

**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. Prime Minister Announces Pres. Biden to Visit Israel in the Coming Months

U.S. President Joe Biden will visit Israel in the coming months following an invitation from Israeli Prime Minister Naftali Bennett, Bennett's office and the White House said on 24 April. Bennett visited Biden in Washington last summer.

The White House said the two have developed a “strong personal bond” since Bennett visited Washington in August. Since then, Biden has touted the “unshakable partnership” between the United States and Israel, despite several key differences, including Bennett’s opposition to the United States potentially rejoining a nuclear deal with Iran.

The President also took note of ongoing efforts between Israeli and Palestinian officials to lower tensions and ensure a peaceful conclusion to the month of Ramadan. He affirmed his unwavering support for Israel and its defense needs, and welcomed the historic $1 billion allocation to replenish Israel’s Iron Dome system. The two leaders also recommitted to the work of the U.S-Israel Strategic Consultative Group, headed by the national security advisers of both countries, the White House said.

No specific date was given for Biden’s proposed trip to Israel, which would be his first as president. Biden last visited the Israel in 2016, when he was vice president. (Various 25.04)

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* 1. Israel Ended Mask Mandate Saturday Night

As the number of new COVID infections begin to drop, Israel has cancelled the requirement to wear masks in enclosed spaces as of Saturday night, 23 April. The move was agreed upon by Prime Minister Bennett and Minister of Health Horowitz.

Nevertheless, the need to wear a mask will remain in force in certain higher-risk locations such as hospitals, homes for the elderly and on flights. People going into isolation will also need to wear masks. (Various 20.04)

ISRAEL MARKET & BUSINESS NEWS

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* 1. SPiCE VC Completes First Investor Payout

SPiCE VC completed the very first investor payout after exiting its position in one of its high-performing portfolio companies and distributing the resulting proceeds to investors. Not only is this a first for SPiCE, but it is also the first-ever investor payout completed by a fully tokenized VC firm. With strategic investments in more than 16 portfolio companies within the digital finance ecosystem, which includes digital securities, cryptocurrencies, lending, real estate, Blockchain infrastructure, and gaming infrastructure, its successful exit from OTOY marks the fund’s first investor payout, with more to come in 2022.

Unlike traditional VC funds, SPiCE is a fully tokenized fund and is traded on two regulated digital securities exchanges. In accordance with its structure, proceeds from portfolio exits are not reinvested, but distributed to investors. To stabilize the value of SPiCE’s tokens after this initial payout (as will be the case also after every future payout), the fund finalized its first ‘liquidity event buyout’ – essentially buying back tokens from investors at a defined price and then removing them from circulation.

Tel Aviv's [SPiCE VC](http://www.spicevc.com) is a Venture Capital fund providing investors exposure to the massive growth of the blockchain/tokenization ecosystem. SPiCE invests globally in platforms and ecosystem providers enabling access to capital markets, banking, real estate, and other industries enhanced through Blockchain technologies. The fund focuses on companies who stand to benefit the most from the massive growth of the industry. Combining institutional know-how, hands-on management, entrepreneurial innovation and professional investment experience SPiCE’s management team has been involved in hundreds of tech funding rounds totaling billions of dollars; as entrepreneurs, investors, and executives. SPiCE is located in the US, Switzerland, Singapore and Israel. (SPICE 13.04)

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* 1. LiangDao Intelligence & Innoviz Technologies Enter a Strategic Partnership

LiDAR system supplier LiangDao Intelligence and Innoviz Technologies announced that they have signed a strategic partnership. The partnership will focus on deep collaboration and exploration of the customization of Innoviz's LiDAR solutions for OEMs in China, the development of perception solutions, and validation and data collection to accelerate the introduction of series production solutions of high-resolution LiDAR for the Chinese market, based on InnovizTwo.

As a full-stack service provider of series-production vehicle LiDAR system, LiangDao Intelligence has been deeply engaged in the LiDAR space for many years. The company's core technical team participated in the software series production development for the series production launch of Scala, the world's first LiDAR in Audi A8 models. A leading supplier of high-performance automotive grade LiDAR sensors, Innoviz Technologies develops LiDAR solutions with superior performance and has the capability of series production of LiDAR products for many applications. In 2018, BMW chose Innoviz's solid-state LiDAR sensor, InnovizOne, sourced and manufactured by Magna International, as its LiDAR for series production. Innoviz Technologies unveiled the B-prototype of its new generation LiDAR, InnovizTwo, at CES 2022. InnovizTwo is intended to deliver a 30x performance improvement and a 70% cost reduction compared to the InnovizOne.

In the next step, both parties will work together to deepen their cooperation and exploration to build a complete LiDAR hardware assembly line and supply chain system in China to accelerate the commercialization process of high-level autonomous driving.

Rosh HaAyin's [Innoviz](http://www.innoviz.tech) is a global leader in LiDAR technology, working towards a future with safe autonomous vehicles on the world's roads. Innoviz's LiDAR and perception software "see" better than a human driver and reduce the possibility of error, meeting the automotive industry's strictest expectations for performance and safety. Innoviz has been elected both by an internationally-recognized premium car brand for use in consumer vehicles as well as by other commercial and industrial leaders for a wide range of use cases. (Innoviz Technologies 13.04)

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* 1. Get SAT Wins a Multi-Million Dollar U.S Government Contract

Get SAT announced that it has been awarded, in partnership with Florida's R4 Integration, a premier provider of airborne roll-on/roll-off communication systems for U.S. and partner government aircraft; that it has been awarded a multi-million-dollar contract by a U.S. Government agency to provide satellite communication for C-130 airplanes.

The agency selected Get SAT's Milli SAT EX Ka-band terminal, a compact all-in-one, communications-on-the-move (COTM) Ka-band solution. This lightweight satellite terminal is tailored to meet mission-critical requirements of C-130 airborne applications without requiring timely and costly modifications to the aircraft. The Milli SAT EX offers unmatched performance in an extremely compact, small package of 22 kg. weight. Optimized for voice, video, and data transmission. It can provide high bandwidth data throughput exceeding 30 Mbps with HTS satellites.

A privately held company located in Rehovot, Israel, [Get SAT Communications](http://www.getsat.com) provides portable and extremely efficient antenna and terminals that offer high-data-rate communications for ground, air, and maritime applications. (Get SAT 13.04)

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* 1. Volta Solar Announces a NIS 40 Million Funding Round

Volta Solar announced a NIS 40 million funding round led by Israeli capital market financial institution More Investment House. More, which invested NIS 30 million, is set to receive 20% of shares of the company, which specializes in developing, constructing, and operating solar energy systems on the roofs of private homes, commercial buildings and public buildings. The remaining NIS 10 million is from additional investors.

The investment marks Volta's first significant round of funding. This transaction represents a significant achievement and partnership with More Investment House will strengthen their capabilities and capacity to fulfill the company's vision to accelerate the transition to solar energy in Israel and in other markets. Tel Aviv's [Volta Solar](https://volta.solar/) works to accelerate the shift towards sustainable-renewable solar energy with beautifully integrated and affordable solar rooftops. (Volta Solar 12.04)

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* 1. Investment Management Platform FundGuard Closes a $40 Million Series B Round

FundGuard closed a $40 million Series B funding round. The investment round included large strategic investors Citi and State Street Corp, who joined initial investors Blumberg Capital, LionBird Ventures, Team8 Capital, and other investors to back the company's future-ready technology approach to asset servicing.

This round of financing comes after a busy 12 months for FundGuard including landing asset manager, fund administration and custody bank customers, launching its enhanced investment accounting solution, including support for digital assets. This series B round brings total investment in FundGuard to more than $55 million in 3.5 years.

Tel Aviv's [FundGuard](http://www.fundguard.com) is a next-generation SaaS platform for investment management and administration that is powered by AI. FundGuard helps asset managers and fund administrators to manage mutual funds, ETFs, hedge funds, insurance products, and pension funds, supporting digital transformation, operations automation, AI-based insights, resiliency, and migration to the cloud. (FundGuard 19.04)

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* 1. StoreDot Gets Strategic Investment from Volvo Cars Tech Fund

Volvo Cars, through the Volvo Cars Tech Fund, has made a strategic investment in StoreDot, the pioneer of extreme fast charging technologies for electric vehicles. StoreDot is on track to begin mass producing its '100in5' cells as early as 2024, achieving 100 miles of charge in just five minutes. The investment gives Volvo Cars the opportunity to collaborate closely with StoreDot on exciting new battery technology, as it aims to become a pure electric car company by 2030.

The new funding comes as part of StoreDot's Series D investment round. Volvo Cars is joining an impressive list of the company's global investors, including Daimler, VinFast, Ola Electric, BP Ventures, Samsung, TDK and EVE Energy. StoreDot is currently working with many global automotive manufacturers, to power next generation electric vehicles. It is already shipping advanced '100in5' cells for them to undertake real-world testing.

Herzliya's [StoreDot](http://www.store-dot.com) is a pioneer and leader of extreme fast charging batteries that overcome the critical barrier to mainstream EV adoption – range and charging anxiety. The company has revolutionized the conventional Li-ion battery by designing and synthesizing proprietary organic and inorganic compounds, making it possible to charge an EV in just five minutes – the same time it takes to refuel a conventional combustion engine vehicle. Through its '100inX' strategic roadmap, StoreDot's battery technology is optimized for best driver experience with XFC in Li-ion batteries, as well as future technologies for extreme energy-density (XED). (StoreDot 19.04)

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* 1. Maris-Tech Wins its First Major U.S. Customer

Maris-Tech has received a $300,000 purchase order from a leading manufacturer and distributor of advanced, high resolution surveillance equipment. The order represents the first significant direct customer of the company in the United States.

The purchase order was received for a new Maris-Tech product, Amethyst. Amethyst is based on the Company’s Jupiter-Nano technology and uses a 4/5G cellular modem, guaranteeing high-quality, narrow-band and ultra-low-latency video streaming over cellular networks. Maris-Tech’s Jupiter platform delivers real-time intelligence gathering and analytics based situational awareness capabilities. Jupiter features intelligent video transmission technologies with high quality video, superior energy efficiency and miniaturized form factor that is suitable for a wide range of platforms and applications. Amethyst will be marketed for defense and surveillance applications that seek to use advanced video display and digital recording systems in low latency.

Rehovot's [Maris-Tech](https://www.maris-tech.com) is a B2B provider of intelligent video transmission technology, founded by veterans of the Israel technology sector with extensive electrical engineering and imaging experience. Their products are designed to meet the growing demands of commercial and tactical applications, delivering high-performance, compact, low power and low latency solutions to companies worldwide, including leading electro-optical payload, RF datalink and unmanned platform manufacturers as well as defense, HLS and communication companies. (Maris Tech 19.04)

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* 1. Conti Federal Awarded a $17.8 Million Contract for Pier Construction in Israel

Orlando, Florida's Conti Federal Services, a leading U.S. government construction and engineering firm specializing in complex critical infrastructure, secure construction and environmental remediation projects, has been awarded a $17,757,234 design-bid-build contract to demolish existing infrastructure and construct a new pier for one of the Israeli naval bases. The marine work will be followed by building new infrastructure on the site, including the construction of a new electrical building and landscaping the location.

Awarded by the U.S. Army Corps of Engineers (USACE) Europe, the task order is part of the $50 million Northern Israel Multiple Award Task Order Contract (MATOC) that Conti Federal won in 2021 to provide repair and renovation, associated environmental work, force protection work and construction services in support of the Israel Ministry of Defense under the Foreign Military Sales (FMS) agreement with the United States Government. The project is to be completed in 2023 and is just the latest in the many construction and modernization projects Conti Federal has taken on for the Israel Ministry of Defense. (CFS 21.04)

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* 1. Stigg Raises a $6.4 Million Seed Round

Stigg announced $6.4 million in seed funding. Until today, developers needed to build and maintain pricing plans. Stigg gives developers the tools to create smart, flexible infrastructure so they never need to deal with it again. With Stigg’s no-code offering, made available today, product and growth teams can ship better pricing plans to their customers, as well as test and tweak pricing and packaging strategies, without occupying scarce developer resources. Stigg is backed by Unusual Ventures, Emerge Ventures, and strategic angel investors who are SaaS executives.

With one integration, Stigg users get fine-tuned control over the company's entire packaging and pricing infrastructure. From getting up and running with self-service to updating an existing pricing model, Stigg accelerates any go-to-market strategy, making software monetization an accessible growth lever for the entire organization.

Tel Aviv's [Stigg](https://www.stigg.io) is building a developer-first platform for SaaS pricing and packaging. By building great tools for developers to implement flexible pricing infrastructure Stigg helps businesses ship better pricing plans to their customers and easily experiment and iterate on their pricing strategy. (Stigg 20.04)

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* 1. InZiv Raises $10 Million in a Series A1 Round to Pioneer microLED Display Inspection

InZiv has raised $10 million in a Series A1 round led by BlueRed Partners, a Singapore based venture capital fund. Co-investors include OurCrowd, a number of Asian family offices, and existing investors. InZiv will use the capital to accelerate its product development of fast electroluminescence (EL) and photoluminescence (PL) automated solutions, make strategic company appointments, and expand its global presence with a particular focus on the US and Asia to support growing customer demand.

InZiv's unique approach harnesses advanced nano-optical technology to empower display manufacturers to effectively inspect advanced displays with the highest optical and spectral resolution. Their solution enhances the manufacturing process, boosts yields, and enables greater consumer access to the latest microLED and QLED products such as near-eye AR smart glasses, wearable devices and foldable screens. These products are being developed with significantly smaller pixels than past display technologies, with pixel sizes shrinking from hundreds of microns to single micron and below, and the industry lacks the effective inspection equipment that is necessary for these high-resolution displays. InZiv's nano-optical technology addresses this by detecting even the tiniest of light and color defects within pixels, with resolution reaching the sub-micron scale.

Jerusalem's [InZiv](https://inziv.com/%E2%80%8E) is a leader in display inspection and repair providing high-resolution testing and inspection equipment to today's foremost advanced display manufacturers. InZiv's proprietary nano-optical technology and advanced microscopy extends to microLED, QLED and OLED display technologies. The company empowers display manufacturers to improve their manufacturing processes, lower production costs, and enable greater access to the use of these displays by all consumers. (InZiv 26.04)

REGIONAL PRIVATE SECTOR NEWS

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* 1. UAE’s Wisewell Closes a $2 Million Pre-Seed Funding Round

Dubai-based water technology company Wisewell closed a $2 million Pre-Seed funding round led by BECO Capital. The round brings the total funding to $2.6 million to date. Wisewell aims to change the game for consumers seeking the highest quality purified drinking water with its installation-free machine – just plug it in and fill the tank with tap water. Wisewell has a proprietary Full Spectrum Filtration technology that removes harmful forever chemicals, micro plastics, and other contaminants using three filters and UV light – whereas most traditional filtration systems use one filter and omit the UV light sterilization process. The process concludes with remineralization of the water to create a taste that rivals top bottled water brands and boosts its overall hydration, at a fraction of the price per liter.

Wisewell is a reverse osmosis filtration system that offers an app where consumers can monitor the quality of their tap water via sensors in the filters, as well as how hard its filters are working to clean and when they need to be reordered. The app tracks consumers’ cost savings against leading bottled water brands and consumers’ improved carbon footprint from not purchasing bottled water. This new funding is aimed at helping the company in strengthening its position in the sustainable technology industry, and for the launch of its first product.

Founded in 2021, Dubai's [Wisewell](https://www.wisewell.com/) is an integral part of a broad effort to ensure that everyone has access to clean and sustainable drinking water. By pioneering ways to solve the most serious and endemic problems with tap water, we hope to motivate others with the means to do the same. Wisewell's debut product is a first-of-its-kind, installation-free purification system that removes forever chemicals from tap water and infuses it with minerals. The team is remote-first, with presence in Toronto, Brooklyn, Shenzhen and Dubai. (Wisewell 13.04)

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* 1. zenda Raises $9.4 Million in a Seed Round

zenda, a FinTech app for families offering pay-now and pay-later options, has raised a $9.4 million seed round. The oversubscribed round saw participation from STV, COTU Ventures, Global Founders Capital, and VentureSouq.

