Bank for Trade and Industry (BMCI). This financing will support the transition to a green economy in Morocco. BMCI will use this funding to provide sub-loans to green economy players in Morocco. The subsidiary of French group BNP Paribas plans to provide credit to Moroccans, small and medium-sized enterprises (SMEs) and corporations for investments in climate change mitigation and adaptation technologies. This is the second financing granted to BMCI by the EBRD under the GEFF. In 2019, the commercial bank obtained €20 million for the financing of green projects in Morocco.

GEFF was set up by the EBRD in partnership with the GCF for companies and owners wishing to invest in green technologies. The GEFF program is implemented through a network of more than 140 local financial institutions in 26 countries, supported by more than €4 billion in EBRD funding. In September 2021, the EBRD and its partners released €50 million to support the green economy in Morocco through Crédit immobilier et hôtelier (CIH Bank) and Bank of Africa, a subsidiary of the Moroccan group BMCE. In addition to Morocco, the program also benefits Egypt. (Afrik 21 05.01)

ARAB STATE DEVELOPMENTS

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* 1. Jordan's Inflation Rises by 1.35% During 2021

Jordan's Consumer Price Index (CPI) rose by 1.35% in 2021, reaching 102.46 points, compared to 101.1 points in the same period of 2020, according to a statement released by the Department of Statistics (DoS). In its monthly report, the DoS said that the CPI went up by 2.40% in December of 2021, reaching 103.54 points compared to 101.11 points during the same month of 2020. Comparing the figures in November to December, the DoS reported that the PCI slightly picked up by 0.47% in December, reaching 103.54 points compared to 103.06 points in November of the same year.

The basic CPI for December, measured by excluding the most price-volatile commodities and services, including foodstuffs, fuel and lighting, and transportation, stood at 69.41points up by 0.47% from 69.09 points recorded for the same month of 2020, according to the data. On a cumulative level, the basic CPI for December of 2021 stood at 69.06, compared with 68.47 for the same month of 2020, indicating an increase of 0.87%. (Petra 12.01)

►►Arabian Gulf

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* 1. UAE Economy Forecast to Grow by 4.2% in 2022

The UAE expects its economy to grow 4.2% in 2022, supported by a rebound in oil. Growth in the oil sector’s gross domestic product is set to be at 5% this year, an increase from last year’s 2% contraction, according to preliminary data from the country’s central bank. Non-oil GDP is expected to remain in line with 2021. Nevertheless, economic projections are susceptible to uncertainties amidst Covid-19 repercussions.

In 2021 Gulf countries, including the UAE, had to bear both the spread of the coronavirus pandemic and a drop in crude prices, the main source of income for the region. Last year, sentiment was better as travel restrictions eased and Dubai’s Expo 2020 was launched, attracting millions of visitors. The International Monetary Fund expects the UAE’s economy to grow more than 3% this year and hover around the same levels into 2026 at least. (GB 07.01)

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* 1. UAE Launches Coders HQ to Empower Coding Communities

The UAE government has launched the Coders HQ, a new transformational project that re-defines local coding communities, in partnership with more than 40 companies in the UAE and around the world. The project, established in the Emirates Towers, aims to build a new generation of coders, enhance their capabilities and skills in coding and technology, empower them with tools and expertise, and provide them with the opportunity to design innovative solutions to address local and global challenges.

The project was launched in a virtual ceremony organized by the National Programme for Coders, in the presence of the UAE's Minister of State for Artificial Intelligence, Digital Economy and Teleworking Applications, and representatives of partners in the project. Participants reviewed the key initiatives and programs that the Coders HQ will launch over the coming period.

The project embodies the UAE’s vision in preparing a new generation of coders, capable of finding innovative solutions to future challenges, exploring new opportunities to build a competitive knowledge-based economy, and creating a comprehensive development process based on investing in skills and talents to build their future capabilities. It further provides an incubating and stimulating environment for skilled coders, building an enabling ecosystem to help them innovate technical solutions to address challenges.

As one of the projects and initiatives of the National Programme for Coders, the Coders HQ aims to consolidate the position of the UAE as a global hub for coders and an incubating ecosystem for projects and innovative ideas for building a better future. It further features advanced technological infrastructure to facilitate coders’ work and includes an events space, a supercomputer, and several workspaces. Over the coming period, six new Coders’ HQs will be inaugurated all around the UAE. The Coders’ HQ focuses on four main objectives: assessing the skills of coders in the UAE, developing them, enabling continuous communication among coders in the UAE and abroad, and providing coders with the best opportunities to help them enhance the UAE’s leadership in this field.

The Coders HQ further announced organizing training programs for Emiratis to facilitate their participation in the various coding fields in the private sector while providing them with the best global knowledge to hone their skills. Forty government, semi-government, private and academic entities will provide support to the training processes to help achieve the defined objectives and yield the best outcomes. These include Abu Dhabi University, Majid Al Futtaim Holding, Microsoft Middle East and Africa, IBM, Presales MERAT, Meta, Rabdan Academy, the American University in Dubai, DP World, ADNOC and VMware. (GB 11.01)

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* 1. Sheikh Mohammed Launches Dhs100 Million Great Arab Minds Initiative in Dubai

Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, has launched a Dhs100 million Great Arab Minds initiative. The five-year initiative will focus on fields including physics and mathematics, software and data science, economics, higher education and research. Furthermore, the initiative to identify and support 1,000 Arabs intellectuals will be driven by and headquartered at the Museum of the Future in Dubai.

Great Arab Minds is reportedly the Arab world’s largest movement designed to search for exceptional talents among Arab scientists, thinkers, and innovators across key field. The program is backed by a Dhs100 million fund and will be administered from the Museum of the Future, with a committee of four Emirati ministers who will develop a system to identify and highlight the extraordinary thinkers and talents that the initiative will support. The fund will support local and global partnerships in fostering research, development and innovation. The fields of focus of Great Arab minds are selected based on the potential for future development in key areas of innovation to drive development and economic growth. (WAM 05.01)

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* 1. Abu Dhabi Intensifies Government Cybersecurity with a New Strategy

Abu Dhabi Digital Authority (ADDA), Etisalat and Trend Micro launched Cyber Eye, an initiative designed to strengthen the Abu Dhabi government entities’ cybersecurity capabilities. Cyber Eye initiative is a central part of the Abu Dhabi government’s cybersecurity strategy. It will employ first of its kind technology and systems to identify cyber threats in real-time and take effective and proactive actions to mitigate risks and increase protection, further strengthening the security of Abu Dhabi government entities’ digital assets.

The Cyber Eye initiative also addresses the issue of infrastructure visibility and will promote standards and methods to enhance controls and capabilities to optimize resilience across government entities. Such strategies will also allow technology teams to detect threats quickly, including the most advanced attacks.

Governments across the region have faced rises in complexity in their IT stack during the COVID-19 crisis, including a higher risk from endpoint security brought about by remote working. A recent KPMG survey of UAE business stakeholders showed concern about the rise of cybercrime during the pandemic. A total of 61% of respondents were concerned about phishing scams, 54% were worried about email spamming and 42% dreaded a ransomware incident. The initiative will take advantage of intelligence-driven methodologies to enhance the maturity and effectiveness of the government in cybersecurity. (GB 04.01)

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* 1. Sheikh Mohammed Issues Decrees Regulating Dubai Chambers

Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, has approved legislation, including a decree establishing Dubai Chambers as a new entity that replaces the Dubai Chamber of Commerce & Industry. Another decree establishes the new entity’s board of directors. Sheikh Mohammed also issued a decree forming the board of directors of Dubai Chambers.

The decrees establish three specialized chambers to cater to new requirements, while the new legislation helps create the fundamental structural changes necessary for Dubai Chambers to operate effectively, whose primary responsibility is to develop plans and policies to enhance the emirate’s status as an economic hub and create an attractive business environment.

The new decrees gives businesses and foreign investors an opportunity to contribute to the development of trade policies, regulations and legislations for various sectors, further strengthening the public-private partnership. (WAM 11.01)

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* 1. Egypt's Urban Inflation Rises to 5.9% in December

Annual urban inflation rose to 5.9% in December from 5.6% in November, ending a two-month downward trend despite a slowdown in food price inflation, according to figures released by statistics agency CAPMAS. On a monthly basis, consumer prices fell for the first time in 11 months, dipping 0.1% due to a 1.1% fall in food prices. The annual rate remains at the lower end of the central bank’s 7% (±2%) target range by Q4/22.

Annual core inflation hit its highest level since June 2019, climbing to 6% y-o-y from 5.8% in November, according to Central Bank of Egypt. The core index removes volatile items such as food and fuel from the headline annual urban rate. A slower-than-expected rise in food and beverage costs led to a more muted rise in the annual headline figure than some had anticipated. Food and beverage costs (which make up the largest component of the basket of goods used to measure prices) rose 8.4% on an annual basis but fell 1.0% from November. Vegetables were the only item included in inflation figures to register a y-o-y decrease in price, falling 9.6% on an annual basis and 7.1% on a monthly basis.

In December, housing and utility prices rose by 4.2% y-o-y, following an 11.6% increase in gas, electricity and fuel prices, while clothing and footwear rose to 2.7% from 1.2% the month prior. Healthcare costs rose 2.7% annually, transport increased 4.8%, while recreation and culture rose by 14.8%. (CAPMAS 11.01)

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* 1. Cairo Seeks to Nearly Double Annual Exports by 2025

Egypt aims to increase export revenues to $60 billion a year by the middle of the decade as part of plans to eventually reach $100 billion a year, Trade Minister Gamea said. This would nearly double the record $31 billion export revenues recorded in 2021. The 2021 figure was up 22.5% from 2020, when proceeds from exports came in at $25.3 billion, according to Gamea. Rising demand as the global pandemic eases, ramped up government support, and the increased attractiveness of Egyptian exports in light of rising global shipping costs helped drive last year’s increase.

The government previously announced plans to push African exports to $10 billion by 2025, with an interim target of $7 billion this year. The first phase of a three-phase strategy to boost African exports is slated to begin this month, targeting 10 countries. The ministry’s export subsidy program and other forms of support are also helping exporters tap new markets, including in Africa. During the last fiscal year, Egypt’s exports to Africa (excluding Arab countries) recorded $607 million, accounting for only 2.1% of Egypt's total exports, according to Central Bank of Egypt data. Increasing exports is one of the key targets of the government’s new structural reform program, which aims to increase agricultural, manufacturing, telecoms and IT exports through the subsidy program and supportive reforms. (Ent 11.01)

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* 1. Egypt Now has a Regulatory Framework for the Fintech Industry

Legislation to regulate the fintech industry received final approval from the Egyptian House of Representatives on 5 January. The bill, which was first drawn up by the Financial Regulatory Authority (FRA) in 2020, hands the regulator broad powers over licensing and corporate governance in the sector, as well as the power to penalize firms that breach legislation.

The law grants the FRA the power of regulation for the fintech industry, including issuing licenses and approvals for fintech businesses and services, according to the House CIT Committee report on the bill. The FRA is also mandated with taking steps to using fintech tools to promote financial inclusion, which the law defines as expanding the use of banking and non-banking financial services (NBFS).

An application for a fintech license requires a standard request form, along with proof of sufficient issued capital for the product / service provided and of having taken on an auditor. NBFS players seeking a fintech license will also need to have the necessary tech, database and data protection infrastructure, as per FRA requirements. There will be a separate, time-limited fintech license for startups. Startups can apply for a short-term fintech startup license that is valid for a maximum of two years, the law stipulates.

The act will also see the FRA lay out data protection regulations, task it with protecting users who rely on fintech products or services, and “raise awareness” of the fintech services available to consumers. The FRA will also need to prepare and publish studies and statistics to help encourage fintech activity. It will also regulate a testing environment (akin to the Central Bank of Egypt’s sandbox) to test new fintech products. The act empowers the regulator to set out further requirements pertaining to businesses’ governance, including ownership and board of directors’ structure, the price of each license (although the law sets an EGP 50,000 ceiling), and the experience that will be required to register with the FRA as a service provider. Providers will also need to comply with anti-money-laundering regulations and procedures. (Ent 09.01)

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* 1. Egypt Took Out $10.3 Billion in Development Loans During 2021

Egypt borrowed $10.3 billion from bilateral and multilateral lenders in 2021, according to the International Cooperation Ministry’s annual report. Most of the funding — $8.7 billion — went to the public sector, while the remaining $1.6 billion went to private-sector initiatives.

