

**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. Israel & US Sign New Cybersecurity Collaboration Deals to Combat Threats

Israel and the US recently finalized a series of cybersecurity collaboration agreements aimed at deepening and expanding ties between the two countries on the cyber front. The areas of cybersecurity cooperation include Israel-US collaboration on combating terrorist financing, creating an institutional vehicle to enable cyber-specific research and development, and collaborating on transportation cybersecurity.

The Israel National Cyber Directorate said the purpose of the agreement was to promote advanced technologies for cyber protection and strengthen information sharing on the ground and expert exchanges in fields like artificial intelligence, quantum computing, homomorphic encryption, and navigation technology. The directorate also signed a separate agreement with the Transportation Security Administration (TSA) — housed under DHS — to enhance cybersecurity collaboration in the realm of transportation.

The memorandum of understanding aims to advance cyber defense coordination between Israel and the US in the transportation sector with an emphasis on civil aviation security, the directorate said. The agreement will enhance information sharing, joint exercises, and research and development related to securing air and ground transportation.

In a commitment to joint research and development, the parties plan to expand the Binational Industrial Research and Development (BIRD) program, which is a jointly funded initiative running since 1977 for scientific collaboration between Israel and the United States. The new instantiation will add the Cyber Directorate to the BIRD program, which has previously been run between DHS and the Public Security Ministry. The Cyber Directorate’s version of BIRD is expected to focus on cybersecurity and emerging technologies, particularly related to ransomware and securing critical infrastructure. (ToI 02.03)

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* 1. Tel Aviv - Dubai Flight Restrictions Lifted After Security Agreement

Understandings have been reached and joint work principles and security arrangements agreed that will allow Israeli airline companies to return to fly to Dubai on a regular basis. Flight restrictions on the Tel Aviv - Dubai route have been lifted after the dispute over security arrangements has been settled.

The Israel Security Agency (Shin Bet) met with the UAE counterpart. As a result of these meetings, understandings were reached and joint work principles and security arrangements agreed that will allow Israeli airline companies to return to fly to Dubai on a regular and ongoing basis.

Under the Abraham Accords signed in 2020 between Israel and the UAE, provisions were made for up to 42 flights a week between Tel Aviv and Dubai and Tel Aviv and Abu Dhabi. In practice there have been more with El Al, Israir and Arkia operating three to four daily flights between Tel Aviv and Dubai and Emirates low-cost unit flyDubai operating four daily flights.

But no agreement had been reached on security arrangements at Dubai airport, with the UAE recently imposing a limit of one flight a day for each Israeli airline and Israel imposing a counter limit of three flights a day for UAE airlines. These restrictions pushed up fares to $600-650 return. Arkia was threatening to divert flights to Abu Dhabi and take passengers by shuttle buses to Dubai. (Globes 06.03)

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* 1. US & Israel Clear Hurdle on Path to Visa Waiver Agreement

Israel and the US signed an information-sharing agreement on 2 March that brings the sides closer to adding the Jewish state to the US Visa Waiver Program, even as significant hurdles remain. The agreement signed by Public Security Minister Barlev and the visiting US Department of Homeland Security Under Secretary for Policy Silvers, will allow each side to file 1,000 inquiries regarding the criminal records of citizens seeking to enter through its respective borders.

Granting the US access to criminal records is a condition that must be met by any country interested in joining the waiver program. Israeli officials in the past have said such access would require Knesset legislation and it still would be required.

Israeli efforts to become the 40th party to the program have been underway for years. They got a boost last year when US President Biden told Prime Minister Bennett that it is something he wants to see through and that he has instructed his staff to play its part in doing so.

Currently, in the absence of being part of the waiver program, US law requires Israelis to apply for a visa in advance of their travels to the US — a process that often takes months, as it requires scheduling an appointment at the US embassy for a background interview, during which consular staff seeks to ensure that incoming travelers are not looking to remain in the US indefinitely. If a candidate passes the interview process, they must submit their passport to the embassy, and it usually takes at least several weeks before it is returned with a visa inside. The timeline has been further drawn out as a result of the pandemic, with some Israelis reporting that the only appointments available at the embassy are for a year hence. (ToI 03.03)

ISRAEL MARKET & BUSINESS NEWS

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* 1. Electreon Aligns with Jacobs to Grow U.S. Wireless EV Charging Infrastructure

Electreon announced a strategic collaboration with the Dallas based global technical professional services firm Jacobs. The companies will join forces on select wireless EV charging projects across the United States, for industry leading fleet operators including city and state authorities, as Electreon aims to bring its cutting-edge charging solutions to roads and facilities around the world.

Jacobs has demonstrated its commitment to investing in leading-edge technologies. Most recently, Jacobs completed acquisitions of mobility analytics pioneer StreetLight Data and edge computing analytics provider BlackLynx, and entered into a strategic relationship with Microgrid Labs, a software and consulting company specializing in planning commercial fleet electrification and microgrids.

Beit Yannai's [Electreon](http://www.electreon.com) is the leading provider of wireless charging solutions for electric vehicles (EVs), providing end-to-end charging infrastructure and services to meet the needs and efficiency demands of shared, public and commercial fleet operators and consumers. The company’s proprietary inductive technology dynamically (while in motion) and statically (while stopped) charges EVs quickly and safely, eliminating range anxiety, lowering total costs of EV ownership, and reducing battery capacity needs—making it one of the most environmentally sustainable, scalable, and compelling charging solutions available today. Electreon works with cities and fleet operators on a charging as a service (CaaS) platform that enables cost-effective electrification of public, commercial, and autonomous fleets for smooth and continuous operation. (Electreon 03.03)

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* 1. monday.com Announces Strategic Alliance with KPMG

monday.com and KPMG International, the audit, tax and advisory firm, announced a strategic alliance to empower enterprises to boost digital transformation, enhance organizational agility and increase operational efficiency and productivity. monday.com will be the first Work OS partner within the alliance, which is composed of a select group of tech leaders that are changing the future of work, including Microsoft, Salesforce, ServiceNow and Workday.

This partnership combines the business insights of KPMG with the technological innovation of monday.com’s no-code/low-code platform to build customized solutions and apps that empower global KPMG member firms to deliver strategic operating models and solutions on top of an agile work operating system. The flexible and configurable solutions built on monday.com infrastructure will simplify every aspect of work for enterprises, and enable KPMG to consistently provide real-time strategic insights and services for companies to digitally innovate their business, helping customers unlock opportunities for growth and constantly stay ahead of industry challenges.

KPMG has created multiple solutions and business apps using monday.com, building on top of its existing infrastructure to address pressing business challenges and optimize the way enterprises work. These solutions have included improving previous practices with a Governance, Risk Management and Compliance Solution, as well as a Crisis Management Solution.

The monday.com Work OS is an open platform that democratizes the power of software so organizations can easily build work management tools and software applications to fit their every need. The platform intuitively connects people to processes and systems, empowering teams to excel in every aspect of their work while creating an environment of transparency in business. [monday.com](https://monday.com) has teams in Tel Aviv, New York, San Francisco, Miami, Chicago, London, Kiev, Sydney, São Paulo and Tokyo. The platform is fully customizable to suit any business vertical and is currently used by over 152,000 customers across over 200 industries in 200 countries. (monday.com 02.03)

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* 1. Connecteam Raises $120 Million in a Series C Funding Round

Connecteam raised $120 million in a Series C round of funding co-led by New York-based growth equity firm Stripes and New York-based private equity and venture capital firm Insight Partners, with participation from Tiger Global, Qumra Capital, and Eyal Ofer’s O.G. Tech. Insight Partners also led Connecteam’s previous round. The Series C brings Connecteam’s total funding to $160 million. This new round of funding will help Connecteam scale its global operations, triple the size of its team, and expand both research and development and marketing to help businesses around the world manage and engage their deskless workers.

Despite the existence of sophisticated software to automate back-office tasks and manage salaried workers, very little has been invested in improving the experience of deskless workers or the experience of those who manage them. Connecteam helps companies of all sizes and across multiple industries — from small mom-and-pop shops to Fortune 500 firms in such industries as construction, security, healthcare, manufacturing, retail, hospitality and others — improve how they manage and engage their deskless workers. The company’s all-in-one app includes features for tracking time and attendance (including time off), communications, learning and training, employee recognition, and more, and is designed to help manage the more than 2.7 billion workers or 80% of the global workforce that are not tied to a desk.

Founded in 2016, Tel Aviv's [Connecteam](http://www.connecteam.com) has 20,000-plus global customers that span 80 countries and include leading brands such as SodaStream (PepsiCo), Sodexo, Saint Gobain, Berry Global and others. Connecteam has also achieved 400% growth year-over-year in the past two years. Connecteam is a deskless workforce management app providing an all-in-one experience for communication, engagement operations and training. Connecteam serves over 20,000 customers around the world in over 80 countries from over 200 different industries. Providing its product under a SAAS model, the company offers a two-week free trial and a free version for all companies. (Connecteam 02.03)

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* 1. Vesttoo Continues Global Expansion with a New General Manager in the UAE

Vesttoo announced the global expansion of its leadership team to include key industry veterans who will manage the company's office in Dubai. He will oversee Vesttoo's market penetration in the Emirates, and will be instrumental in reaching the company's $7 billion capacity target.

The fast-growing company provides investors with uncorrelated, diversified investments, by taking on the risk and returns of a group of insurance policies. Using AI-based risk modeling, Vesttoo is able to offer investors flexible insurance-linked investments adjusted to risk appetite, with returns well above industry benchmarks. The transparent technologies open the door for rating agencies, which can now provide ratings for the transactions. Insurers, on the other hand, get direct access to capacity originating from the capital markets with an efficient, accurate, and cost-effective risk transfer solution.

Tel Aviv's [Vesttoo](https://vesttoo.com) is the world's first marketplace for Life and P&C insurance-based risk transfer and investments. Their proprietary AI-based technology facilitates risk transfer between insurance companies and institutional investors, providing insurance-linked investments to asset managers of all types while enhancing risk transfer and liquidity in the Life and P&C insurance markets. (Vesttoo 04.03)

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* 1. CardinalOps Raises $17.5 Million in Series A Funding

CardinalOps secured $17.5 million in Series A funding led by Viola Ventures, with participation from existing investors Battery Ventures, Glilot Capital, Symbol, and top angel investors from the security industry, bringing total capital raised to $24 million. This latest round will fuel aggressive global expansion in go-to-market and product innovation activities.

The leading consequence of the complexity of the global threat landscape is the increased risk of a breach due to backlogs and human error in manually developing new threat detection rules and queries for the latest adversary techniques. By delivering AI-powered recommendations in the native query language of widely used security analytics solutions (such as Splunk, Sentinel, IBM QRadar, CrowdStrike, etc.), CardinalOps' cloud-based platform does the job of skilled detection engineers with years of experience – but faster and without the risk of human error. Derived from CardinalOps' proprietary knowledge graph of best practice detection rules and queries, all recommendations are mapped to standard MITRE ATT&CK threat models, customized according to the organization's risk-based priorities and infrastructure, and automatically deployed in order to rapidly eliminate gaps in threat coverage.

Founded in early 2020, Tel Aviv's [CardinalOps](https://www.cardinalops.com) brings AI-powered analytics enabling organizations to stay ahead of constant change in adversary techniques while maximizing their existing investments in SIEM/XDR solutions. By continuously recommending the latest best practice detection rules and queries – mapped to MITRE ATT&CK and customized according to their risk-based priorities – the CardinalOps platform empowers detection engineering teams to close the riskiest threat coverage gaps that leave their organizations exposed. (CardinalOps 03.03)

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* 1. Aporia Raises $25 Million to Ensure Responsible AI and Illuminate the Black Box

Aporia announced a $25 million Series A funding round, led by venture capital giant Tiger Global, with participation from Samsung Next, existing investors TLV Partners and Vertex Ventures. The announcement comes just ten months after their $5 million seed, bringing Aporia's total amount raised to $30 million. Aporia will use the funds to triple its team's headcount over the next year, expand its presence in the US market and increase the range of use cases the solution addresses.

Aporia empowers businesses to trust their AI by allowing them to create their own custom monitoring solution within minutes, providing full visibility of how models are performing in the real world. Data scientists can easily create customizable monitors to detect a wide range of issues including biased predictions, unexpected changes in the format of the input data, or degradation in a model's performance over time. The platform provides actionable insights that help data scientists investigate and get to the root cause of any issue. Aporia's self-serve solution can be seamlessly integrated with existing infrastructure so ML practitioners can easily get started, yet it is highly customizable, allowing them to define tailor-made monitoring logic that fits the unique needs of their complex models.

Tel Aviv's [Aporia](https://www.aporia.com/) is a full-stack and highly customizable ML observability platform that enables data science and machine learning teams to monitor, debug, explain and improve their machine learning models and data. Used by Fortune 500 companies and data science teams in every industry across the world, Aporia empowers businesses to trust their AI and ensure responsible AI and fairness. Founded in 2019, Aporia is backed by Tiger Global, Samsung Next, TLV Partners and Vertex Ventures. (Aporia 03.03)

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* 1. Bright Security Raises $20 Million to Eliminate Vulnerabilities Before They Hit Production

Bright Security, formerly NeuraLegion, announced a $20 million Series A funding round led by Evolution Equity Partners with participation from previous investors including DNX Ventures, J-ventures, Fusion Fund, and Incubate Fund. The company also announced its rebrand to Bright Security to reflect its mission to illuminate the security testing process.

Bright Security is focused on shifting the process of security left to ensure that Application Security begins in the Build stage and runs through production compliance. The company's DAST solution is designed to bridge the gap as a tool for both the developers who build the product, Dev QA personnel, and the AppSec teams who must eventually secure it. Utilizing Bright's solution, AppSec teams can outline governance and parameters for what needs to be tested and how, and development teams can utilize it throughout the software development lifecycle (SDLC) to identify vulnerabilities and ensure they never make it to production. The solution also eliminates the massive issue of false positives. In the past, many DAST tools overloaded both application security and development teams with a high rate of false positives, eroding the trust that many have in these solutions, and causing many to forgo using DAST altogether. Bright Security's solution is not only able to identify the existence of vulnerabilities, but also validate that they are actually exploitable to eliminate false positives.

Tel Aviv's [Bright Security](https://brightsec.com/) significantly improves application security by providing a no-false positive, dynamic application security testing (DAST) solution purpose-built for modern development environments. The Bright vulnerability scanner works across common application protocols for Web, mobile and APIs, and seamlessly integrates with the development and DevOps toolchain to provide security with every build. (Bright Security 02.03)

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* 1. Cider Security Raises $38 Million to Bring the First AppSec Operating System to Market

Cider Security emerged from stealth, announcing that it has raised $38 million in funding, with a recent Series A round led by Tiger Global Management. Joining the round was the lead investor from Cider Security’s seed financing, Glilot Capital Partners, with participation from Glilot’s early growth fund, Glilot+. The diversity, velocity, and dynamic nature of today’s engineering ecosystem have introduced a wide array of new security challenges and gaps, which are both slowing down engineering as well as continuously being taken advantage of by hackers.

Cider Security’s platform provides a unified view of the entire engineering ecosystem, providing Security teams with an in-depth understanding and comprehensive view of the technologies, systems and processes unique to every engineering environment. Security teams are provided a highly tailored set of controls and solutions to optimize security and achieve full resilience across the entire CI/CD pipeline – all the way from code to deployment. Designed to eliminate the friction between Security teams and Engineering groups, Cider Security allows for AppSec programs to be implemented within minutes, democratizing security and allowing AppSec to become a commodity, consumable by organizations from all verticals, sizes and maturity levels.

Tel Aviv's [Cider Security](http://www.cidersecurity.io) is a first-of-its-kind AppSec Operating System that provides Security and Engineering teams a single, consistent method to orchestrate and implement end-to-end CI/CD security through a single, unified platform. The company takes a holistic approach to the security of the engineering processes and systems, from code to deployment. It establishes a comprehensive Technical DNA of the engineering environment, giving Security teams the transparency and visibility needed to optimize AppSec and achieve full resilience. (Cider 08.03)

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* 1. Israel and Turkey Sign Business Cooperation MoU

A delegation of more than 100 senior Turkish businesspeople visited Israel for meetings with their Israeli counterparts. As Israel's President Herzog met with Turkish President Erdogan, a delegation of more than 100 senior Turkish businesspeople has arrived in Tel Aviv for meetings with their Israeli counterparts and a cooperation memorandum of understanding (MoU) has been signed between the Turkish Exporters Assembly and Israel's Federation of International Chambers of Commerce.

At the event, figures were published showing that combined Israel-Turkish trade rose 35% in 2021 to $6.7 billion from $4.9 billion in 2020. Israel imported goods and services worth $4.76 billion from Turkey in 2021, up 36% from 2020 and exported $1.9 billion in 2021, up 33% from 2020. The main rise in imports was due to plastics and rubber goods, which rose 40% to $137 million, electrical machinery and equipment rose 30% to $123 million, metals rose 50% to $470 million and cement, ceramics and glass rose 43% to $120 million.

Exports by Israel to Turkey of chemical industry products rose 44% to $273 million, minerals rose 121% to $135 million and metals rose 74% to $113 million. On the other hand, exports of plastics and rubber fell 19% to $44 million. (Globes 06.03)

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* 1. Nvidia Acquires Israeli Cloud Storage Company Excelero

US tech giant Nvidia Corp. announced the acquisition of Israeli big data cloud storage company Excelero. The engineering team of the Tel Aviv-based high-performance software-defined block storage developer, which includes its founders, will join Nvidia Israel. No financial details were disclosed.

