

**The FORTNIGHTLY**

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

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ISRAEL GOVERNMENT ACTIONS & STATEMENTS

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* 1. Israel & the UAE Sign a Cooperation Agreement for Future Moon Mission

Israel's SpaceIL signed a cooperation agreement with the UAE to carry out a joint mission to the moon scheduled for 2024. This mission, called Beresheet 2, is an additional step in the many collaborations set up between the two countries following the signing of the Abraham Accords. It will be the second attempt by the Jewish state to land a space module on the moon, after the failure of the previous Beresheet mission.

SpaceIL called the Beresheet 2 mission the first science and technology project to create a common history between the two peoples, with the flags of Israel and the Emirates together on the moon. The space company added that it is "to create a model of cooperation in many aspects – technological, scientific and educational – intended to deepen the bond between the countries, and to serve as an inspiration for further cooperation between Israel and all Arab countries."

The Beresheet 2 mission, expected to cost $100 million, will send the smallest spacecraft ever into space. One of the orbiters would remain in space for five years to allow the pursuit of scientific work. Students from the United Arab Emirates and Israel will participate in a project aimed at identifying the exact time of the new moon, based on information collected during the mission. (i24NEWS 01.05)

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* 1. Israel's Climate Bill Seeks to Push Environmental Protection Battle to Next Level

On 9 May, the Israeli government approved its first climate bill in what Environmental Protection Minister Zandberg said represented a "dramatic stage" in the climate change battle. The draft legislation seeks to commit Israel's government to cut global warming emissions by at least 27% by the decade's end, and reach net-zero emissions by 2050. The bill, which the Ministerial Committee for Legislation backed unanimously, now goes to the Knesset floor for final approval.

Prime Minister Bennett had announced the net-zero emissions goal ahead of participating in the United Nations COP26 in Glasgow last year. The bill sets out the legal framework for creating, budgeting, implementing, and reporting plans to reduce emissions and prepare for the effects of climate change, which are expected to be felt severely in the Middle East. (Various 09.05)

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* 1. Ministry of Transport to Allow Driverless Parking

In a further step towards autonomous cars on Israel's roads, the Ministry of Transport is expected to approve the use of automatic, driverless parking for vehicles that support this function. The function allows a driver to instruct his or her car to park itself, upon which the car independently locates a parking spot and maneuvers into it unaided, avoiding static and moving obstacles such as other vehicles and pedestrians, using an array of sensors.

The system also enables the driver to call the vehicle from the parking spot to the location of the driver, which it finds via the GPS on the driver's telephone. At present, the autonomous parking function is limited to a range in the tens of meters and is mainly intended for use in parking lots and on private land rather than in public spaces; driveways to private houses, for example.

Up to now, Ministry of Transport regulations have forbidden letting a car be in motion without a human driver. Following field trials recently carried out of commercially available systems, and as part of preparations for fully autonomous driving in the future, it was decided to allow the operation of the automated parking function. The automated parking function, termed "Smart Summon" by electric vehicle maker Tesla, represents an important part of the advanced driving package that Tesla offers as a paid option to purchasers of its 3 and Y models, but up to now the function has been neutralized by the car's software. A similar function is available on Hyundai's Ioniq 5 electric vehicles sold in Israel, and on several models of luxury brands such as Audi, BMW, and Mercedes. (Globes 09.05)

ISRAEL MARKET & BUSINESS NEWS

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* 1. ARMO Raises $30 Million for the First Open-Source Kubernetes Security Platform

ARMO announced $30 million in funding for the first end-to-end open source Kubernetes security platform. The Series A investment, led by Tiger Global with Hyperwise Ventures and participation from existing investors, Pitango First and Peled Ventures, will ensure an open, transparent and fully customizable security solution for the entire Kubernetes community.

Kubescape is being built as the first end-to-end open source Kubernetes security platform. It has quickly surged in popularity, becoming one of the fastest-growing open source Kubernetes security tools, with tens of thousands of users and more than 2,500 registered users accessing Kubescape as a cloud SaaS. ARMO is committed to building and maintaining its Kubernetes security platform as 100% end-to-end open source.

Tel Aviv's [ARMO](https://www.armosec.io/), the creator of Kubescape, is on a mission to create the first end-to-end Kubernetes open-source security platform, built for developers, and trusted by security professionals. (ARMO 27.04)

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* 1. Israeli Cybersecurity Company MazeBolt Announces $10 Million in Funding

MazeBolt Technologies announced the completion of a $10,000,000 existing shareholders equity financing. MazeBolt RADAR is a patented technology which dramatically reduces DDoS risk, in most cases by orders of magnitude. Commercially introduced last year - after more than three years of development and BETA testing - RADAR is based on a totally new concept of continuously testing the entire attack surface of networks and services for DDoS vulnerabilities, without any disruption to production availability. Once identified, all existing vulnerabilities can then be pre-emptively corrected and the fixes validated, again without disruption. By enabling these first-ever capabilities, the addition of MazeBolt RADAR now enables a transformation of DDoS mitigation from requiring reactive manual recovery to near-perfect automatic mitigation of all DDoS attacks for any web-facing network, regardless of the DDoS mitigation platform it is in use with.