By far the biggest portion of funding to the public sector came in the form of a $2 billion loan under a framework agreement between Egypt, the French government and the French Development Agency (AFD). The second-largest financing agreement was a $1.4 billion facility from the International Trade Finance Corporation (ITFC) for basic commodities imports including wheat and other foods, followed by a $962 million loan, also from the ITFC, for the import of petroleum products and basic commodities. (Ent 18.01)

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* 1. Morocco & Egypt Agree to Sign Trade Agreement

Morocco’s Minister of Industry and Trade Mezzour announced that the negotiations between Morocco and Egypt concerning their free trade deal have resulted in an agreement. Under the Agadir agreement, which establishes free trade between Morocco and several of its neighbors, Renault cars manufactured in Tangier will now be able to enter the Egyptian market without paying any custom fees. The Moroccan Institute for Normalization (IMANOR) will be responsible for certifying and ensuring that Moroccan factories and Moroccan-produced goods adhere to various international standards. Egypt has agreed to use IMANOR’s standards and let its approved products into its markets.

Morocco’s free trade agreements with various countries around the world have given the country’s economy a boost through encouraging foreign investments. Foreign investments in Morocco have been seeing a steady increase, recording over MAD 350 billion ($38 billion) in investments between 2011 and 2020, compared to MAD 249 billion ($27 billion) in the preceding decade.

Morocco’s free trade agreements with other countries have also been a topic of controversy, however. The agreement with Turkey recently came under fire as Turkish exports and companies were accused of hurting local Moroccan industries and markets. Amid the outcry, the Moroccan Ministry of Industry and Trade has said that it is currently researching the effects of such agreements on the domestic economic landscape and looking into potential solutions in case a link is proven. Morocco previously revised the agreement with Turkey and put into effect a new one in 2020, in response to indications that the initial deal was not beneficial to Morocco.

Meanwhile, other agreements such as the one Morocco has with the US have received praise from both parties, as numerous workers and businesses have been able to benefit from the extended reach that such agreements can give. (MWN 09.01)

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* 1. Morocco-Brazil Trade Reached Highest Value in 2021

Morocco’s exports to Brazil reached $1.9 billion in 2021, up by 70.29% from 2020, and 98.29% from 2019 according to the Brazilian Ministry of the Economy. The bulk of Morocco’s exports to Brazil comprised close to $1.6 billion in fertilizers. This marked an increase from $934.17 million in 2020, followed by $170.5 million in precious metals and chemical products, up from $48.96 million in 2020. Exports of salt, sulfur, earth, stone, plaster, lime and cement come in third place with $42.1 million, increasing from $57.87 million recorded in 2020. Meanwhile, Morocco’s fish and shellfish exports to Brazil stood at $42 million in 2021, rising from $41.60 million in 2020.

Exports of Electrical and electronic equipment totaled $20 million, up from $519,840 in 2020. During the same period, Morocco-Brazil trade in textile articles, sets, and worn clothing stood at $19.7 million, up from $8.66K in 2020. Also on the list of Moroccan exports are aircraft and spacecraft parts with a $2.5 million market share, as well as vehicles other than railway, tramway with a $2.2 million.

With these new figures, Morocco is now Brazil's second-largest trading partner in the Arab world -- Saudi Arabia being the first. Morocco’s imports to Brazil have been breaking records annually since 2016, exceeding a $1 billion threshold in 2020. Morocco’s exports to Brazil rose at an annual rate of 12.6%, increasing from $54.8 million in 1995 to $937 million in 2019. (MWN 09.01)

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* 1. Morocco’s Trade Deficit Continues to Widen

Morocco’s trade deficits rose to MAD 181 billion ($19.6 billion) at the end of November 2021, marking a year-to-year increase of MAD 37.9 billion ($4.1 billion), according to a recent report by Bank Al-Maghreb (BAM), the Moroccan central bank. The rise in the trade deficit was offset by the 24% hike in imports dwarfing the 22.5% in exports, the report explained. While imports increased by MAD 91.6 billion ($9.9 billion), exports rose by MAD 53.8 billion ($ 5.8 billion) from the same period in 2020. Consumer products imports increased by 30.8%, reaching MAD 111.8 billion ($ 12.1 billion) over the same period.

According to BAM’s report, underpinning the hike in consumer products imports were the rise in demand for passenger vehicles (+48.3%) and their parts (+24.1%) and the COVID-triggered rise in demand for medicines and pharmaceutical products (+75.1%).

Skyrocketing energy prices worldwide negatively impacted Morocco’s trade balance. The import volume of “diesel and fuel oil” increased by 51.8% year-to-year, while “gas, petroleum, and other hydrocarbons” rose by 46.7%. The rise in energy prices also extended to coal as it recorded a 36.5% year-to-year increase. However, exports continue on an upward trajectory, boasting a strong recovery. The volume of Morocco’s phosphate exports progressed at a year-over-year increase of 51.9%, amounting to MAD 69.2 billion ($7.5 billion), with fertilizers imports recording a 51.1% rise over the same period.

Morocco’s robust automotive industry contributed by 12.8% to the volume of exports at the end of November, with a MAD 75.1 billion ($8.1 billion) increase in 75.1 billion in sales volume. Regarding Morocco’s agriculture exports, volume sales rose by MAD 62.9 billion (+10.2%), the country’s textile industry recorded a total increase in exports volume set at MAD 33.5 billion ($3.6 billion) -- the equivalent of a 20.7% increase. For its part, Morocco’s aeronautical sector reached a total of MAD 13.9 billion ($1.5 billion) at the end of November, up by 19.8% from 2020. (MWN 15.01)

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* 1. Morocco to Receive the Latest Version of US M1 Abrams Tanks

Morocco’s Royal Armed Forces (FAR) will soon receive the latest generation of the American M1 Abrams tank. The FAR Maroc forum announced the upcoming receipt of “new batches of US Abrams A2 war machines, “modified to the specifications requested by Morocco.” Morocco acquired 222 Abrams A1 tanks from the US for more than a billion dollars in 2012, then added 162 M1A2 Abrams tanks for $1.25 billion. Morocco is now anticipating the latest purchase of the next generation of the American tank.

It is a classic model that has been produced since 1979 in many versions, including the M1A1, M1A2, M1A2-SEP, among others. Morocco already owns M1A1-SA (Situational Awareness) tanks, refurbished basic M1A1 versions that have been modernized to reach the level equivalent to the most recent models currently available.

Morocco will be able to improve its defensive and territory control capabilities as a result of the arrangement. The North African country has been extensively updating its armaments, becoming Africa’s second-largest military spender after Algeria as the costly arms race between the two countries continues. Morocco has concluded armament agreements with the US, France, Israel and Turkey. (MWN 14.01)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkey’s Record Budget Deficit Signals Financial Troubles for 2022

Turkey’s government posted a budget deficit of TL 145.7 billion ($10.9 billion) for December after sharp losses for the lira forced it into covering a TL 59 billion import bill for natural gas company Botaş. The record deficit more than tripled from December 2020, according to Treasury and Finance Ministry figures published on 17 January. That increased the budget gap for the whole of 2021 to TL 192.2 billion liras.

Turkey’s economy has been shaken by a slump in the value of the lira, leading to surging import costs, and a spike in inflation, which reached 36.1% last month, the highest level since 2002. The lira lost 44% of its value in 2021 in a repeat of a currency crisis seen in 2018. The renewed troubles for Turkey’s fragile economy signal more financial pain for the government, businesses, and consumers this year.

In the wake of the currency crisis three years ago, President Erdoğan’s government quickly began missing its budget goals, boosting spending and implementing tax cuts designed to protect the economy from recession. At the same time, companies made fewer profits, leading to a decline in corporate tax revenue.

By September 2019, the budget deficit of TL 85.8 billion had exceeded the government’s goals for the whole year. The target was missed despite the central bank distributing tens of billions of liras of its profits earlier than planned. By the end of 2019, the deficit had surged to TL 123.7 billion, 80% higher than a year earlier. Turkey has set a budget deficit target this year of TL 278 billion, with spending of TL 1.75 trillion and revenue of TL 1.47 trillion.

In December, surging inflation and the slump in the lira’s value prompted Erdoğan to announce a 50% increase in the national minimum wage. He also eradicated the tax burden for the country’s lowest wage earners. This month, Erdoğan said that the government could hike public sector pay for the second time this year should inflation remain elevated by the summer.

Erdoğan’s government is facing pressure from companies to lower sales taxes on goods such as basic food stuffs. It has already moved to reduce the tax burden for consumers buying cars of smaller engine capacities after a decline in sales. The president has also promised more support for farmers, who say they are suffering increasing economic hardship. The government provides billions of dollars in agricultural subsidies to the sector each year. (Ahval 18.01)

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* 1. Feminine Product Poverty Exceeds 80% in Turkey

A study by support group Deep Poverty Network (DYA) found that 82% of poor women in Turkey cannot access menstrual hygiene products. Other women told DYA that their access to sanitary napkins was sporadic. DYA spoke with 103 families living in poverty conditions.

Sanitary napkins, the most commonly used product in the country, saw a price hike of 51% between December 2020 and December 2021. The unit price of pads currently stands around 2 liras, according to Turkish Statistics Institute figures, up from the previous year’s 0.66 liras.

Women doing seasonal agricultural work use leaves and dirt for absorption, according to the Turkish Medical Association (TTB). The value added tax (VAT) for period products is 18% in Turkey, on par with luxury goods. Other essential goods are either exempt from VAT or are taxed 8%.

A family with a mother and two daughters would have to spend at least TL 170 per month on period products, according to the Women and Children First Association. Turkey’s minimum wage recently rose to TL 4,253.4 from TL 2,825.9, while purchasing power has been on the decline due to rising inflation and the plummeting of the lira against the dollar.

The poverty threshold in Turkey for a family of four stands at TL 10,119.8 ($729.3), more than double the increased minimum wage, a report by the Confederation of Public Servants Trade Unions (MEMUR-SEN) found. It was also found that women in universities have started period support groups. (Various 09.01)

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* 1. Cyprus' Annual Unemployment Level Drops by 56%

In December, the number of registered unemployed in Cyprus dropped by an annual 55.7% to 14,800 people out of work. According to data published by the Statistical Service, compared to December 2020, those registered unemployed fell by 18,582 persons. The reduction was mainly driven by the hospitality and food service sectors, where the jobless declined by 3,947, followed by trade with a decrease of 3,839, manufacturing 1,247, construction 1,064, transportation and storage 946. Meanwhile, newcomers in the labor market decreased by 1,479 last month.

According to Cystat, based on the seasonally adjusted data showing the unemployment trend, the number of registered unemployed for December decreased to 14,336 compared to 15,015 in the previous month. The registered unemployed concern those over 15 who apply at local labor offices as actively seeking employment. (fm 05.01)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. Israel Opens Surrogacy to Same-Sex Couples

Israel's health minister said that same-sex couples will be able to have children through surrogate mothers in Israel, following a High Court of Justice decision made last year. The court in July annulled parts of a surrogacy law that prevented gay couples from having children through a surrogate in Israel. That move came after the court ruled in 2020 that the law, which had expanded access to single women but excluded gay couples, "disproportionately harmed the right to equality and the right to parenthood" and was unlawful. It gave the government of then-Prime Minister Netanyahu a year to draw up a new law, but the Knesset failed to meet the deadline. The court said that the change in the law would take six months to come into effect, on 11 January, to allow the formation of professional guidelines.

Health Minister Nitzan Horowitz, who is openly gay, said the change in the law would also expand surrogacy to single men and transgender people. Under the previous regulations, Israeli same-sex couples looking to become parents could not engage a surrogate and were often deterred by the additional costs of finding one abroad. The state had argued that the law was intended to protect surrogate mothers but the court ruled that it would be possible to strike a balance that would not discriminate.

In contrast with much of the conservative Middle East, Israel is tolerant toward its LGBTQ community. Gays serve openly in Israel's military and parliament, and many popular artists and entertainers are openly gay. (Various 05.01)

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* 1. MENA’s First Finnish-British School is Coming to Egypt's SODIC East

Egypt's upmarket real estate developer SODIC has signed an agreement to set up a Finnish-British school in its SODIC East project with the Finnish British Consortium for Investment (FBC) and Finnish Global Education Solutions (FGES). The school is slated to begin operating in 2023, following the planned launch of the first phases of SODIC’s East Cairo mixed-use development this year.

The English-language Finnish British School (FBS) will teach the British curriculum and IB, using the Finnish system of holistic, phenomenon-based learning (where students learn through interdisciplinary projects rather than subject by subject). The “sports-focused” school will be associated with Finland’s Espoo International School for exchange programs and mentorship on implementing the IB curriculum. The principals will be Finnish, while the teaching staff will be international.