With approximately $37 billion processed annually in fee payments to private educational institutions in the GCC, $34 billion in the rest of Middle East and Africa, and $70 billion annually in India, the market is sizable yet largely untapped. Fee payments in schools (nurseries - K12 - tertiary) are mostly non-digital and even where digital, are cumbersome, manual and expensive. Also the majority of families earn monthly but fee payments are usually termly or bi-annual, resulting in cash flow stress for parents and collection delays for schools. Using zenda, families can track dues and make payments through a multitude of pay-now and pay-later options, and unlock rewards for paying on time. zenda integrates with schools through its proprietary data model and APIs and eliminates last mile reconciliation challenges and delays.

Dubai's [zenda](https://www.zenda.com/%E2%80%8E) is a fintech app for families. It enables families to pay school bills with pay-now and pay-later options, unlocking rewards whenever they pay. zenda will be using the new funding to accelerate its expansion in India. It also aims to make managing money easier for families, and to enable their financial wellness through tailored banking and financial experiences. (zenda 25.04)

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* 1. Millennial Brands Raises a $35 Million Growth Round

UAE-based direct-to-consumer (D2C) platform Millennial Brands has secured a $35 million round of growth funding from New York based Global Emerging Markets Group (GEM). Millennial Brands currently manages various brands across consumer and personal care categories, including body care, men grooming, hair care, baby care, and fragrances.

[Millennial Brands](https://millennialbrands.ae/) aims to generate hyper-growth across online and social channels as well as improve market share, by deploying a portfolio construction strategy, targeting partnerships with direct-to-consumer brands as well as the launch of homegrown brands which cater to the on-demand needs of the millennial consumer in the Middle East. Beauty and personal care sector in MENA, estimated at $21 billion (2021) according to Euromonitor, is the 2nd fastest growing market world-wide after Latin America. The region is home to 108 million young consumers (ages 18-25) who are socially connected and digitally savvy. The MENA e-commerce channel for the beauty and personal care category is expected to report a 35% CAGR by 2026.

The startup is looking to transform the retail and consumer industry in the Middle East with the launch of its own brands. The new funding will aid the startup in launching its new brand, developing its consumer technology, as well as growing existing categories of its licensed brands. (Millennial Brands 22.04)

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* 1. Gabri Labs & Dubai Science Park to Construct AED18 Million Medical Devices Facility

Gabri Labs announced the development of a 10,000 sq. ft. facility to locally produce medical devices. The global firm has signed on with Dubai Science Park, the leading science-focused community, to construct a medical devices facility at an AED18million investment, reinforcing Dubai’s attractiveness as a global hub for healthcare and pharmaceutical manufacturing.

Leaders in the therapeutic areas of ENT and Dermatology, Gabri Lab’s new facility will enable the pharmaceutical brand to produce an initial volume of 12 million units per year with further expansions planned by 2023. The medical devices will be distributed to markets across the Middle East and North Africa (MENA) region.

Dover, Delaware's [Gabri Labs](http://www.gabrilabs.com) is a privately held pharmaceutical company headquartered in Dover, Delaware with production facilities across Europe and the Middle East. The brand has earned its reputation in the therapeutic ENT and dermatology spheres for developing high-quality, innovative over-the-counter products and medical devices. The new facility in Dubai will support the production of multiple lines and a diverse product portfolio, which includes ENT brand, OTOMAR, and dermatological solutions line, Curadem. (Gabri Labs 13.04)

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* 1. IKEA Flagship Store to Launch in Oman

Oman is set to get its first Al-Futtaim IKEA store in June. The flagship store will include room setups and customer experience solutions for shoppers, with more than 9,000 articles across sections such as living room, bedroom, kitchen, bathroom, and other home furnishing accessories. The store will also be available virtually, enabling customers to browse the store’s product range.

The store will include a 394 seat restaurant. IKEA is also making healthy and sustainable food more affordable and accessible to the many people, with a food and beverage range that includes plant-based meatballs, ASC-certified salmon and UTZ-certified coffee. Featuring self-service kiosks, the IKEA restaurant extends into the mall for more seating options for customers.

Customers with also be offered a ‘Click and Collect’ service for convenience. As part of the service, customers can to choose a preferred time and place for delivery. Once they receive and email and SMS, the order is ready to be picked up from the store on the same or next day, without getting out of the car. Customers can access the service through the IKEA website and mobile app. This service is available for all online paid orders. Additionally, the new IKEA store will offer services such as assembly and delivery, measurement facilities, kitchen services, gift cards and easy finance options. (GB 21.04)

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* 1. Foodics Raises $170 Million in a Series C Financing Round

Saudi Arabia's Foodics has successfully raised an unprecedented $170 million in its latest funding round. The Series C round was led by Prosus and Sanabil Investments with participation from Sequoia Capital India and existing investors including STV and Endeavor Catalyst.

Founded in 2014, [Foodics](https://www.foodics.com/) is a restaurant management and Fintech ecosystem that empowers Food & Beverage (F&B) owners and merchants to run their operations more seamlessly and efficiently, thereby fast-tracking their own business growth in the process. The startup caters to every segment of the F&B sector from traditional dine-in restaurants, cafés, quick service restaurants, bakeries, food trucks through to cloud kitchens.

Foodics has seen a high demand for the company's cloud-based point of sale system offering a seamless operations management option for restaurants and retail stores. Foodics will use the latest round to support its regional and international expansion including its M&A strategy to increase market penetration. The company will also use the proceeds to launch and scale new initiatives around FinTech, micro-lending and supply chain management, alongside boosting its innovation capabilities. The startup is also planning to expand into non-food micro-retail outlets as a new segment. (Foodics 20.04)

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* 1. Wa'ed Ventures & Maydan Capital MOU to Back Startups in Saudi Arabia

Wa'ed Ventures signed a MOU to provide ethically focused fintech startups with visibility and access to investment in Saudi Arabia with Maydan Capital (Maydan), an equity investment platform based in the UK that connects ethical investors with technology-focused, Halal investment opportunities. The MOU was signed at this year's Global Entrepreneurship Congress in Saudi Arabia, where investors, policymakers and community leaders from around the world came together to find ways to rebuild the global economy, which had been negatively impacted by the pandemic.

Through this partnership with Wa'ed Ventures, Maydan will be offering its members the opportunity to co-invest alongside Wa'ed Ventures into innovative Saudi-based startups. The two companies will coordinate and collaborate on finding, backing and mentoring founders as they launch and grow their ethically-focused startups. The goal will be to boost the growing startup ecosystem in Saudi Arabia and create a world-class hub which is focused on championing companies that develop ethical and inclusive financial services. The partnership will also play an important role in supporting economic diversification in the country, in alignment with the Kingdom's strategic goal of creating a knowledge-based economy.

Founded in 2013, [Wa'ed Ventures](http://www.waed.net) is an entrepreneurial venture capital arm of Saudi Aramco. The fund invests in innovative and impactful, early-stage startups with high growth potential, which promote economic development in Saudi Arabia and enhance the entrepreneurship and innovation ecosystem in the Kingdom. The firm is based in Dhahran, Saudi Arabia. (Maydan Capital 14.04)

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* 1. Red Sea Farms Completes $18.5 Million Fund Raising Round

Red Sea Farms has announced a strategic fund raise worth $18.5 million. The fund raise was co-led by Wa’ed Ventures, the venture capital arm of Saudi Aramco, and The Savola Group, the strategic investment holding group in MENA food and retail, through their corporate venture capital program. KAUST Innovation Fund, one of Red Sea Farms’ original investors, has also participated along with OlsonUbben, an investment entity. Proceeds will support Red Sea Farms’ global and regional expansion plans, including the expansion of its fresh produce business in the GCC. Global expansion is focused on technology development and production – with first generation product sales expected by Q4/22.

Red Sea Farms announced its expansion into the US in January. It has also completed a new commercial-scale six-hectare technology retrofit site near Riyadh and an R&D facility at the King Abdullah University of Science and Technology in Thuwal.

KAUST's [Red Sea Farms](https://www.redseafarms.com) is committed to solving one of today’s greatest challenges – how to use technology to help feed the world sustainably. Combining impact with innovation, Red Sea Farms promotes environmental and economic sustainability by meeting the nutritional needs of water-scarce populations. The approach is a world-leading blend of plant science, sustainable cooling, light and energy management and systems that use Artificial Intelligence. (RSF 25.04)

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* 1. Egypt's Swvl Lists on NASDAQ at $9.95 Per Share

Egyptian mobility company [Swvl](https://www.swvl.com/) has begun trading on the NASDAQ stock exchange with an initial offer price of $9.95 per share. Founded in 2017, Swvl is a mass-transit system that enables riders heading in the same direction to share a ride in a van or bus. The startup’s proprietary mobility solutions are helping to solve mass transit supply and demand challenges in emerging markets, empowering underserved communities with transportation solutions that are reliable, convenient, safe and affordable.

The startup is among the best-funded in Africa and is now active across 16 countries. Its gross revenue and markets have grown rapidly, with more than 1.4 million riders booking more than 46 million rides to date with thousands of drivers on its platform, while it has made three acquisitions.

Disrupt Africa reported last July that Swvl was set for an initial public offering (IPO) on the NASDAQ after a merger with special purpose acquisition company (SPAC) Gambit Growth Capital that valued it at $1.5 billion – making it a rare African “unicorn”. In February, Swvl entered into agreements for an additional $21.5 million in PIPE funding, with new investors including the European Bank for Reconstruction and Development (EBRD), and it has now completed its NASDAQ listing. The expected proceeds from the listing total $640 million, which includes $160 million in immediate capital and $480 million over the next few weeks if certain closing conditions are met. (Various 04.04)

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* 1. The Food Lab Raises $4.5 Million in a Pre-Seed Round

Egypt based cloud kitchen services operator The Food Lab announced the completion of a $4.5 million Pre-seed financing round. This round was co-led by Nuwa Capital, Shorooq Partners and 4DX Ventures. The Pre-seed round also saw participation of Saudi Arabia based Al Faisaliah Group and Abdul Majeed Al Hokair, alongside Japan’s Samurai Incubate and other angel investors.

Established in 2020, Cairo's [The Food Lab (TFL)](v) is a cloud kitchen platform helping restaurants to achieve growth and new brands to launch within 10 days. It provides services like procurement, cooking, delivery, data-led insights and recommendations, and marketing for restaurant owners.

TFL’s cloud kitchen is underpinned by a homegrown technology platform providing end-to-end services for restaurateurs, including procurement, cooking, delivery and marketing. Powered by machine-learning, TFL’s virtual brand consultant provides restaurants with a data-centric dashboard giving restaurateurs recommendations for their brands across operations, finance, menu reengineering, marketing, supplier analysis and more. Restaurant managers can have easy access to reporting and benchmarking tools, an insights platform, customer segmentation and marketing tools, and measure growth against industry KPIs.

The funds raised in the round will be utilized for expansion across Egypt and will also lay the foundation for entry into international markets in the Middle East and Africa. (TFL 19.04)

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* 1. Honeywell Considers $200 Million Worth of Investments in Egypt

US conglomerate Honeywell is looking to invest around $ 200 million in petrochemicals and the production of green fuels for aircraft in Egypt. Egypt’s location could see it become a pivotal center linking Europe to the Middle East in green fuel projects to supply ships and produce hydrogen and ammonia. Honeywell is also looking to work with the oil ministry to install devices to monitor warehouses and to manufacture some equipment for the project locally, which would save around 20-30% of the production cost.

Honeywell is mulling a wider green footprint in Egypt. The company wants to increase its role in Egypt’s petroleum sector and take part in strategic projects, with a particular interest in green projects. Honeywell is looking to provide technology including carbon capture and storage and contribute to climate-friendly initiatives ahead of COP27, which is taking place in Sharm El Sheikh this November. Honeywell has been working on several high-profile projects in Egypt over the past few years, including implementing the new capital’s smart city management system alongside Etisalat. (Ent 26.04)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. UAE’s Masdar & Kyrgyzstan Sign MoU to Explore Renewable Energy Opportunities

UAE's Masdar signed a Memorandum of Understanding (MoU) with the Kyrgyz Republic’s Ministry of Energy. The agreement is meant to explore the development of renewable energy opportunities in the Central Asian nation and support Kyrgyzstan’s clean-energy objectives. Under it, Masdar will explore investments in a range of renewable energy projects, including ground-mounted solar photovoltaic (PV), floating solar PV and hydropower projects, with a potential capacity of up to 1 gigawatt (GW).

Kyrgyzstan is targeting reducing greenhouse gas emissions by as much as 44% by 2030, and achieving carbon neutrality by 2050. The country already generates around 90% of its electricity from clean energy resources, but this is almost exclusively from aging hydropower plants. By leveraging its high irradiation levels, Kyrgyzstan could enhance energy security and manage water resource levels. Last month, Masdar announced the formal start of construction for its 230 MW Garadagh solar PV plant in Azerbaijan. (Various 15.04)

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* 1. Cairo to Offer 19 Desalination Projects to Private-Sector Partners

Cairo is to offer nineteen water desalination projects with a combined production capacity of 3.3 million cubic meters/day for the private sector to bid on soon. The combined investment outlay on the plants is EGP 72 billion and are set to be implemented through public-private partnerships (PPPs) and the government is currently working on developing the condition booklets for the projects.

The Housing Ministry, the New Urban Communities Authority (NUCA) and the Armed Forces Engineering Authority will offer the projects in three stages, prioritizing those in coastal governorates. The tenders will be launched after the authorities finalize the legal procedures allocating the land for the plants.

About 70 foreign and local companies have expressed interest in taking part in the state’s desalination strategy. The government will prioritize companies that help localize manufacturing for desalination plant parts. He added that the list includes local companies with previous experience in establishing desalination plants, in addition to European, American, Japanese and Korean firms. Eleven companies, including Metito Holdings, ACWA Power, Al Nowais, Schneider Electric and Orascom Construction, are reportedly planning to bid on PPP desalination projects worth a combined $2.8 billion. (Ent 14.04)

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* 1. Infinity Launches EV Charging Stations in the Nile Delta

Renewable energy player Infinity has opened seven new electric vehicle (EV) charging stations in the Nile Delta, marking its debut in the region, the company announced. Infinity now has a total of 20 charging points in Shebin El Kom, Mansoura, and Damietta; it plans to expand further in the Delta region. The launch of the new stations expands the company’s EV charging network to some 90 stations with more than 300 charging points in 10 governorates, including along roads connecting Cairo with Alexandria, Hurghada, Ismailia, Ain Sokhna, and other major cities.

The new stations are part of a wider government plan to establish a nationwide charging network. Infinity is leading the project and will eventually set up 6,000 vehicle charging points at 3,000 stations across the country. Infinity is among several firms competing to manage the EV charging firm that will be established by Cairo. The selected company will receive a 25% stake in the firm and will be locked in with a medium-term contract for its services, in exchange for a portion of the company’s net income. The company will set up 3,000 charging stations within 18 months around the country including in Greater Cairo, Alexandria and Sharm El Sheikh. The Public Enterprises Ministry is currently examining the offers after bidding closed in March. (Ent 19.04)

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* 1. British Startup to Build Carbon Capture Farm in Morocco

Brilliant Planet, a British startup specializing in carbon-capture technology, is setting up a 30 hectare farm to capture carbon from the air using seaweed, in Morocco’s Sahara desert. Brilliant Plant will set up the carbon capture farm as a commercial demonstration facility, while maintaining its R&D facility in London. Brilliant Planet's business model is to bring the cost of carbon capture to less than $50 per CO2 ton using natural seaweed farms. To set up the plant, the company closed its second round of fundraising with $12 million.