Ramat Gan's [MazeBolt](https://mazebolt.com) is an innovation leader in cyber-security and part of the DDoS mitigation space. Offering full DDoS risk detection and elimination and working with any mitigation system to provide end to end full coverage. Supporting organizations in avoiding downtime and closing DDoS vulnerabilities before an attack happens. (MazeBolt 28.04)

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* 1. California Adds 17 Israeli-Founded Unicorns, Now Home to 32 in Total

California now hosts the global or U.S. headquarters for 32 Israeli-founded unicorns – privately held companies valued at $1 billion or more – according to the United States – Israel Business Alliance. Over the past 12 months, the Golden State added 17 unicorns, the vast majority of which are in Silicon Valley. The 32 total companies form an unprecedented cluster of Israeli-founded unicorns in a single state.

Over the past year, 16 companies reached or surpassed the billion-dollar valuation threshold: At-Bay ($1.35 billion), BigPanda ($1.2 billion), Cloudinary ($2 billion), Exabeam ($2.4 billion), Firebolt ($1.4 billion), Hailo ($1.1 billion), Honeybook ($2.4 billion), Noname Security ($1 billion), Placer.AI ($1 billion), RapidAPI ($1 billion), Salt Security ($1.5 billion), SpotOn ($3.2 billion), Sunbit ($1.1 billion), Veev ($1 billion), Viz.ai ($1.2 billion), and Wiliot ($1 billion).

Ten of the other 15 Israeli-founded unicorns in California increased their valuations since April 2021, when USIBA issued its last Unicorn Report: Armis (from $2 to $3.5 billion), Deel (from $1.3 to $5.5 billion), Dremio (from $1 to $2 billion), Gong (from $2.2 to $7.25 billion), Gusto (from $3.8 to $9.5 billion), Redis Labs (from $2 to $4 billion), Tipalti (from $2 to $8.3 billion), Trax (from $2.3 to $3 billion), TripActions (from $5 to $7.25 billion), and Wiz, the Palo Alto cybersecurity darling that increased its valuation from $1.7 billion to $6 billion in less than six months.

California also lost six Israeli-founded unicorns to initial public offerings: Hippo, Innoviz, ironSource, Otonomo, SentinelOne, and WalkMe. Orca Security, which increased its valuation from $1.2 to $1.8 billion last year, outgrew its Los Angeles office and, in December, moved to Portland, Oregon.

San Francisco saw its Israeli-founded unicorn total rise from eight last April to 12 today. It now has the second most Israeli-founded unicorns among U.S. cities and trails New York, which boasts 26 Israeli-founded unicorns, the most of any city outside of Tel Aviv. Although many signs seem to indicate that 2022 won't be as prolific of a fundraising year for Israeli-founded companies as 2021, California has already added six Israeli unicorns this year. The mission of the [United States – Israel Business Alliance](http://www.nyisrael.org) is to strengthen the economic relationship between individual states and Israel. (USIBG 28.04)

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* 1. India’s Silicon Valley Attracts $3 Billion in Israeli Investments

Karnataka, the state which houses the silicon valley of India, is all set to get $3 billion in investment from International Semiconductor Consortium (ISMC). ISMC is a joint venture between Abu Dhabi-based Next Orbit Ventures and Israel’s Tower Semiconductor. U.S. chip giant Intel Corp has announced plans to acquire Tower. Hence, the original pioneer of semiconductor industry is all set to invest in a semiconductor manufacturing plant in India.

After decades of failure to have an indigenous semiconductor industry, India is finally making all possible efforts to have a thriving semiconductor ecosystem. Semicon India Programme with a production linked incentive of $10 billion has been launched and the country is organizing conferences and seminars to boost activity around semiconductors. New Delhi received an excellent response on its semiconductor PLI scheme. The companies that are willing to invest include Vedanta Foxconn JV, IGSS Ventures, ISMC for semiconductor fabs, while 2 companies viz., Vedanta and Elest have submitted applications for Display Fabs.