Excelero has raised $30.5 million since it was founded in 2014 as well as an extra investment in an undisclosed round. Investors include Mellanox, which was acquired by Nvidia as well as Battery Ventures, Qualcomm Ventures and Square Peg Capital and angels. Since its inception, Excelero has collaborated with NVIDIA on accelerating Excelero’s storage software with RDMA, which is core to both InfiniBand and RoCE (Ethernet) networks. The acquisition will bring Excelero’s technology, technical talent and expertise in block storage to Nvidia.

Nvidia said that Excelero will continue to expand support for block storage in its enterprise software stack, such as high-performance computing clusters. Nvidia added that the acquisition will enrich Nvidia Israel’s R&D expertise with a new software-defined storage team that will help expand support for block-storage in Nvidia’s enterprise software stack. Nvidia will continue to support all Excelero’s customers.

Following the acquisition of Mellanox in April 2020 for $7 billion, Nvidia Israel has grown by nearly a third to more than 2,800 employees, with teams based in seven locations: Yokneam, Tel-Hai, Ra'anana, Tel Aviv-Yafo, Jerusalem, Kiryat Gat and Beer Sheva. (Nvidia 07.03)

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* 1. Finland to Pick Between Two Israeli Companies for Anti-Aircraft Systems

Finland has decided to purchase anti-aircraft equipment from one of two Israeli companies, either Israel Aerospace Industries (ISRAI.UL) or Rafael Advanced Systems, Finland's defense ministry announced. In October 2020, Finland had sent an invitation for bids to five companies including Germany's Diehl Defence, Norway's Kongsberg Defence & Aerospace, the UK's MBDA, and the two Israeli companies with which it now intends to continue negotiations, the ministry said.

The Nordic country, which is not a NATO member but shares a long border with Russia, recently decided to further step up its defense spending and deepen cooperation with the United States in a reaction to Russia's war in Ukraine. Under the anti-aircraft project Finland plans to purchase equipment such as transporter erector launchers, radar systems, missiles and related integration equipment, the ministry said, adding the goal is to make a final purchase decision in early 2023. (Reuters 05.03)

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* 1. Fermata Enters North America with a Market-Ready Solution for LPs and Growers

Tel Aviv's [Fermata](https://fermata.tech/‎), an AgTech company focused on data science and computer vision solutions, announced its expansion into the North American market. After 3 years of pilot projects and intensive research and development, Croptimus Pest and Disease, the company’s AI (Artificial Intelligence) platform, is a market-ready solution that identifies pathogens through image analysis.

Fermata was created to be a solution to challenges faced by commercial agriculture, ensuring that LPs and growers are more profitable, and making their jobs significantly easier. Croptimus promises the fastest early disease and pest identification reducing crop loss by up to 30% through detection at the earliest stages. Additionally, Fermata's solutions help growers by providing automated alerts directing them to the exact source of the problem, saving up to 50% on time normally expended on human scouting.

Fermata entering North America will bring new tools to growers to help them increase profitability and reduce labor. (Fermata 10.03)

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* 1. DataRails Raises $50 Million Series B Funding for Leading Financial Planning Solution

DataRails has raised $50 Million in Series B funding. The company's third investment round in the past 12 months, which was led by Qumra Capital, follows a 5x growth in revenue in the past year, positioning DataRails as the market leader in FP&A software for small and medium-sized businesses. DataRails will use the funding to further invest in R&D as well as in sales and marketing, and to expand and support its customer base worldwide.

DataRails allows teams to enjoy the flexibility and power of Excel, but with the benefit of a cloud-based centralized database allowing real-time consolidation of disparate financial and operational data from across a company. This eliminates hours of manual gathering and consolidation of data for staple reports including budgets, P&Ls, balance sheets, and month-end reporting. Based on AI and Machine Learning capabilities, the DataRails' solution provides real-time financial consolidation and advanced data visualization, through intuitive and simple implementation.

Bnei Darom's [DataRails](http://www.DataRails.com) is a financial planning and analysis platform that automates data consolidation, reporting and planning, while enabling finance teams to continue using their own Excel spreadsheets and financial models. Automating these time-consuming manual processes paves the way for finance teams to spend more time analyzing data and less time gathering it. It also empowers them to answer essential strategic questions like what their organization can do to increase revenue and reduce expenses. (DataRails 10.03)

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* 1. Cybersixgill Announces $35 Million in Series B Funding to Expand Global Footprint

Cybersixgill has raised $35 million in Series B funding led by More Provident and Pension Funds and REV Venture Partners. Additional participating investors include CrowdStrike Falcon Fund, Elron Ventures, SonaeIM, and OurCrowd. This latest investment brings the company's total investment to $56 million. The funds will be used to build on customer momentum, continue innovation of Cybersixgill's threat intelligence solutions, expand global footprint and grow sales and marketing.

Cybersixgill has experienced accelerated growth, quadrupling its revenue and doubling its global footprint in the last three years. Cybersixgill's solutions harness the power of automatic collection and extraction of threat intelligence sourced from social media, instant messaging and clear, deep, and dark webs to create a threat and risk intelligence data backbone that provides the context needed for customers to implement preemptive security responses that stop breaches in their tracks.

Founded in 2014, [Cybersixgill](https://www.cybersixgill.com) brings agility to cyber threat intelligence, with fully automatic threat intelligence solutions to help organizations proactively detect and protect against phishing, data leaks, fraud, malware, and vulnerability exploitation - enhancing cyber resilience and minimizing risk exposure in real-time. The company has hundreds of customers in North America, EMEA, and APAC, including global enterprises, financial institutions, MSSPs, government and law enforcement agencies. (Cybersixgill 10.03)

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* 1. ZoomInfo to Open a New Office in Israel

Vancouver, Washington's ZoomInfo, a global leader in modern go-to-market software, data and intelligence, announced it has signed a lease to take residency of a 180,000-square-foot office space in Ra’anana, a northern suburb of Tel Aviv. Starting in spring 2023, ZoomInfo will occupy the top nine floors – and part of the rooftop – of a 30-story office building on the new Infinity Park campus near the Ra’anana-Kfar Sava border. The tower is expected to become the tallest in HaSharon region. The campus is situated next to the new Ra’anana South train station, a short, 15-minute ride on the red line from Tel Aviv.

Infinity Park will serve as a hub for Israel’s software industry, offering a complete ecosystem for employees with several outdoor dining areas, restaurants, and cafes. The campus, expected to be LEED-certified, will also feature areas for recreation and leisure, including exercise facilities, a large urban park, an auditorium, and a mini-amphitheater. Infinity Park is conveniently located for both public transit commuters and drivers, with more than 400 parking spaces designated for ZoomInfo employees. ZoomInfo is hiring across a number of teams in its Ra’anana office. (ZoomInfo 14.03)

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* 1. Run:ai Raises $75 Million in a Series C Round

Run:ai has raised $75 million in Series C round led by Tiger Global Management and Insight Partners, who led the previous Series B round. The round includes the participation of additional existing investors, TLV Partners and S Capital VC, bringing the total funding raised to date to $118 million.

Run:ai has grown sharply, with a 9x increase in Annual Recurring Revenue in the last year, while the company’s staff more than tripled over the same period. The company plans to use the investment to further grow its global teams and will also be considering strategic acquisitions as it develops and enhances the company’s Atlas software platform. Run:ai’s Atlas platform provides a ‘Foundation for AI Clouds’, whether on premises, across public clouds, or at the edge, allowing organizations to have their AI resources on a single, unified platform that supports AI at all stages of development, from building and training models to running inference in production. Customers include Fortune 500 companies as well as cutting-edge AI startups from multiple verticals like finance, automotive, healthcare, and gaming, as well as leading academic AI research centers.

Tel Aviv's [Run:ai](https://www.run.ai/) creates extraordinary value by bringing advanced virtualization and orchestration capabilities to AI chipsets, making training and inference systems run both much faster and more cost-effectively. Because of explosive demand since 2020,Run:ai has almost quadrupled its customer base. (Run:ai 15.03)

REGIONAL PRIVATE SECTOR NEWS

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* 1. Lebanon's Myki is Acquired by US Based JumpCloud

The Beirut based startup and digital identity management solutions provider [Myki](https://myki.com) announced that it has been acquired by Colorado-based global Tech company JumpCloud. Coming a long way from its initial investment backed by BECO Capital and BYVP, the Lebanese Tech startup will now consolidate its Tech and talent to maneuver a global landscape as shared on their blogpost.

Launched on the TechCrunch Disrupt Battlefield stage in September of 2016, Myki has taken on decentralized password management and access for users and enterprises across the globe. In doing so, Myki has been pioneering data protection through encrypted and decentralized identity management tools allowing users to consolidate and access their passwords safely in one digital medium. The acquisition comes as a big step for the startup as they join forces with JumpCloud, the US tech company with a global footprint. The JumpCloud Directory Platform centralizes the management of user identities and devices through SSO, MDM, MFA, and more, enabling small and medium-sized enterprises to adopt Zero Trust security models.

While the company announced that it will be discontinuing its Myki products and extensions, the leadership and team will now become an integral part of JumpCloud’s data protection mission. Together, the team will set for to serve a global user base of more than 150,000 organizations, with more than 5,000 paying customers including Cars.com, GoFundMe, Grab, ClassPass, Uplight, Beyond Finance, and Foursquare. (Myki 02.03)

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* 1. Carrefour Launches its First Bio Store in Dubai

Carrefour, owned and operated by Majid Al Futtaim in the UAE, has opened its first Bio store in City Centre Me’aisem in Dubai. It features the retailer’s first-ever café and an in-store hydroponic farm, with an underlying focus on sustainability. The store’s concept has been drawn up based on qualitative data studies around organic shopping in the UAE and on locally-sourced products, with over 3,000 items spanning from food and beverages to beauty, personal and home care items.

The store includes a selection of fruit and vegetables sourced from 100% organic certified farms, poultry and meat with no added hormones, and organic-fed fish from approved fisheries. It caters to diverse dietary requirements including a range of vegan, keto, free-from and dairy-free products. The brand’s first sit-down dining café offers all-day breakfast, salads, juices, organic teas and coffees, as well as options from *manakeesh* to burgers with a plant-based twist. Carrefour Bio offers recyclable paper bags and uses biodegradable packaging across its fresh products in line with its aim to eliminate single-use plastic from its operations by 2025.

Customers will also find refilling stations for water and detergents to prevent excessive plastic consumption. The store’s hydroponic farm will also offset Carrefour’s carbon footprint and bolster food security in the UAE. The advanced store concept implements eco-friendly equipment to reduce energy consumption by as much as 15%, plus digital price tags connected through WiFi offer a sustainable substitute to printed paper labels. (Carrefour BIO 01.03)

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* 1. UAE's tabby Raises $104 Million in a Series B Round

Dubai's [tabby](https://tabby.ai/) has successfully raised $54 million in an extension round to its initial $50 million Series B closed in August of last year. The round was by Sequoia Capital India and STV, with additional participation from existing investors Arbor Ventures, Mubadala Investment Capital, and Global Founders Capital (GFC). This round, along with $150 million in debt and equity financing secured in 2021, brings tabby’s total fundraising to date over $180 million.

Founded in the UAE and servicing the GCC, tabby empowers shoppers with the financial freedom to access the products they want and need, while allowing them to maintain financial health and control. While BNPL is still in its relative infancy in the GCC, the sector has witnessed one of the fastest rates of consumer adoption globally with 24% of consumers in the region reporting having used the option in 2021.

This fundraising clearly illustrates the growth prospects for the payment method in the region. Since its inception, tabby has aggregated over 1,100,000 active shoppers in Saudi Arabia and the UAE, collaborating with over 3,000 brands and driving over 3 million clicks to its partners every month. Moreover, tabby reports that online retailers using its payment solution have witnessed a more than 10% decline in the usage of cash on delivery (COD) by their customers. Ranked among the top 10 shopping apps in Saudi Arabia and the top 20 in the UAE, tabby has partnered with seven of the 10 largest retail groups in the GCC, more than any other regional BNPL player. (tabby 07.03)

* 1. InSitu Biologics Welcomed Into the UAE's in5 Incubator

[InSitu Biologics](http://www.insitubiologics.com), headquartered in Oakdale, Minnesota, was formally welcomed into the in5 Incubator last month by in5’s Board of Directors. In5 is one of the UAE’s leading incubators, specializing in supporting tech, media, and design startups. Their goal is to further enhance the robust investment climate in the Middle East by boosting investor access to leading startups in its ecosystem. More than 500 businesses have been supported by the incubator since its inception nearly a decade ago.

In addition to participating in the Arab Health 2022 conference last month, InSitu Biologics will also be presenting as in5’s first health partner company in the upcoming Advance Health event – “Future of Biotech R&D in UAE.”

InSitu Biologics is an emerging biotech company focused on the development of a multi-phase prolonged-release drug delivery platform for localized treatment of pain, cancer, and infection. The Company uses disruptive technology to address unmet needs in the pain management and drug delivery markets. InSitu Biologics is currently conducting investigational pre-clinical work. The Company has no products approved for sale in any geography. (InSitu Biologics 11.03)

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* 1. Dukkantek Raises a $5.2 Million Seed Round

Dubai's [Dukkantek](https://www.dukkantek.com/) raised $5.2 million in a seed financing round from major players in the ecosystem to drive digital transformation in traditional retail spaces. The seed financing was led by Global Founders Capital, with participation from Colle Capital Partners, Wamda Capital, Plug and Play, and Comma Capital. Other strategic investors in the round include Nowais Capital, Annex Investments, and AMK Investment Office.

Founded in January 2021, Dukkantek launched to meet the growing demand for digital advancements within the community retail sector, entirely bootstrapped by three Co-Founders prior to this first fundraise. Seamlessly integrated system with cloud-hosted software, Dukkantek aims to strengthen local community stores through digital transformations and end-to-end technology that improves all business processes.

Amidst the global pandemic, businesses unable to facilitate online payments were severely impacted due to the decrease in customers visiting stores and increasing demand for contactless payment methods. To address this pain point, and drive the digitization of local stores, Dukkantek’s platform offers advanced in-store boxes fitted with a seamless Point-of-Sales (POS) system that can be accessed online, from anywhere in the world. The cloud-hosted software allows business owners to keep track of transactions, monitor sales, calculate VAT, generate reports, and calculate profit margin.

Dukkantek is the GCC’s front runner for this accelerating need observed in small and medium businesses' adoption and usage of comprehensive online shopping technologies. The company has seen phenomenal growth to date, highlighting a severely underserved market and reaffirming the local demand for such a solution. This investment allows Dukkantek to continue its efforts in empowering traditional merchants to thrive in a digital world, expand exponentially, and maintain its premium end-to-end technology. (Dukkantek 08.03)

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* 1. Andersen Global Inaugurates a Member Firm in the United Arab Emirates

San Francisco's Andersen Global added a new member firm in the United Arab Emirates as Chartered House adopted the Andersen brand, strengthening the organization’s presence in the Middle East and launching the brand in one of the region’s key markets. Founded in 2018 and a collaborating firm since 2020, Andersen in the United Arab Emirates (UAE) is a full-service tax firm with offices in Dubai and Abu Dhabi. The firm specializes in direct and indirect tax, regulatory compliances, risk management and transaction advisory on cross border issues. Additionally, in 2021, the firm added capabilities to provide Economic Social Governance services to contribute to the UAE’s social development goals.

Andersen Global is an international association of legally separate, independent member firms comprised of tax and legal professionals around the world. Established in 2013 by U.S. member firm Andersen Tax LLC, Andersen Global now has more than 10,000 professionals worldwide and a presence in over 331 locations through its member firms and collaborating firms. (Andersen Global 15.03)

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* 1. Cutting-Edge Technology Unveiled for the UAE Iceberg Project

On the occasion of Expo 2020 Dubai, the National Advisor Bureau Limited announced that the UK Intellectual Property Office (IPO) has patented their “Iceberg Reservoirs” invention. The patent marks a significant development for the “UAE Iceberg Project”, which is expected to change the map of water distribution around the world. The patent granted to Emirati inventor Abdulla Alshehhi, founder of the UAE Iceberg project, will boost investor confidence in the concept’s technical and economic feasibility.

Several agreements were signed with various companies and scientific institutions around the world since the “UAE Iceberg Project” was first announced, to leverage icebergs as new sources of fresh water in the region. Moreover, having icebergs off the coasts of the UAE will become a massive and unique tourist attraction.

In light of the increasing global demand for new sources of water in order to enhance food security, competition will intensify between investment institutions and international water companies to invest and acquire their share in this promising project, slated to transform the UAE into one of the world's most significant exporters of fresh water. The company is reportedly looking to raise $9 million in the first round of funding. The invention, dubbed “One of the most Significant inventions of the Century”, will use an advanced technology to tow the icebergs to the coasts of the UAE. The technology includes flexible, heat-insulated, and cost-effective reservoirs, leveraging renewable energy to prevent the ice from melting throughout the towing process. (AETOSWire 14.03)

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* 1. Emirates to Launch Tel Aviv - Dubai flights in June

Emirates Airline has announced that it will be launching daily services between Dubai and Tel Aviv from 23 June 2022. After repeated delays, Emirates had been set to launch the route in December but it was postponed at the last minute because of the spread of the Omicron variant. Emirate low-cost unit flyDubai has been operating Tel Aviv - Dubai flights since 2020.