FGES was launched with support of the Finnish education ministry as part of the country’s drive to export its education system, according to the statement. The school will be run under the supervision of a Finnish government body linked to its education ministry. The agreement with SODIC was inked in Helsinki in the presence of Egypt’s ambassador to Finland and Finland’s dedicated education ambassador. FBC aims to establish six Finnish-British schools and an international university in Egypt over the next decade, at an initial investment cost of EGP 1.2 billion. (Ent 10.01)

ISRAEL LIFE SCIENCE NEWS

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* 1. Entera Bio Successful EB613 End-of-Phase 2 Meeting with FDA

Entera Bio concluded its End-of-Phase 2 meeting with the U.S. FDA on EB613, its oral formulation of human parathyroid hormone (1-34), or PTH, for the treatment of osteoporosis and defined the path for Phase 3 development of EB613, confirming that a fracture study will not be necessary and that lumbar spine BMD at 12 months can be the primary endpoint. The meeting followed completion of its Phase 2 clinical trial, which met its endpoints, including increases in lumbar spine, femoral, neck and hip bone mineral density (BMD) versus placebo after six months of treatment, and demonstrated a safety profile consistent with subcutaneous PTH (1-34) (teriparatide injection).

Based on FDA feedback at the meeting, Entera is currently proceeding with its plans for a Phase 3 registration study of EB613 this year. The FDA confirmed that a comparison of Entera’s EB613 dosed at 2.5 mg versus subcutaneous PTH (1-34) with a lumbar spine BMD increase at 12 months as the primary endpoint for the trial would be acceptable. The company may rely on marketed drugs as part of a 505(b)(2) regulatory approval pathway. The FDA’s 505(b)(2) new drug application (NDA) pathway helps avoid unnecessary duplication of studies already performed on previously approved drugs. If approved, EB613 would be the first oral anabolic agent for the treatment of osteoporosis.

Jerusalem's [Entera](http://www.enterabio.com) is a leader in the development of orally delivered large molecule therapeutics for use in areas with significant unmet medical need where adoption of injectable therapies is limited due to cost, convenience and compliance challenges for patients. The Company’s proprietary, oral drug delivery technology is designed to address the technical challenges of poor absorption, high variability, and the inability to deliver large molecules to the targeted location in the body through the use of a synthetic absorption enhancer to facilitate the absorption of large molecules, and protease inhibitors to prevent enzymatic degradation and support delivery to targeted tissues. (Entera Bio 04.01)

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* 1. Nucleix Announces Recent Advancements in Early Lung Cancer Detection Program

Nucleix announced recent advances in its EpiCheck Next Generation Sequencing (NGS) platform and lung cancer detection program for early stage disease. The company also recently secured an additional $22 million in funding, as an extension to the previously announced $55 million financing, bringing the total capital raised in 2021 to $77 million, to rapidly advance the next generation of its highly sensitive lung cancer product and drive a multi-center prospective trial for clinical validation.

Nucleix’s Lung EpiCheck is a simple blood test that analyzes changes in multiple methylation markers to screen for lung cancer, with a focus on testing high-risk individuals based on smoking history. Currently there are very few options for early lung cancer detection and only 10% of the nearly 15 million high-risk smokers recommended to receive low-dose CT imaging adhere to current guidelines. Lung EpiCheck has been optimized to focus on sensitivity, so that patients have a better chance for early detection and successful treatment.

Rehovot's [Nucleix](https://www.nucleix.com) is a liquid biopsy company revolutionizing cancer treatment with earlier disease detection at a time when intervention can bring the greatest impact for patients. Leveraging NGS and PCR-based epigenetics, the Company’s testing approach uses methylation-based identification for early-stage and recurring cancer detection. The Company’s non-invasive EpiCheck platform delivers highly accurate results while providing a seamless testing option for patients and the healthcare system. (Nucleix 05.01)

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* 1. Remilk Raises $120 Million in Series B Funding

Rehovot's [Remilk](https://www.remilk.com/) has secured $120 million in Series B funding, led by NY-based Hanaco Ventures. The funding establishes Remilk as a primary player in the emerging cultivated dairy category and enables the Company to immediately scale production of its dairy-identical milk protein for commercial use by manufacturers in traditionally dairy-based products including cheeses, yogurt and ice cream. In addition to Hanaco Ventures, the oversubscribed round includes investments from Precision Capital, Rage Capital, CPT Capital, Intercap, OurCrowd, Aliya Capital, Chartered Group, Indorama Ventures, Tal Ventures, Fresh Fund, Idan and Gil Ofer, Izaki Ventures and Paradigm Shift Fund.

On a mission to reimagine dairy for the future, Remilk pioneered a remarkably scalable, yeast-based fermentation process which produces animal-free milk proteins that are indistinguishable in taste and function from cow milk proteins, but free of lactose, cholesterol and growth hormones. The patented process has a drastically reduced environmental impact; Remilk estimates its process uses 1% of the land, 4% of the GHG emissions, and 5% of the water required to produce comparable products in the traditional dairy manufacturing process.

The funding comes at a pivotal stage for the promising category and will accelerate the Company's manufacturing capabilities, unlocking its ability to commercialize Remilk at scale to meet the needs of food manufacturers. Unlike plant-based alternatives which can fall short in flavor, texture, nutrition, or sustainability, Remilk seamlessly replaces milk-based ingredients in any product. Remilk proteins have the same characteristics, nutrition and flavor profile, ability to melt, stretch and blend as animal milk proteins. The company plans to have products featuring Remilk in the marketplace later this year. (Remilk 07.01)

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* 1. RedHill & Gaelan Enter Into License Agreement for Talicia for the UAE

RedHill Biopharma entered into an exclusive license agreement with Gaelan Medical Trade, a wholly owned subsidiary of the Ghassan Aboud Group (GAG), for Talicia (omeprazole magnesium, amoxicillin and rifabutin)[1], an H. pylori therapy, in the UAE. Under the terms of the agreement, RedHill will receive an upfront payment of $2 million and is eligible for additional milestone payments as well as tiered royalties up to mid-teens on net sales of Talicia in the UAE. Gaelan Medical will receive the exclusive rights to commercialize Talicia in the UAE, as well as a right of first refusal to commercialize Talicia in the Gulf Cooperation Council (Saudi Arabia, Kuwait, Qatar, Bahrain and Oman) for a pre-determined period.

Talicia is the only rifabutin-based therapy approved for the treatment of H. pylori infection and is designed to address the high resistance of H. pylori bacteria seen with other antibiotics. The high rates of H. pylori resistance to clarithromycin have led to significant rates of treatment failure with clarithromycin-based therapies and are a strong public health concern, as highlighted by the ACG, FDA and the World Health Organization (WHO) in recent years.

Gaelan Medical, the UAE based healthcare and beauty distribution business follows a mission of care and cure and is dedicated to support healthcare providers with world-class solutions to better serve communities across the GCC region. Gaelan Medical, with its experienced management team, caters to diverse healthcare needs including, pharmaceuticals, medical consumables, medical equipment, and beauty products.

Tel Aviv's [RedHill Biopharma](http://www.redhillbio.com) is a specialty biopharmaceutical company primarily focused on gastrointestinal and infectious diseases. RedHill promotes the gastrointestinal drugs, Movantik for opioid-induced constipation in adults, Talicia for the treatment of Helicobacter pylori (H. pylori) infection in adults, and Aemcolo for the treatment of travelers' diarrhea in adults. (Redhill Biopharma 06.01)

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* 1. Quris Closes $28 Million in Seed Funding from Top Institutional Investors

Quris announced the final close of $28 million in seed funding – inclusive of the initial $9 million announced late last year with the launch of Quris’ BioAI platform for clinical prediction. Led by Welltech Ventures with participation from iAngels, GlenRock Capital and others, the funding will fast-track Quris’ novel drug research and development, team expansion and partner-building efforts as it scales to rapidly scan 100s of drug candidates to train its AI engine in its mission to revolutionize the drug development process.

Since launching its clinical prediction AI platform late last year, Quris has focused on expanding its industry collaborations and prepping the first drug developed on the platform, addressing Fragile X syndrome (FXS), for clinical testing in 2022. Quris uses AI-powered miniaturized “patients-on-a-chip” to avoid the tremendous risks and costs of failed clinical trials and eliminate the reliance on ineffective animal testing under the scientific leadership of industry visionaries. In partnership with The New York Stem Cell Foundation (NYSCF) Research Institute, Quris is developing a fully automated, self-training AI platform that better predicts clinical safety and efficacy for new drug candidates.

Tel Aviv's [Quris](http://www.quris.ai) aims to disrupt drug development by better predicting which drug candidates will safely work in humans – ensuring the safety and efficacy of new drugs and the repurposing and personalization of existing drugs. Using Quris’ patented Chip-on-Chip technology to test thousands of known and novel drug candidates on hundreds of its genetically diverse, miniaturized patients-on-a-chip, its automated, self-training BioAI platform generates proprietary data and uses machine learning to quickly predict clinical safety and efficacy. (Quris Technologies 11.01)

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* 1. DALI Medical's SAN Light Passive Safety Needle Enables User-Friendly Administration

DALI Medical Devices announced the first commercial implementation of its SAN-Light passive safety needle. SAN-Light was chosen to be used with Advanz Pharma's Mytolac/Myrelez - the first generic lanreotide drug product for the treatment of acromegaly and gastroenteropancreatic neuroendocrine tumors (GEP-NETs) - which to date has been launched in two EU markets. Advanz's product incorporates a prefilled syringe and a special version of SAN-Light needle that was customized to fit to the drug' parameters and users' needs. SAN-Light was selected for the product in large part because of its user-friendly design and easy customization to fit the syringe.

SAN-Light is a unique, single-use sterile hypodermic safety needle that is compatible with any Luer-lock syringe for subcutaneous or intramuscular drug administration. It is part of DALI's SAN® (Safe Auto Needle) family of safety injectable drug delivery devices, all of which enable a more safe and easy-to-use injecting experience for a wide range of formulations. The SAN-Light enables an enhanced experience for patients and the people who administer the injections, whether they are healthcare professionals, family members, or patients. The automatically activated (passive) needle shield reduces needle-stick injuries, and the partially hidden needle alleviates needle anxiety. Additional design features further facilitate injections.

Yavne's [DALI](http://www.dalimed.com) has been developing drug delivery devices from concept to commercialization for pharmaceutical and medical device companies since 2003. DALI offers patient-centric solutions for both healthcare professionals and for self-injection at home. The addition of a DALI injector boosts the value of a medication for patients, enabling reduced perception of pain, less anxiety and better adherence to treatment plans. (DALI 12.01)

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* 1. HeartPoint Global Announces Successful Pre-Clinical Trial Of New Implant System

HeartPoint Global announced a major milestone in ongoing pre-clinical trials of the HeartPoint Global Implant System (HPGS) in Israel. Following three successful rounds of pre-clinical testing where the HPGS was both successfully and uniquely placed in the main pulmonary artery and blood flow was further adjusted after the initial implantation, the most recent trial explored the placement of the minimally invasive HPGS in the arterial branches. This innovative placement resulted in a septum shift and a reaction in the tricuspid valve, indicating that left heart diseases can also be treated with an HPGS intervention in the arterial branches.

The HPGS is a first-of-its-kind patented system of stents that allows for the adjustment of blood flow during and after placement in the main pulmonary artery and/or its branches in order to significantly improve the structure of the heart and function of the heart-lung system. The innovative and minimally invasive intervention focuses on treating devastating left heart diseases and structural pulmonary hypertension. Pre-clinical trials are ongoing, and clinical trials are expected to take place in Europe within the next few months.

As a pioneer of breakthrough medical solutions, [HeartPoint Global (HPG)](https://www.heartpointglobal.com/) is paving the way for citizens worldwide to receive affordable, cutting-edge cardiac care. In response to the 92% of the world's population has no access to cardiac surgery, the leading medical device company is on a mission to provide innovative, minimally invasive, and accessible cardiac care on a global scale to ensure those who would otherwise suffer from or die of cardiovascular disease receive the care they need. HPG's patented Implant System (HPGS) is the first and only patented non-surgical structural heart system that addresses a variety of serious, life-threatening cardiovascular diseases. (HeartPoint Global 11.01)

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* 1. Sweetch Wins 2022 BIG Innovation Award

Sweetch has been named a winner in the 2022 BIG Innovation Awards healthcare category, presented by the Business Intelligence Group. Sweetch is the first company to combine behavioral science with deep technology, leveraging AI with EI (emotional intelligence) to engage every patient with the right message in the right tone, time and context to improve every step of their health journey with chronic conditions. Its proprietary Just-in-Time-Adaptive-Intervention (JITAI) technology converts millions of data points originating from the user's smartphone and other connected devices into hyper-personalized recommendations. JITAI continuously adapts to each patient's personality and real-life behavior patterns, catalyzing long-term change as part of their daily routine.