Instead of using machines to capture carbon particles from the air, the farm relies on seaweed to clean the air. Using a natural process the company replicates the growth conditions of a type of seaweed, producing large quantities of microalgae in open-air ponds on coastal desert land. Powered with solar energy, the method does not require any freshwater, and it helps de-acidify ocean water that is eventually recycled back to the ocean. To ensure optimal energy efficiency, the startup is collaborating with Southampton University. (MWN 19.04)\

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* 1. Cyprus’ First Green Bond Issue Scheduled for 2023

Cyprus will issue its first-ever Green Bond in 2023, aiming to yield up to €1 billion to finance climate-related or special environmental projects. Following the cabinet’s approval, the Finance Ministry is working to prepare the edition of a bond known as a “EUGB” pursuing environmentally sustainable investments or environmentally friendly business activities. As estimated, with the Green Bond, Cyprus is expected to have enough liquidity to meet its financing needs for green projects for the next few years.

The revenues Cyprus raises from this bond will be allocated to public development projects to protect the environment, green development and environmental projects. They are to encourage sustainability and support environment-friendly investment with projects aimed at energy efficiency, pollution prevention, sustainable agriculture, fishery and forestry, protecting aquatic and terrestrial ecosystems, clean transportation, clean water and sustainable water management.

The Public Debt Management Office said the standards of this bond have not been set yet and that Cyprus is not obligated to proceed with such a bond. However, given their international demand and environmental issues, Cyprus would inevitably need to issue green bonds. Authorities are committed to using the pool of money for specific projects and will not find their way to the state’s general coffers. (fm 13.04)

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* 1. EBRD Launches $540 Million Financing to Support Turkey’s Green Goals

The European Bank for Reconstruction and Development (EBRD) launched a new Green Economy Financing Facility (GEFF) of €500 million ($539.64 million) to accelerate the green transition in Turkey's financial system and increase investments to meet climate commitments. The EBRD's new GEFF combines EBRD finance with around €21.5 million of concessional financing from the Clean Technology Fund (CTF) and €7.1 million in grants for technical assistance from the CTF and the Turkey-EBRD Cooperation Fund, among others.

The EBRD has been relatively active in providing green investment in Turkey. The Paris Agreement commitments Turkey made provided additional momentum to EBRD financing and financing from other multilateral organizations like the World Bank's International Finance Corporation. Turkey ratified the Paris Agreement in October 2021 and announced its ambition to achieve net zero in greenhouse gas emissions by 2053. According to the EBRD, Turkey is far from exhausting its domestic renewable resources, having used only an estimated 3% of its solar and 15% of its onshore wind potential.

The EBRD's annual financing to Turkey was close to €2 billion last year, with the financial sector generally comprising one-third of the annual volume. A greener financial system is key to ensuring that Turkish businesses continue to enjoy access to international capital markets and supporting the significant investments required for the country to reach its commitment to net zero emissions by 2053. (AA 18.04)

ARAB STATE DEVELOPMENTS

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* 1. Jordan's Inflation Rate Rises by 2.29% in First Quarter

Jordan's Consumer Price Index (CPI) rose by 2.29% in Q1/22 to 104.11 points against 101.78 points in the same period of 2021. In a monthly statistical report, the Department of Statistics said that the CPI edged up by 2.47% in March to 104.73 points from 102.21 points in February. (Petra 19.04)

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* 1. Jordan's Tourism Income Jumps to $893 Million in First Quarter of 2022

Jordan's tourism revenue rose by 251.4%, or $639 million, to reach $893 million in the first quarter of 2022 compared to the figure reported in the same period of last year. According to data released by the Central Bank of Jordan, the growth in revenue was mainly driven by an increase in the number of tourists to the Kingdom, reaching 780,000 tourists in the first quarter of the current year. Last year, Jordan's tourism revenue went up by 90% compared to the previous year reaching $2.7 billion.

In March, tourism revenue increased by $325 million, or 346.3%, amounting to $418.9 million compared to the same month of last year, the bank indicated. The number of tourists during March of the current year stood at 381,000 tourists. Tourism income from Jordanian expatriates constituted 34.3% of the overall revenue, followed by Arab nationals with 47.6%, Europeans with 9.3% and the US with 3%. (Petra 18.04)

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* 1. Ministry Signs MoU to Mine Copper in Southern Jordan

Jordan's Ministry of Energy and Mineral Resources and Turkey's Solvest Trade & Industry Limited Company signed a memorandum of understanding (MoU) to mine copper in Abu Khashaba Canyon and Ghor Fifa in southern Jordan. The deal was signed by Energy Minister Kharabsheh and the company's president. The mining project will be implemented on a 20 km² plot of land after studies had shown large and concentrated quantities of copper ore. During the MoU's one-year period, the company will conduct several mining and exploration studies to evaluate copper underground repositories. The studies will include remote sensing, geochemical mining, sampling, drilling and 3D modeling.

If the project proves feasible, the company will submit a preliminary economic feasibility study for copper mining. If the company decides to go further with the project, a deal will be signed under a special law. Kharabsheh stressed the importance of the agreement in giving the sector the attention it needs to leverage natural resources and focus on manufacturing and attracting investment. (Petra 13.04)

►►Arabian Gulf

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* 1. Non-Oil Contribution to UAE’s GDP Reaches 72.3% in 2021

The Federal Competitiveness and Statistics Center announced that the contribution of the non-oil sector to the UAE’s GDP amounted to 72.3% in 2021, up from 71.3% in the previous year. The hotels and restaurants, wholesale and retail, and health and social services sectors contributed 21.3%, 14.1% and 13.8% respectively to the country’s GDP in 2021.

Earlier this month, it was reported that the UAE’s overall GDP for 2021 at constant prices increased 3.8%. Its GDP was recorded at Dhs1.489 trillion, with the growth rate exceeding the estimates of international institutions, which earlier forecasted a growth of 2.1% for 2021.

The UAE’s non-oil foreign trade in 2021 amounted to nearly Dhs1.9 trillion, amounting to a 27% growth compared to 2020, and 11% over 2019. The value of national non-oil exports amounted to about Dhs354 billion, a growth of 33.3% as compared to 2020 and 47.3% as compared to 2019. China ranked first as the country’s largest trading partner in 2021, accounting for 11.7% of the UAE’s total foreign trade. India ranked second, accounting for 8.7% of the country’s total non-oil trade, with a value of Dhs164.4 billion, followed by Saudi Arabia with a contribution of 6.6% and a value of Dhs125 billion during 2021, achieving a growth of 20% compared to 2020 and 10.1% compared to 2019.

Individual emirates within the UAE, such as Abu Dhabi, have indicated a rise in the contribution of the non-oil economy to its GDP. Abu Dhabi’s GDP at constant prices grew 1.9% in 2021 compared with 2020, while its non-oil GDP at constant prices grew by 4.1%. Non-oil activities contributed 49.7% of Abu Dhabi’s GDP at constant prices last year. (GB 19.04)

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* 1. UAE Approves New Mechanism to Control Price Increase of Essential Commodities

The UAE’s Ministry of Economy (MoE) has approved a new policy regarding the pricing mechanism for basic consumer goods in the country. Under this mechanism, these consumer goods are divided into two main groups.

The first group consists of more than 11,000 commodities including fresh and dry milk, fresh chicken and eggs, bread, flour, sugar, salt, rice and legumes, cooking oil, mineral water and others items. Among items in this group, prior approval is required by the supplier if they desire to raise its price due to the high import costs. The prior approval must be obtained via the Ministry of Economy website through a specifically designated system for this service. The applicants must submit all evidence and data related to the increase in costs and their direct causes. The ministry then will decide on the approval and the percentage of the approved price hike.

The second group consists of commodities such as biscuits, chocolates, confectionaries, some cheese products, frozen food, juices and ice cream, tea, coffee, cocoa and its products, wheat, oats, potato chips, household cleaning materials and tools. Among this second category, the MoE clarified that there is no need for prior approval if the supplier wishes to increase its prices and these products are subject to supply and demand variations. It explained that these goods were chosen based on their abundance, high price competitiveness, and a large number of suppliers of these goods to ensure the existence of multiple alternatives in the country.

The ministry added that price control is an ongoing process, and any unjustified price hike is a violation, which exposes its owner to legal consequences. Ministry further added that it continues to monitor the prices of the 300 most sought-after basic commodities in the markets, in partnership with the economic departments and regulatory authorities at the local and federal levels. These 300 commodities belong to 11 main categories: fish and seafood, meat and poultry, bread, grains and related products, dairy, eggs, oils, vegetables and fruits, water, juices and cleaning materials. (WAM 13.04)

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* 1. UAE’s FTA Launches Whistleblower Program for Tax Violations

The Federal Tax Authority (FTA) has launched *Raqeeb*, its ‘whistleblower’ program for tax violations and evasion. Effective from 15 April, the program allows FTA to receive reports from individuals on tax evasion cases, tax-related fraud and violations of tax legislation. It also enables the authority to verify the reports and grant monetary rewards to informants when certain conditions are met. The authority explained the whistleblower program aims to enhance transparency and competitiveness in the field of doing business, raise tax compliance rates and boost tax awareness and society’s confidence in the tax system. It also motivates individuals to carry out their social responsibilities and contribute to combating tax violations.

The program grants the informants with monetary rewards if the report leads the authority to collect tax amounts worth more than Dhs50,000. Reporting information can be done through FTA’s website, which also has a comprehensive guide on the program, how to report, the criteria and mechanism for obtaining monetary rewards for reporting, and other introductory, legal and procedural matters related to the program. The authority explained that under the program, FTA may use the information provided by the informant to detect violations and tax evasion, determine the procedures for approving monetary rewards and the powers to grant such rewards and determine the procedures and conditions that must be followed. (GB 14.04)

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* 1. Sharjah’s GDP Rose by 4.8% During 2021

Official data published by Sharjah’s Department of Statistics and Community Development (DSCD) revealed that the emirate’s gross domestic product (GDP) grew by an annual 4.8% in 2021. With nearly Dhs130.5 billion in GDP earnings last year compared to Dhs124.6 billion in 2020, the emirate’s economy, particularly the non-oil sectors, showed good growth. According to DSCD, the indicators of future growth remain positive for a multitude of sectors owing to the emirate’s agile economic diversification policies and practices.

The 2021 GDP growth findings are based on a detailed economic study led by DSCD, which featured a detailed analysis of Sharjah’s macroeconomic data from 2020 and preliminary estimates for the year 2021. Data shows that the emirate’s trading sector was the most significant contributor to GDP at 23.8%. Transformative industries stood at 17%, construction at 9.3% and real estate at 9.0%, while the government sector contributed to 7.3% in 2021.

As for growth rates of specific economic sectors in 2021 compared to 2020, the study reveals wholesale and retail trade as leading the charts at 10%. Transport and storage sectors registered a 9.5% growth, followed by the accommodation/hospitality and food services at 9.1%. Extractive industries grew by 9% and health and social services by 7.6%. Sector-specific contributions include production at Dhs240 billion in 2021, compared to Dhs228.8 billion in 2020. Workers’ compensation increased to Dhs38.8 billion in 2021, compared to Dhs36.9 billion in the previous year; and the total value of capital expenditures rose to Dhs33.8 billion in 2021, compared to Dhs31.3 billion in 2020. (DSCD 26.04)

►►North Africa

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* 1. Egypt's Current Account Deficit Narrows by 20.8% in Second Quarter

Egypt’s current account deficit narrowed to $3.8 billion in Q2/21-22, from $4.8 billion in the same period last year, calculating on the basis of central bank figures. The deficit also narrowed 5% on a quarterly basis from $4 billion in the first quarter. Positive factors contributing to the narrowing of the deficit included tourism revenues that more than tripled to $3 billion, rising 7.1% on a quarterly basis; as well as Suez Canal receipts, which rose almost 13% y-o-y to $1.7 billion, remaining stable on a quarterly basis.

The trade deficit remained unchanged from a year ago at around $10.7 billion and narrowed slightly on a quarterly basis from $11.1 billion. This came as exports and imports both rose, due in large part to the global spike in fuel and food prices. Exports rose almost 80% y-o-y to $11.8 billion, up 34.1% on a quarterly basis, while imports rose by 30% y-o-y to $22.5 billion, up 13% over the first quarter. FDI declined on an annual and a quarterly basis: Inflows amounted to $1.6 billion during 2Q, down from $1.75 billion in the same quarter last year and $1.7 billion in Q1. Portfolio flows saw a sharp reversal during the final quarter, registering $6.1 billion in net outflows compared to $3.5 billion in net inflows in Q2/21 and $3.6 billion in net inflows the previous quarter. Remittances came in at $7.4 billion, down marginally y-o-y. (CBE 14.04)

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* 1. World Bank Forecasts 4.3% Rebound for Morocco’s GDP in 2023

The World Bank forecasts the Moroccan economy to slow to 1.1% in 2022 before rebounding to 4.3% in 2023. In its latest “Mena Economic Update,” the World Bank noted that the projected slowdown in the country’s economy could be mainly due to a 17% decline in agricultural output amid a severe drought. Public debt is projected to stabilize below 80% of GDP while the current account deficit is expected to widen to 5.5% of GDP due to higher energy and food import bills.

Morocco has experienced several months of drought, and with the impact of the Russia-Ukraine war in global commodity prices, the country is most likely to see an increase in its import bill and public subsidies. The Ukrainian crisis is set to further aggravate disruptions in the global supply chain, as production slows down in Europe as well. Morocco’s slow economic recovery could exert additional pressure on household and firms’ debts, the World Bank noted, arguing that rising prices and decreasing agricultural revenues are expected to slow down in post-COVID-19.

Morocco’s GDP growth rebounded to 7.4% in 2021 against 6.3% in 2020. The 2021 economic growth was driven by an increase in cereal production, solid exports and remittances, as well as a significant progress on COVID-19 vaccinations. The UN reported that Morocco was among the only five African countries that have reached the goal of vaccinating at least 40% of their populations by the end of 2021. (WB 16.04)

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* 1. OPEC Loans $100 Million to Morocco to Promote Financial Inclusivity

OPEC’s Fund for International Development signed a $100 million loan to the government of Morocco to build an inclusive financial sector. The agreement, named the Financial and Digital Inclusion Program, stipulates that Morocco provide individuals, families and small businesses with affordable financial services such as insurance, credit and banking. The program will focus on using technology to promote alternative financing models to traditional banks. Regarding the businesses, it will target digital entrepreneurs. The World Bank is co-financing the program with OPEC, according to the statement.

OPEC aims to help Morocco recover from COVID-19 and promote economic modernization with the loan. Strict antivirus measures had a negative effect on the Moroccan economy, severely hurting the tourism industry, for example. OPEC’s loan is the latest example of efforts in the Middle East and North Africa to promote financial inclusivity. Financial technology, or fintech, is growing throughout the region.

The Moroccan government is promoting the expansion of technology by way of the Digital Morocco initiative, which began in 2016. Internet and cell phone access has increased significantly in recent years. Online financial tools are lagging behind, though, in part because Moroccans “predominantly prefer cash,” the Oxford Business Group reported in 2020. (Al-Monitor 14.04)

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* 1. Morocco’s Fuel Bill to Double in 2022

Amid rising energy prices worldwide as a result of the war in Ukraine, Morocco has to date spent an additional MAD 25 billion ($2.5 billion) on fuel compared to 2021. The county’s fuel bill will mount to MAD 47.7 billion, more than double the MAD 21 billion ($2.16 billion) the 2021 figure, according to Morocco’s national office of electricity. Fuel will make up 64% of the annual cost of producing electricity in 2022, against 44% in 2021. Fuel prices have been breaking records over the past few months in Morocco, echoing the international trend. Household electricity bills remained largely unchanged despite the rising cost of electricity production, Morocco’s National Office of Electricity and Drinking Water (ONEE) said earlier this month.