Emirates will operate three Boeing 777-300ER on the route, featuring eight private suites in first class, 42 lie flat seats in business class and 304 seats in economy class. The first flight taking off on 23 June will operate as EK931, leaving Dubai at 15.50 local time, and arriving at Ben Gurion Airport at 18:00. The return flight EK 932 will depart Tel Aviv at 19.55, arriving in Dubai at 23.59 local time. Emirates said that flight schedules have been timed to provide convenient access to Dubai, and optimum connection options to destinations like Thailand, India, Philippines, the Maldives, Sri Lanka and South Africa.

The new service to Tel Aviv will also provide 20 tonnes of cargo capacity on each flight, enabling Israeli businesses to export products like pharmaceuticals, high-tech goods, fruits and vegetables and other perishables. The flights are also expected to transport manufacturing raw materials and components, semiconductors and e-commerce parcels into Israel. (Globes 15.03)

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* 1. Saudi's Taker Acquires Brisk Delivery

Saudi-based Tech startup [Taker](https://taker.io/) announces its official acquisition of [Brisk Delivery](https://brisk.delivery/en), another Saudi firm. The company became a wholly-owned subsidiary of Taker while preserving its brand. This comes as a step to further improve, expand and strengthen TakerGo; an innovative delivery solution that connects restaurants to leading delivery services providers in KSA. TakerGo enables restaurants of all sizes, with and without delivery fleets to provide and increase the efficiency of their delivery services.

Established in 2019, Brisk Delivery is specialized in logistics software and provides delivery services based on predicting growth rates of many sectors including the F&B industry. Recognizing the value of providing sustainable solutions to empower the digital transformation for restaurants, Taker formalized incorporating Brisk assets and services into TakerGo service. Furthermore, this acquisition comes as result of the rapidly growing demand for TakerGo services, having achieved exceptional results for many restaurants allowing them to increase their delivery volumes and expand into new geographic markets.

Taker is an online ordering management platform pioneering the future of the food and beverage (F&B) industry in KSA. Established in 2019, Taker offers advanced and powerful technology, allowing F&B businesses of any size to have their online website, mobile app, and ordering system and effortlessly manage the entire process in one single place. Moving forward, Taker’s key driver for the acquisition of Brisk was to increase the range of services and features offered by TakerGo in order to improve the service to cater to all restaurant needs. As the two companies share a commitment to their clients and an urgency to deliver value and enable sustainable growth, Taker guarantees better and more advanced services and support to their clients.

TakerGo has proven its feasibility in helping restaurants achieve tangible business value by giving them full control over delivery services. Restaurants can choose from several trusted delivery service providers and choose the delivery fees with 0% commissions. They can opt between outsourced, in-house, or hybrid logistics and accept high order volumes at rush hours without worrying about the quality of the food delivery service. (Taker 04.03)

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* 1. Soum Emerges from Stealth with $4 Million in Seed Funding

Riyadh-based E-commerce startup and C2C marketplace Soum has emerged from stealth with $4 million in seed funding. The round was led by Outliers Venture Capital and Mazen Aljubeir and recorded participation from Khwarizmi Ventures and multiple key strategic angel investors.

Launched in July 2021, Soum has set forth to reimagine the recommerce space in the MENA region and beyond by building a convenient, trustworthy, and transparent recommence marketplace, starting with consumer electronics in Saudi Arabia. The KSA-based startup aims to capitalize on the rapidly growing secondhand global market by refining the user journey and building trust on its platform.

Secondhand electronics, in particular, is growing at more than 10% annually, driven by an increasing consumer price sensitivity and longer hardware lifespan. However, this comes at a slower pace in MENA with challenges in the user experience as a result of ad-heavy platforms and ambiguous online transaction processes. Soum is addressing this market pain point by introducing a better user experience and “productizing trust” in transactions to unlock what they value as a $40Bn opportunity.

The startup's growth to date speaks to the unmet customer needs in the region. After only eight months, the KSA-based team claims to have already processed millions of dollars of annualized sales. The startup will be able to channel its newly acquired funds to further support its platform and market expansion efforts on the path to becoming the region’s next big player in recommerce. (Soum 14.03)

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* 1. Naqla Raises $10.5 Million in a Pre-Series A Funding Round

Naqla, Egypt’s trucking technology platform and marketplace connecting truck owners with cargo companies, has raised $10.5 million in a Pre-Series A round. The round was led by major investors El Sewedy Capital Holding (SCH), Hassan Allam Holding (HAH), and the Sallam Family. Naqla’s core mission is to modernize and expand Egypt’s supply chain through technology by automating orders between shippers and drivers through its two main apps.

Naqla has seen rapid growth into 35+ active zones, overseeing the movement and delivery of over 4.6 million tonnes of cargo since its establishment in 2017, and is currently working with more than 400 shippers and 10,500 drivers across Egypt. Naqla’s business model addresses the historically underserved road freight sector in Egypt, which has grown in importance since the start of COVID related supply-side constraints. Businesses are continuously looking for further efficiencies in inland transport from Egypt’s major entry and exit ports to maintain the flows of goods within their supply chains. Naqla will use proceeds of this investment to invest further in its commitment to advancing technology and digitization, positioning the company for growth and development in 2022.

Cairo's [Naqla](http://www.naqla.xyz) was established in 2017 by an experienced management team in the supply chain space with the aim of digitally transforming and modernizing Egypt’s E£30 billion road freight industry. Naqla provides a more affordable, efficient, and transparent alternative for participants by using app-based technology to connect independent carriers with cargo companies to generate the best rate and most efficient paths for both parties. (Naqla 07.03)

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* 1. Shatablee Raises $1.2 Million for its Interior Design Platform

[Shatablee](https://www.shatablee.com/), a digital interior design & build platform tackling the diverse finishing problems in the Egyptian Market, raised a $1.2 million funding round to scale operations as it seeks to optimize and fully digitize the interior finishing journey. Founded in 2021, Cairo's Shatablee aims to digitally transform the traditional home finishing process through unprecedented solutions enabling all homeowners in gated communities to have access to a faster & easier journey yet cost effective with a variety of financial solutions under one single digital platform.

Through Shatablee, users start by selecting their unit type within their home compound to browse through a gallery of multiple design packages from premium, exclusive to luxury. Users can then customize the designs for each space within their unit to their own preference, choosing from a variety of financing plans and submitting their order. Once order is confirmed, Shatablee starts the build phase and completes the entire process in the span of 90 days. The capital raised will be used to empower the company's ambitious growth strategy and the implementation of its expansion plans in its home market. (Shatablee 09.03)

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* 1. Nexta Secures $2.2 Million in a Pre-Seed Round

Nexta is set for launch after raising its $2.2 million Pre-seed round to disrupt the daily digital banking experience and consolidate transactions. The round was led by Disruptech with the participation of key international backers.

Cairo's [Nexta](https://www.getnexta.com/), the Fintech Challenger, intends to redefine the meaning of user experience for all digital natives and their households throughout Egypt. Introducing “next-generation banking,” Nexta promises better everyday lives for Egyptians via providing what is known as “lifestyle banking”. This comes side by side with an unparalleled digital experience. A Nexta card will aggregate the users’ existing payment cards, allow for easy and reliable money transfer, and a multitude of other features to come.

Founded in 2021, Nexta is expected to rise quickly in the Egyptian Fintech scene and create a unique experience for the Egyptian population, a “next-generation banking” experience. The Egypt-based Fintech aspires to lead the wave of what will be a competitive and healthy market. Nexta will be able to utilize its newly acquired funds to launch its much anticipated digital banking solutions, as well as support its effort in expanding its market and continuing its strategic partnerships. (Nexta 10.03)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. Israeli Officials Debate Land Allocation for Solar Panels

On 3 March, Israel's National Planning and Building Council voted to delay until the end of 2022 to designate additional land for solar facilities to generate electricity, as requested by the Finance Ministry. At the voting session, it was realized that less than a quarter of more than 4,000 acres of additional land – in Israel's Negev desert – set aside over a year ago for solar energy installations were actually used. The council decided to wait until the end of the year to determine whether such land is really needed for the solar facilities.

Some 11,600 acres have already been approved for photovoltaic solar energy installations. However, the Finance Ministry said almost another 5,000 acres are needed to reach Israel's goal of generating 30% of the country's electricity from renewable sources by 2030. That would require 12,000 MW of additional renewable energy and would come mainly from photovoltaic solar panels, according to the Planning Authority.

Of that, 10,000 MW are due to be generated by solar panels at sites being used for other purposes - farms, reservoirs, residential and commercial buildings. Israel's Environmental Protection Ministry told the council that it saw no need to allocate more land for solar. Environment officials referred to a study that concluded that the greenfield sites and roofs already approved would be enough to meet, or even surpass, the 30% target. (i24NEWS 06.03)

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* 1. RTA and Careem launch Phase II of Bike Rental Service in Dubai

Dubai’s Roads and Transport Authority (RTA) and Careem launched Phase II of its bike rental service (bike-share) program by adding 950 pedal-assisted e-bikes (bikes operated by pedals and kinetic energy) and 95 stations. This takes the total number of these bikes in Dubai to 1,750 bikes spread across 175 stations. The multi-stage initiative aims to deploy 3,500 bikes at 350 docking stations across Dubai. More stations will be added in various districts during the upcoming expansion. Careem Bikes has reportedly completed 1,592 million trips as of February 2022.

Careem Bike became the first bike-sharing scheme in the Middle East following Careem’s acquisition of the local company Cyacle. The RTA intends to further extend the total length of cycling tracks in the emirate to 739 km. by 2026. RTA has set a speed limit of 30kph for tracks dedicated to cyclists. Tracks in urban areas dedicated to cyclists or shared with pedestrians have a speed limit of 20 kph.

In October, Dubai Municipality has completed the first phase of a project to create a 50 km. mountain bike track in the Mushrif National Park. The first phase of the project, which has been completed, spans 20km (green and blue track). The second phase will add another 30 km. to the project (red track). (RTA 07.03)

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* 1. Development to Begin on Region’s First Waste-to-Hydrogen Plant in the UAE

Sharjah-based Beeah Energy, a subsidiary of Beeah Group and UK based Chinook Sciences, signed an agreement to commence the development of the region’s first waste-to-hydrogen plant. The facility will produce low-cost green hydrogen and high-quality activated carbon. Non-recyclable waste wood and plastic will be processed using Chinook RODECS gasification and pyrolysis technology, which will produce up to 18,000kg of green hydrogen a day at full operational capacity.

Chinook’s patented RODECS technology is responsible for the cost-efficiency and delivery of the green hydrogen. The plant’s operational concept allows it to run profitably while the demand for hydrogen is still developing, and this will be achieved by relying entirely on the production of the plant’s secondary revenue stream of activated carbon in the early months of its operations. The high-grade activated carbon produced will be used for environmental purposes as a high-grade filtration media to clean water resources and air, filtering harmful pollutants, including pathogens and viruses.

Apart from the new hydrogen facility, over the coming months, Beeah and Masdar, Abu Dhabi’s state-owned renewables company are also expected to start a waste-to-energy plant that will generate 30 megawatts of power from waste at a land fill in Sharjah. (GB 08.03)

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* 1. Tunisia Awards UAE’s AMEA Power $100 Million Agreement to Build Solar Power Plant

The Tunisian Government has awarded Dubai's AMEA Power a concession and a power purchase agreement for a 100 MW solar project in Kairouan, worth $100 million. Construction of the solar power plant is expected to begin by the end of this year.

In December 2019, a consortium formed by AMEA Power and TBEA Xinjiang New Energy Co. was awarded the 100 MW solar power plant located in Kairouan in Tunisia. This project was part of the first round of solar projects launched through an international tender program by the Ministry of Industry and SMEs in Tunisia in 2018. The project has a planned production of nearly 223,171 MWh of power per year, saving more than 113,525 metric tonnes of CO2 emissions annually. (GB 04.03)

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* 1. Rabat Puts First 100% Electric Bus Through its Trials

The first 100% electric bus in Rabat was tested on 11 March in an initial experimental trip. The trial was put together by the Rabat Anwar Company for Sustainable Transport, in a partnership with Auto Nejma, the exclusive representatives of Mercedes-Benz in Morocco, and Alsa City Bus, the company responsible for running the Moroccan capital’s bus networks. The integration of electric vehicles into Rabat’s public transport network comes as part of efforts to fulfill the demands of Morocco’s New Development Model, which outlines sustainable and economically viable urban transport solutions, according to a press release by the trial’s organizers.

While impressions from the experimental trip were positive, authorities have said the details of the buses integration have not been finalized yet. The buses are made by Mercedes-Benz, branded eCitaro as part of the German company’s signature Citaro bus lineup. The initial experimental trips will allow authorities and drivers to get familiarized with the vehicles and understand any advantages or shortcomings that arise from their use in real life circumstances. The new buses can strengthen Rabat’s position as a “green city.” The city has many natural green spaces in urban and semi-urban areas, as well as a “green belt” that covers more than 1,000 hectares.

The use of electric vehicles also plays into Morocco’s strategy to improve its environmental impact, as the country is considered a regional and global leader in green energies. Morocco has been increasingly embracing electric vehicles, with companies like Tesla entering the country with chargers and some manufacturing activities. (MWN 12.03)

ARAB STATE DEVELOPMENTS

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* 1. IIF Says Lebanon is on the Edge of a Cliff

On 8 March, Washington, DC's [Institute of International Finance (IIF)](https://www.iif.com/) published its new report on Lebanon, in which it incorporates the major discussions that took place during its Conference Virtual Trip to Lebanon (23-25 February). The conference brought to the fore the challenges confronting Lebanon and the requisite corrective measures.

The analysis of the report and the echoes from the conference could be summarized as follows: In terms of political economy, the report argues that the "political divisions seem to be widening and the economic and financial crisis deepening, potentially leading to civil strife and the disintegration of the country. The Lebanese political system, with its encoded sectarian divisions, remains a significant impediment to economic reforms. The political elite, represented in the parliament, is merely interested in maintaining its grip on the economy and finances of the country. The long inaction of successive cabinets in the face of the economic and financial crisis has heightened the credibility issue and will require significant up-front measures to start restoring credibility”. As such, the report sees the "only hope for Lebanon to address its current economic and financial crisis is to implement a comprehensive adjustment and reform program with the help of the IMF and the World Bank.

Key elements of the comprehensive program are: complete expeditiously the audit of BdL; introduce strong transparency and anti-corruption laws with solid enforcement mechanisms; unify the multiple exchange rates; restructure debt; rehabilitate the banking system; approve the capital control law; adopt a medium-term fiscal framework to ensure debt sustainability; approve the new EdL plan, including World Bank recommendations, introduce a comprehensive social protection system; establish an independent emergency high economic council; and improve the statistical base of Lebanon”.

In addition, according to the report, “prioritizing and sequencing the reform measures will be crucial. The focus in the short run should be on achieving macroeconomic stability, including a relatively stable unified market-determined exchange rate, significantly lower inflation, and narrower deficits. These could be achieved partly by limiting the increase in money in circulation in Lebanese pounds”. The report concludes that the "success of such a program will depend critically on political support. If Lebanon commits to a robust and comprehensive program of deep reforms, and if the political leadership demonstrates a strong commitment to undertaking the program outlined above, then external sources of strong support will respond and provide the needed uplift to the Lebanese economy and bring it up from its state of collapse to a state of stability and foster sustainable and equitable growth over the long term”. However, in the absence of a comprehensive adjustment and structural reform program, Lebanon will settle into a “bad equilibrium” or even continue to spiral downward in the hands of highly corrupt political elite. (IIF 08.03)

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* 1. Jordan’s Trade Balance Deficit with the EU Stood at JOD2.6 Billion in 2021

Jordan's trade balance deficit with the European Union countries increased during 2021, by 12.9%, to reach about JOD2.671 billion, compared to 2020, which amounted to about JOD2.364 billion. According to foreign trade data issued by the Department of Statistics (DoS), the value of national exports to EU countries rose during 2021, marking a 29.9% increase, to reach about JOD199 million, compared to 2020, which amounted to about JOD153 million.

The department's figures also revealed that the value of imports from the EU also increased in 2021 by 14%, reaching about JOD2.870 billion, compared to 2020, which amounted to JOD2.517 billion. In addition, the data showed that Holland was the top importer of Jordanian products last year, reaching about JOD39 million, while Germany was the EU’s largest exporter to the Kingdom, which amounted to approximately JOD544 million. (Petra 12.03)

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* 1. Jordan's Trade Balance with the US Posts a JOD600 Million Surplus

Jordan's trade balance with the United States registered a surplus of JOD600 million last year. According to the data released by the Department of Statistics, Jordanian exports to the United States increased by 30% in 2021, reaching about JOD1.586 billion, compared to JOD1.220 billion in 2020.

The Kingdom's imports from the United States also rose last year, reaching about JOD988 million, compared to JOD976 million in 2020. Garments and textiles are key exports to the US market, followed by engineering industries, foodstuff, Dead Sea cosmetics and jewelry. The balance of trade is the difference between the value of a country's exports and imports in a given period, and is the largest component of its balance of payments. (Petra 15.03)

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* 1. Jordan to Receive $1.65 Billion in US Aid During 2022

The US Congress has approved a new aid package for Jordan for 2022, estimated at $1,650 billion, Jordanian Minister of Planning and International Cooperation Shraideh announced. Shraideh thanked the US government and Congress for approving the new assistance to the Kingdom, which comes to support its development and reform programs during 2022, in light of the challenges that affect Jordan's economy.