India has so far only one semiconductor manufacturing plant at Chandigarh, that too government-run and very inefficient. The country imports semiconductors worth more than $15 billion every year from countries like China, Taiwan, South Korea and the US. (TFI Post 02.05)

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* 1. Nayax Expands Presence into UAE with Network International Partnership

Nayax will expand into the Middle East and Africa (MEA) region through a partnership with Network International (Network), the leading enabler of digital commerce across MEA). This collaboration will enable Nayax's unattended self-service solution to be introduced to Network's United Arab Emirates (UAE) merchants and enable seamless payment transactions at unattended self-service business segments, including vending machines, kiddie rides, car chargers, car washes, laundromats, micro markets and any type of smart machine or kiosk. In the UAE, Nayax's solution will allow consumers to simply select their desired product or service, and pay using their preferred payment method, whether it is debit or credit card.

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. With foundations and global leadership in serving unattended retail, Nayax has transformed into a comprehensive solution focused on our customers' growth across multiple channels. (Nayax 02.05)

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* 1. LinearB Secures $50 Million - Enabling Developers to Spend More Time Coding

LinearB announced $50 million in Series B financing led by Tribe Capital. Joining Tribe Capital in the round is new investor Salesforce Ventures as well as existing investors Battery Ventures and 83North. More than 5,000 software development organizations use LinearB as a source for engineering analytics and developer workflow optimization. The engineering efficiency platform correlates data from existing project management, Git, deployment and incident management tools to provide workflow metrics used to optimize the development process. Acknowledging that metrics alone won't improve development team performance, LinearB helps engineering teams identify automation opportunities that deliver dramatic and sustained improvement.

Adoption of LinearB has grown dramatically in the past year, from 1,500 development teams to now reaching over 5,000, including many leading companies like Bumble, BigID, Cloudinary, Unbabel and Drata. Part of LinearB's explosive growth in 2021 was fueled by its free tool, which offers dev teams pipeline metrics in fewer than five minutes. LinearB will use the Series B funding to scale its engineering team and accelerate the development of its platform. LinearB will also invest in its customer success, sales and marketing teams to amplify its developer-first philosophy to workflow optimization in new markets across the globe.

Tel Aviv's [LinearB](http://www.linearb.io) is an engineering efficiency tool that correlates data across your tools to identify bottlenecks and automate developer workflow optimization. This developer-first approach to automating engineering improvement uses data as the foundation for creating autonomous, self-improving dev teams. Engineering organizations use LinearB to reduce cycle time, improve planning accuracy and ensure on-time value delivery. (LinearB 02.05)

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* 1. Energean Announces New Gas Discovery Off Israel's Coast

Energean announced it discovered 8 billion cubic meters of gas in an area known as Athena, near Israel’s Tanin field, west of the northern city of Haifa. London-based Energean said it's considering options to sell the gas domestically in Israel and may also export it to Egypt via an agreement with the Egyptian Natural Gas Holding Company. Another option is to export it as liquefied natural gas via pipeline in Egypt and Cyprus to Europe.

Israel discovered natural gas in its waters in the eastern Mediterranean Sea in the early 2000s, before which Israel's energy resources were few. The gas discovery has significantly affected Israel’s relations with other states in the eastern Mediterranean. Israel and Cyprus are in the midst of a territorial dispute over a gas field in the sea. Israel and Egypt have signed numerous gas shipping agreements in recent years. Turkish President Erdogan is also interested in cooperating with Israel to export gas to Europe. Negotiations in Israel and Lebanon's dispute over gas fields in the sea have continued on and off since 2020.

Israel’s NewMed Energy said in February it was in negotiations to conduct energy exploration off the coast of Morocco. NewMed Energy operates in Israel’s Leviathan gas field southwest of Tanin. (Energean 09.05)

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* 1. YL Ventures' $400 Million Fifth Fund to Champion Israeli Cybersecurity Innovation

YL Ventures, the early-stage, cybersecurity-focused venture capital firm, announced the launch of its new $400 million fund, YLV V, bringing its total capital under management to $800 million. The significantly oversubscribed fund is the largest seed stage cybersecurity-focused fund ever raised, bridging Israeli innovation and the US market. The fund will continue the firm’s long-standing strategy of supporting Israeli founders from inception through every critical stage of building a category-leading company and bolstering its position in the global market.

This large fund will be used to both lead the seed rounds of approximately 10 startups at a pace of 3 startups per year, and to invest in the companies’ follow-on rounds, creating a strong support mechanism and providing entrepreneurs with a long and stable runway for growth regardless of the market environment. This highly selective strategy directs YL Ventures towards the highest tier of Israeli cybersecurity innovation and allows the firm to dedicate the full breadth of its resources and attention to supporting its portfolio companies from seed to growth, in both capital and hands-on effort.