To keep Morocco’s energy market adequately supplied, the country’s government announced this year plans to import Liquefied Natural Gas (LNG). The Moroccan government had announced plans to import LNG back in February despite the fact that such a move comes at a higher price tag. The decision came after two electricity power plants shut down after Algeria terminated the Maghreb-Europe Gas pipeline. The two plants produced 10% of Morocco’s electricity. To acquire LNG, Morocco opened an international tender and coordinated with Spanish authorities to process the LNG in Spanish facilities before sending the gas across the Mediterranean to Morocco using the Maghreb-Europe Gas pipeline. (MWN 16.04)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkey’s Exports to UK up by 12.2% in First Quarter

Turkey's exports to the UK increased by 12.2% in Q1/22 compared to Q1/21, reaching $3.57 billion (TL 52.33 billion). The country’s overall exports rose by 20.8% in the first quarter of the year compared to the same period of the previous year and amounted to $60.2 billion, according to the Turkish Exporters Assembly (TIM). In the first quarter of the year, the U.K. became the fourth country to which Turkey made the most foreign sales. The U.K.'s share in Turkey's exports reached 5.54% in the said period.

During the first three months of 2022, the countries with the highest exports were Germany, the US and Italy, respectively. The sector that made the most exports to the U.K. in this period was the automotive industry. The automotive industry's exports to the U.K. increased by 7.3% in the first quarter compared to the same period last year, reaching $812.6 million.

London and Ankara are said to have started negotiations on a comprehensive trade pact. (AA 19.04)

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* 1. Online Shopping in Turkey Took Off in 2021

E-commerce grew substantially in Turkey last year. The volume of e-commerce increased 79% in Turkey in 2021. E-commerce transactions in total amounted to nearly 18% of trade in Turkey. Approximately 70% of the transactions were performed on cell phone applications. The most popular industries for online shopping were fashion and electronics. The increase in online purchases comes as Turkey’s overall digital economy is growing. Turkey’s financial technology (fintech) sector has expanded exponentially in recent years in terms of investments.

At the same time, Turkey is experiencing major economic problems at present. Inflation continues to plague the country. Recent increases in inflation have been driven by the commodity crisis resulting from the war in Ukraine. Turkish farmers are also warning of a food crisis in the country.

E-commerce revenues in Turkey jumped 42% in 2018 and 31% in 2019, per a 2020 report from the US bank JP Morgan. The financial powerhouse also noted some potential obstacles to Turkish e-commerce growth. E-commerce is rising throughout the Middle East. The sector grew 24% in Israel last year. In the United Arab Emirates, e-commerce sales increased 53% in 2020. (Al-Monitor 19.04)

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* 1. Greece Construction Market Size, Trends and Forecasts by Sector 2022-2026

The "Greece Construction Market Size, Trends and Forecasts by Sector - Commercial, Industrial, Infrastructure, Energy and Utilities, Institutional and Residential Market Analysis, 2022-2026" report has been added to [ResearchAndMarkets.com](http://www.ResearchAndMarkets.com‎)'s offering.

The Greek construction industry grew by an estimated 15.2% in real terms in 2021, following an annual decline of 8.9% in 2020, owing to the impact of COVID-19 restrictions. The industry's solid recovery in 2021 was supported by an improvement in wider economic activity. According to the Hellenic Statistical Authority (ELSTAT), the construction industry's value add, at seasonally-adjusted terms, grew by 32.2% year on year (YoY) in the third quarter of 2021, preceded by Y-o-Y growth rates of 10.2% in Q2/21 and 17.9% in Q1/21.

The publisher expects the country's construction industry to grow by 2.2% this year, and record an average growth rate of 2.7% over the remainder of the forecast period (2023-2026), supported by improving investor confidence and investments in transport, renewable energy, residential and commercial projects, as the global economy gradually shows signs of improvement. The government is focusing on the development of renewable energy projects, in line with its target to increase the share of renewable energy in the total energy mix by 35% over the next 10 years. The plan involves a target of producing 7.7GW of solar PV and 7GW of wind capacity by 2030.

The short-term outlook is buoyed by the recent increase in the building permits. According to the ELSTAT, the number of building permits issued in the country grew by 26.1% in the first 10 months of 2021, increasing from 15,343 in January-October 2020 to 19,352 in January-October 2021. In terms of segmentation, the permits approved for commercial buildings rose by 67.9%, while office buildings permits rose by 40.3%, hotels by 33.3%, manufacturing buildings by 64.7% and dwellings by 48.1% during the same period. (R&M 21.04)

GENERAL NEWS AND INTEREST

\*ISRAEL:

* 1. Yom HaShoah - Holocaust Martyrs' & Heroes' Remembrance Day 2022

Israel will mark Holocaust Martyrs' & Heroes' Remembrance Day (*Yom HaZikaron HaShoah ve-‎laGvura* in Hebrew) on Wednesday evening, 27 April and Thursday, 28 April. Holocaust ‎Remembrance Day (Yom HaShoah) is a national day of commemorating the six million Jews ‎murdered in the Holocaust. It is a solemn day, usually beginning at sunset on Hebrew date of ‎‎26 Nisan and ending the following evening. The internationally recognized date comes from the ‎Hebrew calendar and corresponds to the 27th day of Nisan on that calendar. It marks the ‎anniversary of the 1943 Warsaw ghetto uprising. Some years the observance can be moved by a day later to prevent the desecration of the Sabbath in preparation for the memorial services.‎

Places of entertainment are closed and memorial ceremonies are held throughout the country. ‎The central ceremonies, in the evening and the following morning, are held at Yad Vashem and ‎are broadcast nationally on television. Marking the start of the day, in the presence of the ‎President and the Prime Minister, dignitaries, survivors, children of survivors and their families, ‎gather together with the general public to take part in the memorial ceremony at Yad Vashem in ‎which six torches, representing the six million murdered Jews, are lit. The following morning at ‎‎10:00, the ceremony at Yad Vashem begins with the sounding of a siren for two minutes ‎throughout the entire country. For the duration of the sounding, work is halted, people walking ‎in the streets stop, cars pull off to the side of the road and everybody stands at silent attention ‎in reverence to the victims of the Holocaust. Afterward, there is a central ceremony at Yad ‎Vashem, while other sites of remembrance in Israel, such as the Ghetto Fighters' Kibbutz and ‎Kibbutz Yad Mordechai, also host memorial ceremonies, as do schools, military bases, ‎municipalities and places of work. Throughout the day, both the television and radio broadcast ‎programs about the Holocaust.

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* 1. Laylat al-Qadr to be Observed on 28 April

On 28 April, Laylat al-Qadr (variously rendered in English as the Night of Decree, Night of Power, Night of Destiny or Night of Measures) will be observed. It is according to Islamic belief the night when the Quran was first sent down from Heaven to the world and also the night when the first verses of the Quran were revealed to the prophet Muhammad.

The Prophet Muhammad did not mention when this night takes place during Ramadan, though many scholars of Islam believe it takes place during the last ten days of Ramadan. They also believe that it falls on an odd-numbered night in the month. The odd number does not refer to the actual date on the calendar, but rather to the day/night number within the month of Ramadan. It is commonly believed, especially by Sunni Muslims, that *Laylat al-Qadr* falls on the 27th night of Ramadan.

According to many Muslim sources, it was one of the odd-numbered nights of the last ten days of Ramadan, the ninth month of the Islamic calendar. Since that time, Muslims have regarded the last ten nights of Ramadan as being especially blessed. Muslims believe that the Night of Qadr comes with blessings and mercy of God in abundance, sins are forgiven, supplications are accepted, and that the annual decree is revealed to the angels who carry it out according to God's plan.

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* 1. Eid Al Fitr Observance to Begin on 1 May

Sunday, 1 May will be the last day of the holy month of Ramadan, and the first day of Eid Al Fitr will be on Sunday evening. Eid al-Fitr , also called the "Festival of Breaking the Fast" or Lesser Eid, is a religious holiday celebrated by Muslims worldwide that marks the end of the month-long dawn-to-sunset fasting of Ramadan. The date for the start of any lunar Hijri month varies based on when the new moon is sighted by local religious authorities, so the day of celebration varies by locality.

Eid al-Fitr has a particular prayer that consists of two rakats (units) generally performed in an open field or large hall. It may only be performed in congregation (jamāʿat) and features six additional Takbirs (raising of the hands to the ears while saying "Allāhu ʾAkbar", meaning "God is the greatest") in the Hanafi school of Sunni Islam. Other Sunni schools usually have twelve Takbirs, similarly split in groups of seven and five. After prayers, Muslims celebrate the Eid al-Fitr in various ways.

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* 1. Israel Commemorates Those Who Fell in Service to the Nation

Israel’s Memorial Day for Fallen Soldiers and Victims of Terrorism will begin at sundown on Tuesday, 3 May, honoring those who have fallen in the line of duty since 1860 (when Jews first moved outside of Jerusalem's Old City walls). The Memorial Day begins with a minute-long siren sounded at 20:00h, followed immediately by official events. On the following day, Wednesday, 4 May, a two-minute siren will be sounded at 11:00 as part of Memorial Day ceremonies across the country. For the duration of the sounding of both sirens, work is halted, people walking in the streets stop, cars pull off to the side of the road and everybody stands at silent attention in reverence to the fallen soldiers and victims of terrorism.

A small flag a black ribbon will be laid on the grave of every soldier who died in the line of duty as an expression of respect and sympathy. Usually, more than a million people are expected to visit military cemeteries across the country. Though a regular work day, activity is usually curtailed and many leave their offices early pending the Independence Day celebrations that follow.

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* 1. Israel’s Independence Day – 74 Years After Sovereignty was Regained

Celebrations for the 74th anniversary of Israel's regaining its independence will begin on Wednesday evening, 4 May throughout the country, continuing throughout Thursday, 5 May. The official observance starts when the state flag is raised to full mast at a national ceremony on Mount Herzl in Jerusalem. Israel Independence Day is celebrated annually on 5 Iyar, which corresponded to 14 May 1948, the date the British mandate ended over the Land of Israel. A religious and national holiday, *Yom HaAtzmaut* - Independence Day is a celebration of the renewal of the Jewish state in the Land of Israel, the birthplace of the Jewish people. In this land, the Jewish people developed its distinctive religion and way of life. In the Land of Israel, the Jews preserved an unbroken physical presence, for centuries as a sovereign state, at other times under foreign domination. Throughout their long history, the yearning to return to the Land has been the focus of Jewish life. With the rebirth of the State of Israel, in 1948, Jewish independence, lost 1,878 years earlier, was restored.

\*REGIONAL:

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* 1. Eid Al Fitr 2022 Holidays Declared for Private Sector Employees in UAE

The UAE’s Ministry of Human Resources and Emiratisation (MoHRE) announced the dates during which private sector employees will receive paid holidays owing to Eid Al Fitr 2022. Observance of the holidays will begin in the UAE from Saturday, 30 April (29 Ramadan) and end on 3 Shawwal. The exact dates of the holiday will therefore depend on the sighting of the moon.

Earlier this month, the Emirates Astronomical Society (EAS) said that Eid Al Fitr in the UAE is forecast to fall on Monday, 2 May. Therefore, the first day of Shawwal in the Islamic calendar is expected to fall on 2 May. If that were to be the case, then Ramadan this year would have lasted 30 days.

If Ramadan does indeed span 30 days, then as per MoHRE’s directives, private sector employees will receive a five-day holiday, beginning Saturday, 30 April and will last until Wednesday, 4 May. However, if the holy month lasts for only 29 days, then these employees will only receive a paid holiday from 30 April until Tuesday, 3 May.

The UAE Cabinet meanwhile has approved a weeklong Eid al-Fitr holiday for all federal government entities operating across the country, starting from Saturday, 30 April through to Friday, 6 May, with federal employees to resume duties on Monday, 9 May. (MoHRE 21.04)

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* 1. Dubai Private School Enrolment Crosses 300,000 Students for the First Time

The number of students attending Dubai’s private schools has crossed 300,000 for the first time ever. A total of 303,262 students are enrolled in Dubai’s private schools, up from 289,019 in September 2021, representing a growth of 4.9%, according to the Dubai Media Office. The emirate currently has 215 schools, providing 18 curriculum choices.

The rise points to Dubai’s growing appeal as a lifestyle, business and investment hub, attracting families from across the world to relocate to the city. Recently released data shows that UK curriculum schools (35%) remain the top choice for students followed by Indian curriculum (26%) and US curriculum schools (16%). Students studying in private schools represent a total of 187 nationalities.

In other news, KHDA announced in March that private schools across Dubai will not be eligible for any fee increase for the 2022-23 academic year. The directive follows the release of the latest Education Cost Index, which measures annual changes in the costs of running a school, including salaries, rent and utilities. (GB 15.04)

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* 1. King Khalid Airport World's First to Provide Flight Notification Service in Sign Language

Riyadh Airports Company, which manages and operates King Khalid International Airport (KKIA) in Riyadh, Saudi Arabia, has launched an updated version of the interactive chat service via "WhatsApp" and Twitter. The new version is cutting-edge technology, empowered with artificial intelligence technology. The latest version includes new features to provide a unique and innovative experience, such as replacing long text messages and lists with a set of options and drop-down menus, which allow the user to click on the menu and choose the service to get the service rapidly and effortlessly. Another big milestone is providing flight notifications in sign language for the deaf and dumb, as well as information on the airport's services, making KKIA the first airport in the world to provide such a feature.

Travelers and airport visitors will be able to easily inquire about flights, service rates, and other information using the new feature, which is available for "IOS" and "Android" users. This service will also contribute to the diversification of communication channels and the achievement of new levels of passenger satisfaction. (Riyadh Airports Company 15.04)

ISRAEL LIFE SCIENCE NEWS

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* 1. Biomica & Sheba Medical Center Joint Microbiome Clinical Research

Rehovot's [Biomica](http://www.biomicamed.com), an emerging biopharmaceutical company developing innovative microbiome-based therapeutics and a subsidiary of Evogene, signed a collaboration agreement with the Sheba Medical Center in Tel Aviv, Israel, a hospital ranked by Newsweek magazine as one of the top 10 globally of 2022.

In the framework of the joint work, Biomica and Sheba's Microbiome Innovation Center will conduct deep sequencing and high-resolution microbiome analysis of samples obtained from patients with inflammatory bowel disease (IBD). This analysis will enable the identification of potential profiles, biomarkers and therapeutic entities in order to gain a deeper understanding of the human microbiome in IBD patients. Based on the new findings that are expected to come out of these joint studies, Biomica's goal is to expand its expertise in this field, furthering its ability to develop new therapeutics, supporting unmet medical needs and bringing better IBD patient care.

The largest and most comprehensive medical center in the Middle East, Sheba Medical Center, Tel HaShomer is generating global impact through its medical care, research and healthcare transformation. Sheba's City of Health boasts an acute-care hospital, rehabilitation hospital, research and innovation hubs, medical simulation center and center for disaster response on one comprehensive campus in the center of Israel. (Biomica 13.04)

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* 1. CULT Food Announces Investment in Cultivated Meat Company MeaTech 3D

Vancouver, BC's CULT Food Science Corp., an innovative investment platform with an exclusive focus on cellular agriculture that is advancing the development of novel technologies to provide a sustainable, environmental and ethical solution to the global factory farming and aquaculture crises, is pleased to announce that it has made an investment in MeaTech 3D. Based in Ness Ziona, Israel, [MeaTech](https://meatech3d.com) is an international food technology company at the forefront of the cultured meat revolution. It is developing cellular agriculture protein technology at the intersection of biotechnology, agriculture, food and sustainability.

MeaTech is focused on developing and licensing its proprietary three-dimensional (3D) printing and customizable biotechnology manufacturing processes to food processing and retail companies seeking to manufacture proteins without the need for animal slaughter. It has recently succeeded in producing the largest known cultured steak product to date at 3.67 oz, comprised of real living muscle and fat tissues but without the use of any soy or pea protein. The ground-breaking achievement is an important milestone along the path to the venture achieving its goal of scaled production of bio-printed steak.