Shraideh said approval of this U.S. assistance was the outcome of King Abdullah II's efforts with the US administration and Congress during the last period, within the framework of securing and approving the aid package for the Kingdom. In addition, the minister lauded Washington's assistance provided to the Kingdom to support the development process and provide aid during the past years to address the Kingdom's burdens due to the region's turmoil, Syrian refuge crisis and COVID-19 pandemic-induced repercussions. (Petra 12.03)

►►Arabian Gulf

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* 1. UAE Central Bank Approves Creation of 5,000 Jobs for Emiratis by 2026

On 2 March, the board of directors at the Central Bank of the UAE (CBUAE) approved a new Emiratization plan for managerial positions in the banking and insurance sectors in the UAE. It approved creation of 5,000 new jobs by the end of 2026, in coordination with the Emirates Institute for Banking and Financial Studies and the Emirati Talent Competitiveness Council. The directive to create the 5,000 jobs for Emiratis in the country’s insurance and banking sector comes days after Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, held a cabinet meeting that emphasized the country’s Emiratization goals.

Meanwhile, the CBUAE board also approved an amendment to the bank’s notifications regarding maximum fee limits and commissions imposed on licensed financial institutions and agreed to amend the scope of work of the bank’s “Banking Risk Centre” regarding the bounced check system. Starting on 2 January this year, amendments to the provision regarding checks took effect in the country whereby the government decided to decriminalize incidents related to bounced checks. The scope for criminalization of returned checks due to insufficient funds has been narrowed and confined to cases of bad faith and other check crimes. (WAM 03.03)

►►North Africa

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* 1. Egyptian Remittances Hit a Record High in 2021

Remittances from Egyptians abroad rose 6.4% in 2021 to a record high of USD 31.5 billion, according to central bank figures released on 14 March. Egypt was one of the world’s top remittance destinations last year, according to the World Bank, which puts us fifth behind India, China, Mexico and the Philippines. Remittances have become an increasingly important source of foreign currency for Egypt, particularly following the hit to tourist revenues caused by COVID-19. The value of remittances has picked up steadily since the pandemic, with inflows during the previous fiscal year reaching a record $31.4 billion.

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* 1. Rising Food Prices Push Egypt Inflation Rate to 31-Month High in February

Egypt's headline inflation reached a 31-month high in February as rising global prices caused the cost of local food items to accelerate at a rate not seen since 2018, according to official data. Figures showed that annual urban inflation rose to 8.8% last month from 7.3% in January — its highest level since July 2019 — while monthly inflation hit a 16-month high of 1.6%.

Food price inflation hit its highest level since November 2018, reaching 17.6% y-o-y from 12.4% in January, with vegetables, oil and meat seeing particularly large increases. Food and beverages constitute the biggest component of the basket of goods used to measure prices. Almost all food items recorded an acceleration in their annual price increases compared to January, as an expected outcome of seasonal factors, and — more importantly — the surge in global inflation pushed even higher by the flare-up between Russia and Ukraine in late February.

Annual core inflation also continued to rise, hitting 7.2% from 6.3% in January, according to central bank data. Core inflation strips out volatile items such as food and fuel. The commodity price shocks pushing February’s inflation up came before Russia’s war in Ukraine unfolded, pushing up the price of strategic goods at home and globally on the back of the conflict. Global wheat prices have surged 48% over the past two weeks, adding more than $100 to the price per ton. Sugar prices have risen 7%, frozen meat by 11% and poultry by 10% over the same period. Energy prices have also skyrocketed globally. (CAPMAS 14.03)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkey’s Inflation Hits Highest Rate Since 2002 – 54.4%

Turkey's annual inflation rate in February hit a two-decade high, TurkStat announced on 3 March, amid President Erdogan's unorthodox policies to cut interest rates and a weakening currency. Consumer prices increased by 4.8% in February from the previous month and annual inflation reached 54.4%, the data revealed. The rising cost of living has become a major source of public discontent in Turkey as Erdogan seeks to win next year's presidential election. The Turkish lira lost 44% of its value against the dollar in 2021.

According to Turk-Is, a leading confederation of trade unions, the cost of a healthy and balanced diet — known also as hunger threshold — rose to TL4,553 ($322) for a family of four in February, surpassing the monthly minimum wage of TL4,250 ($300), which is the pay of about half of Turkey’s wage-earners and was raised by 50% as recently as January. As well, Russia and Ukraine supplied 80% of Turkey’s $4 billion grain imports last year, and any price increases on this item alone would push consumer inflation up.

Last month, Fitch Ratings downgraded Turkey's debt from BB- to B+ with a negative outlook, citing high inflation and a lack of confidence in policymakers to turn the tide. Although inflation is rising across the world, thanks in part to easy money policies adopted to cushion the blow of the COVID-19 pandemic, Turkey's problems are dramatically more acute because of Erdogan's unorthodox economic approach. Erdogan rejects the idea that inflation should be fought by hiking the main interest rate, which he believes causes prices to grow even higher - the exact opposite of conventional economic thinking. (TurkStat 03.03)

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* 1. Turkey’s Current Account Deficit Stood at $7.1 Billion in January

Turkey’s current account balance registered a $7.1 billion (TL 106.2 billion) deficit in January, widening by $5.3 billion year-over-year, according to official data released on 11 March. This stemmed from a significant rise in the goods trade deficit, which soared by $6.4 billion to reach $8.3 billion, the central bank announced. The country's 12-month rolling deficit stood at $20.2 billion this January.

The gold and energy-excluded current account posted a $1.5 billion surplus, up from a surplus of $1.3 billion in the same month of last year. A group of 26 economists surveyed by the Anadolu Agency (AA) projected the current account deficit would come in at $6.97 billion in January. The survey showed the end-2022 current account balance is forecast to see a deficit of $26.52 billion. In December 2021, the current account had a deficit of $3.84 billion. (AA 11.03)

* 1. Cyprus Inflation Rises to 6.6%

Petrol prices, electricity, fruit and vegetables have driven inflation up in February to 6.6%, according to the Cyprus Statistical Service. In February 2022, the Consumer Price Index increased by 1.27 units to 105.84 compared to 104.57 units in January. For January-February, the CPI increased by 6% year-on-year. It increased 1.2% since January.

The largest changes when compared to the index of February 2021 were in Petroleum Products (28.4%), Electricity (22.4%) and Agricultural Goods (17.5%). Compared to January, the largest change was monitored in Agricultural Goods (9.6%). The biggest annual price rises were monitored in the categories Transport (14.8%), Housing, Water, Electricity, Gas and Other Fuels (13.3%). Compared to the CPI of the previous month, the largest change was noted in Food and non-Alcoholic Beverages (4.7%).

For January–February, compared to the previous year, the largest changes were recorded in Transport (14.1%) and Housing, Water, Electricity, Gas and Other Fuels (13.7%). The category Food and non-Alcoholic Beverages (0.92) had the largest effect on the unit change of the CPI compared to the previous month. Petroleum Products (2.11), Fresh Vegetables (0.89) and Electricity (0.73) had the most notable effect on the change of the CPI of February compared to February 2021. (CSS 04.03)

**Cyprus' Tourism Revenue at Lowest Level Since 2009**

Cyprus tourism revenues in 2021 were the lowest recorded in over a decade, excluding 2020, when the travel industry was essentially on COVID-19 lockdown throughout the year. Annual revenue from tourists reached €1.51 billion in 2021 as the tourism industry followed a recovery path following the COVID-19 pandemic in 2020. However, excluding 2020, last year recorded the lowest revenue since 2009 when the island generated tourism revenue of €1.49 billion. According to data released by the Cyprus Statistical Service, revenue from tourism was €1.51 billion, compared with just €392 million for 2020 and a record €2.68 billion in 2019.

Tourist revenue for January – December 2021 jumped 286% from the year before, marking a reduction of 43.6% compared with 2019. In December, tourism income was €54 million from €9.1 million in December 2020 and broadly unchanged from 2019 (€54.6 million). Pre-coronavirus 2019 was also a record year for the Cypriot tourism industry, seeing 3.96 million tourists arrive on the island.

In 2021, 1,936,931 tourists arrived compared to 631,609 in 2020, recording a 206.7% increase and a 51.3% decreased compared to 2019 (3,976,777 arrivals). Tourism stakeholders were hoping for a better 2022, but the war in Ukraine and sanctions on Russia have dashed hopes for this summer. Cyprus expected 800,000 tourists from Ukraine and Russia this year, about 20% of expected traffic. Authorities have launched a campaign to make up for losses from Russia and Ukraine from other markets. Losses in tourist arrivals from Ukraine and Russia could be offset by higher volumes from Britain – the island’s biggest market -where there is increasing interest in Cyprus holidays. (fm 11.03)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. New Hebrew-Language Program Aims to Improve Opportunities for Druze Israelis

A new Education Ministry program aims to ensure members of Israel's Druze community master the Hebrew language. Seventeen classes providing intensive Hebrew-language instruction have already opened in elementary schools in the sector, with 47 set to open in the remaining schools in the coming academic year. The program, an initiative of the Ministry of Education, aims to improve opportunities for Druze Israelis in academia and the workplace by teaching Hebrew-language skills to Druze students from kindergarten to their senior year.

As part of the program, eighth- and ninth-grade debate club members, who normally debate in English, will switch to Hebrew-language debates and receive instruction in Hebrew from native Hebrew speakers beginning next year. In yet another initiative, eighth- and ninth-graders will attend a one-week summer camp with Jewish Israelis to increase their motivation to master the Hebrew language. Science, which to date has been taught in Arabic in Druze schools, will also be taught in Hebrew in elementary and middle schools this year. Students from fourth to sixth grade will learn scientific words in Hebrew to prepare for this change. (Various 13.03)

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* 1. Israel & World Jewry Celebrate Purim Holiday

On 17/18 March, most of Israel and Jewry around the world will mark the holiday of Purim. Purim is one of the most joyous and fun holidays on the Jewish calendar. It commemorates a time when the Jewish people living in Persia were saved from extermination. The story of Purim is told in the Biblical book of Esther. The heroes of the story are Esther and her cousin Mordecai, who raised her as if she were his daughter. Esther was taken to the house of Ahasuerus, King of Persia, to become part of his harem. King Ahasuerus loved Esther more than his other women and made Esther queen, but the king did not know that Esther was a Jew, because Mordecai told her not to reveal her nationality. Haman, an arrogant, egotistical advisor to the king, hated Mordecai because Mordecai refused to bow down to Haman, so Haman plotted to destroy the Jewish people. Mordecai persuaded Esther to speak to the king on behalf of the Jewish people. Esther fasted for three days to prepare herself and then went into the king. She told him of Haman's plot against her people. The Jewish people were saved and Haman was hanged on the gallows that had been prepared for Mordecai.

The Purim holiday is preceded by a minor fast, the Fast of Esther (16 March), which commemorates Esther's three days of fasting in preparation for her meeting with the king. The primary commandment related to Purim is to hear the reading of the book of Esther. The book of Esther is commonly known as the *megillah*, which means scroll. It is customary to boo, hiss, stamp feet and rattle noisemakers whenever the name of Haman is mentioned in the service. The purpose of this custom is to "blot out the name of Haman." Jews are also commanded to eat, drink and be merry. In addition, they are commanded to send out gifts of food or drink, and to make gifts to charity. The sending of gifts of food and drink is referred to as *mishloach manot* (lit. sending out portions). Purim is not subject to the Sabbath-like restrictions on work that some other holidays are; however, some sources indicate that Jews should not go about their ordinary business on Purim out of respect for the holiday. Purim is also celebrated a day later (17/18 March) in Jerusalem.

\*REGIONAL:

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* 1. Jordan's Hashemite University & Harvard Discuss Cooperation

The President of the Hashemite University (HU) received a delegation from Harvard University, chaired by President of the Center for Women, Health and Education at the Dana-Farber Cancer Institute, and an accompanying delegation. The meeting discussed prospects for joint cooperation between the two universities, especially with regard to developing partnerships, exchanging visits between faculty members, training on scientific research, its dissemination and learning its necessary skills, in addition to cultural and civilizational exchange between students in both universities.

In the meeting, the attendees underlined the importance of developing programs, study plans and scientific research in line with scientific developments worldwide, especially in the fields of modern technological sciences. The Jordanians have aspirations in the field of developing capabilities and skills of researchers on professional methods of publishing scientific research through training them on specialized scientific writing for scientific research for faculty members, graduate students and bachelor’s students at the HU. (Petra 07.03)

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* 1. Canada's Governor General to Travel to the Middle East

Canadian Prime Minister Trudeau announced that the Governor General of Canada, Her Excellency the Right Honorable Mary Simon, will travel to the Middle East for working visits from 17 – 23 March 2022. The Governor General will visit the United Arab Emirates (UAE), Qatar and Kuwait. In each of these three countries, she will meet with Canada's ambassadors, Canadian Armed Forces members deployed to the region, as well as heads of state and other senior leaders of the three countries to strengthen our bilateral relations. In these times of uncertainty around the world, bolstering relationships between countries is of utmost priority.

While in the UAE, the Governor General will represent Canada and be a guest of honor at Canada's National Day at Expo 2020, in Dubai. Her attendance at Expo 2020 will help promote Canadian leadership, innovation, and opportunities throughout all sectors of society while highlighting the importance of collaboration across countries and cultures. During her visits, the Governor General will thank the governments of the UAE, Qatar and Kuwait for their pivotal role in evacuating Canadians and Afghans from Kabul since August, as part of global evacuation efforts from Afghanistan. This will be Her Excellency's second visit abroad since becoming Governor General of Canada. (PMO 14.03)

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* 1. UAE Eid Al Fitr Holiday in 2022 Expected to be Five Days Long

The end of Ramadan could be marked by about a week off work for many people in the UAE. The holy month's first day is expected to fall on Saturday, 2 April. It will last for either 29 or 30 days, depending when the new moon is sighted, as the Islamic calendar is based on the lunar cycle. The task of spotting it falls to the moon-sighting committee — a group of astronomers, court officials and advisers from the country's Islamic authority — which call the start and the end of the holy month after seeing the new crescent.

The end of Ramadan will be marked by a holiday for both the public and private sectors, which starts on the 29th day of Ramadan and lasts until the third day of Shawwal, the 10th month. This means the holiday will probably begin on Sunday, 1 May and end on Wednesday, 4 May, if Ramadan is 29 days, giving many people a five-day break. But it could extend to Thursday, 5 May, stretching to six days, if Ramadan lasts 30 days.

Ramadan will occur during the tourist season again and restaurants are expected to be able to serve diners without curtains or dividers. Many bars continue to serve liquor, as long as patrons are respectful and entertainment is kept to a minimum. (Various 08.03)

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* 1. Saudi Lifts COVID-19 Restrictions and Scraps PCR Testing for Incoming Travelers

Saudi Arabia announced that it is lifting all precautionary and preventive measures related to the COVID-19 pandemic. Accordingly, incoming passengers are not mandated to provide negative PCR tests or rapid antigen tests when arriving into the kingdom. Institutional as well as home quarantine for passengers arriving into the country has also been discontinued. However, travelers arriving into the kingdom on visit visas are required to have medical insurance that would cover all treatment costs related to COVID-19 during the passenger’s stay in the country.

People in the kingdom are also no longer required to wear a mask in open places, while they must continue to do so within closed spaces. Additionally, social distancing protocols in all closed and open places, activities and events has been suspended. Physical distancing measures in mosques, including the Holy Mosque and the Prophet’s Mosque also been removed, although people must continue to wear masks.

However, authorities confirmed that implementing the national plan for immunization was important, which includes taking the third booster dose. Saudi citizens who wish to travel abroad are mandated to take the third COVID-19 vaccine booster shot. (GB 07.03)

ISRAEL LIFE SCIENCE NEWS

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* 1. Saffron Tech & Naveh Pharma to Create Saffron-Based Cosmetics and Supplements

Sativus Tech Corp announced that its subsidiary, Saffron Tech, has signed a non-binding LOI with Netanya's [Naveh Pharma](https://www.navehpharma.com/), a company that specializes in creating pharmaceutical and healthcare products with unique active ingredients including saffron. The strategic joint venture is expected to accelerate grown for both companies as the fast-growing nutraceutical industry continues to expand with consumers looking for natural solutions for conditions such as depression and inflammation. The partnership creates undeniable value for both companies and their shareholders by creating a synergy where Saffron Tech would supply Naveh Pharma’s saffron-based supplements.

Under the terms of the transaction, Saffron Tech will invest $1.5 million and will hold 70% of the equity of the joint venture. In addition, as part of the agreement, Naveh Pharma will commit to purchase from Saffron Tech, at least 100 kg. of saffron extract at over $2,000 a kg which translates to $23,000 per kg of pure saffron.

The joint venture plans to develop and distribute a line of saffron-based food supplements globally in 2022 and launch a line of saffron-based cosmetics in H2/22. Shared revenues from this joint venture will include existing products already being sold by Naveh Pharma, including a series of seven saffron-based products used for antidepressants, mood support, ADHD and more. This collaboration could be the first step in a significant increase in the market of saffron-based food supplements and cosmetics supplements.

Tel Aviv's [Sativus Tech Corp](http://saffron-tech.ag/) is an AgTech company that uses advanced vertical farming technology to increase the production of low yield food products in the global marketplace. The company focuses on the research, development, and commercialization of agriculture products that are high in demand but scarce in the marketplace. A reliable supply of these highly coveted food products can be used in various applications including pharmaceutical, nutraceutical, culinary, and the beauty industry. (Sativus Tech Corp 02.03)

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* 1. Hallura Successful Clinical Trial with its New BiOLinkMatrix Aesthetic Dermal Fillers

Hallura announced successful topline results from its multi-site European clinical trial in three indications for lips enhancement, nasolabial folds correction and cheeks enhancement. The company's open-label, multi-center trial is evaluating the safety and effectiveness of three BiOLinkMatrix gels using different HA concentrations. The proprietary BiOLinkMatrix technology is a unique and smooth crosslinking method enabling a lower HA concentration and a reduction in impurities. It is designed to create more natural, highly elastic, biodegradable and very safe HA dermal fillers by retaining the natural physical properties of the HA bio-polymer.