[YL Ventures](https://www.ylventures.com/) maintains a unique dual presence in both Tel Aviv, Israel and in the US (San Francisco and New York). The firm’s multidisciplinary team of 21 professionals manifests the firm’s core strategy of complementing its founders’ technological abilities with a wide range of critical services across every operational domain of company-building. This value-add support begins as early as the founders’ ideation phase and continues through market research and validation, access to potential customers and business development, marketing, GTM, HR, finance and operations. (YL Ventures 10.05)

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* 1. Oriient Secures $11 Million in Series A Funding

Tel Aviv's [Oriient](http://www.oriient.me) announced an $11 million Series A funding round, bringing the total investment in the company to $16 million. OurCrowd, a global venture capital equity platform with over $1 billion of assets under management (previous investments include Lemonade and Beyond Meat), participated in this round, as well as Regal Four (a Beren family venture entity), F2 Venture Capital, NGN Partners, and Future Energy Ventures. The funding will help scale implementation of Oriient to tens of thousands of locations, open new verticals, and drive global sales.

Oriient recently announced two exciting new partnerships that cement its status as a top player in their first target vertical: retail stores. One is with grocery delivery giant Instacart. Oriient now powers in-store navigation used by Instacart's shoppers at hundreds of stores in North America. The other is with Google, which makes Oriient indoor location services available on Google Cloud's Marketplace as an SDK for retailers' mobile apps.

Founded in 2017, Oriient is the pioneer of accurate software-only indoor location services, bringing the convenience and data-fueled personalization of the digital world to the brick-and-mortar customer experience at massive scale. The company's patented technology integrates directly with a business's mobile app, harnessing existing sensors in every smartphone to deliver hyper-accurate positioning to within 3 feet/1 meter with no hardware installation required. (Oriient 10.05)

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* 1. proteanTecs Secures $45 Million Investment from Addition

proteanTecs has closed a $45 million financing round with Addition. The investment will strengthen the company's market leadership and brings the total funding to nearly $200 million since the company was founded in 2017.

The investment marks a significant milestone in the company's growth strategy and builds on its Growth Equity Round and recently closed Growth Equity Round Extension, both led by Koch Disruptive Technologies. Other investors to recently join include MediaTek, Advantest and Porsche SE. The company intends to use the new capital to accelerate its market reach by expanding its global team and continuing to innovate and enhance its product offering.

Haifa's [proteanTecs](http://www.proteanTecs.com) is a leading provider of deep data monitoring solutions for advanced electronics in the Datacenter, Automotive, Communications and Mobile markets. Based on Universal Chip Telemetry (UCT), the company provides system health and performance monitoring, from production to the field. By applying machine learning to novel data created by on-chip UCT agents, the company's analytics platform delivers predictive insights and visibility, leading to new levels of quality, reliability and scale. (proteanTecs 10.05)

REGIONAL PRIVATE SECTOR NEWS

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* 1. Jordan’s Repzo Raises $1.4 Million in a Bridge Round

[Repzo](https://repzo.com/), Jordan-based SaaS sales force automation platform, raised $1.4 million in a bridge round. The funding round was led by the Arab Palestinian Investment Company (APIC), Jabbar Internet Group, Ahli Fintech, Arzan VC, Shorooq Partners, Adamtech Ventures and a group of angel investors.

This round comes after the company doubled its revenue last year by having over 170 clients in 12 countries with around 5000 daily active reps using its platform. Repzo has recently expanded to Saudi Arabia by launching its offices in Riyadh. Repzo is currently developing a new solution that caters to the needs of field service providers. Repzo will help businesses track reactive and preventive maintenance and control the daily operations, such as safety and quality inspections and operating checklists.

Founded in 2017, Repzo provides a sales force automation solution that helps FMCG and pharmaceutical companies to better manage and measure KPIs of their field workforce by offering GPS tracking, sales order automation, inventory management & merchandising solutions. (WAYA 28.04)

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* 1. EVERSANA & Vector Pharma Partner to Expand Commercialization in MENA

Chicago, Illinois' EVERSANA, a pioneer of next-generation commercial services to the global life sciences industry, and Vector Pharma FZCO of Dubai UAE, a full-service distributor for rare disease, oncology and highly specialized therapeutics in the MENA and Turkish markets, announced a strategic partnership to expand services across the Middle East and North African markets. Together, EVERSANA and Vector Pharma now offer ready-to-deploy commercial services to pharmaceutical companies within the region and commercialization for companies ready to expand product access into these markets.

Services available through the partnership include consulting, market access, medical communication, pharmacovigilance, and distribution, with additional service expansion in progress. The partnership with Vector aligns with EVERSANA's continued global growth, including recent commercialization partnerships and investments across the EU and the UK.