Further, MeaTech has entered into a collaborative arrangement with Ashton Kutcher and Guy Oseary, together with strategic players such as Effie Epstein, which is focused on helping advance cultivated meat globally. Ashton Kutcher said he is delighted to partner with MeaTech and assist it in its journey to become the market leader in cultured meat production. The engagement with MeaTech is in line with the group's mission to provide sustainable solutions through company building, investment, and acceleration of companies and technologies across various sustainability domains. (CULT 13.04)

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* 1. Cannabotech's Botanical Drug for Pancreatic Cancer Kills 100% of Cancer Cells

Cannabotech reports that in experiments conducted on a cell model, the fungus extract eliminated 100% of pancreatic cancer cells relatively selectively and without damaging normal cells. The fungus has been the subject of research to test its anti-cancer efficacy at the University of Haifa for about eight years. It was selected as the preferred candidate for the development of a drug for pancreatic and colon cancer after showing better anti-cancer results than a variety of other fungi tested.

The first milestone in the botanical drug development process was defined as the adaptation of fungal growth and extraction methods to the FDA protocol for botanical drug development, which the company expects to be significantly cheaper and shorter than the development process of a standard ethical drug. In addition, the anti-cancer activity of the new fungal extract and the cannabinoid composition developed by Cannabotech on pancreatic cancer were examined.

The company is pleased to announce that in a cell model trial, the adapted extract showed 5 times higher anti-cancer efficacy than the original extract while causing 100% mortality of pancreatic cancer cells. In the active concentration on pancreatic cancer cells, no damage to the healthy cells was observed. The cannabinoid extract resulted in an 80% mortality of pancreatic cancer cells.

Cannabotech expects to complete the feasibility study phase within 12 months, by mid-2023, at the end of which it will work to create a development collaboration with a large pharma company vis-à-vis the FDA. As the next milestone in the development process, the company plans to test both the active mechanism of killing cancer cells by extracts and the combined anti-cancer efficacy of the fungus and cannabinoids together, in cells and animals.

Herzliya's [Cannabotech](http://www.cannabotechpharma.com) develops customized medical solutions, in the fields of oncology and preventive medicine. The solutions are based on combinations of active ingredients from the cannabis plant and fungi and work on two main systems in the human body: the endo-cannabinoid system and the immune system. The company aims to designate the medical products to be integrated as an integral part of the existing treatment protocol of oncology patients. (Cannabotech 13.04)

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* 1. Sol-Gel Technologies Announces the Commercial Availability of TWYNEO

Sol-Gel Technologies announced that TWYNEO , a topical cream containing a fixed‑dose combination of tretinoin, 0.1%, and benzoyl peroxide (BPO), 3% for the treatment of acne vulgaris in adults and pediatric patients nine years of age and older, is now available for purchase by consumers who obtain a prescription from their physician. TWYNEO Cream was approved by the U.S. FDA on 27 July 2021 and is being commercialized in the U.S. by Galderma. It is the first and only tretinoin and benzoyl peroxide (BPO) 2-in-1 combination ever approved by FDA and has been proven to rapidly treat even moderate to severe facial acne.

TWYNEO Cream is now available at all major pharmacy chains throughout the U.S. by prescription. TWYNEO Cream is a once-daily application that can be used any time of day and even for severe cases of acne, as indicated by a physician’s prescription.

Ness Ziona's [Sol-Gel](http://www.sol-gel.com) is a dermatology company focused on identifying, developing and commercializing branded and generic topical drug products for the treatment of skin diseases. Sol-Gel leveraged its proprietary microencapsulation technology platform for TWYNEO, which is approved for the treatment of acne vulgaris in adults and pediatric patients nine years of age and older; and EPSOLAY, which is under review for the treatment of inflammatory lesions of rosacea in adults. Both drugs are exclusively licensed to Galderma for U.S. commercialization. The Company’s pipeline also includes early-stage drug candidates SGT-210, SGT-310 and SGT-510 under investigation for the treatment of plaque psoriasis and other dermatologic indications. (Sol-Gel 14.04)

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* 1. G-EYE Colonoscope FDA Cleared on Olympus' PCF Colonoscope Series

SMART Medical Systems an additional FDA clearance for its G-EYE Colonoscope, based on Olympus' 510(k) cleared PCF colonoscope series. With this additional FDA clearance, G-EYE is now available for use in the U.S. market on the commonly used colonoscope models of all three leading endoscopy brands - OLYMPUS, FUJIFILM, and PENTAX Medical.

The G-EYE Colonoscope is a 510(k) cleared colonoscope, remanufactured by SMART to include a proprietary balloon at its distal bending section. Withdrawal of the G-EYE Colonoscope with the balloon moderately inflated during colonoscopy assists in controlling the colonoscope's field of view and positioning. A published study (GIE 2019; 89: 545-53) demonstrated that G-EYE can improve colonoscopy outcomes compared with standard colonoscopy across several metrics, including increasing adenoma detection rate (ADR) by 28%, detecting 47% more adenomas per patient (APP), 62% more advanced and large adenomas, and 142% more flat adenomas.

Ra'anana's [SMART Medical Systems](http://www.smartmedsys.com/us/%E2%80%8E) is a pioneer in the development and manufacture of innovative medical devices in the field of gastro-intestinal (GI) endoscopy. SMART's unique approach is to address key challenges in contemporary endoscopy while using available brand name endoscopes. SMART's CE Marked and FDA-cleared NaviAid and G-EYE product families are commercially distributed in key global markets. (SMART Medical Systems 19.04)

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* 1. BENDIT Receives FDA Clearance of its Steerable Microcatheter

BENDIT Technologies received U.S. FDA 510(k) clearance for its Bendit21 microcatheter for treatment in the neuro, peripheral and coronary vasculature. The clearance was received several months after the successful first use of the Bendit21 neuro catheter in the USA in two life-saving procedures.

The Bendit21 Steerable Microcatheter is equipped with a steerable distal tip, controlled by a 'steering slider' on the proximal steering handle. Endovascular specialists can bi-directionally rotate the tip by simply turning the torque knob on the steering handle. These advanced steering and torqueability maneuvering capabilities are intended to enable navigation with or without guidewires, more precisely and accurately, through all vasculatures, and potentially expanding indications, enhancing safety and saving procedure time.

Petah Tikva's [BENDIT Technologies](http://www.bendittech.com) is a medical device company developing breakthrough technologies for steerable microcatheters, providing surgeons with 3D-controlled bending and navigation capabilities. The company's patented technology reduces the complex catheterization procedure to a single step and enables quick and accurate outcomes. The company has previously received FDA clearance and CE Mark for the Bendit 2.7 microcatheter with an indication for peripheral use. (Bendit Technologies 19.04)

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* 1. Sol-Gel Technologies & Galderma Announce FDA Approval of EPSOLAY

Sol-Gel Technologies announced the FDA approval of its drug product, EPSOLAY, a proprietary cream formulation of benzoyl peroxide, 5%, for the treatment of inflammatory lesions of rosacea in adults. The benzoyl peroxide in EPSOLAY is encapsulated within silica-based patented microcapsules. The silica-based shell is designed to slowly release benzoyl peroxide over time to provide a favorable efficacy and safety profile. The approval of EPSOLAY is supported by data from two positive, identical Phase 3 randomized, double-blind, multicenter, 12-week, clinical trials that evaluated the safety and efficacy of EPSOLAY compared to vehicle in people with inflammatory lesions of rosacea. Sol-Gel has granted to Galderma Holding the exclusive rights to commercialize EPSOLAY in the United States. Founded in 1981, Galderma is the world’s largest independent dermatology company.

EPSOLAY is a topical cream containing benzoyl peroxide, 5%, for the treatment of inflammatory lesions of rosacea in adults. EPSOLAY utilizes a proprietary technology to encapsulate benzoyl peroxide within silica-based microcapsules to create a barrier between the medication and the skin. The silica-based shell is designed to slowly release benzoyl peroxide over time to provide a favorable efficacy and safety profile. EPSOLAY is covered by granted patents until 2040.

Ness Ziona's [Sol-Gel](http://www.sol-gel.com) is a dermatology company focused on identifying, developing and commercializing branded and generic topical drug products for the treatment of skin diseases. Sol-Gel leveraged its proprietary microencapsulation technology platform for TWYNEO, which is approved for the treatment of acne vulgaris in adults and pediatric patients nine years of age and older; and EPSOLAY, which is approved for the treatment of inflammatory lesions of rosacea in adults. Both drugs are exclusively licensed to Galderma for U.S. commercialization. The Company’s pipeline also includes early-stage topical drug candidates SGT-210, SGT-310 and SGT-510 under investigation for the treatment of plaque psoriasis and other dermatologic indications. (Sol-Gel 25.04)

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* 1. Remilk to Build the World's Largest Precision Fermentation Facility

Following the close of $120 million in Series B funding, Remilk announced it will build the world's largest full-scale precision fermentation facility on more than 750,000 square feet of newly acquired land within The Symbiosis project, a pioneering sustainable industrial ecosystem, in Kalundborg, Denmark. This next major milestone demonstrates Remilk's continued leadership in the rapidly developing category by offering consumers animal-free dairy products identical to their traditional counterparts but free of lactose, cholesterol, and hormones, thus severing the dairy supply chain's reliance on animals.

Kalundborg's Symbiosis project is a pioneering industrial ecosystem with transformational economic and environmental results. Within the network, byproducts of one company become resources for another. At present, Symbiosis is a collaborative effort involving more than a dozen visionary public and private companies including industry giants such as Novozymes, Novo Nordisk and Chr. Hansen. At the new facility, Remilk will produce non-animal dairy protein for use in products like cheese, yogurt, and ice cream, in volumes equivalent to that produced by 50,000 cows each year. The selection of this location was made possible through a partnership with the city of Kalundborg, Invest in Denmark (Ministry of Foreign Affairs of Denmark), the Danish embassy in Israel, and the Israeli Embassy in Denmark.

Remilk pioneered a yeast-based fermentation process that produces non-animal milk proteins for use in dairy products traditionally made with cow-derived milk proteins. Remilk's protein enables the production of products that are indistinguishable in taste and function from traditional dairy.

Rehovot's [Remilk](https://www.remilk.com/) is a global leader in the development of animal-free dairy. Remilk produces dairy-identical milk proteins through precision fermentation and has developed a unique and patented approach to scalable manufacturing which dramatically increases efficiency in production and, for the first time in history, eliminates the need for dairy cows in industrial-scale dairy production, without compromising on taste, functionality or nutritional values. (Remilk 26.04)

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* 1. Viridix Launches Next-Generation Precision AI Irrigation System

Viridix launched its most advanced Precision Irrigation System. Viridix's Gen3 new system connects with remote monitoring and irrigation control solutions, creating a groundbreaking autonomous irrigation solution. Viridix's Gen3 Auto-Pilot systems comprised of Viridix's RooTense, a proprietary and patented water potential sensor that mimics the plant roots and provides real time data, alongside the company's unique AI-based software that aggregates the RooTense data with external data from other sources and analyzes it all to provide operational insights, enabling the system to make and act on autonomous decisions.

Designed for farmers who want to push their irrigation capabilities to the next level, Viridix Gen3 Auto-Pilot now connects, in addition to the RooTense sensors to water pressure sensors, air humidity and temperature sensors, and remote watering controllers. The advanced and easy-to-use platform provides unparalleled effectiveness through a holistic autonomous solution for optimized precision irrigation. Customers can now monitor the root's activity and implement a smart irrigation protocol across their farms in real time, field by field, adjusting irrigation levels according to live conditions. The advanced system uses artificial intelligence to recommend the exact adjustments required to dose the optimum irrigation for individual crops.

Modi'in's [Viridix](https://www.viridix.com/%E2%80%8E) empowers farmers by taking uncertainty out of irrigation decisions. By combining accurate and timely water potential data with additional information such as weather, irrigation protocols and soil characteristics, Viridix simplifies and automates one of the most important operations in farming. Precise irrigation helps farmers optimize productivity, reduce resource consumption and improve sustainability. The Viridix solution is based on revolutionary RooTense technology that is cost effective, requires no maintenance and is extremely easy to use. This advanced IoT-based solution leverages AI and machine learning to deliver precision irrigation, taking it to the next level with full-irrigation-cycle automation. (Viridix 26.04)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Emza’s Ultra-Low-Power WiseEye Powers Vision AI in Dell’s New Laptops

Emza Visual Sense announced that its revolutionary WiseEye technology is providing innovative AI-based visual sensing technology in a range of new Latitude, Inspiron and Precision laptops from Dell. The ultra-low-power WiseEye NB system runs unique Machine Learning (ML) and Neural Network based algorithms to enable advanced human detection features in the new laptops.

WiseEye’s always-on, ultra-low-power sensor enables applications for enhanced user experience, privacy and security, and it works with the Dell Optimizer integrated AI software suite to enhance that platform’s intelligent privacy features. Emza’s algorithms, executed by Himax Technologies’ ultra-low-power AI processor, provide contextual awareness with the ability to visually detect user engagement levels based on presence, movements, and facial direction, contributing to better display power management and maximizing battery life.

The WiseEye solution was architected for user privacy. Since sensor images are processed entirely on the dedicated WiseEye processor which is co-located with the CMOS image sensor, images are never stored or transmitted to the main platform. The WiseEye system outputs only user presence metadata to the Intel Context Awareness Service and Dell Optimizer software.

Givatayim's [Emza Visual Sense](http://www.emza-vs.com) is a pioneer in ultra-low-power edge AI devices. The company provides solutions including hardware, software, algorithms and IP to semiconductor companies and OEMs bringing AI capability to tiny, power- and cost-constrained edge devices. As compute power increases and silicon costs decline, the market for these tiny edge AI devices is rapidly expanding across a broad array of segments such as consumer, industrial, automotive and smart cities. Emza’s WiseEye ultra-low power vision AI systems – combining the company’s innovative computer vision and ML algorithms, CMOS imaging sensor and tiny AI system on chip (SoC) – are shipping today in popular consumer products. (Emza Visual Sense 13.04)

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* 1. Secret Network Partners with dYmension Blockchain to Improve Scalability

Secret Network announced its partnership with dYmension, which will run layer 2 rollups as a part of the Cosmos ecosystem. Secret Network has seen skyrocketing network activity, and partnered with dYmension to improve scalability on its blockchain. Rollups like those dYmension provides perform transactions outside the main blockchain and send the transaction data back to the main network, alleviating the pressure of heavy site traffic and enabling further user growth by reducing complexity on the layer 1. dYmension will provide tools and infrastructure to Secret Network to ensure easy building for users on the platform.

Israel's [Secret Network](https://scrt.network) is the first blockchain with data privacy by default for smart contracts, allowing you to build and use applications that are both permissionless and privacy-preserving. This unique functionality protects users, secures applications, and unlocks hundreds of never-before-possible use cases for Web3. First launched on mainnet in February 2020, the network is supported by dozens of independent development companies (including the SCRT Labs core development team), world-class “secret node” operators, and thousands of Secret Agents around the world helping to advance the cause of data privacy for the decentralized web. (Secret Network 13.04)

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* 1. POLYN Technology Delivers NASP Test Chip for Tiny AI

POLYN Technology announced that its first Neuromorphic Analog Signal Processor (NASP) chip is packaged and evaluated, demonstrating proof of the technology’s brain-mimicking architecture. It is the first Tiny AI true analog design to be used next to sensors. The NASP chip enables full data processing disaggregation between the sensor node and the cloud; it truly embodies the Tiny AI concept.