Sweetch is the trusted voice that empowers patients to manage their own conditions across multiple domains to improve their health outcomes, including medication adherence, nutrition, physical activity, sleep, weight management and more. At the same time, Sweetch enables healthcare companies and providers to build continuous relationships and engage with every individual patient with chronic conditions. Its platform is being used globally as an effective method for achieving sustainable engagement and improved clinical outcomes across various dimensions of chronic disease management and is backed by strong clinical evidence, with more trials in the pipeline.

Tel Aviv's [Sweetch](http://sweetch.com) is the first behavioral science company to leverage AI and EI (emotional intelligence) enabling pharmaceutical companies, device manufacturers, payers, pharmacies and healthcare providers to build continuous relationships and engage with every individual patient with chronic conditions, at scale. Sweetch provides a clinically validated digital therapeutics platform that moves individuals to achieve their health goals with hyper-personalized recommendations in the right time, tone and real-world context every step of the way throughout their health journey. Analyzing every user's personality, behavior and context, Sweetch's proprietary algorithms identify the individual's compliance patterns and continuously adapt recommendations to each user, leading to significantly improved adherence to treatment programs, better health outcomes and improved healthcare economics. (Sweetch 11.01)

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* 1. GrayMatters Health Closes a $10 Million A Funding Round

GrayMatters Health (GMH) closed its $10 million Series A financing round. Otsuka Medical Devices Co. (OMD) was the lead investor in this round. In addition to its investment, OMD obtained certain rights with regard to Prism in Japan and other countries in Asia. Additional investors in the Series A round included Joy Ventures, J-Ventures, and J-Impact. Existing GMH investors, Marius Nacht and Joyance Ventures, also participated in the round.

Connecting mental disorders with their underlying brain mechanisms, GMH offers Prism to help patients regain agency over their emotion regulation. Prism is a non-invasive adjunct digital therapeutic that utilizes novel neuroscience-based and brain-mechanism-specific biomarkers. GMH is the first to use machine learning technology to create an Electrical-Finger-Print (EFP) of brain-mechanism-specific biomarkers that are utilized in its proprietary treatment of mental disorders, training patients to employ self neuro-modulation techniques using an interactive audio-visual software.

[GrayMatters Health (GMH)](https://graymatters.health) develops digital self-neuromodulation therapeutics for mental disorders to help patients regain agency over their emotion regulation. GMH offers Prism, a non-invasive adjunct therapeutic that utilizes novel neuroscience-based and brain-mechanism-specific biomarkers. The company's first product candidate, Prism for PTSD, is undergoing clinical investigation in five sites across the US and Israel, to demonstrate its efficacy and safety as an adjunct to standard PTSD treatments. The novel technology was developed at Tel Aviv Sourasky Medical Center and Tel Aviv University. (GrayMatters Health 11.01)

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* 1. CAMBYA is Cutting Sugar Loads from Hazelnut & Chocolate Spreads

Rishpon's [B.T. Sweet](http://www.cambya.com) introduces CAMBYA, its plant-based, sweetening platform to cut loads of sugar from favorite treats, such as hazelnut and chocolate spreads. B.T. Sweet cracked the code on helping manufacturers create tasty hazelnut and chocolate spreads with less sugar. The company offers leading sweet spread, filling, and coating companies' new abilities to meet their sugar-reduction targets without compromising on much loved flavor qualities (especially those imposed by new regulations).

CAMBYA is a plant-based, one-to-one drop-in sugar replacer for use in multiple food & applications. The proprietary formula, based on soluble fibers, monk fruit, and select botanicals, is a 1:1 equivalent to sugar both in function and flavor, while acting as a source of naturally derived beneficial fibers. CAMBYA delivers optimal sweetening capacity, without the need for masking agents. It is ideal for lowering sugar levels in confectionary, cereals and ice cream. Most importantly, it does not leave any lingering aftertastes.

Since CAMBYA is one-to-one equivalent to sugar in taste, body and texture, there is no need for additives to keep the same weight of the product. A low-sugar spread with CAMBYA, offers a rich, chocolatey, nutty taste with a creamy sensation, without adding any colors, preservatives, or added flavorings. Moreover, it is enriched in fiber and is low in calories. CAMBYA's "plug and play" sweetening platform allows food companies to reformulate their spreads, as well as other products with less white sugar. Manufacturers have the flexibility to completely switch to BT Sweet's natural sweetening system, or balance it with sugar and other sweeteners according to desired levels without any adjustment to the recipe, thus saving R&D time and money. (B.T. Sweet 11.01)

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* 1. Impact NRS Creates RumenEra for High-Impact Rumen Microbiome Applications

Impact NRS, the National Institute for Biotechnology in the Negev (NIBN) and the Agricultural Research Organization (ARO) collectively announced the commencement of their partnership through the launch of RumenEra. NRS is a leading innovation company, focused on creating solutions to the health, wellbeing and sustainability challenges of our time, using its Convergence Innovation® platform.

RumenEra is developing and commercializing products and services for ruminant animals, such as cattle, that will substantially improve global food security, while decreasing environmental impacts, improving animal welfare, and ensuring economic security for key global stakeholders. Stakeholders include farmers, integrated food companies, their customers, and major players in the carbon credit markets. RumenEra uses microbiome-guided strategies to meet its objectives of balancing nutritional security with environmental burden, while maintaining high economic value. These urgent challenges affect all countries, and include adverse climate change, population growth, increasing demand for high-quality proteins, diminished land and water availability, and poor animal welfare.

NRS's Israeli leadership and commercialization divisions have already instituted a multidisciplinary team for RumenEra to meet its challenging goals.

The [National Institute for Biotechnology in the Negev](http://www.nibn.co.il) is a research institute that serves as an accelerator for technologies originating from Ben-Gurion University of the Negev, located on the University's campus. The institute's goal is to promote applied, innovative, and groundbreaking research in the field of biotechnology, while leading the proof of scientific concept and commercialization.

The [Volcani Institute](http://www.agri.gov.il/he/home/default.aspx) was established in 1921 and is Israel's leading agricultural and environmental R&D and innovation center. Israel's agricultural innovation is known around the world, and the Volcani Institute has been the driving force behind many of Israel's agricultural developments. Today, the Volcani Institute is looking to leverage its unique multi-disciplinary expertise and innovation capacity to forge public-private partnerships to address current global challenges.

Tel Aviv's [Impact NRS](http://www.impactnrs.com) is a leading innovation company, focused on creating and commercializing transformative solutions to the health, wellness and sustainable development challenges of our time, using its novel Convergence Innovation platform. The company collaborates with leading stakeholders worldwide to enable rapid commercialization and embeds Environmental, Social and Governance (ESG) and animal welfare as core elements in all their initiatives. (Impact NRS 14.01)

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* 1. Plantish Unveils Whole-Cut Plant-Based Salmon Fillets

Rehovot's foodtech start-up [Plantish](http://www.plantish.com) is giving consumers a first look at its flagship product, a 100% plant-based whole-cut salmon fillet, which mimics cooked salmon in texture, taste, appearance and structure. The 6-month-old company is developing a versatile, patent-pending additive manufacturing technology that will produce plant-based fish alternatives at low-cost and high-scale.

Plantish joined the burgeoning alternative protein start-up scene in early 2021 and soon after raised a pre-seed round of $2 million from TechAviv Founder Partners, a venture fund backed by top industry veterans, including 33 unicorn founders and angel investors.

The first product that Plantish is launching is Plantish Salmon, a fully structured, boneless salmon fillet. Plantish Salmon has the same nutritional value as conventional salmon, and is high in protein, Omega-3s, Omega-6s, and B vitamins. Unlike fish from the ocean or aquaculture, it is free of mercury, antibiotics, hormones, microplastics, and toxins.

The complexities for creating whole-cut fish are not only in creating the mimicked taste, texture and mouthfeel, but also two other crucial criteria: structure and scalability. Using the right plant proteins to achieve the fibrous strands meant to replicate the complex texture of animal muscle is the key to succeeding in capturing the experience of eating salmon, and doing so at scale will make it a suitable substitute for foodservice, restaurants and retail. Plantish's current prototype can be cooked in all the ways that conventional salmon is prepared. (Plantish 13.01)

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* 1. Nuvo & Unified Strategic Collaboration for Remote Pregnancy Monitoring

Nuvo Group, a private company commercializing INVU by Nuvo, an FDA-cleared, prescription-initiated, remote pregnancy monitoring platform, entered into a collaboration agreement with Unified Women's Healthcare (Unified), the largest, diversified physician practice management company dedicated solely to women in the United States. Unified provides comprehensive, tech-enabled business services to over 2,500 providers across nearly 900 locations in 19 states and Toronto, Canada. Providers affiliated with the Unified network care for more than three million women each year and are responsible for nearly one in every 23 births in the United States.

The partnership will begin with a pilot at Genesis OBGYN, an affiliated medical practice of Unified, by shifting medically necessary NSTs to home-based, remote monitoring using INVU rather than conducting traditional monitoring in an outpatient clinic setting. Providers will be able to prescribe INVU to expectant mothers, who will wear the sensor band during virtual visits with their physicians. During these visits, a live reading allows the expectant mother to access simplified data and insights via the paired INVU app, while the provider receives NST readings comparable to deeper fetal surveillance that OBGYNs are accustomed to receiving during in-office procedures.

Under the agreement, Unified intends to pilot the INVU platform to better manage at-risk pregnancies through the combined power of Unified's affiliates' advanced care delivery practices and scale and Nuvo's best-of-breed remote pregnancy monitoring platform. The goal, even within the pilot, is that remote and increased access to care will improve critical pain points for Genesis and its patients, such as better adherence to care protocols, improved throughput and capacity within provider practices, and overall improved patient and provider experience. After the Genesis pilot is complete and its goals are met, Unified and Nuvo intend to work together to integrate the INVU platform into Unified's network of medical affiliate care centers across the United States.

Based in Tel Aviv, Israel, [Nuvo Group](http://www.nuvocares.com) is committed to reinventing pregnancy care for the 21st century through new technology, tools, and practices for providers and expectant mothers, including the INVU by Nuvo platform, an FDA-cleared, prescription initiated remote pregnancy monitoring and management system. INVU sensor band enables the delivery of remote non-stress tests and maternal & fetal heart rate monitoring today while pioneering new data-driven personalized pathways that Nuvo believes will help improve health outcomes for all women in the future. (Nuvo Group 12.01)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Innoviz LiDAR Pilot to Enhance Twinner Vehicle Inspection Capabilities

Innoviz Technologies announced its collaboration with Twinner, a German-based vehicle scanner provider for remarketing and inspection purposes within the automotive industry, to enhance the capabilities of its sophisticated car scanner. Twinner is testing InnovizOne LiDAR with its Digital Twinn® platform to provide a high-quality 360-degree view of the vehicle in order to better assess, inspect and evaluate a vehicle's condition.

The integration of Innoviz's automotive-grade, solid-state InnovizOne LiDAR into Twinner's existing sensor suite, which includes multispectral sensors, would enable new features by providing 3D information about the vehicle. Furthermore, Twinner will evaluate Innoviz's rich point cloud data and APIs to support its own perception software. The ability to disclose a vehicle's condition offers value across the automotive ecosystem by providing transparency to car makers, fleet operators, car dealers and service providers competing in a newly digitized space.

Kfar Saba's [Innoviz](http://www.innoviz.tech) is a global leader in LiDAR technology, working towards a future with safe autonomous vehicles on the world's roads. Innoviz's LiDAR and perception software "see" better than a human driver and reduce the possibility of error, meeting the automotive industry's strictest expectations for performance and safety. Operating across the U.S., Europe and Asia, Innoviz has been elected both by an internationally-recognized premium car brand for use in consumer vehicles as well as by other commercial and industrial leaders for a wide range of use cases. (Innoviz Technologies 06.01)

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* 1. proteanTecs and Alchip Bring Production Visibility to Advanced ASICs

proteanTecs announced a commercial agreement with Taipei, Taiwan's Alchip Technologies, a leading high-performance computing ASIC company, to provide ASIC production visibility to fabless semiconductor companies in Greater China. proteanTecs provides visibility based on Universal Chip Telemetry™ (UCT), a smart on-chip monitoring method, combined with knowledge-based machine learning algorithms. Customers gain access to advanced analytics in the cloud and edge, enabling them to bring robust and competitive SoCs to market.

proteanTecs' technology is integrated and proven in Alchip's 5nm silicon and deployed in projects with mutual customers. This agreement will allow the company to further accelerate its penetration into Greater China and expand its commercial footprint.