Vector Pharma was founded in 2019 with the ambition to be the leading full-service distributor for rare diseases, oncology, and highly specialized therapeutics in the Middle East, North Africa, and Turkish markets. As the only Trace certified full-service distributor in the region, Vector has an equal emphasis on patient demand generation through evidence-based medicine, fast track market access solutions and highest compliance & ethical standards, all this while striving for the best outcomes for patients, prescribers, and partners. (Eversana 28.04)

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* 1. RocketFrac Services Signs New Representative Agreement with Oman's Amran

Calgary, Alberta's RocketFrac Services, an innovative Cleantech Energy Services Company, signed an exclusive representative agreement with Amran Establishment for the Sultanate of Oman. The two-year agreement provides Amran exclusive rights to market RocketFrac in Oman. The agreement includes an option to renew for an additional two-year period, subject to a formal review within 90 days, prior to the agreement's end date.

RocketFrac is an innovative Energy Service Company with proprietary technology that unlocks tight reservoirs with a lower environmental footprint than alternatives. By eliminating the need to use water in the fracking process, RocketFrac's patent-pending technology conserves this important resource, while lowering greenhouse gas emissions, and improving operational efficiency. This approach respects Environment, Social and Governance (ESG) commitments, while contributing to critical energy independence needs around the world.

Amran was established in 1978 with the aim of providing the oil and gas industry in Oman with the latest technology and expertise. From a modest beginning, the company has grown to be one of the largest contractors of oil and gas field equipment and services. Today it represents some of the best-known manufacturers and service providers in the industry. (RocketFrac Services 29.04)

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* 1. Saudi Discount Platform Remmsh Raises Funds from Nama Ventures

[Remmsh](https://www.remmsh.com/), a Saudi platform specialized in providing users with live promotion codes via WhatsApp, has raised an undisclosed amount in a pre-seed funding round by Nama Ventures.

Historically, it was virtually impossible for restaurants to manage their promotion codes that would accommodate their customer’s cravings from their favorite restaurants and coffees. That’s until Remmsh was launched, a platform making real-time promotion codes possible! Remmsh was founded to offer customers an easy solution to having instant promotion codes at their disposal. The site is steadily gaining users on a daily basis and is experiencing tremendous growth, it has become the favorite destination of customer to acquire their promotions from their favorite restaurants and cafes. (Remmsh 29.04)

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* 1. Air Cairo Launches Tel Aviv - Sharm El Sheikh Flights

Air Cairo has launched three weekly flights between Tel Aviv and Sharm El-Sheikh in the Sinai using an Airbus 320. Air Cairo is a 60% owned subsidiary of the national airline Egyptair. Air Cairo joins three Israeli airlines - El Al unit Sun D'Or, Arkia and Israir which each launched three weekly flights between Tel Aviv and Sharm El Sheikh in March, meaning that there are currently 12 weekly flights on the route. Egypt will allow the Israeli airlines to each operate five weekly flights from the summer. Egyptair has operated Tel Aviv - Cairo flights for many years but only last year introduced planes painted with the carrier's livery. Egypt only allows tourists to fly to Sharm El Sheikh on return rather than one-way tickets. (Globes 03.05)

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* 1. Egypt's Paymob Raises $50 Million in a Series B Funding Round

Paymob has raised $50 million in a Series B funding round led by PayPal Ventures, Kora Capital and Clay Point. The round also saw participation from Helios Digital Ventures, British International Investment, and Nclude, along with existing investors A15, FMO and Global Ventures. The round brings the total funding of Paymob to over $68.5 million.

The Central Bank of Egypt has been introducing initiatives to support FinTech in the country and has also devised a regulatory framework aimed at aiding financial inclusion. Paymob recently entered the Pakistani market and is planning to expand to additional markets in the GCC and North Africa. The proceeds from the funding will be used to turbocharge the company by expanding its product range, steadying its presence further in the Egyptian market, and expanding into new markets across the Middle East and Africa region. Paymob also plans to launch cards for its merchants to enable B2B transactions and build tools for them to better manage and grow their business.

Founded in 2013, Cairo's [Paymob](https://www.paymobsolutions.com/) is an infrastructure technology enabler providing payment solutions to empower digital financial service providers across Africa and the Middle East through innovative mobile wallet technology that gives the institute’s clients access to finance and digital payments. Paymob aims to contribute to the financial inclusion movement, while targeting economic growth by implementing solutions that support a cashless society ecosystem. (Paymob 09.05)

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* 1. Egypt's AevaPay Provides Hassle-Free Cashless Payments

AevaPay is among Egypt’s first dedicated mobile payment solutions. It was created to eliminate the frustrations many customers face when they deal with traditional banking services. The app’s scan merchant QR Code feature allows users to make purchases at partner stores which include kiosks, restaurants, and retailers in a matter of seconds, no cards or cash needed.

Only an estimated 32.8% of Egypt’s population of 64.7 million people over the age of 15 hold bank accounts, leaving the majority cash-dependent. Inclusivity was the main driver in the app’s model, given that an estimated 67% of the Egyptian population remains unbanked, a key hallmark of the app is that users do not need to have bank accounts.