The NASP test chip contains several neural networks. The chip is implemented in 55nm CMOS technology. Its design proves the NASP “neuron” model as well as the scalability of the technology and efficiency of the chip design automation tools developed by POLYN. POLYN anticipates the chip will be available to customers in the first quarter of 2023 as its first wearables product, with a fusion of PPG and IMU sensors for the most accurate heart rate measurement along with recognition and tracking of human activity.

Founded in 2019, Caesarea's [POLYN Technology](https://polyn.ai/) is a fabless semiconductor company, supplying ultra-low-power, high-performance Neuromorphic Analog Signal Processing (NASP) technology, IP and Tiny AI chips based on NASP. POLYN’s Neural-Net-To-Chip automation tools support the fast and cost-effective development of tailored Tiny AI solutions, which perform AI computations on-device. The technology and products enable a wide range of edge AI applications with power consumption, accuracy, size, and cloud connectivity constraints, like wearables, Industry 4.0, Connected Health 4.0, Smart Home and more. (POLYN 13.04)

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* 1. Valens & Logitech Simplify Video Conferencing Deployments

Valens Semiconductor has collaborated with Logitech to develop a solution tailored to Logitech's USB peripheral suite of products, which solves the challenge of extending USB cameras and power over a single category cable. This collaboration solves for installation challenges in the education segment as a result of the new hybrid setting (HyFlex) that accommodates sessions for both in-classroom and remote participants, as well as enhances corporate meeting and huddle rooms. This offering is ideal for both new and retrofit projects, providing flexibility for USB peripheral placement and eliminating the need for a dedicated A/C outlet.

Founded in 2006, Hod HaSharon's [Valens](http://www.valens.com) is a leading provider of semiconductor products, pushing the boundaries of connectivity by enabling long-reach, high-speed video and data transmission for the audio-video and automotive industries. Valens' HDBaseT technology is the leading standard in the professional audio-video market with tens of millions of Valens' chipsets integrated into thousands of HDBaseT-enabled products. Valens Automotive is a key enabler of the evolution of autonomous driving, providing chipsets that are on the road in vehicles around the world. (Valens Semiconductor 13.04)

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* 1. Israeli Startup Launches Digital Dogs

Tel Aviv's [Digital Pets Company](https://thedigitaldogs.co/) is launching artificial intelligence (AI)-driven 3D digital dogs. Combining AI, extended reality (XR) and blockchain technologies, the company is attempting to create an emotional relationship with a virtual being. Each digital dog is unique in its appearance and personality, powered by the startup's proprietary PetOS technology.

The company's mission is to create interactions that mimic real-life relationships between people and dogs. Users can name their digital pets, train them, and play with other people and their digital dogs. All the digital dogs, along with their visual and personality traits, are secured as non-fungible tokens (NFTs) on the Ethereum blockchain. Each NFT will belong to one digital wallet owned by a specific user. The NFTs will be stored as ERC-721 tokens and hosted on the InterPlanetary File System (IPFS). Each NFT is connected through the proprietary PetOS to an actual Digital Dog.

Digital Dogs will be used across different virtual environments in the metaverse via the company's proprietary SDK. The Digital Pets Company will sell NFTs that will allow digital dog owners to get to know their dogs and train them through one-on-one digital interactions. The owners will use tokens which will help train the digital dogs by providing positive incentives, much like real-life dogs. The startup will develop social interaction in digital playgrounds where people and dogs will be able to socialize. For potential digital pet parents, the company has made a demo available that features Laika, which it says is the first-ever digital dog. (ILH 14.04)

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* 1. anecdotes Launches Data Scoping Wizard Dedicated to M&A Activity

anecdotes announced the launch of a new module that will help streamline the mergers and acquisitions (M&A) process for companies spanning multiple Compliance standards, frameworks, and IT infrastructures. anecdotes’ new Data Scoping Wizard will strategically support companies post-M&A by providing a unified workspace to manage their evidence collection processes and disparate Compliance programs.

anecdotes’ Data Scoping Wizard now allows Compliance leaders to connect anecdotes’ plug-ins from the environments of each subsidiary company and manage them all in the Wizard by selecting correlating data sources that provide evidence for each respective framework. The function will free Compliance leaders from chasing various internal stakeholders and enable GRC professionals to manage multiple iterations of SOC 2, PCI, or any other frameworks in the same dashboard.

[anecdotes](http://www.anecdotes.ai) is the first operating system (OS) for every stage of a business’s Compliance journey. It reshapes the way the cloud-powered world thinks about security Compliance, transforming it from a box-ticking exercise into a powerful driver of growth for scale-ups, publicly traded companies and everything in between. With a variety of applications powered by verified data, Compliance leaders can turn manual, time-consuming, and siloed tasks into an automated, continuous, and strategic Compliance journey. anecdotes has headquarters in Palo Alto, California, with R&D offices in Tel Aviv, Israel. (anecdotes 14.04)

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* 1. Toshiba Teli & TriEye Deliver SWIR Sensing Capabilities for Industrial Vision Systems

TriEye announced collaboration with Toshiba Teli, a global leader in providing integrated cameras for automation. The two companies are working together to commercialize a SWIR camera for industrial-related processes and applications. TriEye and Toshiba Teli have successfully built the world's first Industrial oriented CMOS-based HD SWIR camera. Currently, industrial machine vision systems lack vital image data required for full-range functionality. This new integration will leverage TriEye's SWIR sensing technology to provide vision systems with an additional layer of information, reshaping the industrial sector and enhancing processes capabilities. This partnership intends to make their solution available globally, introducing its advanced benefits to a wide range of verticals.

Although InGaAs-based SWIR sensing has been around for decades, it remained limited to industries like semiconductor fabrication, aerospace, and science due to the high costs and low production yield. TriEye's unique technology introduces the industry's first CMOS-based SWIR solutions for mass markets. Its technology enhances machine vision capabilities and assists in the detection of visible and invisible malfunctions, allowing them to accomplish tasks that were previously unattainable. Leveraging this solution will provide Toshiba's customers with vital information such as material sensing and quality control.

Tel Aviv's [TriEye](https://trieye.tech/) is the pioneer of mass-market, CMOS-based Short-Wave infrared (SWIR) sensing solutions. Based on advanced academic research, TriEye's breakthrough and proprietary technology enables cost-effective, high-resolution image data and depth perception in all weather and lighting conditions. Founded in 2017, the company's cutting-edge technology allows perception systems to operate and deliver reliable image data and actionable information, while reducing expenditure by up to 1,000x the existing industry rates. (TriEye 14.04)

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* 1. Ception Unveils New AI-Based System to Improve Safety of Heavy Equipment

Ception has unveiled an AI-based system that reduces accidents and improves productivity and profitability of heavy equipment at construction sites, mines, quarries and industrial plants. The system is set to lower operation costs and contribute to sustainability in these demanding work environments.

To tackle the heavy equipment challenges, Ception developed MineCept. The system is based on a SaaS business model, which offers the customer a collection of apps via the same hardware kit and supports a wide range of scenarios in the field. The system uses advanced real-time high-definition 3D mapping and precise positioning technology, based on visual feed rather than GPS, to provide full situational awareness of the machine's surrounding environment by cross-referencing information from different sensors and a range of image processing algorithms and deep learning. MineCept, which is installed on the heavy vehicles, provides operators, site and safety managers real-time information and insights to improve safety and operational efficiency in general.

The system contributes to streamlining operations by supporting diverse apps, such as performance monitoring, comparing planning to execution in the field, measuring the volume of stockpiles, and monitoring cycle times. At the same time, MineCept verifies that the site is operating in compliance with regulatory safety instructions, such as continuous measurement of the height of safety berms.

Founded in 2019, Jerusalem's [Ception](https://www.ception.ai/) is removing the boundaries of what is possible for a vehicle by providing it with an accurate representation of the real world, presenting a new way to increase the safety, improve the efficiency and enhance the experience of advanced mobility. To date, the company has received $7 million in funding, including seed funding from MoreVC and a grant from the Israel Innovation Authority. (Ception 14.04)

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* 1. Nayax & American Express Partner to Enable Payments in UK

Nayax announced an integration partnership with American Express across EEA & UK markets. Nayax UK will be the first office to implement this change in the UK, across all Nayax VPOS Touch and Onyx cashless payment devices installed across unattended industries, including vending, self-service laundromats, kiddie rides, office coffee services, automated car washes, and more. This will enable Nayax retailers to accept American Express® Cards for all purchases and services.

With Nayax's recent firmware release, all VPOS Touch and Onyx devices in this market will be able to accept American Express transactions. To support its retailers, Nayax and American Express will provide marketing material to raise awareness of the new payment options among customers.

Herzliya's [Nayax](http://www.nayax.com) is a global commerce enablement and payments platform designed to help merchants scale their business. Nayax offers a complete solution including localized cashless payment acceptance, management suite, and consumer engagement tools, enabling merchants to conduct commerce anywhere, at any time. Nayax's mission is to improve customers' revenue and operational efficiency. (Nayax 14.04)

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* 1. Rafael's ‘Iron Beam’ Successfully Completes Tests

[Rafael](https://www.rafael.co.il/) has successfully completed a series of ground-breaking tests with a high-power laser interception system, ‘Iron Beam’, against steep-track threats. The demonstrator successfully intercepted UAVs, mortars, rockets, and anti-tank missiles in various scenarios.

Rafael's Iron Beam provides Israel with a capability unlike one seen elsewhere in the world by successfully developing a high-power laser technology at an operational standard with operational interception capabilities. The tests are the first phase of a multi-year program led by the DDR&D and defense industries. The program aims to develop a high-power ground and aerial laser system equipped to deal with long-range, high-intensity threats. The laser will complement the “Iron Dome” system and will be an effective and economically efficient addition to Israel’s multi-tiered air defense array. The system’s development plan is led by the Research and Development Division in the Ministry of Defense’s DDR&D. (TA 15.04)

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* 1. AQUARIUS & Galooli Introduce New Phase in Energy Supply and Management

AQUARIUS ENGINES and Galooli have combined the eco-friendly AQUARIUS generators with their innovative Aquarius Management System (AMS) together with Galooli's inhouse AI-enhanced Remote Management module. This will enable real-time data gathering, remote asset visibility and generate actionable insights of generators' performance from the moment of installation. The collaboration between these two companies replaces the traditionally binary and polluting diesel backup generators with a smart, remotely operated and optimized energy asset that can be monitored and managed from anywhere, at any time. This plug-and-play solution will ensure cost-effective green energy supply, unprecedented reliability and availability, overall energy optimization and will also provide live alerts to any errant activity.

Rosh HaAyin's [AQUARIUS ENGINES](http://www.aquariusengines.com) is a multinational supplier of backup generators that offer comprehensive, reliable, cost effective, green energy supply and advanced site energy management and optimization solutions. Aquarius' ground-breaking generators integrate the Aquarius Free Piston Linear Engine together with its AMS and site energy management SW, providing a complete response to backup and emergency power needs to its customers around the globe.

Tel Aviv's [Galooli](http://www.galooli.com) specializes in the industrial Internet of things (IIoT), with a focus on remote management and predictive analytics for connected assets and energy sources. Its patented technology enables users from a variety of industries to increase cost savings and energy efficiency while reducing their carbon emissions and operating costs. (Galooli 19.04)

ISRAEL ECONOMIC STATISTICS

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* 1. Israel's March CPI Reading Lower Than Expected

On 15 April, the Central Bureau of Statistics announced that Israel's Consumer Price Index (CPI) rose by 0.6% in March, below the pundits' expectation of 0.8%. Inflation over the past 12 months remains at 3.5%, still well above the Bank of Israel's annual target range for inflation of between 1% and 3%. Due to the sharp rise in commodity prices following the Russian invasion of Ukraine, the Bank of Israel recently revised its inflation forecast for 2022 sharply upwards from 2% to 3.6%. The Bank of Israel sees 2% inflation in 2023.

Among the prominent rises in prices in March, clothing and footwear rose 4.6%, culture and entertainment rose 2.1%, and transport rose 1.6%. Among the prominent price falls in March, fresh fruit and vegetable prices fell 2.5%. Housing prices rose 1.8% in January-February compared with December-January and have risen 15.2% over the past 12 months.

In January-February compared with December-January, housing prices in central Israel rose 2.4%, in Jerusalem (2.2%), Haifa (2.1%), northern Israel (1.6%), southern Israel (1.5%) and in Tel Aviv (1.3%). Over the 12 months prior to January-February housing prices rose 17.7% in central Israel, in Jerusalem (16.4%), Tel Aviv (14.5%), Haifa (13.2%), southern Israel (12.5%) and northern Israel (11.5%). (CBS `15.04)

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* 1. Unemployment Rate in Israel Rises in March

The unemployment rate in Israel rose to 3.7% in the second half of March, from 3.2% in the first half of the month, the Central Bureau of Statistics announced. There were 160,000 jobseekers in the second half of March, which was similar to the number of job vacancies, so that the Israeli economy is close to full employment. At the same time, the unemployment rate under the broad definition rose to 5.3% in the second half of March from 4.7% in the first half of the month. Participation in the workforce of the working age population in Israel fell to 61.3% in the second half of March from 61.8% in the first half of the month.

The tightening of Israel's job market due to low unemployment and the record number of job vacancies is likely to bring about upward pressure on salaries, which would again further fuel inflation. The Bank of Israel Research Department forecasts 3.5% unemployment at the end of 2022 with a continuing low level of unemployment in 2023. The Israeli economy has confounded the prediction by the OECD that Israel would be the last member country to recover from high unemployment during the COVID pandemic. (CBS 25.04)

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* 1. Four Israeli Universities Rank in World's 100 Best Academic Institutions

Four of Israel's institutions of higher learning have made a list of the world's 100 best universities. According to rankings compiled by academicinfluence.com, the Hebrew University of Jerusalem is the 18th best university in the world, below Harvard, Oxford and MIT, but above the London School of Economics and the California Institute of Technology. Tel Aviv University also made the list, taking the 29th spot. Israel's elite institutions of science and technology, the Weizmann Institute of Science and the Technion-Israel Institute of Technology, were ranked 96th and 97th, respectively.

Academicinfluence.com uses machine-learning technology that measures a school's influence through its students, faculty, staff and alumni. By analyzing massive data sources, such as Wikipedia, Crossref and Semantic Scholar, the InfluenceRanking Engine creates a map of academic influence. (ILH 14.04)

IN DEPTH

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* 1. BAHRAIN: Moody's Changes Bahrain's Outlook to Stable, Affirms B2 Ratings

On 22 April, [Moody's Investors Service](http://www.moodys.com/) changed the outlook on the Government of Bahrain to stable from negative and has affirmed its B2 long-term issuer and senior unsecured ratings.

The change of outlook to stable reflects an easing of downside risks to Bahrain's ratings. The large increase in oil prices since early 2021 and Moody's expectation that oil prices will remain elevated for the next few years improve the outlook for the sovereign's fiscal and external balances, reducing the rate of government debt accumulation and lowering government liquidity and external vulnerability pressures. Furthermore, the stable outlook takes into account the government's renewed commitment to its medium-term fiscal adjustment program, which increases the likelihood that additional financial assistance from the neighboring Gulf Cooperation Council (GCC) sovereigns will be forthcoming in a timely manner if and when needed.

The affirmation of the B2 ratings captures Moody's view that Bahrain's debt and debt affordability metrics remain very weak, and its government liquidity and external vulnerability risks high. These credit weaknesses are mitigated by the financial, economic and political support from the Government of Saudi Arabia (A1 stable), the Government of Kuwait (A1 stable) and the Government of the United Arab Emirates (Aa2 stable). Bahrain's B2 ratings are also supported by its relatively high income per capita and a relatively well-diversified economy compared to most other GCC sovereigns, which provide a degree of shock absorption and economic resilience.

The rating affirmation at B2 also applies to the backed senior unsecured foreign currency rating of the drawdowns from the sukuk (trust certificate) issuance program of the CBB International Sukuk Programme, a special purpose vehicle whose debt is in Moody's view ultimately an obligation of the Government of Bahrain.