Haifa's [proteanTecs](http://www.proteanTecs.com) is a leading provider of deep data monitoring solutions for advanced electronics in the Datacenter, Automotive, Communications and Mobile markets. Based on Universal Chip Telemetry (UCT), the company provides system health and performance monitoring, from production to the field. By applying machine learning to novel data created by on-chip UCT agents, the company's analytics platform delivers predictive insights and visibility, leading to new levels of quality, reliability and scale. (proteanTecs 09.01)

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* 1. Gilat Captures Maritime Market Share in Deal with Eurasian Satellite Service

Gilat Satellite Networks announced that the company has captured a greater share of the maritime market in a new deal with a Eurasian satellite service provider that is set to enable expanded maritime connectivity in the region. Gilat’s SkyEdge II-c system, equipped with Gemini and Capricorn VSATs, will be used to deliver connectivity for vessels at sea, primarily providing broadband communication for commercial fishing and maritime transport market segments.

Petah Tikva's [Gilat Satellite Networks](http://www.gilat.com) 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 their 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 13.01)

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* 1. EasyWay Named Best Contactless Check-in Solution in the 2022 HotelTechAwards

EasyWay has been named 2022's #1 Contactless Check-in Solution, #2 Guest Messaging Software, #2 Upselling Software and #3 Live Chat & Chatbot by Hotel Tech Report. This is the second year in a row that EasyWay finished in first place for contactless check-in solution and was a finalist in the most important guest experience categories at HotelTechAwards.

Each month, more than 169,000 hotel industry professionals use HotelTechReport.com to make informed technology purchasing decisions. The HotelTechAwards determine the best hotel software products across every category based on customer feedback and key proprietary data signals such as integration compatibility, organizational health, market share, partner network strength, and customer support quality.

Reviews from verified users of EasyWay highlight features like the proactive and automatic omni-channel guest communication via messaging apps, the high level of personalization in every aspect of the system, the constant product development, and their excellent customer support. Customers also gave EasyWay glowing reviews for a significant increase in incremental sales and high conversion rates across all categories - Online Check-in, Upselling, Guest Messaging and Live Chat & Chatbots.

Tel Aviv's [EasyWay](https://www.easyway.ai/) is an end-to-end contactless guest journey platform enabling hotels to digitise and personalise the entire guest journey. Hotels can curate innovative, highly convenient, and safe guest experiences while benefiting from new revenue streams, increased operational efficiency and improved guest engagement. The hotel technology platform enables hotels to automatically engage with guests via their preferred channel of communication to increase the bottom line. The EasyWay platform instantly connects with guests over WhatsApp, WeChat, Facebook Messenger and more in over 100 languages, providing two-way immediate translation. (EasyWay 11.01)

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* 1. Leading Mexican Mobile Operator Extends 4G Cellular Backhaul Services with Gilat

Gilat Satellite Networks received a 12 month extension on its recurring revenue managed services 4G cellular backhaul project with a leading Mobile Network Operator (MNO) in Mexico. The leading MNO is providing 3G and 4G services over Gilat's satellite backhaul to remote regions where terrestrial means, such as fiber and microwave, are not available. In addition, Gilat's satellite platform allows the mobile operator to use transportable VSATs for disaster recovery, thus ensuring connectivity anywhere in Mexico at all times.

Petah Tikva's [Gilat Satellite Networks](http://www.gilat.com) is a leading global provider of satellite-based broadband communications. With 30 years of experience, they design and manufacture cutting-edge ground segment equipment, and provide comprehensive solutions and end-to-end services, powered by their 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 10.01)

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* 1. Trigo Tests Frictionless Stores for Wakefern Food Corp.

Trigo and Wakefern Food Corp., the largest retailer-owned cooperative in the U.S., announced an agreement to pilot an autonomous supermarket making use of Trigo's AI-based frictionless checkout technology. Wakefern, the logistics, distribution and merchandising arm for ShopRite stores, is comprised of nearly 50 member companies that independently own and operate close to 360 retail supermarkets under the ShopRite, Price Rite Marketplace, The Fresh Grocer, Dearborn Market, Gourmet Garage and Fairway Market banners.

Trigo transforms existing supermarkets and grocers into fully autonomous, digital stores, combining their technology with Trigo computer vision to create a seamless shopping experience. Applying Trigo's GDPR compliant technology to various locations will allow retailers to successfully scale their business while maintaining their unique character and layout. Shoppers use an app to scan a QR code as they enter, and then will be free to pick up items and leave without having to checkout – there is no exit gate.

Tel Aviv's [Trigo](https://www.trigovision.com/) is a computer vision company reshaping the retail experience. Leveraging world class AI and algorithmics experts, the company's advanced retail automation platform identifies customers' shopping items with exceptional levels of accuracy, creating an entirely seamless checkout process. Trigo works closely with retailers to convert their existing stores while maintaining their unique character and layout and leveraging their physical grocery scale to roll out next-generation offerings securely. Powered by its proprietary 3D engine, Trigo offers grocery retailers a range of additional solutions called StoreOS, including predictive inventory management, pricing optimization, security and fraud prevention, planogram compliance, and event-driven marketing. (Trigo 13.01)

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* 1. Valens Semiconductor Ships Engineering Samples of MIPI A-PHY Standard Chipsets

Valens Semiconductor announced that it is shipping engineering samples of the VA7000 chipset family to more than 25 automotive customers and partners, including four leading automotive OEMs and more than 10 Tier-1 prospective customers, for evaluation and integration into their platforms. The Valens VA7000 chipset family is the first on the market to implement the MIPI A-PHYSM standard for in-vehicle sensor connectivity.

Since the release of the A-PHY standard for high speed in-vehicle video connectivity by the MIPI Alliance in September 2020, it has gained significant momentum within the industry. In 2021, the IEEE standards association adopted A-PHY in full as one of its own standards, and major automotive companies have been working to integrate it into their next-generation solutions. For the first time ever, the VA7000 chipsets will enable the industry to remove costly and proprietary bridge CSI-2 extension solutions widely used today, in favor of a Digital Signal Processing (DSP)-based standardized protocol, which will simplify the connectivity infrastructure in the car.

Hod HaSharon's [Valens](https://www.valens.com) is a leading provider of semiconductor products, pushing the boundaries of connectivity by enabling long-reach, high-speed video and data transmission for the automotive and audio-video industries. Valens' Emmy award-winning HDBaseT technology is the leading standard in the professional AV market with tens of millions of Valens' chipsets integrated into thousands of HDBaseT-enabled products. Valens Automotive is a key enabler of the evolution of autonomous driving, providing chipsets that are on the road in premium vehicles around the world. (Valens Semiconductor 13.01)

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* 1. Jungo Announces VuDrive - A Complete AI Video Telematics Solution

Jungo introduced VuDrive, a complete aftermarket solution for fleets, Telematic Service Providers (TSPs) and distributors, providing camera-based driver monitoring, road risk analysis, video recording and cloud services. Based on Jungo's award-winning and patented CoDriver AI software, VuDrive's dual-camera is an end-to-end AI video analytics solution for driver safety, including real-time driver monitoring alerts, road risk analysis, cloud services for fleet managers and APIs for TSPs to integrate into their own cloud. The VuDrive hardware is easy to install, affordable and without long term commitment.

VuDrive provides fleets real time alerts on risky driver and road events, and enables viewing complete safety information and driver scoring, both aggregated and per event, which includes real-time all driver notifications, video clip recordings of both the cabin interior and the road. This enables fleets to identify and improve risky drivers, and prevent potential future accidents. VuDrive offers an affordable price and a flexible business model and is now generally available worldwide to fleets and TSP's.

Netanya's [Jungo](http://www.jungo.com) is recognized as a global supplier of in-cabin sensing AI software, and is a leading supplier in the DMS industry. With its flagship product, CoDriver, a complete AI software stack, enabling OEMs, Tier-1s, aftermarket manufacturers and fleet technology suppliers to quickly embed accurate, robust, cost effective and compute-friendly driver monitoring and passenger sensing capabilities. Jungo is a public company, and has been trading on the Tel Aviv Stock Exchange (TASE) since July 2021. (Jungo 12.01)

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* 1. DriveNets & ITOCHU Transform Service Providers' Networks in Japan

DriveNets announced a strategic partnership with ITOCHU Techno-Solutions, a comprehensive services company providing optimum solutions and cloud services to its customers, to help service providers in Japan leverage the cloud architecture to accelerate growth and realize operational efficiencies, by disaggregating their networks and deploying cloud-native solution.

ITOCHU Techno-Solutions is joining DriveNets' Partner Program, and will integrate DriveNets Network Cloud solution at service providers and hyperscalers in Japan, streamlining and accelerating the evolution to cloud-based networking. ITOCHU Techno-Solutions will support the critical steps of network rollouts, including design, testing, validation, production readiness, sourcing and logistics, end-to-end seamless integration, and technical support. The companies have already secured deployment agreements with key Tier-1 service providers in Japan, and are currently expanding to additional joint projects in the region. ITOCHU Techno-Solutions and DriveNets are building up on this partnership and planning to extend it to other APAC countries.

Founded in 2015, Ra'anana's [DriveNets](http://www.drivenets.com) is a leader in cloud-native networking software and network disaggregation solutions. DriveNets offers communications service providers (CSPs) and cloud providers a radical new way to build networks, substantially growing their profitability by changing their technological and economic models. DriveNets' solution – Network Cloud – adapts the architectural model of cloud to telco-grade networking. Network Cloud is a cloud-native software that runs over a shared physical infrastructure of standard white-boxes, radically simplifying the network's operations, offering telco-scale performance and elasticity at a much lower cost. (DriveNets 18.01)

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* 1. Wi-Charge Debuts Wi-Spot Wireless Video Display for Physical Stores

Wi-Charge, the leader in long-range wireless power solutions, announces the launch of Wi-Spot, the first digital shelf talker that is completely wireless powered and does not require either batteries or power cables. The Wi-Spot display can be used in any retail location, including wholesale, fashion, fast food chains, airports, and shopping centers. Wi-Spot is powered by the Wi-Charge wireless charging platform, the most robust long-range wireless technology available today. Wi-Spot also contains sensors for sending and receiving data such as aisle traffic, customer engagement, and messaging effectiveness. Wi-Charge is certified consumer-safe and is FDA approved.

Wi-Charge provides a range of long-distance wireless charging solutions based on a patented and field-proven-infrared technology that is safe, eco-friendly, and easy to deploy. Wi-Charge leverages its innovative long-range IR-based wireless charging platform to provide power to various verticals and environments, including the home, retail, business environments, industrial IoT devices, and more.

Rehovot's [Wi-Charge](http://www.wi-charge.com) is a long-range wireless power company founded to enable automatic charging of phones and other smart devices. Their patented infrared wireless power technology can safely and efficiently deliver several watts of power to client devices at room-sized distances. It gives end-users the freedom they crave and product designers the power to usher in the next generation of mobile smart devices. (Wi-Charge 17.01)

ISRAEL ECONOMIC STATISTICS

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* 1. Inflation in Israel Hits Highest Rate for the Decade in 2021

The Central Bureau of Statistics announced that Israel's Consumer Price Index (CPI) rose unexpectedly by 0.3% in December 2021. Cumulatively, during 2021, the CPI rose by 2.8% (within the Bank of Israel's target range for inflation of between 1% and 3%). Inflation hit its highest rate for a decade in 2021, after negative inflation of 0.7% in 2020 due to the COVID crisis.

There were significant price rises in December in footwear and clothing (1.1%), housing costs (0.8%), furniture and household equipment (0.7%) and food (0.5%). There were significant price falls in fresh fruit and vegetables (2.7%) and culture and entertainment (0.8%).

The housing prices index, which is separate from the CPI, continued to rise in the period October-November, in comparison with September-October, climbing by 1.4%. Housing prices have risen 10.6% over the past 12 months and by 18% since the start of 2019. (CBS 14.01)

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* 1. Unemployment Rate in Israel Continues to Fall

The Central Bureau of Statistics announced that Israel's unemployment rate dropped to 4.1% in December from 4.6% in November, a sign that the economy continues to recover from the pandemic. Overall unemployment (including people who stopped working at the start of the pandemic in March 2020) also fell from 6.5% in November to 6% in December. There are 262,000 people currently not participating in the work force, due to reasons related to COVID.