The app facilitates P2P transactions and eliminates the need to carry cash, in line with Egypt’s financial inclusion initiative that was launched to address the fact that only 45% of payments in Egypt are cashless transactions. The app is also user-friendly and easy to use, which surmounts the hurdles many faces when attempting to connect with businesses in their communities.

The company is focused on Egypt in the near future and plans on expanding partner retailers across all governorates but has its sights set on expanding into the MENA region in the future. The app’s roadmap includes school and university fees, instalments, donation services, insurance companies, transportation, e-payments, investment programs, card issuance, and an AevaPay store. The AevaPay team is looking to create a fully digital hassle-free financial ecosystem, trying to make users’ experiences seamless by eliminating the need to have cash on hand.

Alexandria's [AevaPay](https://www.aevapay.com/%E2%80%8E) was launched in January 2022. The application offers people a cost-efficient, transparent and hassle-free means of sending and receiving money, paying daily bills and saving money. It was created to eliminate the frustrations many customers face when they deal with traditional banking services. The app's scan merchant QR Code feature allows users to make purchases at partner stores in a matter of seconds, no card or cash needed. (WAYA 09.05)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. Polymertal & UBQ Create Sustainable Material with Metallic Functionalities

UBQ Materials is partnering with Polymertal, which develops cutting-edge metal plating processes for the creation of cost-effective metal-polymer parts. Through this partnership, Polymertal is releasing SPP-50XX, a new sustainable material with metallic properties that contains UBQ, a substitute for durable plastics converted entirely from unsorted household waste, including all organics. The inclusion of UBQ in SPP-50XX's base substrate enables this material to achieve a lower carbon footprint - as compared to aluminum, a favored lightweight metal, bringing roughly a 50% reduction in CO2e emissions, as verified by World Watchers.

Polymertal's SPP-50XX will comprise 20% UBQ™ and 80% polypropylene. On top of this substrate, a layer of copper and nickel of varying thicknesses will serve as the metal plating. Surfacing a polymer substrate with a lean metal plating allows SPP-50XX to remain lightweight and exhibit key metallic properties, including durability, stiffness, heat resistance and electromagnetic shielding.

Tel Aviv's [UBQ Materials](https://www.ubqmaterials.com/) is a climate tech developer of advanced materials that converts unsorted landfill-destined waste – including organics like food waste, cardboard and paper together with mixed plastics and dirty diapers – into UBQ, a sustainable alternative to oil-based resins and other conventional raw materials. The climate-positive and bio-based thermoplastic has thousands of applications and is incorporated seamlessly into standard manufacturing processes, both on its own and as an additive.

Haifa's [Polymertal](https://polymertal.com) is a developer and manufacturer of light-weight and environmentally friendly hybrid parts that solve complex requirements, delivering next generation solutions for high-end, complex assemblies. Polymertal's materials provide a functional benefit to various industry sectors that need components that meet the highest grade of performance. The materials are a combination of substrate polymer and a durable metal coating that enable metallic features. (UBQ Materials 09.05)

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* 1. UAE’s Waste-to-Energy Plant to Produce 30 MW of Low-Carbon Electricity Annually

Construction of the Sharjah Waste to Energy plant – the first project of Emirates Waste to Energy, a joint venture between Beeah Energy and Masdar – is now complete, with the project having entered the testing and commissioning phase. Once operational, the plant will enable Sharjah to become the Middle East’s first zero-waste city, turning unrecyclable waste into clean energy and increasing the current landfill diversion rate from 76% to 100%.

At full operational capacity, the plant will help divert up to 300,000 tonnes of unrecyclable waste away from landfill each year while producing 30 megawatts (MW) of low-carbon electricity, enough to power 28,000 homes in Sharjah. The 30 MW plant will displace almost 450,000 tonnes of CO2 emissions a year and preserve the equivalent of 45 million cubic meters of natural gas.

Constructed by France's CNIM, the plant covers an area of 80,000 m2. Within the plant, unrecyclable waste is fed into a boiler to produce high-pressure steam, turning electric turbine generators. Toxins and pollutants are filtered from the flue gas produced during the process. Bottom ash is collected to recover metals and ash material for use in construction and roadwork applications, while fly ash is collected and treated separately.

Adjacent to the waste-to-energy plant is a waste-management complex operated by Beeah Recycling, Beeah Group’s recycling and material recovery business, which has already helped achieve a 76% landfill waste diversion rate in the emirate of Sharjah. Unrecyclable waste from the complex will be transported to the waste-to-energy plant. Beeah and Masdar have reportedly begun exploring opportunities for the Emirates Waste to Energy company to open similar plants across the region. (GB 02.05)

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* 1. Egypt to Store Carbon Dioxide in Cooperation with Italy's Eni

Egypt’s Minister of Petroleum and Mineral Resources El Molla announced a $25 million project in the Meleiha field to capture and store carbon dioxide, in collaboration with the Italian company Eni. The project will capture and store between 25,000 and 30,000 tonnes of carbon dioxide per year. The first project is focused on the extraction of algae oil for use in biofuel production, with an annual production capacity of 350,000 tonnes and a $600 million investment, resulting in a reduction of 1.2 million tonnes of carbon dioxide per year.