In 132 patients enrolled, the study's primary performance endpoint was fully met and showed improvement in aesthetic appearance in all three indications, measured on the Lip Volume and Thickness Scale, Wrinkle Severity Rating Scale, Mid-Face Volume Deficit Scale. Treatment effectiveness was sustained in most of the subjects from 1-month to 9-months after treatment with more than 80% of clinicians and subjects reporting improvement on the Global Aesthetic Improvement Scale (GAIS). A very positive safety profile was demonstrated with common injection site responses, such as swelling, redness, firmness, lumps, itching, occurring at low rates with most resolving within one week.

Founded in November 2017, Yokneam's [Hallura](https://hallura.com/‎), a portfolio company of Alon Medtech Ventures, brings a disruptive HA technology to the fast-growing aesthetic injectables market using proprietary HA crosslinking technology, not involving BDDE. Hallura's HA dermal fillers answer the growing demand for better, safer fillers with natural and soft aesthetic results. (Hallura 02.03)

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* 1. Fierce Medtech Names MeMed as One of its ‘Fierce 15’ Medical Technology Companies

MeMed has been named by Fierce Medtech as one of its ‘Fierce 15’ medical technology companies of 2021, designating it as one of the most promising private medtech companies in the industry. MeMed is a leader in the emerging field of advanced host-response technologies with a portfolio of solutions designed to provide actionable insights for tough clinical dilemmas, aimed at improving patient outcomes. MeMed BV®, a test that enables physicians to distinguish between bacterial and viral infections in just 15 minutes, received FDA clearance recently and is being rolled out across the US.

An internationally recognized daily report reaching a network of over 90,000 med tech industry professionals, Fierce Medtech provides subscribers with an authoritative analysis of the day's top stories. Every year Fierce Medtech evaluates hundreds of private companies from around the world for its annual Fierce 15 list, which is based on a variety of factors such as the strength of its technology, partnerships, venture backers and a competitive market position.

Haifa's [MeMed Diagnostics](http://www.me-med.com) has developed and validated an immune-based protein signature called MeMed BV for distinguishing between bacterial and viral infections, a powerful tool in the fight against resistant strains of bacteria. Their mission is to translate the immune system's complex signals into simple insights that transform the way diseases are diagnosed and treated, profoundly benefiting patients and society. (MeMed 07.03)

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* 1. MedOrion First Health Behavior Management Software for U.S Based Health Plans

MedOrion announced the first AI-based Health-Behavior-Management (HBM) platform which health plans can use to understand their members’ concerns and motivators and embed them in every aspect of their business. The SaaS AI platform breaks down the real world complexity of health data, people's behavior, and healthcare environmental changes into positive, personally relevant, and persuasive communications, as well as supporting better analytics, long term strategic planning, financial and health outcomes.

MedOrion’s Health Behavior Management (HBM) solution empowers health plans to switch away from outsourced member-engagement services towards an end-to-end self-service software solution that focuses on real long-term behavioral change, hence imprinting a new category in this healthcare segment. This grants health plans process ownership, priorities governance, and full visibility of member experience at all times, so they can quickly change direction when needed to ensure positive transformation of members' health and relationships.

The system analyzes each members’ claims, clinical and demographic information, combining social determinants of health (SDoH) to create insights into members' concerns regarding a variety of measures including medications, vaccines, and cancer screening. Behavioral science is then leveraged with AI to identify the most pertinent barriers to action. Once identified, HBM automatically generates a persuasive communication strategy deemed most suitable for each individual member.

Founded in 2017, Tel Aviv's [MedOrion](https://medorion.com/‎) established a new category in the Healthcare Technology segment called Health Behavior Management (HBM). HBM enables healthcare organizations the opportunity to own the complex real world health environment in an effective and scalable manner through behavioral science and AI. MedOrion models and measures members' health behavior, provides behavioral insights at the individual level, creates a governable member experience and streamlines processes that positively influence health behavior with any member interaction. (MedOrion 07.03)

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* 1. SciSparc New JV Targeting Potential Drugs for Cancers & Infectious Diseases

SciSparc announced the intended formation of a joint venture to focus on the discovery and development of potential drugs for cancers and other life-threatening conditions. Under the terms of the JV, to promote this intention, SciSparc will establish a new drug discovery company, MitoCareX Bio, an Israeli corporation.

The JV will focus on investigating mitochondrial carriers, transport proteins crucial for cell viability. Because of mitochondrial carriers' significant role in transporting necessary metabolites for cell functioning across the inner mitochondrial membranes, the Company believes various life-threatening conditions, such as cancers and rare mitochondrial diseases, might be treated by regulating the function of mitochondrial carriers. In humans, the mitochondrial carrier family consists of 53 members and is the largest solute transporter family.

Givatayim's [SciSparc](https://scisparc.com/‎) is a specialty clinical-stage pharmaceutical company led by an experienced team of senior executives and scientists. Their focus is on creating and enhancing a portfolio of technologies and assets based on cannabinoid pharmaceuticals. With this focus, the Company is currently engaged in the following drug development programs based on THC and/or non-psychoactive cannabidiol (CBD): SCI-110 for the treatment of Tourette syndrome, for the treatment of obstructive sleep apnea and Alzheimer's disease and agitation; SCI-160 for the treatment of pain; and SCI-210 for the treatment of autism spectrum disorder and status epilepticus. (SciSparc 10.03)

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* 1. Insightec Receives FDA IDE Approval for NSCLC Brain Mets Study

Insightec has received FDA approval of two pivotal investigational device exemptions (IDE) for its Exablate Neuro system – one for primary non-small cell lung cancer (NSCLC) that has metastasized to the brain in conjunction with standard-of-care Keytruda, and one for enhanced efficacy of liquid biopsy for recurrence monitoring of patients with primary brain cancer. The FDA has also granted "Breakthrough Device" designation for the NSCLC treatment, helping to expedite its development and review.

Insightec plans to launch the LIMITLESS study (NSCLC) to assess the clinical benefit of using noninvasive, low-intensity focused ultrasound combined with systemic immunotherapy in the treatment of patients with brain metastases from lung cancer.

The Exablate Neuro device is already FDA approved for the treatment of medication-refractory Essential Tremor and Parkinson's Disease. At the close of 2021 there were 42 medical centers in the United States using the Insightec Exablate Neuro device to treat patients with these conditions. The Insightec Exablate Prostate system has received FDA 510K clearance for ablating prostate tissue with high intensity Focused Ultrasound.

Tirat HaCarmel's [Insightec](http://www.insightec.com) is a global healthcare company creating the next generation of patient care by realizing the therapeutic power of acoustic energy. The company's Exablate Neuro platform focuses sound waves, safely guided by MRI, to provide tremor treatment to patients with medication-refractory Essential Tremor and Parkinson's Disease. Research for future applications in the neuroscience space is underway in partnership with leading academic and medical institutions. (Insightec 09.03)

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* 1. Ajinomoto Partners with SuperMeat for Bright Future in Cellular Agriculture

SuperMeat announced a new strategic partnership with Japan's Ajinomoto Co. to establish a commercially viable supply chain platform for the cultivated meat industry. As part of the partnership, Ajinomoto Co. will invest in SuperMeat as one of its corporate venture capital projects. The venture will work to tackle ongoing food and health issues in the world by combining SuperMeat's technologies and expertise in cultivated meat, with Ajinomoto Co.'s proprietary R&D technologies in the biotechnology field and fermentation.

Through this strategic partnership, Ajinomoto Co. and SuperMeat will create, and validate, commercially viable production and value chain solutions helping to accelerate commercialization of the cultivated meat industry while solidifying consumer and manufacturer acceptance.

This partnership is part of Ajinomoto Co.'s 2020–2025 Medium-Term Management Plan to become a solution-provider in food and health issues. It recognizes that cultivated meat can be a viable solution to protein supply issues and aims to contribute to the establishment of a sustainable value chain that stretches from producers to consumers.

Tel Aviv's [SuperMeat](https://www.supermeat.com/) is a food-tech company working to supply the world with high-quality meat grown directly from animal cells. The company's products offer a delicious meat experience and a high quality nutritional profile, while being manufactured in a sustainable, slaughter-free way. SuperMeat's proprietary cultivated meat platform allows food companies to be at the forefront of the emerging cultivated meat industry and manufacture a wide range of products containing cultivated meat inside. SuperMeat is the first B2B company to address the entire category of poultry meat from fat to muscle, providing a complete solution to cultivated meat production. The company has been showcasing the versatility of its meat platform in various events at its pilot production plant, The Chicken, the world's first farm-to-fork facility for local meat production, and is planning to host additional events in the near future. (SuperMeat 09.03)

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* 1. UST & Well-Beat New Digital Patient Engagement Solution in Partnership

Aliso Viejo, California's UST, a leading digital transformation solutions company, and Well-Beat have developed a first-of-its-kind digital patient engagement SaaS solution. The digital solution delivers personalized conversational guidelines to the clinician at the point of care with prompts specific to a patient's motivational factors. It helps deliver direct and indirect behavioral nudges to patients based on over 1,400 factors – including but not limited to the progression of their disease state. It takes inputs from short surveys, medical records, and connected devices and dynamically adapts patient communication to provide intelligent interventions and customized patient experiences.

The solution works with existing Electronic Health Record (EHR) systems and connected devices – and so it does not require any changes to clinical workflows or onboarding to a new platform. It gives administrators a blockchain-based patented tool for assessing the patient ecosystem with a unique set of APIs that increases the capability of the existing EHR. Early trials at Sheba Medical Center, Tel-Aviv, Israel, yielded a three times improvement in adherence and 87% provider and patient satisfaction scores.

Israel's [Well-Beat](https://www.well-beat.com/‎) provides a next-generation patient behavioral change solution, based on human behavior understanding and proprietary data-driven technology. At its core, the solution empowers healthcare providers and organizations to dramatically increase treatment regime adherence in patients. By incorporating Well-Beat insights into their daily practices, healthcare providers can generate more effective face-to-face meetings with patients, along with digital intelligent interventions, to ultimately provide the most suitable wellness program and approach for each patient. (UST 14.03)

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* 1. Essence SmartCare & Clalit Pilot to Reduce Hospitalization Rates in Israel

Essence SmartCare announced the successful completion of a pilot program with Clalit Health Services, Israel's largest HMO, and homecare provider Sharan Medical Care, to implement its VitalOn remote patient monitoring platform. The pilot has seen dozens of patients transferred from hospitals to be monitored at home by the VitalOn solution, which is tailored to each patient's individual requirements. Shortly after implementation, the system already began to display its lifesaving potential by recognizing a particular patient's oxygen saturation level had dropped to a life-threateningly low amount, enabling the immediate dispatch of a medical team to the scene to administer oxygen.

VitalOn combines telecare, telehealth, and wellness capabilities into a single, comprehensive remote patient monitoring and chronic disease management platform. It provides round-the-clock monitoring for a wide range of aging-related and chronic conditions, including diabetes, hypertension, and congestive heart failure. The easy-to-use solution operates independently, without the need of smartphone or tablet-based apps.

Herzliya's [Essence SmartCare](http://www.essencesmartcare.com), part of the Essence Group, develops pioneering health and care platforms for market-leading healthcare and senior care providers, enabling smart preventive care and emergency response so seniors can live life to the fullest –with total peace of mind. Partnering with Essence SmartCare helps position companies as progressive, forward-thinking and in touch with the need to enable elderly and vulnerable people to lead more independent and safer lives. (Essence SmartCare 14.03)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Lightbits Labs Awarded Patent

Lightbits, the first software-defined NVMe data platform for any cloud, has been assigned a patent (11,256,431) for “a storage system having a field programmable gate array.” The abstract of the patent (11,256,431) published by the U.S. Patent and Trademark Office states: A field programmable gate array (FPGA), that includes a trusted FPGA logic, an untrusted FPGA logic and a monitor; wherein the monitor is configured to monitor the untrusted FPGA logic and prevent the untrusted FPGA logic from violating predefined constrains imposed on an operation of the untrusted FPGA logic; wherein the predefined constraints are stored in a memory region of the FPGA that is not accessible to the untrusted FPGA logic.

Kfar Saba's [Lightbits Labs](https://www.lightbitslabs.com/) is a cloud data platform company that delivers ease of use and efficiency while unlocking agility for modern businesses. Creators of the NVMe® over TCP (NVMe/TCP) protocol, Lightbits is leading the digital data center transformation by making software-defined storage that is easy to deploy at scale and delivers performance equivalent to local flash to accelerate cloud-native applications in bare metal, virtual, or containerized environments. Backed by leading enterprise investors including Cisco Investments, Dell Technologies Capital, Intel Capital, and Micron, Lightbits is on a mission to make high-performance elastic block storage simple, scalable, and cost-efficient for any cloud. (Lightbits 03.03)

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* 1. Quantum Machines' New Hardware Eliminates Need for RF Engineering

Tel Aviv's [Quantum Machines](https://www.quantum-machines.co/) (QM) announced the availability of the company's all-in-one RF up/down-conversion module: Octave. The addition of Octave to the OPX offering creates an end-to-end solution for quantum control that can scale alongside the users' demand.

Octave is a compact, rack-mountable up-conversion and down-conversion module with built-in Local Oscillator (LO) sources. The system removes the need for researchers to spend time in the lab on configurations and calibrations by automatic self-calibration done continuously and in a fraction of a second, ensuring that the system can keep pace with user demands as the numbers of qubits continue to scale. Integrating Octave with the OPX, Quantum Machine's Quantum Orchestration Platform (QOP) now enables R&D teams to execute the highly complex algorithms necessary for tackling the most advanced challenges facing quantum computing, at scale, without the need for complex engineering.

QM's Quantum Orchestration Platform (QOP) fundamentally redefines the architecture of the quantum control stack for the control and operations of quantum processors. The full-stack hardware and software platform is capable of running even the most complex algorithms right out of the box, including quantum error correction, multi-qubit calibration, and more. Helping achieve the full potential of any quantum processor, the QOP allows for unprecedented advancement and speed-up of quantum technologies as well as the ability to scale into the thousands of qubits. (Quantum Machines 03.03)

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* 1. AU10TIX Wins Silver Globee Award for Cyber Security Global Excellence

AU10TIX announced that The Globee Awards, organizers of the world's premier business awards programs and business ranking lists, awarded AU10TIX silver for Company of the Year in Artificial Intelligence in Security in the 2022 Cyber Security Global Excellence Awards. Fighting fraud in the global digital economy has become more complex and more central to enabling a thriving ecosystem since the pandemic. To combat rising synthetic fraud, AU10TIX utilized INSTINCT, its anonymous platform designed to unify the business community. The platform centers around global identity signals that can fight synthetic identity fraud by detecting criminal attempts to create multiple accounts using fraudulent ID credentials that have already penetrated the service provider's system.

In just the first eight months of 2021, the AU10TIX INSTINCT platform helped to prevent over $700 million in fraud-related losses. Overall, for 2021, AU10TIX saw an 11% increase in identity fraud detection, helping businesses to prevent 4.3 billion dollars in fraud-related losses over the course of the year. Fueled by the immediate need for businesses to detect fraud by verifying that their customers and users are who they claim to be in a matter of seconds, AU10TIX also increased the number of identities verified by approximately 124-percent in 2021 from the same period in 2020.

Hod HaSharon's [AU10TIX](http://www.au10tix.com/) is on a mission to obliterate fraud and further a more secure and inclusive world. The company provides critical, modular solutions to verify and link physical and digital identities so businesses and their customers can confidently connect. Over the past decade, AU10TIX has become the preferred partner of major global brands for customer onboarding and customer verification automation— and continues to work on the edge of what's next for identity's role in society. AU10TIX's proprietary technology provides results in less than 8 seconds, enabling businesses to onboard customers faster while preventing fraud, meeting compliance mandates and, importantly, promoting trust and safety. (AU10TIX 03.03)

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* 1. EV Group & Teramount Packaging Technologies for Photonic Integrated Circuits

Austria's EV Group (EVG), a leading supplier of wafer bonding and lithography equipment for the MEMS, nanotechnology and semiconductor markets, and Teramount announce a collaboration on implementing wafer-level optics to solve a major obstacle of silicon photonics, namely fiber chip packaging. The collaboration will leverage EVG's nanoimprint lithography (NIL) technology, expertise and services with Teramount's PhotonicPlug technology.

Under this collaboration, standard CMOS wafers that implement silicon photonics chips will be post processed using EVG's NIL technology to implement optical elements such as mirrors and lenses for Teramount's unique "self-aligning optics". This enables flexible beam extraction from the chips and easy connection to a large number of optical fibers. Furthermore, it enables wafer-level optical inspection capabilities for enhancing silicon photonics wafer manufacturing.

Jerusalem's [Teramount](http://www.teramount.com) changes the world of optical connectivity by offering a novel solution for connecting optics to silicon for data center, advanced computing, sensors and other datacom and telecom applications. Its innovative PhotonicPlug solution provides a scalable connectivity of fibers to photonic chips and aligns photonics with standard semiconductor high-volume manufacturing and packaging capabilities. (Teramount 02.03)

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* 1. Cognata's Simulation Suite Chosen by IDF and IMOD to Accelerate Algorithm Safety

Cognata announced the integration of Cognata's simulation authoring software into IDF technology, to further accelerate algorithm safety and readiness. Cognata's offering of a highly realistic simulation and testing platform for autonomous vehicles (AV) and advanced driver assistance systems (ADAS) combines the market's leading autonomous vehicle perception training and unique challenges presented by an unfamiliar terrain environment. Cognata Solutions simulation platform provides advanced military simulation solutions - including multiple unique army assets, Thermal camera (IR) sensor simulation, obstacles course, advanced vehicle physics, analytics and more.