On the negative side, the percentage of Israelis participating in the workforce fell slightly from 60.2% in November to 60.1% in December. In addition to the continuing fall in the unemployment rate, there is a continuing rise in the number of job vacancies, with salaries also on the rise.

But all these figures relate to the pre-Omicron era and the initial lockdown caused by the record number of new COVID cases and the large number of people in isolation. Credit card sales, for example, fell by more than 6.5% in the first half of January and the Bank of Israel estimates that 20 days with high morbidity and large numbers of people in isolation will cost the economy NIS 2.5 billion. (CBS 17.01)

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* 1. Bank of Israel Says Omicron will Cost Israel $640 Million Monthly

The Omicron coronavirus variant sweeping Israel will cost the economy around NIS 2 billion ($641 million) a month, Bank of Israel Governor Yaron said on 10 January. The central bank chief said the government should also prepare for a worst-case scenario in which vital services could be compromised as infections soar. Yaron further projected that Israel's economic growth for 2022 would likely be 5.5% with businesses recovering after the Omicron wave subsides. The Omicron-dominated fifth coronavirus resurgence could also affect the national deficit.

The Finance Ministry said that despite the pandemic, the government has been able to reduce the deficit to 4.5% of GDP. The ministry originally projected a 6.8% budget deficit for 2021 then revised it downwards to 5.5% in October. According to financial daily Globes, these figures are an improvement from the 11.7% budget deficit in 2020, as they are closer to 2019's pre-COVID deficit goals of 3.7%.

The report noted that the improvement noted in 2021 stemmed from the increase in government revenues, which came to NIS 413 billion ($132 billion), up 30% from 2020, as well as diminished COVID-related expenditure, which fell to NIS 55 billion ($18 billion), from NIS 68 billion ($22 billion) in 2020. Tax revenues in 2021 came to NIS 384 billion ($123 billion). (Various 11.01)

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* 1. Israelis Abandoning Cash for Digital Wallets

The entry of Google Pay's online payment system to Israel, alongside Apple Pay, has significantly increased the use of digital wallets in Israel. Online payments increased from four million to six million between November and December 2021. In December, NIS 600 million ($192 million) in payments were made online compared to just NIS 18.11 million ($5.8 million) when Apple Play was first introduced in April of last year.

Around 800,000 Israelis are estimated to have downloaded an online payment app, be that Google Pay, Apple Pay, or a digital wallet from the Israel Credit Cards Company, Max, Leumi Digital, Isracard, PayBox, Bit Pay or AnyPay. Of the 800,000 who downloaded an online payment app, 510,000 opted for Apple Pay, while the remainder were those with Android operating systems on their cellphones. Among those with Apple Pay, 330,000 consistently used their digital wallet to make payments, as did 140,000 Android users.

According to the Automated Bank Services, which manages Israel's credit card payment system, Google Pay's entry into the digital wallet market in early December led to a 42.4% increase in online payments. Around NIS 592 million ($190 million) were paid online in December compared to NIS 416 million ($133 million) the previous month. Since Apple Pay's entry into the Israeli digital wallet market, online payments have increased 33%.

Israeli credit card expenditures increased 15.96% to over NIS 346 million ($110 million) from 2020 to 2021. ATM withdrawals increased 13.5% to slightly over NIS 62 billion ($20 billion) in 2021 compared to NIS 54.60 billion ($18 billion) the previous year. (IHL 06.01)

IN DEPTH

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* 1. MENA: Renewable Energy Production in the MENA Region Overview

[Enterprise Egypt](https://enterprise.press/) reported that renewable energy production in the MENA region will more than double over the coming five years as states ramp up investment in green technology and reduce reliance on hydrocarbons, according to the International Energy Agency (IEA). Capacity in the region will eclipse 32 GW by 2026, up from 15 GW currently, the organization forecast in its Renewables 2021 report, published in December. However, the MENA region is far behind other parts of the world which are taking far bigger steps to increase their renewables footprint and phase out use of fossil fuels.

The epicenters of MENA renewables growth, Egypt, the UAE, Saudi Arabia, Morocco and Israel, will account for more than 75% of renewables growth over the next five years, the IEA said. Solar will be the driving force, accounting for more than two-thirds of renewables growth as the technology becomes more cost effective. An increase in competitive auctions, falling system costs and better financing conditions has seen bid prices in MENA fall more than 80% over the past six years.

The UAE leads as the country’s capacity is set to rise by over 6 GW by 2026 due to solar PV and concentrated solar power, as well as rising bioenergy and hydropower generation. This is higher than that forecasted last year on the back of higher PV production. A close second is Saudi Arabia, whose renewable capacity is also expected to rise by over 6 GW, underpinned by a rise in utility-scale solar PV.

Egypt’s renewable capacity is set to rise by 68% or 4 GW over the coming five years, bringing the country’s total capacity to around 10.1 GW from 6.1 GW currently. The IEA expects Israel to more than double its renewable capacity, increasing 5.2 GW over the period, while Morocco will add another 3.8 GWof utility-scale solar PV, onshore wind, CSP and hydropower capacity. More bullish on MENA renewables is Apicorp, which said in a report last year that it expects 20 GW of solar energy alone to come online by 2025.

Of the IEA’s eight regions, MENA came second to last behind Sub-Saharan Africa. China, Europe, the US, India, Latin America and ASEAN will all make bigger gains over the coming five years than MENA. Investment in conventional energy will continue to far outweigh renewables. Of the $805 billion Apicorp expects to be invested in MENA energy projects in the first half of the decade, only around $100 billion will go towards renewables.

The region could add up to 57 GW by 2026 if it wasn’t for some major challenges. The region lacks the sufficient grid infrastructure to connect renewable plants and transport the power to demand centers, as well as utility-grade infrastructure for storing renewable energy. MENA also suffers from exacerbating overcapacity amid pandemic-driven reduced energy demand. Existing regulatory frameworks currently do not allow corporate purchase power agreements and bilateral contracts, which could open the doors to more investment in the sector. (Ent 11.01)

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* 1. ISRAEL: Bank of Israel Monetary Policy Report, Second Half of 2021‎

**Abstract ‎**

This report surveys the monetary policy during the second half of 2021 and the beginning of the ‎first half of 2022. During the six months being surveyed and following the exit from the third ‎lockdown, the Israeli economy recovered rapidly, and it appeared that economic activity was ‎returning to normal. This was in view of the vaccinations’ efficiency, which led to a sharp ‎decline in rates of infection and allowed for the loosening of restrictions on activity. Later during ‎this half year, the Delta variant of the COVID-19 virus began to spread and the number of ‎severely ill patients increased; this was alongside a third round of vaccinations. The economy ‎coped with this wave of infection with a minimum of limitations relative to the previous waves. ‎Nonetheless, there remained a high degree of uncertainty regarding economic activity, due to ‎the COVID-19 virus and in particular the spread of the Omicron variant toward the end of the ‎surveyed half year. ‎

**Monetary policy:** The rate of interest was left unchanged at 0.1% during the second half ‎of 2021. It was also decided to end the use of the special tools that had been announced by the ‎Monetary Committee at the height of the COVID-19 crisis in 2020. In view of the continuing ‎effect of COVID-19 on economic activity, the Bank of Israel purchased $34.8 billion during 2021. ‎Thirty billion dollars were purchased in accordance with the decision of the Monetary Committee ‎at the beginning of the year while the remainder was purchased in November–December after ‎the Committee announced that intervention in the market would continue. ‎

**Domestic real activity:** The data and indicators presented to the Committee during the period ‎being reviewed indicated a relatively rapid pace of recovery in GDP and employment and that ‎GDP is approaching the levels that would have been expected had there not been a COVID-19 ‎crisis. This is after dealing with the three lockdowns imposed during 2020 and the first half of ‎‎2021 and with a fourth wave during the period being surveyed, which led to only relatively light ‎limitations on activity. Nonetheless, as of the end of the half year reviewed, not all limitations ‎have been lifted, and in particular there remain significant limitations on incoming tourism. After ‎the approval of an outline that was to have allowed a marked increase of inbound tourism, the ‎spread of the Omicron variant led to a considerable closing of the skies by the imposing of ‎significant restrictions on activity at Ben Gurion Airport. ‎

**The labor market:** The data from the Labor Force Survey for November (ages +15) showed ‎stabilization of the broad unemployment rate at a level of approximately 6.5%, and an ‎adjusted employment rate of about 60%, compared to about 61% prior to the crisis, ‎in 2019. The number of job vacancies during the half year being reviewed continued to rise, a ‎continuation of the trend since the beginning of 2021. This phenomenon is characteristic of ‎other advanced economies that experienced a rapid increase in the number of unemployed ‎persons against the background of government policy regarding unpaid leave. With the easing ‎of limitations and the rapid growth in GDP, new job vacancies were bring created, and are being ‎filled at a relatively slow pace, which may indicate an increase in the structural unemployment ‎rate. ‎

**Inflation:** The second half of 2021 was characterized by a high inflation environment relative to ‎recent years. At the beginning of the year, the annual rate of inflation entered the target range ‎and subsequently continued to rise to above the midpoint of the target range and reached 2.5%. Toward the end of the year, it moderated somewhat to 2.4%. Inflation ‎expectations for the coming year increased according to all sources, and are around the ‎midpoint of the target range. However, there is a gap between expectations derived from the ‎capital market and the lower forecasts by analysts and expectations derived from the banks’ ‎internal interest rates. It appears that this gap reflects the risk premium.‎ ‎ According to the ‎various forecasts, the rate of inflation is expected to moderate somewhat but is expected to ‎remain within the target range for all terms. ‎

**The exchange rate:** The shekel was stable until the end of the first half of the year, both in ‎terms of the nominal effective exchange rate and against the dollar and the euro, against the ‎background of the approximately $25 billion purchased by the Bank of Israel. During the second ‎half of the year—the one being surveyed—there was a trend of appreciation in the shekel. Also ‎during this half year, there were high levels of foreign currency conversions by institutional ‎investors and nonresident investors, which worked toward the appreciation of the shekel, and ‎the pace of purchases by the Bank of Israel declined. ‎

**The global economy:** During the half year being surveyed, the global economy continued to ‎recover, against the background of the moderating rate of morbidity and an increase in levels of ‎vaccination, which was accompanied by the removal of limitations on economic activity. At the ‎same time, it appears that the momentum weakened due to problems in the global production ‎chain and the rise in energy prices, which increases the risk of inflation, and a renewed ‎outbreak of the pandemic. The global inflation environment remains high, and the inflation rate in ‎most countries is above target. In the IMF’s global growth forecast, at the beginning of the ‎period being surveyed the growth rate for 2022 improved somewhat, and was stable during it; ‎while the forecast for 2021 remained essentially unchanged during the half year being surveyed. ‎So far, interest rates have been raised only in countries where inflation has deviated markedly ‎from its target. ‎

**The credit market:** During the half year being surveyed, interest rates remained stable at low ‎rates. An examination of financing difficulties based on the Business Tendency Survey ‎conducted by the Central Bureau of Statistics showed similar levels to those prior to the crisis—‎in contrast to the previous half year, in which small and micro businesses found it more difficult ‎to obtain credit than during the pre-crisis period. At the same time, the credit constraints in the ‎hotel industry remained significant during the surveyed period as well. The bank interest rates ‎remained stable in all activity segments; therefore, and against the background of the economic ‎recovery, the Bank of Israel ended programs that offered inexpensive sources of financing to ‎banks for the providing of loans to small and micro businesses, which were intended to help ‎businesses endure the COVID-19 crisis. ‎

**Developments in the financial markets:** In the capital market, equity prices in the various ‎sectors increased during the half year being surveyed. Corporate bond spreads also grew, ‎although more moderately. The yields on 10-year Israeli government bonds declined at the ‎beginning of the half year being surveyed and rose towards the end of it, similar to the global ‎trend. Assessments from the Telbor market with respect to expectations of the Bank of Israel ‎interest rate changed during the course of the reviewed half year, and in the fourth quarter they ‎increased to a level that implied a likelihood of 100% that there would be at least one ‎interest rate hike of 15 basis points in the coming year (to 0.25%). That was the highest ‎probability observed since the outbreak of the pandemic in March 2020. At the end of the half ‎year there was a decline in those expectations, similar to trends in other countries. ‎