The second project involves the manufacturing of biodegradable plastics with a capacity of 75,000 tonnes and a $600m investment, with the goal of saving 45,000 tonnes of carbon dioxide per year. The third project will transform plastic waste into oil for use as a raw material in polyethylene manufacture, with a 30,000-tonne annual production capacity and $50m in investment, and will save 63,000 tonnes of carbon dioxide annually. (Various 04.05)

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* 1. Algeria Ratifies the Minamata Convention on Mercury

Algeria officially becomes a member state of the Minamata International Convention on Mercury. By this step, the North African country hopes to have better tools to regulate the use of mercury in industries. Initiated under the auspices of the United Nations Environment Programme (UNEP), this convention was adopted in Kumamoto (Japan) in October 2013.

This is a legally binding international treaty that regulates the management of mercury and provides provisions to reduce its use globally, by complying with obligations contained in the convention including supply, trade, manufacturing processes, mining, air emissions, releases to land and water, temporary storage and waste. The Mercury Convention aims to protect human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds.

By acceding to the Minamata Convention on Mercury, Algeria commits itself to follow this movement by regulating the use of this chemical in its mines and large industrial facilities, such as coal-fired power plants, industrial water heaters, waste incinerators and cement plants. The facilities so identified will be submitted to the Secretariat in charge of implementing this convention, as well as their estimated annual consumption of mercury or mercury compounds, the Algerian authorities say. (Afrik21 28.04)

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* 1. Algeria to Build Seawater Desalination Plants in Five Cities

Algeria’s drinking water production capacity is expected to increase thanks to new seawater desalination plants. On 30 April, Algerian Minister of Water Resources and Water Security Hasni announced plans to build five stations in several cities across the country. The Algerian Energy Company (AEC), the subsidiary of the national company for research, production, transport, processing and marketing of hydrocarbons (Sonatrach) will implement the drinking water project. The city of Fouka 2 will host the first desalination plant. The other four plants will be located in the cities of Oran, Boumerdès, El Tarf and Bejaïa during the second half of 2022. Each facility will have a desalination capacity of 300,000 m3 per day, for a total capacity of 1.5 million m3 for all the stations.

With these facilities, the number of seawater desalination plants will increase to 19 in Algeria, bringing the mobilization capacity of desalinated seawater to 42%, against only 17% currently in the country. While waiting for the launch of work in the various cities, the AEC is completing other projects in Algeria. The Algerian company is currently carrying out efficiency and performance tests on the Bateau Cassé seawater desalination plant in Bordj El Kiffan, a suburb of the city of Algiers in northern Algeria. The operation of the new plant is expected to contribute to the reduction of drinking water shortages in the capital Algiers. AEC estimates that the plant will be able to desalinate 10,000 m3 of sea water per day. The Bateau Cassé seawater desalination plant is part of a series of three plants planned in Algiers’ emergency plan to increase the city’s installed desalination capacity, in response to the drought that is progressively drying up available fresh water supplies. (Afrik21 04.05)

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* 1. Brilliant Planet Sets Up a CO2 Sequestration Plant in Morocco's Sahara

British start-up Brilliant Planet has chosen to set up its new 30-hectare plant for capturing CO2 from the air in the Sahara Desert. The algae farm will produce large quantities of micro-algae in ponds thanks to solar energy, which will at the same time help de-acidify sea water.

To implement this project, Brilliant Planet recently raised $12 million from several investors, including Toyota Ventura, based in San Francisco, and the New York-based Union Square Ventura. This Brilliant Planet project also benefits from technical support in remote sensing, oceanography and sensor development from UK Research & Innovation, a UK government agency that manages research and innovation funding, as well as from the Scottish Marine Science Association and the University of Southampton in England.

Like other countries, Morocco is increasingly relying on CO2 capture technologies to achieve its nationally determined contribution (NDC) target of 45.5% by 2030. This will avoid the impasse experienced by South Africa, considered the biggest polluter on the continent due to its dependence on coal. Morocco is to commission its first CO2 capture plant in 2023. (Afrik21 28.04)

ARAB STATE DEVELOPMENTS

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* 1. Lebanon’s Inflation Rate Accelerates to 208% in March 2022

According to Lebanon's Central Administration of Statistics (CAS), the Consumer Price Index (CPI) jumped from 157.86% in March 2021 to register a record high 208.13% in March 2022. The cost of Housing and utilities, inclusive of water, electricity, gas and other fuels (grasping 28.4% of the CPI) added a yearly 99.71% by March 2022. Owner-occupied rental costs increased by 5.29% year-on-year (YOY) and the average prices of water, electricity, gas, and other fuels followed a significant increase by 389% YOY. In March 2021, gas and other fuels were still subsidized by BDL, whereas in March 2022, BDL had officially ended the fuel subsidy thus rising fuel prices sharply.