Bahrain's local currency (LC) and foreign currency (FC) country ceilings remain unchanged. The LC country ceiling at Ba3, two notches above the sovereign issuer rating, incorporates high external imbalances and heavy reliance on a single revenue source mitigated by predictable institutions and moderate political risk. The FC country ceiling at B1, one notch below the LC ceiling, reflects relatively modest transfer and convertibility risks, notwithstanding a track record of weak fiscal policy effectiveness and a high level of external indebtedness.

**RATINGS RATIONALE**

**Rationale for the Change of Outlook to Stable from Negative**

**Higher Oil Prices Reduce Medium-Term Debt Sustainability Risks**…The rebound in oil demand and prices since early 2021, and the most recent price increases due to the spike in geopolitical risks, have improved the outlook for Bahrain's public finances and the country's external position. Moody's estimates that the government fiscal deficit (including off-budget transactions) narrowed to less than 12% of GDP in 2021 from nearly 18% of GDP in 2020 and will likely decline to less than 4% of GDP, on average, during 2022-23 based on the assumption that oil prices will remain elevated in the next few years, averaging $113/barrel in 2022 and $97/barrel in 2023.

Consequently, Moody's expects that Bahrain's government debt burden will decline to less than 120% of GDP in 2022-23 from nearly 130% of GDP in 2020. Although government debt will likely rise back to around the 2020 level by 2025 as the geopolitical risk premium eventually dissipates and oil prices gradually return to Moody's medium-term forecast range of $50-70/barrel, the currently projected debt path is significantly lower than Moody's expectation a year ago, pointing to lower medium-term debt sustainability risks.

**and Ease Government Liquidity and External Pressures** Narrower fiscal deficits that Moody's projects for 2022-23 will reduce the government's estimated gross borrowing requirement to around 26% of GDP from more than 35% of GDP in 2021 and 46% of GDP in 2020. Nearly 70% of the total financing need (or 18% of GDP in 2022-23) will be due to maturing domestic debt, which in the past has always been rolled over by domestic banks. Together with improved appetite for Bahrain's government debt by international investors, implied by the narrowing of Bahrain's sovereign credit spreads to pre-pandemic levels, significantly lower funding needs in the next few years will ease government liquidity pressures compared to the past several years. Nevertheless, government liquidity risks will remain structurally high due to the very high sensitivity to declines in oil prices of Bahrain's financing needs and its ease of access to finance.

Moody's also expects Bahrain's external vulnerability pressures to ease further during 2022-23 after an already material decline in 2021, when the country recorded its first current account surplus since 2014 (equivalent to 6.7% of GDP), following a very large deficit of 9.3% of GDP in 2020. Moody's projects that Bahrain will maintain robust current account surpluses during the next two years, mainly due to higher oil prices but also due to an equally significant rebound in prices of aluminum, which accounted for more than 25% of Bahrain's merchandise exports in 2020. Moody's expects that current account surpluses will lead to a further rebuilding of central bank foreign-currency reserves, which rose to $4 billion in January 2022 from the 30-year low of less than $800 million in April 2020, although their coverage of imports of goods and services (only around 2 months, even if oil imports are excluded) still indicates exceptionally thin buffers against external shocks, given Bahrain's long-standing commitment to the exchange rate peg to the dollar.

**Renewed Commitment to Fiscal Consolidation Further Reduces Downside Risks**

Although the government's original Fiscal Balance Program (FBP), announced in 2018, went off track during 2020-21, the government recommitted in October 2021 to stabilizing public finances by announcing an updated version of the program. The updated FBP contains several new fiscal adjustment measures and aims to eliminate the state budget deficit (excluding off-budget spending) by 2024, two years later than the original plan.

The announced fiscal adjustment initiatives under the FBP have the potential to reduce the structural vulnerability of Bahrain's public finances to declines in global oil demand and prices if fully implemented, although the updated program does not address chronic off-budget spending. Moody's estimates that off-budget transactions added on average an equivalent of around 4% of GDP to the net financing need each year during the past ten years and therefore represent a downside risk to the government's ability to achieve a fiscal balance that would stabilize the debt burden in the medium term.

Although, based on the past track record, Moody's does not expect the government to fully implement spending reductions in line with the FBP targets, the revenue measures that have already been implemented will reduce the structural non-oil fiscal balance. In particular, the doubling of the value added tax rate to 10% from the start of this year will likely add 1.5-2% of GDP to government revenue.

Furthermore, the government's renewed commitment to fiscal reforms increases the likelihood that further financial support from the GCC neighbors, beyond the currently committed $10 billion package, would be forthcoming in a timely manner if and when needed.

**Rationale for Affirming the B2 Long-Term Issuer Rating**

The B2 issuer rating reflects the credit support afforded by the continuing financial, economic and political support committed to Bahrain by the three higher-rated neighboring GCC sovereigns, including through the track record of disbursements from the $10 billion package of highly-concessional loans agreed in 2018 and the $7.5 billion package of housing and infrastructure development grants announced in 2011. As of the end of 2021, Moody's estimates that around $4 billion of loans and $3.3 billion of grants remained available for disbursement.

This support partly mitigates Bahrain's very weak fiscal and debt metrics and its high government liquidity and external vulnerability risks. The support has been instrumental in preserving Bahrain's access to international capital markets, where the government raised around 70% of all long-term external financing during 2020-21. In addition, Moody's estimates that interest-free GCC loans will reduce Bahrain's interest bill and the fiscal deficit by around 1% of GDP compared to what it would have been if the financing had been secured at market rates.

Bahrain's B2 issuer rating is also supported by high income per capita and a relatively diverse economy compared to the rest of the GCC, which are a source of economic resilience and strengthen Bahrain's shock absorption capacity. The B2 issuer rating also takes into account Bahrain's large, well-capitalized and liquid domestic banking system, which supports a large portion of government liquidity needs through the annual rollover of domestic debt equivalent to nearly 20% of GDP in 2021 (including short-term T-bills).

In the longer term, increased hydrocarbon production from the new very large oil and gas reservoir discovery in the Khaleej Al-Bahrain Basin, which was announced in April 2018, could structurally improve Bahrain's fiscal and external balances. However, there remains a high degree of uncertainty about how significantly and how durably could Bahrain's hydrocarbon production be increased from these new discoveries, when taking into account that at least a portion of the increase will likely be offset by declining output from the existing, mature on-shore field.

**Factors That Could Lead to an Upgrade or Downgrade of the Ratings**

A faster downward trend in the government debt burden than Moody's currently expects would exert upward pressure on the ratings, in particular if stronger debt metrics resulted from the implementation of additional fiscal adjustment measures, making the fiscal improvement durable and independent of oil price fluctuations. Positive momentum would also be supported by further and durable rebuilding of central bank foreign-currency buffers, beyond the period of favorable commodity prices, which would materially reduce Bahrain's external vulnerability risks.

Signs that support for Bahrain from its GCC neighbors may be eroding would put downward pressure on the ratings, in particular if they pointed to a loss of investor confidence and, in turn, a diminished capacity of the sovereign to access international capital markets at sustainable rates and maturities. Such erosion would likely reflect a weakening of Bahrain's commitment to advancing non-oil fiscal consolidation measures and would manifest in rising government liquidity and external vulnerability pressures, possibly quite rapidly and especially in an event of another large external shock. (Moody's 22.04)

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* 1. SAUDI ARABIA: Fitch Revises Outlook on Saudi Arabia to Positive; Affirms at 'A'

On 14 April, [Fitch Ratings](http://www.fitchratings.com/) revised the Outlook on Saudi Arabia's Long-Term Foreign-Currency Issuer Default Rating (IDR) to Positive from Stable and affirmed the rating at 'A'.

**Key Rating Drivers**

**Oil and Reform Drive Positive Outlook:** The revision of the Outlook reflects improvements in the sovereign balance sheet given higher oil revenue and commitment to fiscal consolidation. Government debt/GDP and sovereign net foreign assets (SNFA) will remain considerably stronger than the 'A' median, even as these metrics weaken mildly after 2022 as oil prices trend lower offsetting further gradual budgetary reforms. We now forecast that government debt/GDP will remain below 30% until 2025 (around half the 'A' median level). The government will also retain significant fiscal buffers, including deposits at the central bank in excess of 10% of GDP.

**Budget Surpluses Return:** Saudi Arabia will record budget surpluses in 2022-2023 for the first time since 2013, equal to 6.7% and 3.5% of GDP, respectively. We assume Brent crude oil prices will average $100/bbl and $80/bbl and that Saudi Arabia's oil production will average 10.7 million b/d and 11.1 million b/d, respectively. These would be the Kingdom's highest sustained levels of oil production. Saudi Arabian Oil Company (Saudi Aramco, A/Stable) is aiming to increase capacity to 12.6 million b/d in 2025 and 13.3 million b/d by 2027, from around 12.2 million b/d currently.

We estimate that a $10/bbl movement in oil prices would change our budget deficit forecast by 2.3% of GDP, while a one million b/d difference in production would change the fiscal deficit by 2.3% of GDP.

**Restrained Budget Spending:** We assume that spending control will broadly persist despite higher oil prices, given uncertainty over long-term oil prices; commitment by the authorities to make the budget resilient to lower oil prices in line with the fiscal sustainability program and higher spending by the broader public sector to support economic growth and job creation. We forecast that 2022 spending will be flat year on year, 9% higher than budgeted. For 2023 we forecast spending to edge down but remain around 9% above Saudi Arabia's latest projection for that year.

Higher spending outside the budget by the Public Investment Fund (PIF) and National Development Fund (NDF) has allowed for lower budget spending, with capex falling to 5% of GDP, from 11% in 2014.

**Non-Oil Revenue Maintained:** Non-oil revenue is likely to average around 19% of non-oil GDP in 2022-2023, more than double the 2015 level. We project non-oil revenue to be flat in nominal terms in 2022, as tweaks to the VAT law may lead to lower or flat VAT receipts (up 84% in 2021) with full-year implementation of the 15% rate. The VAT rate was increased from 5% in July 2020 in response to lower oil revenue at the onset of the COVID-19 pandemic. We assume the VAT rate remains at 15% in 2022-2023 although a lower rate, mooted by the Crown Prince in 2021, remains a risk over the medium term.

**External Finances Formidable:** We forecast SAMA reserves to rebound above $500 billion in 2022-2023 with large current account surpluses, even as public institutions and enterprises, notably the PIF, continue to invest abroad (as well as domestically). Saudi Arabia has one of the highest reserve coverage ratios among Fitch-rated sovereigns at more than 20 months of current external payments. We forecast SNFA at around 70% of GDP in 2022-2023, the strongest figure in the 'A' category. ('A' median: -5.5% of GDP).

**Saudi Arabia's 'A' IDRs also reflect the following key rating drivers:**

**Vision 2030's Risks and Returns:** Rising public-sector spending outside the budget and the potential for higher debt of state-owned and government-related entities (GREs), as Saudi Arabia presses ahead with its national investment strategy (NIS) as part of Vision 2030, is a medium-term risk to the sovereign's balance-sheet strengths, in Fitch's view. It may also bring returns, in the form of non-oil GDP growth and job creation outside the central government to lower the national unemployment rate from 11% currently. The NIS is targeting SAR12 trillion (about 4x 2021 GDP) of domestic investment by 2030, driven by the PIF, NDF, Saudi Aramco and participating non-government investors. We expect this will cause an increase in non-bank GRE debt from 22% of GDP in 2021.

**Oil Dependence Remains High:** Oil dependence remains a rating weakness. While Saudi Arabia's fiscal structure has improved, oil revenue will account for more than 60% of total budget revenue in 2022-2023 (down from 90% ten years ago) and more than 70% of export revenue. Oil GDP accounts for around a third of nominal GDP and non-oil sector performance is linked in part to oil-funded investment. We expect further gradual improvements in the fiscal structure, with the non-oil primary deficit/non-oil GDP narrowing to 27% of GDP (50% before 2015) and the fiscal break-even oil price falling to less than $70/bbl in 2023 from around $80/bbl on average in 2019-2021.

**Political Risks Persist:** Relatively weak governance scores continue to constrain the rating and risks from regional geopolitical tensions persist, in Fitch's view, including rocket attacks from neighboring Yemen that have targeted the Kingdom's oil facilities. Nonetheless, Saudi Arabia proved resilient to the 2019 strike on its oil facilities at Abqaiq that caused only a temporary setback to production.

**RATING SENSITIVITIES**

Factors that could, individually or collectively, lead to negative rating action/downgrade:

* Public Finances: Deterioration in the overall public finance position reflected in government debt/GDP trending firmly above our forecasts or marked drawdowns of government assets, including government deposits at the central bank.
* Public Finances: Significant increases in contingent liabilities that undermine the strength of the public-sector balance sheet offsetting improvements in narrower government measures, for example, as a result of a sustained rise in GRE debt, particularly if this might not result in productive investments in the economy.
* Structural Features: A major escalation of geopolitical tensions that affects key economic infrastructure and activities over an extended period.
* Factors that could, individually or collectively, lead to positive rating action/upgrade:
* Public Finances: Fiscal consolidation that accelerates progress towards sustainable fiscal balance, including lower fiscal break-even oil prices, or a sustained rise in oil revenue that improves the public-sector balance sheet.
* External Finances: Further improvement of Saudi Arabia's already strong external position, as reflected in SNFA/GDP, net external debt/GDP and SAMA reserve metrics.
* Structural Features: An improvement in governance scores, helping to boost prospects for greater economic diversification.

**Best/Worst Case Rating Scenario**

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. (Fitch 20.04)

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* 1. EGYPT: Egypt Hopes Israeli Tourists will Make Up Losses from Ukraine War

Mohamed Saied posted on 12 April in [Al-Monitor](https://www.al-monitor.com) that Egypt is currently looking for alternative tourist markets as part of a government plan to increase the number of tourists in a bid to save the vital sector that has been affected by Russia's war on Ukraine. The war halted the flow of tourists from the two countries, which makes up a third of the total number of tourists in Egypt annually, pointing to a real crisis in the tourism sector. Tourism accounts for nearly 12% of Egypt's gross domestic product and is one of the main sources of foreign currency in a country whose economy is already under pressure amid unprecedented inflation.

Meanwhile, Egypt and Israel agreed last month to operate direct flights between Tel Aviv and Sharm el-Sheikh in the south of the Sinai Peninsula where Egypt’s top resorts overlook the Red Sea. According to Israel, the two countries reached an agreement when an Israeli delegation led by the Shin Bet visited Egypt in September 2021 to discuss with the Egyptian side the safety and security of the new flight route.

Egyptian authorities completed in 2021 the construction of a 36 kilometer concrete and wire wall around the Sharm el-Sheikh resort. The project, which was announced in 2019, aims to tighten security measures at the popular coastal attraction in a bid to attract tourists. Egyptian President Abdel Fattah al-Sisi and Bennett announced the opening of a flight route during the first official visit by an Israeli prime minister to Egypt in Sharm el-Sheikh in September 2021.

Tel Aviv believes that increasing the number of flights between the two countries would further warm relations. EgyptAir, the state-owned carrier of Egypt, currently operates direct flights between Tel Aviv and Cairo. EgyptAir is the parent company of Air Sinai, which operated flights between the two countries without carrying the Egyptian flag or the company's logo.

Since Sisi took office in 2014, he has been keen to strengthen diplomatic and security relations with Israel, which have reached unprecedented levels today. Israir Airlines indicated last month that it intends to operate 15 weekly flights on the Tel Aviv-Sharm el-Sheikh route as soon as it obtains the necessary approvals. Israeli tourists wishing to visit Sharm el-Sheikh would usually resort to private planes, buses or taxis.