**Fiscal policy:** The cumulative deficit continued to decline during the half year being surveyed, ‎to 4.6%, due to the continued marked growth in tax revenues (even relative to the long-‎term trend), alongside a decline in government expenditure—the result of reduced COVID-19 ‎expenditures and underperformance of the allocated interim budget, as well as a relatively slow ‎increase in expenditure even after the approval of the budget. The proposed budget for 2021–22 ‎received final approval by the Knesset at the beginning of November and contributed to ‎reducing fiscal uncertainty. The new deficit targets are 6.8% for 2021 and 3.9% for ‎‎2022, which are lower than the current deficit forecasts for those years. ‎

**The housing market:** The trend of accelerating increase in home prices, which began toward ‎the end of 2020 and intensified during 2021, continued during the period being surveyed as well. ‎ Home prices have increased during the previous 12 months by 10.3% (the figure for ‎September-October). The Committee discussed the rise in home prices, which developed ‎against the background of a reduction in the purchase tax for investors in July 2020 and the ‎discontinuation of the Buyer’s Price program. During the period being surveyed, new ‎government programs went into effect that are intended to halt the marked increase in home ‎prices, including an increase in the purchase tax for investors. Alongside these, the increase in ‎rents remained relatively moderate for most of the period being surveyed, similar to the pace in ‎the previous half of the year and a continuation of the notable moderation seen in 2020. Toward ‎the end of the period being surveyed there was some acceleration—through November the ‎Owner Occupied Housing Services Index had risen by an annual rate of about 2.9%. ‎

**The Research Department forecast:** The Research Department published three forecasts ‎during the period being surveyed, simultaneous with announcements of the interest rate–in July ‎and September 2021 and in January 2022. According to the January forecast, GDP will grow by ‎‎5.5% in 2022 (it was 6.0% according to the July forecast) and the unemployment ‎rate is expected to continue its decline to a level of about 4.8% in the fourth quarter, ‎which is still above its pre-crisis level (of about 3.8%). The debt to GDP ratio is expected ‎to be 69% in 2022 (74% according to the July forecast). Inflation during the next ‎four quarters (the last of which is the fourth quarter of 2022) is expected to be 1.6%. (BoI ‎‎17.01)‎

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* 1. ISRAEL: Israel Pledges to Keep the US in the Loop Concerning Trade with China

Danny Zaken posted on 12 January in [Al-Monitor](https://www.al-monitor.com) that in the face of growing American concerns, Jerusalem has reportedly promised Washington it will keep it abreast of any major business deals with Beijing.

Ever since the current Israeli government took office five months after the Biden administration entered the White House, the United States and China have been locked in a commercial and strategic conflict with important implications for Israel. Inevitably, Washington has expected Jerusalem to align its policies with its own, for instance pressuring Israel because of its commercial and technological ties with China. While the current government has made certain policy changes, it remains unclear whether they meet US expectations in terms of scope or speed.

The issue was raised in the recent meetings between senior officials from both countries, including during Prime Minister Bennett’s 27 August visit to Washington and his meeting there with President Biden. It came up again during Foreign Minister Lapid’s visit to in mid-October, although the issue wasn’t mentioned in any summaries of his meetings there.

The dilemma lies in Israel's increasing trade with China and Beijing’s enormous investments in Israeli infrastructure projects. At a recent press briefing, Lapid noted that while China is Israel’s third-largest trading partner, strengthening ties with the United States is his ministry’s foremost strategic objective.

Economic ties between Israel and China grew significantly over the last decade. They gained momentum as a result of a 2014 government decision to remove obstacles to trade with China and promote technological and other cooperation with Beijing. Former Prime Minister Netanyahu met with Chinese President Xi Jinping in China in 2017 and with Vice President Wang Qishan in Jerusalem in 2018.

Doron Ella, a research fellow in the Israel-China program at Israel’s Institute of National Security Studies, says that Chinese investments make up just under 10% of foreign capital invested in Israel, far behind foreign investments from the United States and Europe. On the other hand, the main source of US concern is Chinese investment in supposedly sensitive technologies, regardless of the actual scope.

But Jerusalem has decided to put the dilemma of its place in the conflict between the United States and China on hold, while taking steps to alleviate US concerns. Reportedly, this latter effort involves closer ties on all issues involving Chinese investments in Israel, greater transparency about them and updating the Americans about all major business deals.

Israeli sources have made it clear that China is and remains a major trading partner with Israel. As an example, they point to recent talks between Lapid and China’s Science Minister Wang Zhigang. Israeli President Isaac Herzog spoke with Xi on 17 November and the two announced that they intend to advance joint initiatives between the two countries. Herzog’s office released a statement calling for greater cooperation in the areas of economics, tourism and culture. The mood during the discussion was friendly and positive, with the two leaders noting the “historic occasion of the first-ever phone call between the presidents of China and Israel.”

Thousands of Chinese laborers work on infrastructure projects being built in Israel by Chinese firms. However, Israeli sources also say that there are certain restrictions and limitations in place. They explain that the new transparency with Washington is intended to prevent anything like the Falcon deal occurring behind Washington’s back. Back in 2000, Israel had to cancel the sale of its reconnaissance plane to China over American objections. Nevertheless, Israel will not avoid deals similar to those that the Americans themselves are making with China and will not impose restrictions on itself that the Americans do not observe themselves.

In conversations with the Americans, Israel suggested for Washington to encourage American companies to compete with Chinese companies over infrastructure projects in Israel. According to a source at the Foreign Ministry, Israel will not squabble with the Americans because of the Chinese, even if there are economic implications.

The person appointed to oversee the issue in Israel is the head of the National Security Council, Eyal Hulata. He works closely with senior Foreign Ministry officials, headed by the ministry’s director, Alon Ushpiz. The issue comes up whenever they have talks with the US administration, including during recent visits to Israel by Secretary of State Antony Blinken and national security advisor Jake Sullivan.

A senior Israeli diplomatic official told Al-Monitor on condition of anonymity that China is the second or third most important issue raised in talks between top US and Israeli officials, after Iran and its nuclear program and maintaining Israel’s technological superiority in the face of the Iranian threat. “We realized right from the start that this is a pressing issue for the Americans. Sometimes the issues get shuffled. In other words, it has been more than hinted to us that the China issue is the Americans’ number-one foreign policy priority, with an emphasis on developing a strategic response to the Far Eastern giant. Israel is being asked to pick a side, particularly if it wants to keep America attentive to its demands regarding the nuclear negotiations with Iran.”

Another issue that comes up in talks with the United States is the demand that Israel expand oversight over foreign investments, particularly Chinese investments. The mechanism for this oversight was created a few years ago in response to American demands, but it has no real teeth. Israel is now looking into the possibility of transferring the responsibility to the National Security Council, which would then oversee Chinese investments directly. Recent activity by Beijing, in particular its extensive relationship with Iran, might push Jerusalem to reduce Chinese investments.

At the same time, tension remains between the benefits and economic interests surrounding the relationship with China and the close diplomatic, defense and economic alliance with the United States. This tension has not dissipated, even though the current government makes every effort to prove that its preference lies with Israel’s closest friend and ally. It acts with the utmost transparency so as to enable the Americans to express their opposition to any deals with China that it considers problematic. (Al-Monitor12.01)

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* 1. UAE: The $2.47 Billion Dairy Products Markets, 2021-2027

The UAE Dairy Products Market, 2021- 2027 report has been added to [ResearchAndMarkets.com](http://www.ResearchAndMarkets.com)'s offering

The UAE Dairy Products Market stood at $1.66 billion in 2020 and is projected to reach $2.47 billion at a CAGR of 6.89% by 2026 due to the increasing young population, rising health-conscious consumers and strong per capita personal income. Moreover, increasing demand for flavored and organic dairy products among the UAE population, especially through modern grocery and supermarket channels and changing consumption patterns of consumers are other factors that are fueling the UAE Dairy Products Market.

Rising awareness of the benefits of consuming pasteurized milk over raw milk and changing consumer buying behavior are driving the growth in the UAE Dairy Products Market. Furthermore, the growing popularity of low-fat dairy products is generating demand for these products from various population segments, and opening new avenues for companies in the UAE Dairy Products Market.

The buying patterns for dairy products have changed and people are slowly adapting to change in food habits and with this the demand for the value-added dairy products such as, cheese, butter and other products etc. has increased. The increasing demand for dairy products among young population looking to lead an active and healthy lifestyle is expected to play a significant role in driving the UAE Dairy Products Market.

With increasing number of lifestyle diseases, the young population is demanding dairy products on a daily basis, as these products are free from adulterants and chemicals and are high in nutritional value. The younger generation is also preferring dairy products due to the fact that they do not contain a high concentration of chemicals and pesticides. The younger generation believes that the lifestyle diseases could be controlled by switching to the healthy dairy products. Due to rising health problems, this has given immense opportunities to manufacturers to cater to this market. The dairy products that were once popular with the older generations and menials are now being considered largely by the younger generations.

Although dairy products are believed to be essential items, the strict COVID-19 lockdown imposed in the UAE slightly affected retail store sales. However, the online channel reported higher sales of dairy products during the lockdown period, as it was the only safe and available option for the consumers. Koita Foods, a dairy and plant-based drinks company, saw a 350% rise in online sales last year as consumers working from home during the COVID-19 pandemic embraced e-commerce and healthier diets.

Dairy milk dominated the UAE Dairy Products Market with a market share of around 30% in 2020. However, year-on-year trends for dairy milk are declining in the UAE due to increasing consumer preference towards value-added products like organic milk, soy milk, especially among young generations. The ghee & butter segment is the fastest-growing segment in the forecast period due to longer shelf life and growing demand from the food industry.

Based on distribution channel segment, the UAE Dairy Products Market is segmented into supermarket/hypermarket, grocery stores, online & others. Among them, supermarket/hypermarket segment is dominating the UAE Dairy Products Market due to the availability of all variety of dairy products in supermarkets.

Based on region, the UAE Dairy Products Market is segmented into Dubai, Abu Dhabi, Sharjah and rest of UAE. Among which, Dubai accounted for the majority of the market share in the UAE Dairy Products Market on account of increasing population and rising gross domestic income, and per capita personal income. (R&M 07.01)

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* 1. SAUDI ARABIA: Saudi Arabia Color Cosmetics Market Report for 2021-2030

The "Saudi Arabia Color Cosmetics Market Research Report: By Type, Product, Packaging, Consumer Group, Distribution Channel - Industry Analysis and Growth Forecast to 2030" report has been added to [ResearchAndMarkets.com](http://www.ResearchAndMarkets.com)'s offering.

The Saudi Arabian color cosmetics market size is set to grow from $603.6 million in 2020 to $1.197 billion by 2030, at a 7.1% CAGR between 2020 and 2030. The Saudi Arabian color cosmetics market has witnessed the negative impact of COVID-19 both on the supply and demand sides. Lockdown measures led to the curtailed production of cosmetics and other non-essential products. Moreover, with most people working from home and the media & entertainment sector also taking a hit, the demand for cosmetics reduced. Even otherwise, the mandatory wearing of masks rendered cosmetics unnecessary during the pandemic.

The Western region is the largest contributor to the Saudi Arabian color cosmetics market and it will also experience the fastest growth in the coming years. The high disposable income in this region as a result of the large-scale urbanization has led to high cosmetic sales here.

In the near future, the faster growth within the type segment of the Saudi Arabian color cosmetics market will be seen in the luxury product bifurcation. With their increasing purchasing power, people here are spending more on luxury products, which give a better overall appearance and last longer.

The facial make-up category is set to dominate the product segment of the Saudi Arabian color cosmetics market in the coming years. The demand for different shades of blushes, foundations, and bronzers that contain light-capturing crystals is growing as people, especially working women, in the kingdom are becoming more aware of their appearance. In the past, the one-time bifurcation held the larger share in the Saudi Arabian color cosmetics market, based on packaging. One-time plastic packaging has been widely used for cosmetics, leading to its market dominance.

The highest CAGR within the consumer group segment of the Saudi Arabian color cosmetics market, of 7.3%, is predicted to be witnessed by women. Women, especially those in the corporate and media & entertainment sectors and those who socialize often, are the major users of color cosmetics in the kingdom.

Historically, the highest revenue to the Saudi Arabian color cosmetics market, under segmentation by distribution channel, was contributed by the supermarket/hypermarket category. Such retail stores offer a wide variety of products, have ample parking space, and operate during convenient hours. Moreover, the rapid urbanization, which is leading to the increasing number of hypermarkets and supermarkets, and the competitive product pricing they boast are propelling color cosmetic sales via this distribution channel.