Cognata's AV off-road simulation is designed to test, train and validate perception and control challenges for terrains that do not offer a clear road definition and for paths that offer challenging conditions such as boulders, side slopes, difficult tractions and more. Cognata's simulation platform can create multiple use cases with limited visibility by other objects, bypassing a lengthy AI learning process by creating simulated environments for quick learning allowing AI to evaluate sensor generated large-scale situations, complex multi-source data sets, and generate automatic analysis, compressing the AI/ML training time to mere months.

Rehovot's [Cognata](http://www.cognata.com) provides the fast lane to autonomous driving with its testing and evaluation solution for self-driving vehicles—a realistic automotive simulation platform where virtual cars travel virtual roads in digital twins, from cities to unmarked terrain, all remarkably true to real-world conditions. Working with some of the largest autonomous vehicle makers in the world, Cognata brings the disruptive power of artificial intelligence and computer vision to the ADAS and autonomous driving simulation world and shaves years off the verification and validation process. (Cognata 07.03)

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* 1. Builders Insurance Holdings Selects Sapiens to Modernize its Core

Sapiens International Corporation announced that Luxembourg's Builders Insurance Holdings, a leading global provider of P&C insurance and reinsurance services, is transforming its legacy system with Sapiens' end-to-end core solution. Sapiens IDITSuite and Sapiens Intelligence will enable the transformation of Builders' numerous legacy systems in its general direct insurance business. Sapiens' modern core solution will provide Builders with the most updated functionalities to accelerate its digital operations and empower its plans for multi-national business expansion.

Builders Direct S.A, their insurance company, operates in Germany, Belgium, Luxembourg, Norway and the UK. The specialty insurer now requires a new solution to ensure better handling of its wide range of services. Sapiens IDITSuite is a component-based, core software solution comprised of policy, billing and claims solutions. IDITSuite supports end-to-end core operations and processes for the short-term/non-life insurance from inception to renewal and claims. Sapiens Intelligence is an out-of-the-box solution with a full industry standard data management model.

Holon's [Sapiens International Corporation](http://www.sapiens.com/) empowers the financial sector, with a focus on insurance, to transform and become digital, innovative, and agile. Backed by more than 35 years of industry expertise, Sapiens offers a complete insurance platform, with pre-integrated, low-code solutions and a cloud-first approach that accelerates customers' digital transformation. Serving over 600 customers in 30 countries, Sapiens offers insurers across property and casualty, workers compensation and life markets the most comprehensive set of solutions. (Sapiens 07.03)

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* 1. Gefen's One CRM to Rule Them All is Expanding

Gefen is expanding its compliant CRM communication channels support. On its journey to have a one-rule-all platform for all tech needs of the agents, Gefen's CRM enables the agent to gather in one place all communication channels with customers. These channels include calls, email, text and video chat. Since the CRM works also in the background - there is no need to "learn" a new tool - the agents (or their representatives) can continue using their favorite phone or email client (outlook, mobile) and the call recordings, creation of new customers, emails, attachments - are all added automatically to the right place. This is a must-have mandated by many regulators - having financial conversation and consultation kept 'on record' and is a common breach. The data is analyzed and provides useful insights and products matching.

Gefen is now announcing the recent addition to its communication suite - WhatsApp. Agents can now integrate their Business WhatsApp account into the conversation module allowing different people in the same agency or support department to pick chats arriving to the account. All conversations are kept on record, integrated into the customer history and all attachments are added to the documents section automatically.

[Gefen](http://www.gefen.online/) builds omnichannel digital hubs to connect agents, customers, and carriers. Generate more business and provide better service without ever losing the human touch. (Gefen International 07.03)

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* 1. Elbit Unveils Small Tactical Hybrid Propulsion Drone

Haifa's [Elbit Systems](https://elbitsystems.com/) unveiled the Skylark 3 Hybrid Small Tactical Unmanned Aerial Systems (STUAS) at the Singapore Airshow 2022. The Skylark 3 Hybrid is equipped with a hybrid propulsion system, both an electric and an internal combustion engine, tripling endurance and offering up to 18 hours of operations, with no change to size or weight. This significantly increases mission effectiveness and cuts costs. Skylark 3 Hybrid is based on the Skylark family of STUAS that have been ordered by 27 countries, to date. Those countries have been offered an upgrade.

The Skylark 3 Hybrid's combustion engine enables it to fly rapidly to its target area where it switches to the quiet electrical engine. The twin engine architecture of the new Skylark allows one to back up the other, providing greater reliability and safety. The significantly higher endurance of the Skylark 3 Hybrid provides forces with greater capacity to hover above AOI and requires fewer platforms to execute the same mission.

Skylark 3 Hybrid has a 4.7 meter wingspan, a maximum takeoff weight of 50 kilograms, service ceiling of 12,000 feet and a range of 120 kilometers, and features dual payload capacity with a "plug and play" interface for a quick replacement of sensors in the field. The Skylark 3 Hybrid is capable of integrating a range of payloads including high-resolution Electro-Optical gimbaled payload, ELINT, COMINT, laser designators and others. It is deployed and operated by a crew of two, launched via a pneumatic launcher and can be mounted on a vehicle or vessel. Two Skylark 3 Hybrid STUAS can be assigned to the same mission simultaneously managed by a shared Ground Control Station. (Elbit 14.03)

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* 1. SuperCom Offers Cyber Security Technology to Government Organizations

SuperCom announced that its cyber-security division, a provider of cyber software solutions and cyber consultancy, plans to release a new version of its proven, robust and scalable cybersecurity software technology, with enhanced protection from cyber-attacks.

For over 15 years, SuperCom's cybersecurity division, through its fully owned subsidiaries Safend and Prevision, has been aiding governments and enterprises around the world with their cyber security and cyber defense strategies. SuperCom's cybersecurity software has been deployed in government agencies and public utilities such as water and electricity infrastructures, secured SCADA production zones, and police forces and defense departments. SuperCom's cybersecurity consultancy has designed and implemented strategic security projects for national critical infrastructures including gas, water and power. Services offered include infrastructure penetration testing, cyber intelligence and awareness, cloud security services and risk and compliance assessment.

Tel Aviv's [Safend](http://www.safend.net) is a leading developer of information security solutions for organizations that provide extensive protection of sensitive corporate information found in the computers of the organization. Safend's product suite includes encryption of computer drives, removable storage devices, and precise control over the physical and wireless ports and devices connected to them, and control and supervision of the placement and transfer of sensitive content. Herzliyah Pituah's [Prevision](https://www.prevision.co.il/) is an international provider of cutting-edge Cyber Security consultancy services and solutions based on leading methodologies and best practices in information security and cyber doctrine. Prevision specializes in protecting strategic assets for governments, and large enterprises in various domains including critical infrastructure, finance and telecom.

Since 1988, Tel Aviv's [SuperCom](http://www.supercom.com) has been a global provider of traditional and digital identity solutions, providing advanced safety, identification and security solutions to governments and organizations, both private and public, throughout the world. Through its proprietary e-Government platforms and innovative solutions for traditional and biometrics enrollment, personalization, issuance and border control services, SuperCom has inspired governments and national agencies to design and issue secure Multi-ID documents and robust digital identity solutions to its citizens and visitors. (SuperCom 09.03)

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* 1. Nexteer & Tactile Mobility Announce Advanced Road & Tire Detection Software

Auburn Hills, Michigan's Nexteer Automotive and Tactile Mobility announced a software solution to improve overall vehicle health management, safety and performance by detecting changing road surfaces (wet, dry, icy, etc.) and evolving tire conditions (tire stiffness, tread depth, etc.). This solution is part of the vehicle's steering system and will enhance the connection among driver, vehicle and road through new, advanced road and tire detection software.

The companies' new software can detect road surface conditions and friction under all road conditions and speeds starting from the vehicle's parked position at zero and up to low excitation cruising (such as highway driving without acceleration or braking). It does this by integrating Tactile Mobility's virtual sensors and algorithms into Nexteer's electric power steering (EPS) system and software.

Nexteer and Tactile Mobility's software solution has employed machine learning and identified patterns in road surface and tire detection data from over 20 million miles of driving. Ongoing machine learning will continue to add to the software's ability to proactively translate road and tire conditions, while providing new significant virtual sensors and insights over time.

Founded in 2012, Haifa's [Tactile Mobility](https://tactilemobility.com/) enables the next phase of mobility development by leveraging existing vehicle sensors and artificial intelligence to equip vehicles with the missing sense of "touch." By generating, collecting and processing data from existing in-vehicle sensors about the vehicle, road and surrounding environment, Tactile Mobility enables OEMs, Tier-1 suppliers, insurers, and city maintenance and planning departments to offer their customers innovative products, driving efficiency and performance as well as a safe driving experience – depending on their specific objectives. (Nexteer Automotive 14.03)

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* 1. Colt and AudioCodes Partner to Deliver Microsoft Operator Connect

AudioCodes announced a partnership with London, UK's Colt to deliver Microsoft Operator Connect to customers through Colt calling services, while extending Colt's existing Direct Routing solution built using AudioCodes' Microsoft-certified session border controllers. In addition, Colt leveraged the AudioCodes Live Cloud SaaS solution to provide their resellers and customers with a multi-tenant, multi-tier management portal for streamlining end customer onboarding, and to enable them to offer a complete connectivity solution for Microsoft Teams Phone System.

As a result of this collaboration, Colt customers can now use Microsoft Operator Connect to select Colt as a valid operator and connect to Colt calling services via the Microsoft Teams admin center. Colt's integration with Microsoft Operator Connect is supported by 24/7 monitoring from AudioCodes experts and direct peering through Microsoft Azure, with traffic exchanged directly between the two company's networks for enhanced reliability.

Lod's [AudioCodes](http://www.audiocodes.com) is a leading vendor of advanced communications software, products and productivity solutions for the digital workplace. AudioCodes enables enterprises and service providers to build and operate all-IP voice networks for unified communications, contact centers, and hosted business services. AudioCodes offers a broad range of innovative products, solutions and services that are used by large multi-national enterprises and leading tier-1 operators around the world. (AudioCodes 14.03)

ISRAEL ECONOMIC STATISTICS

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* 1. Israel's Fiscal Deficit Narrows Further

Israel's fiscal deficit in the 12 months ending February 28, 2022 narrowed to 2.2% of GDP, or about NIS 35 billion, the Ministry of Finance announced. The fiscal deficit has been consistently narrowing over the past year from 3.2% at the end of January, 4.5% at the end of 2021 and 11.7% at the end of 2020, in the midst of the Covid pandemic. In February, the Ministry of Finance reported a rare budgetary surplus of NIS 4 billion.

The Ministry of Finance attributes the narrowing of the fiscal deficit, among other things, to an exceptional rise in government revenues from taxes in February 2022 to NIS 34.8 billion. Government revenues from taxation in the first two months of the year were NIS 82.2 billion, 23.7% higher than the corresponding period of 2021. Another reason for the smaller deficit was the continued decline in expenditure on economic assistance, as set by the previous government, for those hit by the COVID crisis. Israel's fiscal deficit was 3.1% in the 12 months to the end of February 2020, on the eve of the COVID crisis. (Globes 08.03)

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* 1. Israel's Average Salary Rose by 2.3% in 2021

Israel's average salary (at current prices) was NIS 11,773 in 2021, 2.3% higher than in 2020, the Central Bureau of Statistics announced. In real terms, after taking inflation into account, the average salary only rose by 0.8% last year, reflecting a tightening of the job market.

The shortage of available employees and the fall in unemployment to 3.9% in January have put upward pressures on salaries, as companies need to hire people, especially in the tech sector. The average salary in the tech sector was NIS 26,494 in 2021, up 6.5% from 2020. On the other hand, the average salary was pulled down by the tourist services sector, which is yet to recover from the COVID pandemic.

Inflation in 2021 was 2.8% and since then annual inflation has risen to 3.1%, above the Bank of Israel's annual target range of between 1% and 3%. (CBS 03.03)

IN DEPTH

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* 1. ISRAEL: The Monopoly Nation

Johanna Afriat reported on 3 March on [i24 News](https://www.i24news.tv/en/news/israel/economy/1646317085-israel-the-monopoly-nation) that the high cost of living in Israel is mainly explained by the existence of monopolies which prevent the emergence of free competition. There are 85, all sectors combined, a record among OECD countries.

This lack of competitiveness is particularly marked in the agri-food market, dominated by five major groups: Tnuva, Coca-Cola, Elite-Strauss, Osem and Telma-Unilever. Due to their merger-acquisition strategy, these companies hold nearly 50% of the agri-food market, while 1,108 small and medium-sized producers share the rest.

Holding this dominant position allows these groups to set prices freely and to decide on promotions and quantities. As a result, food products cost between 20% and 25% more in Israel than in Europe. According to a new study by money.co.uk, the Jewish state even ranks sixth in the world in terms of the average price of a shopping basket.

The Tnuva group, for example, has 71% of the market share for milk, and 91% for butter. It also dominates the market for frozen vegetables, fish and meat. The Coca-Cola group is also at the head of the Tara dairy, Neviot mineral water and Prigat fruit juices: it thus represents 90% of the cola market share in the country, and 43% of the total beverage market in Israel. The Elite-Strauss group concentrates 78% of the coffee market share. The variety of brands offered by supermarkets is therefore largely illusory.

Some groups like Coca-Cola even ensured until recently an exclusive position in certain convenience stores and neighborhood grocery shops, by prohibiting these retailers from selling the products of other manufacturers. In March 2017, Dudi Wertheim's Central Bottling Co. (Coca Cola Israel) was fined nearly $20 million for exploiting its monopoly status and attempting to undermine competition.

Monopolies also exist in the area of imported products, with four imposing importers operating in Israel. The masters of their own domain, they force brands to sign exclusive import agreements, eliminating competition and fixing prices at the level they want.

For example, in Israel, the price of Colgate toothpaste or Rexona deodorant is higher than elsewhere. If the rise of the shekel should logically have led to a drop in the price of imported goods, this is not the case, because importers are taking advantage of the shift to increase their profit margins.

Many practices common in Israel are impossible in other countries. As the distributor Superpharm knows well, since it imports cosmetic products into stores in Israel and simultaneously to chains across Europe. When it operates in Poland, the pharmacy is in competition with other importers and needs to align its prices. This means it sells the same products there as in Israel, but for much less money.

**Stifle the Competition**

The muzzling of competition is also practiced by supermarket chains. In agreement with the large groups, the supermarket chains highlight the products of these monopolies on their shelves and in their advertisements, often with promotions which in reality only reflect the normal price of a product.

Also, frequently possessing their own private labels, the major distributors do their best to block the progress of small producers, suffocating competition. This is how independent brands cover only 3% to 11% of sales in the country, whereas in France or Germany this proportion is 40%. When the larger supermarket chains buy the merchandise from the small producers - which is 30% to 40% cheaper - they often take the opportunity to put the difference in their pocket. There is therefore no impact on shelf prices.

Conditioned by advertising, but also the layout and quantity of products on store shelves, Israeli consumers chooses the big brands, maintaining the vicious circle of high prices.

Things may be changing, however, with a recent rebellion among Israeli shoppers. Faced with the price increases announced by certain manufacturers such as Osem, customers responded by boycotting the brand's products. As a result, the famous manufacturer of the Bamba snack finally gave up its planned price increase.

While the cost of living continues to rise in Israel, experts recommend breaking the monopolies to bring out true price competitiveness. Reacting to the social discontent following the recent rise in prices in many sectors, Prime Minister Bennett pledged to take the necessary measures to promote competition. But more than promises heard a thousand times from their leaders, Israelis today demand action.

There is precedent for such intervention. The opening to competition of the Israeli telephony market in 2011 allowed a drastic fall in the prices of phone contracts and services, showing that breaking monopolies was possible - provided that this is accompanied by real political will. (The Marker 03.03)

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* 1. ISRAEL: Israel-UAE Economic Cooperation Has Deep Roots and Broad Dividends

Katherine Bauer posted in [TWI](http://www.washingtoninstitute.org) on 8 March that from growing bilateral investments to talk of a “new Quad,” the relationship could significantly affect regional economic integration and competition well beyond the Gulf.

It was not a foregone conclusion that normalization between Israel, the UAE and Bahrain (and later Sudan and Morocco) would stick when the Abraham Accords were announced amid the collective pandemic fog in August 2020. Nonetheless, looking back it is possible to place the move within broader regional trends. Going forward, bilateral trade and investment are likely to underpin cooperation in other areas. However, it may be joint investments in third countries and other multilateral economic arrangements that will do the most to advance shared strategic objectives.

While the immediate catalyst for the Abraham Accords was an Emirati proposition that, if Israel shelved plans to annex significant portions of Judea & Samaria, the UAE would normalize relations with Israel, other dynamics were also at play. For one, the UAE was able to capitalize politically on longstanding under-the-radar ties - which they hope to grow exponentially - in terms of commerce and investment, some of it security-related. Another motivating factor was increasing alignment on two fronts: concern about the destabilizing role of Iran in the region and the perception of U.S. disengagement from the Middle East amid a greater focus on the Indo-Pacific.