The sea resorts in Sinai are the most attractive destinations for Israeli tourists. More than 700,000 Israeli tourists visited Egypt in 2019, according to the Israeli Embassy in Egypt. Egyptian tourism experts who spoke to Al-Monitor believe that the operation of direct flights between Egypt and Israel will increase the number of tourists coming to Egypt, but it will not be enough to compensate for the accumulated losses the tourism sector has incurred over the years.

Egypt’s tourism revenues hit $2.8 billion from July to September 2021, according to the country’s central bank, compared to $801 million for the same period in the previous fiscal year. Egypt had hoped for a better tourism season this year with most of the world countries easing COVID-19 restrictions. However, the Russian war in Ukraine has further burdened tourism, which is a key source of national revenues in Egypt.

Egypt was one of the first countries to begin receiving tourists in July 2020 while strict precautionary measures to stem the spread of the coronavirus were still in place globally, in a desperate attempt to save its ailing sector. Tourism revenues decreased by 70% in the same year due to the pandemic and the ensuing closure of many tourism facilities and hotels, and travel and movement restrictions that affected most of the world's countries.

Despite that, Egypt's tourism revenues reached $4 billion in 2020, and the country received 3.5 million tourists that year. This is while its tourism revenues hit $13 billion in 2019, with more than 13 million tourists.

Egypt launched last month the Follow the Sun advertising campaign on social media, including Facebook, TikTok and Instagram, to attract tourists from the United Kingdom, Germany, Italy, France and the United States, in an attempt to bridge the gap that the Russian and Ukrainian tourists left behind due to the war. Moreover, the Cabinet decided on 22 March that charter flights landing in Egypt would continue to receive cash subsidies from the government until the end of October. These sums range from $1,500 to $3,500 to airlines per flight. The program, which aims to boost tourism, was supposed to end in April. It is anticipated that less than 2 million tourists would visit Egypt this year, which implies a 50% decrease compared to 2020.

In 2019, the second-largest number of tourists visiting Egypt came from Ukraine with 1.6 million people, namely a 32% increase compared with the previous year. More than 727,000 Ukrainian tourists entered Egypt in 2020, according to the Ukrainian Embassy in Cairo, which comprised 21% of the total number of foreign tourists in Egypt that year. The Ukrainian State Agency for Tourism said in a January report that 1.46 million Ukrainians visited Egypt in 2021, making Egypt its second most popular tourist destination after Turkey.

Russia has been the first source of tourists in Egypt for years, with nearly 3 million Russian tourists visiting Egypt in 2014, before Moscow ordered a suspension of flights to Egypt after a Russian charter flight crashed in Sinai in 2015 killing all 224 passengers on board. In July 2021, Russia decided to resume flights to and from Egypt. Since then, 700,000 Russians visited Egypt until the end of 2021, with 125,000 Russian tourists entering the country in the first two weeks of 2022, according to the Russian ambassador to Cairo. The repercussions of the war in Ukraine will cast a shadow on tourism in Egypt for a while, which will affect the 2 million people working in the sector. (Al-Monitor 14.04)

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* 1. EGYPT: Egypt Bans Export of Key Staples to Cushion Blow of Ukraine War

On 14 April, Baher al-Kady reported in [Al-Monitor](https://www.al-monitor.com) that to contain the repercussions of Russia’s invasion of Ukraine, Egypt banned for three months the export of wheat, flour, rice, pasta, oils and beans.

The ongoing war between Russia and Ukraine, the world’s two largest wheat exporters, is threatening food security in many countries, especially in the Arab region. Egypt, the world's largest importer of wheat, imports 50% of its wheat needs from Russia with between 10 million to 12 million tons of wheat brought annually from Russia. Meanwhile, Egypt imports 30% of its wheat needs from Ukraine. The Egyptian consumption of wheat is estimated at around 20 million tons annually, according to data from the Egyptian Ministry of Agriculture.

In a report published on 12 March, the ministry said that Egypt is planning to increase the wheat-cultivated area across the country, which equaled 360 million feddans this year, with the aim to produce locally 10 million tons of wheat this year.

In light of the ongoing Russian war on Ukraine and the ensuing hike of global wheat prices, the Egyptian Ministry of Trade and Industry has banned for three months the export of some key staples as part of the government’s efforts to ensure food security and protect the local wheat reserves. The three-month ban came in two separate decisions issued on 10 and 12 March. The effected products include fava beans, lentils, pasta, wheat and flour of all kinds, edible oils of all kinds, ferik (a type of green durum wheat) and corn. Minister of Trade and Industry Gamea said the ban came in full coordination with the Ministry of Supply and Internal Trade as part of the state's plan to secure basic commodities.

Egypt’s Central Agency for Public Mobilization and Statistics (CAMPAS) revealed in a report issued on World Food Day on 16 October 2021 that the grain production in Egypt reached 21.9 million tons in 2019/2020. This figure includes 9.1 million tons of wheat produced in Egypt during the same period and 4.8 million tons of rice. The CAMPAS report also said the production of legumes in Egypt reached 20.9 million tons in 2019/2020 and the production of fruits reached 11.6 million tons in the same period. More recent data from CAMPAS revealed the total value of Egyptian exports in November 2021. The export of soybeans for example reached $19.217 million, while pasta exports amounted to $6.515 million.

Rashad Abdo, an economic expert and head of the Egyptian Forum for Economic and Strategic Studies, praised Egypt’s decision, saying it is a logical measure applied by several countries to secure the basic food needs of their populations in times of war. “The Egyptian state must take additional measures to control prices of goods, prevent manipulation by merchants and counter monopoly,” Abdo told Al-Monitor. "It must also hold more fairs for the provision of basic commodities at affordable prices for all citizens," such as the ‘Supermarket and Ahlan Ramadan’ exhibitions that began on 15 March.

In a message of reassurance, the Egyptian cabinet published on its official Facebook page on 14 March a report showing the rates of self-sufficiency of various basic food commodities. The report noted that wheat has a self-sufficiency ratio of 65% after the start of the harvest process in April, with a strategic stock for one year; oils have a ratio of 30% for five months; with 100% for rice for 6.5 months; 100% for pasta for five months; 87% for sugar for 4.5 months; 30% for beans for three months; 57% for meat for 9.5 months; and 97% for poultry for 6.5 months.

On the timing of the export ban decision knowing that Egypt is the world’s largest wheat importer, Abdo explained, “Before the ban was issued, there were no measures or laws that prevented a ban on the export of local wheat to achieve self-sufficiency. This is why many private Egyptian companies exported local wheat abroad.” “At one point, Egypt would import wheat at prices lower than its local price," Abdo added. "This prompted the government to import most of its needs and allow large traders from the private sector to export local production. Now the state will purchase all the local production of wheat to meet its own needs.”

Abdo further said that the Egyptian government has recently asked farmers to commit to the sale of their wheat to the government, while imposing fines on those who violate the decision. “Russia and Ukraine are the largest exporters of wheat to Egypt, and no one knows how long or how far the war will go on between them. Egypt is turning to its current local production of wheat as a safe haven in these difficult circumstances.”

The 14 March cabinet report further noted that Egypt’s wheat production this year is expected to reach 10 million tons compared to 9 million tons last year; an increase of 11.1%. It also indicated that the government is seeking to increase the cultivated wheat area by 7.4%, from 3.4 million feddans in 2021 to 3.65 million feddans in 2022.

Egypt's consumption of wheat is 18 million tons, a figure that is likely to go up in view of the annual population increase, according to the report. Former Egyptian Minister of Irrigation Mohamed Nasr Eldin Allam told Al-Monitor that the ban decision is enough to secure the Egyptian needs in wheat in light of the current global crisis resulting from the Russian war. He stressed, however, that the ban on the export of wheat does not mean that Egypt has a surplus of wheat to be exported, saying Egypt imports nearly 60% of its wheat needs. He said the ban rather aims at preventing any attempts by the private sector to export Egyptian wheat abroad in any way possible in order to preserve the local production and prevent any price manipulation.

On 24 March, Egyptian Minister of Supply and Internal Trade Ali Moselhi announced that Egypt is currently in talks with France, Argentina, India and the United States for importing wheat in the future.

Meanwhile, the Egyptian cabinet announced on 16 March an increase in the prices of wheat of EGP 65 ($3.57) per ardeb (which equals 150 kilograms), with the total price of one ardeb of wheat reaching EGP 865 ($47.4). The move comes as part of additional incentives to encourage local farmers to sell their wheat to the state.

In this vein, Allam said the Egyptian government needs to buy wheat from Egyptian farmers at a fair price so as to expand wheat cultivation and achieve self-sufficiency. “The ban should not be limited to a period of three months. The government ought to permanently prevent the export of any basic commodity and only allow it after achieving self-sufficiency. Only the surplus should be exported,” he noted.

According to statistics issued on 25 February by CAMPAS, Egypt’s imports of wheat stood at $2.4 billion during the first 11 months of 2021, at a rate of 6.1 million tons. Russia topped the list of the 10 countries from which Egypt imported wheat during the first 11 months of 2021 with Egypt importing 4.2 million tons at $1.2 billion from Moscow, representing 69.4% of Egypt's total imported wheat. Ukraine came in second, with 651,400 tons, worth $649.4 million, accounting for 10.7% of total imports.

Ibrahim Ashmawy, the assistant minister of supply and internal trade, said in televised statements on 13 March that Egyptian citizens annually consume the equivalent of 182.5 kilograms of wheat, divided into five loaves per day, and that a quarter of a billion bread slices are produced daily.

On 30 March, Gamea announced a new decision banning the export of some types of scrap (iron, zinc, stainless steel, and copper in all forms), raw materials and paper pulp for a period of six months. Ibrahim al-Sigini, Assistant Minister for Economic Affairs, explained in a statement that the decision came in response to requests by the Chamber of Engineering Industries and the Chamber of Metallurgical Industries about the losses suffered by the companies in the field due to the lack of scrap and the high prices locally. He pointed to the importance of scrap metal in achieving industrial and economic development, as it is one of the alternative raw materials for basic raw materials. (Al-Monitor 14.04)

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* 1. EGYPT: Egypt’s Renewed Dependency on GCC States’ Largesse

Amr Adly posted on 15 April in the [Arab Gulf States Institute in Washington](https://agsiw.org/) that GCC countries came to Egypt’s rescue, sending a firm message to its foreign creditors that the country has rich friends that are willing to pitch in in the hour of need.

In early April, three Gulf Cooperation Council countries pledged around $22 billion to Egypt. The Saudis deposited $5 billion into Egypt’s central bank, while the Emiratis and Qataris made investment deals. The GCC support arrived at a critical moment for Egypt’s economy. Mounting pressures on the Egyptian pound have been building since the beginning of 2022. On one hand, higher interest rates on the dollar have raised the cost of rolling over Egypt’s foreign debt. They have also encouraged capital outflows exacerbating the country’s exposure to the volatility of short-term flows. On the other, being a net food and energy importer, higher international energy and food prices have deepened the country’s current account deficit.

In late March, the Egyptian pound depreciated, losing around 15% of its value versus the dollar. This was the biggest decline in almost three years of relative exchange-rate stability. In the wake of large capital flight, the Egyptian government announced the start of a new round of negotiations with the International Monetary Fund, with the possibility of getting yet another loan. Then the GCC countries came to the rescue sending a firm message to Egypt’s foreign creditors that the country has rich friends that are willing to pitch in in the hour of need. This is especially the case with the GCC oil exporters lush with money in the wake of higher international energy prices.

Egypt’s resorting to the GCC countries for urgent financial support is a reminder of the few years that preceded Egypt’s deal with the IMF in November 2016. Following the 2011 revolution and the political turmoil that ensued, Egypt relied on financial support from different GCC countries at different stages to offset the depletion of its foreign reserves. In 2012, Qatar extended around $10 billion to the Muslim Brotherhood-backed president, Mohamed Morsi. After the ousting of Morsi, the United Arab Emirates, Saudi Arabia and Kuwait supported Egypt with a massive $23 billion between 2013 and 2015. Egypt’s reliance on the GCC states was significantly reduced as the IMF deal included a $12 billion loan and subsequently gave Egypt better access to global financial markets. Indeed, the Egyptian government expanded its foreign borrowing, and the country’s foreign debt jumped from $40 billion in 2015 to $137 billion in January.

Reverting to the GCC states now is not just a sign of financial vulnerability six years after the adoption of the IMF package, it also indicates deteriorating conditions for borrowing on international markets for highly exposed countries like Egypt. The one thing that Egypt could fall back on is the more familiar political-economic dynamics of oil rent redistribution in the Middle East through inter-governmental aid, investment and remittances that had proved quite crucial many times since the mid-1970s. However, this time the GCC support entails an actual underwriting of Egypt’s foreign debt in a way that sends a message of assurance to private investors to bring their money back or at least stop them from withdrawing it from the country. Either way, it is a moment of primacy for geopolitical and political considerations over financial and economic ones.

The GCC support came the same week Egypt joined the UAE, Bahrain, and Morocco in an unprecedented meeting in Israel's Negev. This was the most striking presence of Egypt since the beginning of the normalization process between some Arab states and Israel in August 2020. Egypt had not shown much enthusiasm for this endeavor, possibly for fear of the erosion of its regional role as the historic mediator between the Arab world and Israel, as the first Arab country to sign a peace agreement with Israel. Whether the Negev meeting marks a sustainable shift in Egypt’s position is not a foregone conclusion. But with this renewed financial dependency on the GCC states, Egypt may have to align itself more clearly with the new security arrangement emerging between some GCC states and Israel, designed primarily to counter the actual and perceived Iranian threat. In this context, Egypt’s earlier autonomous stances on the Yemen and Syria conflicts could be interpreted in terms of the diversification of its foreign financial needs away from the GCC states after the 2016 IMF deal. Since the 2015 Saudi-led intervention, Egypt has refrained from any direct military involvement in the Yemen conflict despite continuously affirming its commitment to Gulf security. Similarly, Egypt has been open to the restoration of “Syria’s position in the Arab world” under President Bashar al-Assad. In turn, the reversal of this trend may translate into less autonomy in the future.

Another geopolitical implication of the recent money injection is the Qatari contribution. Unlike the support from 2012-16 that came exclusively from Qatar or the UAE and Saudi Arabia, this time it is coming from all three together. This is a manifestation of the reconciliation process set off by the January 2020 Al Ula GCC summit between Qatar and its Gulf neighbors as well as Egypt. However, it also indicates that Egypt might be diversifying its interests among GCC states employing the differences among Saudi Arabia, the UAE and Qatar in pursuit of its interest in sustaining an autonomous foreign policy. This would not be the first time. During the 2021 Gaza war, the Egyptian government agreed with the Qataris over a financial package for the reconstruction of the Gaza Strip. This was seen as a countermeasure to the UAE’s rapprochement with Israel and a reassertion of Egypt’s unique position regarding Gaza and subsequently Israel.

Beyond the geopolitical implications of the recent financial support from GCC states, the form such help has assumed might mark a qualitative shift in Egypt’s dependency. It is notable that the UAE’s and Qatar’s economic injection is planned to take the form of the acquisition of financial assets in various sectors, including energy, fertilizers and petrochemicals, port management and financial services. These massive acquisition deals come immediately in the wake of the recent depreciation of the Egyptian pound making them cheaper for foreign investors. This might constitute a new trend in which reliance on future GCC financial support would translate into a more extensive presence in the Egyptian domestic economy via the property transfer of assets.

Egypt’s renewed dependency on direct financial support from GCC states shows that the roots of the country’s economic malaise have not been adequately addressed in the past few years. The resort to the GCC states for a bailout reconfirms Egypt’s insertion into the Middle East political economy as a secondary recipient of oil- and gas-based rent. Moreover, it seems now that Egypt’s access to this kind of rent is a prerequisite for further borrowing on international financial markets. The perpetuation of these financial vulnerabilities may impact the scale and scope of Egypt’s involvement in any future GCC-led security arrangement to counter Iran. It also raises questions about whether the GCC states will always be willing and able to step in and prioritize Egypt’s financing needs in the future.

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