Due to the rising influence of the Western culture and growing workforce, especially the female workforce, the appearance consciousness of Arabs is increasing. Good appearance is considered to boost the confidence by many individuals, especially those in the media & entertainment and corporate sectors. Thus, with people doing more to look good, cosmetic sales are increasing in the kingdom. In addition, the surging purchasing power is another major driver for the Saudi Arabian color cosmetics market, as people now have more to spend on such products. Since the oil boom in the kingdom, people here have witnessed rapid economic growth, which has boosted the demand for color cosmetics and other products that were earlier considered out of reach for the masses. (R&M 17.01)

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* 1. EGYPT: World Bank Optimistic on Egypt's Growth in 2022

The World Bank has revised upwards its prediction for Egypt’s GDP growth by 0.5% to 5.5% for FY2021-22. The bank said in October that it expected growth to come in at 5%, but in its latest Global Economic Prospects report raised its forecast, citing rising exports, growth in our tech and natural gas sectors, and a rebound in tourism. Growth will remain steady at 5.5% next fiscal year, the bank said.

Egypt's Planning Ministry said last month that Egypt is on track to see the economy grow somewhere between 5.5% and 5.7% in FY2021/2, while the IMF projected growth of 5.2% in its most recent forecast. Preliminary figures released by the Planning Ministry last year showed the economy growing at a 9.8% clip during the first quarter — its quickest pace in two decades. The ministry has forecast in 6-7% growth for the second quarter.

Egypt’s economy grew at an estimated rate of 3.3% in FY2020/1, faster than initially expected, the bank said, leaving its October estimate unchanged. That tallies with the latest planning ministry figures. The economy benefited from strong consumption on the back of pent-up demand, growing remittances, and “contained inflation relative to recent history.” Unemployment also remained and near record lows, while employment rose above pre-pandemic levels, though labor participation remains low.

Growth prior to the pandemic had been as high as 6%, boosted in part by the government’s structural and economic reforms, the World Bank said. Growth in MENA economies is expected to accelerate to 4.4% in 2022 — an increase from the 4.2% predicted in October— before leveling off at 3.4% in 2023. That represents a faster acceleration on average than in the decade before the pandemic. The upward jump is being driven by the recovery of contact-heavy sectors, higher oil and natural gas prices, and the easing of oil production cuts. MENA economies have also been supported by a “generally accommodative policy environment,” the report said.

The pandemic’s “lasting economic scars” are still being felt. The gap in average per capita income between MENA and advanced economies is expected to widen despite the recovery, the report said. The regional economy contracted by around 4.0% in 2020, driven by COVID-19 disruption and the collapse in oil prices and demand.

Omicron could pose an obstacle as less than two-fifths of MENA’s population is fully vaccinated. Omicron’s rapid spread could hit global demand and spur a retrenchment in oil prices. Meanwhile, a rise in oil prices could hit importers and keep upward pressure on inflation. The increasing frequency of climate change-driven natural disasters will also continue to hit MENA economies, threatening agriculture, food security, water resources, and lives, it adds. (Ent 12.01)

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* 1. EGYPT: Egypt Revives Western Desert Agricultural Project

Amr Emam reported on 5 January in [Al-Monitor](https://www.al-monitor.com) that Egypt has breathed new life into an old agricultural project in its Western Desert, hoping it will increase food production and reduce imports. The Toshka project, Egypt's first serious attempt to invade its vast desert, was launched by late President Hosni Mubarak in 1997. The project was Mubarak's ambitious plan to create the New Delta in the middle of the desert and bring about economic development that would affect positive social change in his country.

Mubarak spent EGP 40 billion on the project, establishing the necessary electricity plants and water pumping stations. He distributed the land of the project, around 540,000 acres, to local and Arab investors, hoping the private sector would drive reclamation efforts in it and spare his government the burden of providing the investments needed by it. A few years later, however, the project came to a screeching halt.

Mubarak-era ministers attribute the failure of the project to the lack of necessary investments and political will. The project had slipped into oblivion since then, being overtopped by Egypt's political developments, including Mubarak's 2011 downfall and the turmoil that swept through it after this.

Nonetheless, in October 2020, incumbent President Abdel Fattah al-Sisi ordered the revival of the project and specified EGP 6.4 billion (around $413 million) for the needed infrastructure, breathing new life into national hopes for turning the desert green. "Reclaiming more land, including in the desert, has always been an important strategy to increase food production," Essam Seyam, an agricultural economics professor at Cairo University, told Al-Monitor. The project is only a small detail in the larger picture of Egypt's struggle to secure food for its growing population and reduce food imports.

Egypt was once the breadbasket of the Roman Empire. Now, however, it is the world's largest wheat importer. The Arab country's list of food imports is endless, and invading the desert has become one of its most important options to feed the growing population, specialists like Seyam say. Located around 225 kilometers southwest of the Upper Egyptian city of Aswan, Toshka will act as a link between several Western Desert oases. The project will focus on the production of important crops such as wheat, maize, cotton and oil. It will also include the Middle East's largest date palm farm that will cover 37,000 acres. The farm will contain 2.3 million date palms, 1.35 million of which have already been planted over 21,000 acres.

Sisi's agricultural expansion plan aims to compensate for the land Egypt lost in the past decades in the Nile Valley and Delta to its urban crush and produce more food for the country's growing population. The scheme aspires to increase Egypt's farmland to around 9.5 million acres from 8 million acres at present. It is to be implemented across Egypt, including in the Sinai Peninsula and in other parts of the Western Desert.

One of the projects within the expansion plan is located in the northwestern part of Egypt. Extending over half a million acres of land, the project, called Future of Egypt, has already begun yielding produce. A modern road network was established close to the project to ease the transport of its produce to different cities. Another project includes the establishment of 100,000 greenhouses in different parts of Egypt for the production of vegetables and fruit. "Agricultural expansion projects within this plan are very important for increasing the national food production, given Egypt's growing population," Naeem Moselhi, an adviser to the minister of agriculture and land reclamation, told Al-Monitor. "These projects are also important for reducing food imports."

Egypt lost some of its most fertile land in the Nile Valley and Delta due to its urban expansion over the decades. The Arab country has lost around 400,000 acres of farmland since 1980, including 90,000 acres since 2011, according to Prime Minister Mustafa Madbouly. Sisi expressed shock at the pace of farmland destruction in August 2020 when he ordered the Egyptian army to remove buildings constructed illegally on farmland. In late December 2021, he advised his countrymen to stop constructing residential buildings and save their money in the nation's banks instead.

Nonetheless, Egypt's desire to make up for the farmland it lost along the Nile by invading the desert will be far from easy, specialists say. Turning the sands of the desert green requires a fortune, which might slow down progress in some of the agricultural expansion projects declared by Sisi's administration so far, they add. "The private sector will be instrumental in advancing reclamation projects, but after the government provides these projects with the necessary infrastructure," Seyam said. Sisi invited the private sector to partner with his government in implementing development projects more than once in the past period, including most recently in late December when he inaugurated a series of new projects in southern Egypt.

Funding is not the largest impediment facing the Egyptian leader's aspiring agricultural expansion projects. Water is, specialists say. With 60 billion cubic meters of annual water revenues, including 55.5 billion cubic meters from the Nile River — a source threatened by Ethiopia's construction of a gigantic dam over the Nile — Egypt has no water to spare for agriculture expansion, especially with the country suffering a deficit of around 20 billion cubic meters.

In the past few years, Sisi's administration spent tens of billions of pounds on water treatment and seawater desalination plants to partly bridge the water deficit and make up for scarce water. "Our limited water resources will always be a major challenge on the road to expanding farmland," Hussein al-Atfi, the former minister of irrigation, told Al-Monitor. "We can only expand this farmland by finding untraditional sources of water, including through treating wastewater." Most of Egypt's agricultural expansion projects depend on agricultural wastewater after its treatment.

Some of the farmland cultivated within the Toshka project will depend on overflow in the reservoir of the High Dam in southern Egypt. This water will be channeled to the project by the Sheikh Zayed Canal, which has a capacity for 5.5 billion cubic meters of water annually, the Egyptian government says. This water, it adds, will be enough to irrigate the project and contribute to food production in Egypt. "We hope this project and others can increase the production of important crops and help us stop importing them from other countries," Moselhi said. (Al-Monitor 05.01)

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* 1. TURKEY: Turkey’s Middle Class Put on Austerity Footing Amid Skyrocketing Prices

Mustafa Sonmez reported on 12 January in [Al-Monitor](https://www.al-monitor.com) that Turkey’s soaring inflation, fueled by big price hikes at the turn of the year, is dealing harsh blows not only to low-income groups but also the middle class, as consumer demand has contracted in recent days.

Inflation in 2022 is widely expected to shoot above last year’s 36%, which was the highest rate under the 19-year rule of President Erdogan’s Justice and Development Party (AKP). Turkish consumers ushered into the new year amid a flurry of fresh price increases on commodities and services such as electricity, natural gas and transport. As a result, monthly inflation is likely to hit about 15% in January, exceeding the 13.5% rate in December. Double-digit rates are expected also in February and March.

Turkey’s army of jobless, including 3.8 million who continue to look for work and more than 4 million who have given up, are first in line for the impact. The minimum wage was raised by 50% to TL 4,250 ($307) last month, raising hopes of a relative shield against inflation for the half of the workforce that makes the minimum. Yet the pay hike will probably lose relevance by the end of March, leaving them with a real income erosion again.

Employees earning more than the minimum wage and self-employed small entrepreneurs in rural and urban areas — that is, generally the middle class — are not immune either. Their living standards are changing abruptly, with surging prices forcing reviews of consumption patterns.

The ability of the relatively higher earners to secure pay rises matching inflation depends much on their organizational strength. Public sector employees are granted compensation for inflation, but in the private sector, unionized employees with a right to collective bargaining represent only a small minority, accounting for no more than 3% of all wage-earners. The rest appear bound to suffer real income losses and those from the self-employed middle classes, whether farmers in rural areas or entrepreneurs in urban centers, are struggling to stay on their feet. Squeezed between soaring costs and high borrowing rates, they are among the worst hit.

The staggering price increases have forced the middle class to cut spending. Car prices, for instance, soared by about 100% last year and are expected to rise further, forcing many to drop plans to buy new vehicles. Even using existing cars is becoming a luxury after the recent hikes on fuel prices and tolls. Istanbul’s hallmark traffic congestion has abruptly eased since the beginning of the year. “People can no longer use their cars because of the price hikes on gasoline. The traffic density in Istanbul has been decreasing over the past week,” Murat Ongun, the spokesman of the Istanbul Metropolitan Municipality, tweeted on 7 January.

The daily spending patterns of the middle class are changing as well. Reports say that turnover drops at dining and drinking establishments have worsened after the latest price hikes, as fewer people choose to eat out or meet over a drink.

The government raised the special consumption tax on alcoholic beverages and tobacco by 47% on 3 January, leading to price increases of up to 33%. Taxes now account for four-fifths of the price of a pack of cigarettes worth 25 liras ($1.80), three-quarters of the price of a 700 milliliter bottle of raki, the country’s anise-flavored national booze, worth 255 liras ($18.40), and two-thirds of the price of half a liter of beer sold for about 35 liras ($2.50) at drinking establishments. The taxes on spirits have long stirred additional anger because they are widely seen as a tool to deter alcohol consumption as part of AKP efforts to impose its Islamic worldview. As a result, many liquor and tobacco shops and dining and drinking establishments have been struggling to stay afloat.

The dramatic depreciation of the Turkish lira, which lost nearly 44% of its value against the dollar last year, has also dampened the middle class’ appetite for foreign travel, compounding the impact of the COVID-19 pandemic. Foreign travel spending rose to just over $3 billion last year after plunging to $1 billion in 2020, when the coronavirus struck, but remained well below the $4.5 billion in 2018. The fast spread of the highly contagious omicron variant threatens to slow domestic tourism as well.

Amid the risk of hyperinflation, the middle class’s demand for loans has similarly fallen. Although the worth of consumer loans increased by 20% at current prices last year, it should be read as a decline of some 16% in real terms, given the 36% annual inflation. Home and car loans — the most popular with the middle class — have dropped notably in real terms. In the retail sector, too, many businesses have seen their sales drop in a flash since the beginning of the year, reports say, including apparel stores despite the advent of the discount season.

A steep contraction in consumer demand, sucking in the middle class, could result in an abrupt economic stagnation, mainly in the second quarter of the year, meaning that a new wave of job losses could be looming. (Al-Monitor 12.01)

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