Rebalancing toward Asia will increase the U.S. reliance on regional alliances to respond to localized challenges. With the Biden Administration pursuing a more transactional foreign policy in the Middle East, it is signaling a desire to see solutions come from the region, rather than U.S. intervention. However, the UAE and Israel, in particular, also share concern that U.S. pressure to repel Chinese economic and political inroads in the region will deprive them of investments and technology. As economic ties deepen and the partners branch out, they may be able to leverage emerging economic blocs within and beyond the Middle East, such as the so-called “new Quad,” to substitute for some of these lost opportunities.

**Israel-UAE Economic Ties**

Among the states pursuing normalization with Israel, the greatest momentum has been in Israel-UAE economic and trade ties. Even before the accords, trade between Israel and the Gulf states, including the UAE, was estimated at $1 billion annually, mostly through subsidiaries based in Europe and elsewhere. UAE-Israel bilateral trade approached a billion dollars on its own at the end of 2021, not including tourism and investment, and Emirati officials have said it could exceed $1 trillion over the next decade. Indeed, the two countries have signed dozens of MOUs and began negotiations over a free-trade agreement (FTA) in November.

Israeli technology is an area of particular interest for the Gulf States, but the parties see common interest in expanding collaboration in everything from agriculture, climate and health to cybersecurity and financial services. Not long after the accords were reached, the UAE announced plans to invest $10 billion “in and alongside Israel”—a combination of private and state funds that would likely include investment in Israeli tech startups as well as major projects. Although one of the larger deals involving a deep water port at Eilat and a pipeline flowing from the Red Sea port to the Mediterranean appears unlikely to move forward due to environmental concerns, there is still plenty of talk of large investments in Israel by Emirati sovereign wealth funds.

For the Emirates, normalization with Israel has come with its share of increased threats, but Emirati leaders have emphasized that they view normalization with Israel as part of a broader realignment of its foreign policy with economic objectives. Speaking at the Abu Dhabi Strategic Dialogue in November, former UAE minister of state Anwar Gargash cautioned that his country could not take economic prosperity for granted. The UAE’s economy contracted 6% in 2020, led by declines in high-contact sectors such as travel and hospitality. While the IMF projects that GDP growth will rebound to 2% in 2021, it notes that growth has yet to return to rates that predate the global financial crisis (2007).

As historically high growth sectors in the UAE, such as real estate and infrastructure, have matured, Saudi Arabia will likely drive growth in the region for the coming decade as it focuses on the same sectors domestically. Already, there are signs of competition: in what many saw as a direct threat to multinationals operating out of Dubai, Saudi authorities decreed in February 2021 that foreign firms would be required to move their regional headquarters to the Kingdom by 2024 or risk losing out on lucrative Saudi government contracts.

Visa and foreign ownership reforms announced by the UAE in 2021 are part of a broader effort to attract and retain high skilled workers who can contribute to the Emirates’ objective of building a knowledge-based economy. Israeli tech companies are seizing these opportunities. Firms such as the Tel-Aviv-based fintech Rapyd are reportedly opening offices in the UAE, hoping to attract an international labor force amid labor shortages at home. Jerusalem-based venture capital firm Our Crowd also announced that it was setting up shop in the Abu Dhabi Global Marketplace (ADGM) in November, saying that it would not only allow the company to raise capital in the UAE, but also promote Emirati and regional startups. The Abu Dhabi Investment Office, based in the ADGM, has allocated AED 2 billion (roughly $500 million) for grants and rebates on “highly-skilled payroll” to companies that base themselves in the financial center.

**Expanding Economic Blocs Regionally and Beyond**

Looking to protect its role as a regional financial and economic hub, the UAE is also pursuing a flurry of new trade agreements - such as the FTA with Israel but also India, Turkey, Indonesia and Columbia - and expanding strategic investment, especially in Asia and Africa. Coupling Israeli technology and innovation with Emirati companies’ experience in project management and logistics, the UAE hopes to pursue trilateral or even multilateral deals with Israel in third countries.

Beyond coupling relative expertise, trilateral deals give both parties cover and confidence that may not exist yet bilaterally. In November, for example, the UAE, Israel and Jordan signed a water-for-energy deal under which an Emirati company will build a solar power plant in Jordan to provide electricity for an Israeli desalination plant, which will in turn send water to Jordan. A month prior, Israel agreed to a nearly three-fold increase in Jordanian exports to Judea & Samaria as part of a separate water agreement; a long-standing request that could help buoy both the Jordanian and Palestinian economies.

Indeed, alongside the Abraham Accords, there has been a deepening of both economic and political ties over the last year with Israel’s older partners in peace: Jordan and Egypt. In September, Israeli Prime Minister Naftali Bennett made the first visit by an Israeli head of state to Egypt in ten years. In February, Israel approved additional gas exports to Egypt via Jordan, deepening regional energy ties.

Further down the line, there is hope that greater regional energy integration will open opportunities for expansion into bigger markets in Europe. Emirati firms have also gotten in on the game. UAE state firm Mubadala completed the purchase of a $1 billion stake in Israel’s Tamar gas field in December, making it the largest commercial deal between Israel and the UAE since normalization.

There has also been speculation about possible Turkey-UAE-Israel joint projects, which could include an energy component. The UAE announced a $10 billion fund for investment in Turkey during a visit by Emirati Crown Prince Muhammad bin Zayed in November. The visit signaled a rapprochement between Turkey and the UAE after they had taken opposing sides in a number of regional conflicts in recent years, from Libya to the Qatar rift. Turkey has also sought to improve relations with Israel, with whom ties have been strained for more than a decade, as well as Egypt, and possibly eventually Saudi Arabia, amid domestic economic disarray that has included skyrocketing inflation and devaluation of the Turkish lira.

Beyond the Middle East, the establishment of a working group of U.S., India, UAE and Israeli foreign ministers in October is yet another dividend of the accords. While some have heralded the bloc as the “new Quad,” unlike the strategic security dialogue between the U.S., India, Japan and Australia, this one’s focus will, at least initially, be solely economic.

Both the UAE and Israel already have deep ties with India, which India appears keen to expand. The UAE and India concluded a Comprehensive Economic Partnership Agreement (UAE-India CEPA) in February. Israel and India celebrated thirty years of diplomatic relations to some fanfare last June. India is another destination where Israeli and Emirati expertise and financing could be brought together in tech, infrastructure and transportation projects. Cooperation on banking, financial technologies and trade finance could also pay significant dividends.

While the “new Quad” (or Q2?) remains nascent, it has reportedly been active. It is possible that greater regional economic integration and the emergence of supra-regional economic blocs will introduce greater competition into regional markets, so that the choice is not only between the U.S. and China.

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* 1. ARAB WORLD: Why Isn’t E-Commerce Benefiting the Arab World? ‎

Sami Mahroum ‎posted on 15 March in Egypt's [Economic Research Forum](https://theforum.erf.org.eg) that although headline measures of digitalization and e-commerce are growing steadily in the Middle East ‎and North Africa, the outlook is anything but rosy. As this Project Syndicate column explains, not only ‎is internet access largely limited to those with higher incomes, but the bulk of the goods and services ‎being traded comes from foreign suppliers. ‎

For centuries, the streets of Cairo have been festooned with traditional lanterns to celebrate the ‎holy month of Ramadan. In recent decades, the domestically produced lanterns were replaced ‎by cheaper ones made in China. Yet owing to the pandemic’s disruption of global supply ‎chains, Egyptian-made lanterns made a comeback last year. But whether their revival will last ‎remains to be seen.‎

The Egyptian lantern story is just one pixel in a much larger picture. Across the Middle East ‎and North Africa (MENA), new technologies are increasingly facilitating trade within the ‎region and between local markets and the rest of the world. Digital platforms like Alibaba, ‎eBay and Amazon have expanded the range of goods and services that can be exchanged across ‎borders. Digitalization has not only increased the scale, scope and speed of commerce; it has ‎also changed the way businesses trade across borders and allocate resources.‎

Successful local e-commerce platforms are usually a source of pride. But, though digital ‎platforms provide consumers with a greater variety of goods and services and allow businesses ‎to trade internationally with greater efficiency, they also subject local businesses to tough, and ‎sometimes unfair, competition.‎

The MENA region’s experience shows that the introduction of digital trade and e-commerce ‎can have complex implications for a developing country’s economy. To benefit from greater ‎exposure to international trade via digital platforms, a country still needs to have a comparative ‎advantage in certain industrial sectors, as well as widespread access to advanced digital ‎infrastructure. MENA countries lack one or both.‎

Most Arab countries trade primarily in fossil fuels (accounting for 56% of the region’s total ‎exports) and other natural and primary resources, which tend to be less positively affected by ‎the rise of digital markets. Arab countries also produce very few intermediate products for ‎export, and thus are poorly integrated in global value chains. Such weaknesses reduce the ‎opportunities for domestic businesses to benefit from digital trade and e-commerce. No wonder ‎some 80% of e-commerce in the region is concentrated in the six Gulf Cooperation Council (GCC) countries and Egypt.‎

To be sure, Arab consumers do benefit from digital markets and the Arab consumer base is ‎digitalizing rapidly. Between 2012 and 2017, the share of digital media users in the region ‎increased from less than 10% to more than 30%, and this trend has since accelerated with the ‎pandemic.‎

But this rapid spike in digital adoption was mostly driven by smartphones with faster internet ‎speeds, predominantly in the United Arab Emirates (UAE) and Saudi Arabia, which together ‎account for 60% of the region’s e-commerce market. The situation is quite different in poorer ‎countries outside the oil-rich Gulf states. According to a recent World Bank report, Tunisians ‎in the bottom 40% of the income distribution would need to spend more than 40% of their ‎income to purchase high-speed internet. Tunisia is not alone. Over 60% of people in ‎Algeria, Djibouti, Morocco, Syria and Yemen cannot afford fixed or mobile broadband ‎services.‎

So far, the benefits of expanded e-commerce have been captured primarily by large GCC-based ‎retailers, their foreign partners and higher-income cohorts. These retailers have been ‎expanding their markets with new product selections, both organically and through ‎partnerships. For example, Souq, a UAE-based digital platform that was acquired by Amazon, ‎and Noon, a digital market operated in partnership with eBay, have brought millions of new ‎consumer goods to the MENA market with localized websites, product selections and payment ‎methods.‎

The bulk of the wares sold on these platforms, however, comes from overseas sellers, mostly in ‎China. According to the Chinese Trade Ministry, China’s exports to Egypt in 2020 totaled ‎‎$13.6 billion, an 11.8% increase from the previous year, whereas imports from Egypt to China ‎stood at $920 million, having fallen by 7.8%. In this respect, the overall impact of digital ‎markets, particularly ‘aggregators’ like Amazon and Alibaba, on Arab states appears to be ‎more negative than positive.‎

There are some exceptions. Domestic firms in transport, real estate services, tourism and ‎entertainment have all been able to leverage digital platforms to their advantage. In the case of ‎tourism, for example, hotels and tour operators have benefited from the arrival of international ‎online travel booking agencies and search engines like Wego (Singapore) and Cleartrip (India), ‎along with homegrown brands such as Almosafer (Saudi Arabia) and Rehlat (Kuwait).‎

Similarly, digital platforms have given a boost to the region’s entertainment business. For ‎example, Anghami, a music-streaming platform founded in 2012 in Lebanon, is now a NASDAQ-‎listed company serving more than 75 million consumers. Netflix has both tapped into and ‎promoted local content, including its first Arabic-language original series. This has vastly ‎expanded the industry’s reach. Lebanese director Lucien Bourjeily’s 2017 film, Heaven ‎Without People, was little known until it became available on Netflix and shot to fame.‎

Still, these are the exceptions that prove the rule. While the Arab consumer base is digitalizing ‎fast, most of the productive base is not keeping pace. As a result, an increasing number of ‎businesses in the region are losing their customers to foreign suppliers and service providers. ‎This trend is unsustainable, because the local businesses that employ Arab consumers will ‎eventually find themselves driven out of business.‎

Part of the solution is to address the infrastructure constraints facing small businesses in the ‎region. These range from access to reliable electricity supplies to electronic payment systems ‎and affordable high-speed internet services. But governments must not stop there. They will ‎need to work closely with local and international market players to ensure that the new digital ‎trade with the world goes both ways. (EFT 15.03)

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* 1. QATAR: IMF Staff Completes 2022 Article IV Mission to Qatar

An [International Monetary Fund (IMF)](http://www.imf.org/) team held virtual discussions with the Qatari authorities to conduct the 2022 Article IV consultation from 13 February to 1 March 2022. At the end of the visit, the IMF issued the following statement:

“The Qatari authorities’ swift and decisive response to the COVID-19 crisis has dampened its health and economic impact and paved the way for a speedy recovery. Proactive containment measures, massive testing, strong healthcare, and fast vaccination rollout have helped to minimize the health effect of the pandemic and contain the disruptions to economic activities. In addition, the comprehensive economic support package has provided much needed relief to the most affected households and firms and ensured sufficient liquidity in the banking system.

“Economic recovery is gaining strength on the back of rebounding domestic demand, higher hydrocarbon prices and the preparation for the 2022 FIFA World Cup. Real GDP growth is thus expected to accelerate to 3.2% in 2022. The North Field LNG expansion project will support growth prospects and further strengthen fiscal and external positions over the medium-term. Downside risks to the outlook stem from potential new virus strains, geopolitical tensions and conflicts, tighter and more volatile global financial conditions and energy market volatility. In the long run, while Qatar’s focus on LNG can help to ease the energy transition process, there is the ultimate risk that the global shift to renewals could reduce demand for hydrocarbon.

“To secure the recovery and foster stronger and more diversified growth, policy priorities include to carefully manage the exit from remaining financial sector support to safeguard banking sector strength, embark on a growth-friendly medium-term fiscal consolidation, and further advance structural reforms to achieve the goals in Qatar National Vision 2030.

“The banking sector remains well-capitalized and liquid, with non-performing loans (NPLs) at relatively low levels. To balance the need to facilitate the recovery and to ensure banking sector strength, a carefully calibrated exit from remaining support measures is crucial. In this context, the planned gradual reduction in the allocation for the zero-interest repo facility is welcome, while the strength of the economic recovery would allow the exit from the blanket loan moratorium beyond March - we recommend replacing it with time-bound measures targeting distressed but viable borrowers. Unviable firms should be resolved through an enhanced insolvency framework. Diligent banking supervision should continue, including for banks to promptly recognize and address NPLs and comply with provisioning and capital requirements. Banks’ large and increasing exposure to foreign liabilities poses potential risks as global financial conditions tighten, while the existing prudential framework and efforts to lengthen the maturity and diversify the sources of foreign funding are mitigating factors. Strong state support provides the last line of defense, but sovereign contingent liabilities could increase. Prudential measures and reforms to promote domestic stable funding could help to alleviate the risks. Prudent public finance management and a reduced public sector’s footprint in the domestic banking sector could avoid crowding out private credit.

“Amid rising hydrocarbon prices and a favorable fiscal outlook, the authorities’ commitment to medium-term fiscal consolidation is particularly welcome. A balanced and growth-friendly consolidation strategy could help to achieve the dual objectives of intergenerational equity and diversification. The strategy would call for diversifying revenues and accelerating the implementation of the value-added tax (VAT), enhancing current spending efficiency, and reorienting spending to promote productivity, economic diversification and a greener economy. The implementation of the strategy could be underpinned by a well-designed medium-term fiscal framework (MTFF) and enhanced fiscal transparency and governance.

“Qatar has made commendable progress in advancing structural reforms during the pandemic. It became the first GCC country to abolish *kafala* with a mandatory minimum wage and allowances for food and housing. Various reforms have been introduced to boost foreign and private investment and improve productivity and competitiveness. The recently launched National Environment and Climate Change Strategy envisages a 25% reduction of trend greenhouse gas emissions by 2030. Strong reform momentum should continue to improve productivity and inclusiveness, further enhance the business environment and attract private investment, and embrace new global trends, such as digitalization and green growth, for more diversified and stronger growth in the long term, as well as to address climate challenges. (IMF 07.03)

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* 1. OMAN: Optimism for Oman - Economic Recovery With Caveats

On 8 March, Clemens Chay observed in the [Arab Gulf Studies Institute in Washington](https://agsiw.org) that there is renewed buoyancy for the Omani economy as rallied oil prices are expected to ease the execution of plans, big and small. Yet, public trust in government plans still falls short.

Signs of optimism and, perhaps, relief are on the horizon for Oman. As 2021 came to a close, the minister of finance, Sultan bin Salim Al Habsi, said that estimated total revenue for the 2022 budget would likely be 6% higher than the total revenue collected in 2021. The country’s fiscal deficit, according to Habsi, showed enough promise to be projected at its lowest since 2014. These figures were calculated based on $50 per barrel oil prices. However, by the end of January, oil prices rose to $85/bbl. Now hovering over $100/bbl, high oil prices have encouraged greater oil production, incentivized energy sales (for instance, with Shell), and strengthened commitments toward renewables. There is certainly hope that, besides debt repayment and closing the budget deficit, economic recovery also entails strengthening other productive sectors, ranging from tourism to public services. The bigger question revolves around Oman’s ability to break free from the vicious cycle of dependence on its hydrocarbons. An increase in oil revenue may ironically prompt the sultanate to revert to old habits – slowing progress in the non-oil economy. A corollary problem involves the Omani workforce and whether the oil price rebound will undo the sultanate’s Omanization drive for hiring nationals – which was given a reality check with unemployment protests in May 2021.

**Executing Vision 2040 and the Latest Medium-Term Plan**

Encapsulated in Muscat’s Vision 2040 is economic and social planning, endorsed by Sultan Haitham bin Tariq al-Said early in his reign. Accompanying this masterplan are focused medium-term plans. The latest, the 10th Five-Year Development Plan for 2021-25, has been pitched as the “first executive plan” by the Ministry of Economy. According to an economic briefing released jointly by the Oman Chamber of Commerce and Industry and Oxford Business Group in November 2021, the plan aims to “gradually reduce the fiscal deficit to 1.7% by 2024 and shift the balance to a surplus beginning in 2025.” These objectives reflect continuity from tawazun, a fiscal balance program previously introduced to reduce spending and raise revenue (primarily through taxes). The sultanate is also considering imposing an income tax on high-net-worth individuals – originally as a means of addressing a budget deficit – but this is now uncertain with state revenue expected to be shored up by high oil prices.

An analysis of Oman’s 2022 budget by KPMG revealed cuts in expenditures on gas purchases, transportation, and development projects, while both oil- and non-oil revenue are expected to rise. This feeds into the economic diversification model adopted by the sultanate, known as *tanfeedh*, where indicators from the last 5-year plan show the business environment and finance exhibiting the most progress, whereas only three of 27 key performance indicators were met in the job market and employment stream. Among the existing diversification priorities, including manufacturing, agriculture and fisheries, mining, and logistic services, education and information technology are new additions, with the latter sector receiving $442 million worth of investments to improve digital infrastructure.

Running in tandem with the new 5-year plan are national executive programs, targeting three key areas: financial sustainability, attracting investment and supporting Omani exports, and increasing national employment. Abdullah Al Hakmani, the head of the project management office at the Oman Vision 2040 Support and Follow-Up Unit, in personal correspondence with the author, explained that the current phase focuses on implementation and project sustainability, in terms of personnel and thinking ahead to anticipate challenges. In efforts to overcome bureaucratic hurdles, dedicated teams of professionals, detached from the relevant ministries, have been formed to expedite the implementation process. Hakmani cited the example of the Invest in Oman program, where a technocratic team that is not associated with any ministry has been able to garner “multi-sectorial opportunities” through its own setup. Elsewhere, when addressing labor concerns and the need for a reliable skilled workforce, a different team is working to better facilitate the transition for students from graduation to the job market. From reviewing the standards of the education system to launching pilot programs for vocational training targeted at students, Hakmani acknowledged the “gap between high school and reality.” The focus on the education pillar seeks to avoid stopgap solutions to address concerns about unemployment, while identifying “jobs of the future.”

For all the hustle across government agencies, there remain reservations on the ground. According to Yousuf Mohamed Al Balushi, Group CEO of YA Group Oman, of the vision’s 12 national priorities, only four or five are given adequate attention. He said, in personal correspondence, that this was an imbalanced approach and suggested sociocultural targets would be better drivers to ensure continuity in the next generation. Likewise, a foreign diplomat based in Muscat, who requested anonymity, concurred with this view, emphasizing the challenges with bringing Omanis “into the plans if they do not understand them.” The diplomat continued that there had not been “low hanging fruits” from the vision to help secure buy-in. Additionally, contradictory policies, with months passing between their announcements, do not help the government’s case. For example, in December 2020, the government announced a plan to gradually remove utility subsidies, but it was rolled back in April 2021 as authorities announced an increase in the same subsidies for some Omanis to offset the impact of the value-added tax.

**Decentralization and Tackling Unemployment**

Part of the 5-year plan’s roadmap is “balanced development for the governorates,” which coincides with a decentralization of authority through the “Provincial and Municipal Affairs System.” This should be an effective move toward power devolution that will have implications for the economy, however, there is more to be done to address social grievances. Since his ascension, Sultan Haitham has made efforts to delegate tasks and streamline government agencies, marking a shift away from the former sultan’s personalized rule and toward an institutionalized model. However, while this move insulates Sultan Haitham from direct criticism, broad public support still eludes him.

The May 2021 protests in Sohar are a stark reminder of lingering discontent, predominantly over high rates of youth unemployment. According to the February bulletin of the National Center for Statistics and Information, the net number of Omanis in the private sector has been increasing since 2020 (currently 270,440) with the largest share in the construction sector (mainly in managerial and administrative positions). This figure still pales in comparison with the number of expatriate workers in the private sector (1,152,858). A September 2021 IMF Country Report recommended further incentivization for employment in the private sector, particularly for Omani women and youth. One way is to better align public and private sector wages and benefits. Yousuf Hamad Al Balushi, founder of Oman Investment Gateway, reaffirmed the need for a “paradigm shift” by shedding outdated business strategies and stepping up the involvement of youth in business. He suggested, only then would labor dividends be reaped.

Shifting authority to a provincial or municipal system – a key component of the 10th 5-year plan – will provide a better means of monitoring public sentiment. However, to ensure issues such as unemployment and other social grievances are properly addressed, programs should also put into place targets and performance indicators. Such metrics – reflecting productivity and transparency – would in turn show the economy’s potential competitiveness and provide necessary public assurances.

**Investments**

Inward investment, as opposed to the external use of sovereign wealth funds, is key to Oman’s investment strategy and by extension, its hopes for economic recovery. At the microlevel, the government’s move to position “Invest Easy” as a centralized online portal for registering new businesses and issuing commercial licenses has paid off. The number of transactions made through the portal has increased exponentially, and the centralized system makes it easier to conduct business. Initiatives such as the Investor Residency Programme, which grants foreign investors long-term residency rights, also seek to attract high-net-worth individuals. AGSIW Senior Resident Scholar Robert Mogielnicki wrote in a report on debt dynamics that investors view Oman favorably even when it has a “junk” rating for its bonds, as the sultanate “offers comparably high-yielding investments.”

Muscat particularly stands to benefit from the partnership opportunities offered by the convergence of Oman’s vision with Saudi Arabia’s Vision 2030. During Saudi Crown Prince Mohammed bin Salman’s December 2021 Gulf tour, 13 memorandums of understanding were signed between Omani and Saudi firms, and the Saudi Public Investment Fund pledged $5 billion in investments. Balushi, of YA Group Oman, noted that he is hopeful that these deals, building on the recently opened 450 mile road directly linking Oman and Saudi Arabia, will benefit the Duqm project and provincial development.

Further, the Sovereign Investment Partnership, signed in January between the United Kingdom and Oman, promises numerous investment opportunities, for instance, in the industrial sector where “ripe” areas have been identified for approximately $535 million worth of British investments. However, according to the foreign diplomat based in Muscat, while such agreements offer potential for Oman’s economic growth, it remains unclear whether the priority sectors in Vision 2040 will be able to “backfill the difference as Oman diversifies from oil.”

**Accompanying Recovery With a Public Connection**

There is renewed buoyancy for the Omani economy as rallied oil prices are expected to ease the execution of plans, big and small. Yet, public trust in government plans still falls short. Hatim Al Shanfari, an assistant professor of economics at Sultan Qaboos University, remarked in an interview with the author that the official narrative of Vision 2040 remains “overly optimistic,” and suggested that the leadership needs to shift away from a “traditional approach.” Citing the example of the sultan’s public absence in the aftermath of Cyclone Shaheen, Shanfari indicated that the direction at the top (at the time being) seems perceivably less engaged and lacking in public outreach. Where politics and economics meet, the Omani government will require credible strategic communication to get widespread support from society. The “resilience and resourcefulness” of Omanis during tough times, a compliment given by Omani Foreign Minister Sayyid Badr bin Hamad Al Busaidi in an interview with the National Council on U.S.-Arab relations, must be reciprocated by government assurances.

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* 1. SAUDI ARABIA: Fertilizer Market Forecast to Grow at a CAGR of 7.4% During 2022-2027

The "Saudi Arabia Fertilizer Market - Growth Trends, COVID-19 and Forecasts (2022-2027)" report has been added to [ResearchAndMarkets.com](http://www.ResearchAndMarkets.com)'s offering.

The fertilizer market in Saudi Arabia is projected to register a CAGR of 7.4% during the forecast period (2022-2027). The effects of COVID-19 were severe on the economy across the sectors of Saudi Arabia resulting in a shortage of labor, temporary plant closures and reduced operating rates across all the industrial sectors in the country. Even if factories have resumed their operation, there were issues regarding shipping and logistics. Thus, finding air, sea or land freight was a major factor disrupting the companies involved in the industry. Higher costs of containers and shipping, hauling, and storage increased fertilizer prices.

Over the years, Saudi Arabia, a country that receives an average of just about four inches of rain every year, has aimed to develop its agricultural sector to achieve self-sufficiency in food security. Thus, the application of fertilizer to improve crop growth and yield is expected to become crucial, creating higher demand for fertilizer.

Although the nitrogenous fertilizer segment took the larger chunk of the market with the share of 39.3% in 2021, potassium fertilizer application is growing at a rapid rate, as it may enhance the plants' tolerance to abiotic stress, especially a lack of water, which may otherwise significantly reduce crop yields. Fruits and vegetable production has been growing in the country. Furthermore, the COVID-19 pandemic has emphasized the importance of developing local food sources. Thus, increased agricultural activity due to the government's various initiatives to achieve self-sufficiency is expected to drive the fertilizer market in the country over the forecast period.

**Key Market Trends - Increasing Export Potential for Fertilizers**

Saudi Arabia is the largest ammonia exporter in the GCC region. Exports of ammonia are mainly destined to the Indian market, the rest being diverted to other Asian and African countries. There are various potential sales destinations for Saudi Arabian ammonia producers in the Asia-Pacific, including China, Japan, South Korea, Thailand and Vietnam. Arabian producers have a competitive advantage in supplying the Asian-Pacific region (especially South and South-East Asia) compared to its other European, African and South American counterparts.

According to the ITC trade, the export quantity for urea increased during 2017-2020 in Saudi Arabia. The country's urea export was recorded as 3.798 million metric tons in 2017 and reached 4.429 million metric tons in 2020. Thailand was the major destination for Saudi Arabia, with a value share of 23.9% in 2020. Other destinations include the United States, Australia, South Africa and New Zealand.

The availability of natural gas at an attractive price in the country gives an advantage of the low cost of production. The ability of producers to run plants efficiently and reliably makes the construction of export-orientated, integrated urea plants very attractive. This is expected to result in the overall growth of the market.

**Nitrogenous Fertilizer Dominates the Product Type Segment**

Saudi Arabia accounts for about one-third of the GCC fertilizer export volume of about 7.2 million metric tons, with urea representing 53% and the remaining shared between ammonia and DAP. Saudi Arabia mostly depends on imports for domestic vegetable consumption. To avoid complete reliance on vegetable imports, the Saudi government formulated policies that encourage farmers to grow crops that require low water over crops that consume more water. The yield of vegetables increased from 174,026 hg/ha in 2016 to 176,524 hg/ha in 2018, owing to the improved water conditions.

Further, increasing the cultivation of vegetable crops (tomatoes) primarily drives the demand for ammonium sulfate as it also helps in the growth of plants by providing nitrogen. The domestic demand for ammonium sulfate is majorly met through imports. SafSulphur company is one of the key companies that offer good quality ammonium sulfate in Saudi Arabia.

The import of ammonium sulfate in the country witnessed steady growth during the review period. For instance, as per ITC trade, the import of ammonium sulfate increased from 1,981 metric tons in 2019 to 2,126 metric tons in 2020, indicating possible market growth in the coming years.

**Competitive Landscape**

The Saudi Arabia Fertilizers market is moderately consolidated in nature in which major players account for 53.2% of the market share. Saudi Basic Industries Corporation (SABIC), Maaden phosphate Co., Arabian Agricultural Services Co. (ARASCO), Saudi United Fertilizer Co. (Al-Asmida) and Saf Sulphur Company are the major players in the Saudi Arabia fertilizer market. The domestic and international players in the market are focusing on strategies such as increasing investments in research and development, product launches, expansions, and partnerships to improve their market share in the region. (R&M 11.03)

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* 1. TURKEY: Turkey Balks at Coal Phase-out Amid Growing Energy Woes

On 4 March, Selin Ugurtas reported in [Al-Monitor](https://www.al-monitor.com) that Turkey remains without a plan to phase out coal power after its first Climate Council ended in disappointment for clean energy advocates, casting doubts on Ankara's pledge to reach net zero carbon emissions by 2053 amid growing energy woes plaguing the country's economy.

Turkey ratified the Paris climate agreement in October, becoming the last G-20 country to do so after five years of foot-dragging in protest of its classification as a developed country without access to financial support for climate action. The deadlock was resolved after a French-German guarantee of $3.2 billion in loans for Turkey's energy transition.

Consequently, Turkey's Ministry of Environment and Urbanization was rebranded to add "climate change” to its name, and Ankara committed to a net zero target for carbon emissions by 2053. Those moves, however, had more form than substance, lacking measurable medium-term goals. The country's first Climate Council was meant to change that.

The gathering, held in late February in the central city of Konya, coincided with Russia's invasion of Ukraine, which has stoked energy prices and rekindled concerns over energy security in European countries that rely heavily on Russian gas, as does Turkey. Some fear the crisis could lead world leaders to slacken climate action, but many others hope it would actually accelerate the green transition. European Commission President Ursula von der Leyen, for instance, has emphasized the need to "massively invest in renewables,” calling it "a strategic investment in [the European Union's] energy independence.”

The government-led Climate Council — a culmination of two months of online discussions involving bureaucrats, the private sector, civic society and academics — aimed to produce a road map on how to reach the net zero target as well as clarify how Turkey should update its nationally determined contribution [NDC] — a set of nonbinding emission reduction goals required under the Paris agreement.

Turkey’s current NDC outlines an intention to reduce its greenhouse gas emissions up to 21% from what they would be under a business-as-usual scenario by 2030. This, in fact, implies a near double increase from present emission levels, and is set to be updated with a more ambitious goal ahead of the 27th session of the UN Climate Change Conference in November.

Drawing on two studies that argue Turkey could quit coal by 2030 or 2035, civil society organizations have ramped up their calls on Ankara to set a deadline to phase out the dirtiest fuel source, which currently accounts for over 30% of Turkey's electricity production. Committing to a phase-out would lower emissions by a drastic 82.8% in 2035, one of the studies found. “Even a decision to phase down — as opposed to phase out — would have created disappointment. But the council fell even short of that,” Bengisu Ozenc, founding director of the Sustainable Economics and Finance Association, told Al-Monitor.

"The final decisions are long term and often centered on technological improvements,” she said, referring to the mention of carbon removal technologies without a commitment to exit coal. "Very little is said on what needs to be done today.”

The council decisions described natural gas and nuclear power as "emissions reducing alternative fuels,” while endorsing the search for new natural gas fields. "This is not very surprising, considering that even the EU still discusses it,” said Cigdem Nas, secretary-general of the Economic Development Foundation, referring to the European Commission's recent much-criticized categorization of gas and nuclear as “green” investments. “Turkey usually follows from a few steps behind,” she noted. "Ankara prioritizes growth over the environment and I think there is still not a clear understanding of how inseparable the two have become."

The link has indeed become clear with the EU’s Carbon Border Adjustment Mechanism. The arrangement, set to be implemented in 2026, will levy additional taxes on certain goods produced in countries without carbon pricing in order to prevent carbon leakage and unfair competition.

Turkey is still without an emissions trading system, a carbon market mechanism that incentivizes emission reductions by imposing a limit on them and expecting firms to either buy or sell additional permits depending on the amount of their emissions. Hence, the country will be subject to the EU's carbon border tax. Since the EU is a major export destination for Turkey, the annual cost of the tax could be as high as $1.8 billion, according to the Turkish Industry and Business Association, the country's top business group. This is why the private sector has become increasingly vocal on the need for decarbonization.

"The business community understands the limits of dealing with the carbon tax without the state's assistance, which is why it is pressuring the government to take action,” Nas explained. Instead of paying that tax, "we can establish our own carbon market and channel the ensuing funds to support the green transition.”

Moreover, transitioning to green energy makes business sense in its own right. The recent fall in the costs of building wind and solar power plants has coincided with a stark rise in global hard coal prices, rendering it more economically viable to build a new wind or solar plant in Turkey than to run an existing coal-fired power plant with imported coal, according to a recent report by Ember, a think tank focused on clean energy. Renewables are also advantageous as a domestic source of energy. This became clearer recently, as gas-dependent European nations, particularly Germany, struggled to craft a response to Russia's invasion of Ukraine.

As a country with scant fossil fuel resources, Turkey, too, is heavily reliant on Russian gas and other energy imports, the bill of which has recently ballooned not only because of the soaring global prices but also the dramatic depreciation of the Turkish lira. Ankara has been supporting domestic coal production as a means of reducing dependence, while also striving to diversify its suppliers. In 2019, it relied on Russia to meet some 34% of its natural gas needs, having managed to increase imports from Azerbaijan, Iran and Qatar.

But, meanwhile, Turkey's coal-fired power plants have grown reliant on imported coal. In 2020, some 59% of Turkey's coal-fired electricity production relied on imported coal, around 34% of which came from Russia. Hence, green transition is important also for reducing Turkey's dependence on foreign energy supplies.

Still, investments in green energy remain minuscule compared to Turkey's potential. Even as the country's renewable capacity grew by 50% in the past five years, it fell short of covering merely the rise in the country's energy demand since 2010. Changing this requires improvements. These include rendering the system more flexible in the face of variability in order to accommodate a higher share of renewables, incentivizing green investments and setting up an emissions trading system.

“Council decisions on renewables were mostly in line with these objectives. But subsequent action plans should also put emphasis on the pace of increasing the share of renewables,” Elif Ferdal Karakas, general coordinator of the Geothermal Energy Association, told Al-Monitor. "Unless we keep pace with this transition by adopting the right policies, there is a heavy price to be paid." (Al-Monitor 04.03)

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