In addition, Lebanon’s fuel crisis worsened with Russia’s invasion on Ukraine, putting increasing pressure on fuel prices. The prices of Food and non-alcoholic beverages (20% of CPI) surged by 390% yearly. The average prices of Transportation (13.1% of the CPI) and Health (7.7% of the CPI) recorded hikes of an annual 488.85% and 441.22% respectively by March 2022. Also, Restaurant and Hotels (2.8% of CPI) increased yearly by 349.45% by March 2022.

Costs of Clothing and Footwear (5.2% of CPI) surged by 176.1% by March 2022, and the prices of Communication (4.5% of the CPI) increased by 8.82%. Prices of Furnishings and household equipment (3.8% of CPI), Alcoholic beverages and tobacco (1.4% of CPI), and Recreation, amusement, and culture (2.4% of the CPI) increased by 178.38%, 206.49%, and 140.88%, respectively, by March 2022.

The 2021 inflation surge in Lebanon has been attributed to the sharp devaluation of the national currency in addition to the global supply chain crisis caused by the pandemic. However, the absence of reform policies to mitigate the situation, as well as unexpected high energy costs, will have a substantial impact on the socio-economic activity and expected inflation in 2022, making the latter depend on geopolitical developments and corrective measures by Beirut. (CAS 28.04)

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* 1. Jordan's Trade Deficit Rises by 31.2% in First Two Months of 2022

Jordan's trade balance deficit in the first two months of 2022 increased by 31.2%, hitting JOD1.543 billion compared to JOD1.176 billion reported in the same period of 2021. According to a monthly report issued by the Department of Statistics (DoS), total exports in the same period of 2022 reached JOD1.216 billion, up by 35% from the JOD901 million recorded in 2021. National exports in the same period of 2022 rose by 37.2%, topping JOD1.100 billion compared to JOD801.8 million in the same period of 2021, figures showed. The value of re-exports was at JOD116 million, up by 17.2% compared with the JOD99.6 million of the same period of 2021.

Imports in January and February of 2022 also went up by 32.9%, reaching JOD2.760 billion compared to the JOD2.077 billion recorded in the same period of 2021. Accordingly, the export-to-import ratio stood at 44.1% in the same period of 2022, compared with 43.4% in the same period of 2021, indicating a 0.7% increase. On a monthly level, national exports hit JOD576.7 million in February of 2022 against JOD397 million in the same month of 2021, up by 45.3%. (Petra 27.04)

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* 1. Jordan's Unemployment Spiked to 24.1% in late 2021

Unemployment rates in Jordan surged in late 2021, standing at 24.1%, with about 435,000 Jordanians jobless, compared to 324,000 in the same period of 2019. In a post-crisis report on the "unprecedented" impact of the coronavirus pandemic on the national economy and the various sectors, Workers' House, a non-profit NGO that seeks to improve working conditions, said endeavors are needed in the next stage to boost the capacities of social safety nets, increase their allocations and direct their efforts to vulnerable groups.

It recommended that safety nets continue urgent cash and in-kind assistance to low-income households, in addition to expanding health insurance coverage for all and reducing the value of social security subscription. At the level of social policies, the report called for devising poverty alleviation policies and improving the social conditions of families with working children, who are compelled to join the labor market due to the tough conditions of their families, pointing out that child labor significantly increased last year. (Petra 30.04)

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* 1. Saudi Arabia Sends $50 Million to Jordan for Budget as Economy Falters

Saudi Arabia sent $50 million to Jordan on 21 April to help the fellow monarchy fund its budget, the official Saudi Press Agency announced. The money is the fourth installment out of five that Saudi Arabia agreed to send as economic aid to Jordan back in 2018. At the Makkah Summit that year, Saudi Arabia, the United Arab Emirates and Kuwait each agreed to send $50 million annually to Jordan, ultimately totaling $2.5 billion by 2023, according to the agency. Jordan’s budget for 2022 is estimated to be around $15 billion.

The Jordanian government is working to close tax loopholes and expand its tax base without raising taxes. This effort is part of Jordan’s adherence to structural reforms recommended by the International Monetary Fund, Finance Minister Mohamad al-Ississ said recently. Jordan has had some success in this regard. In December, the credit rating agency Fitch upgraded Jordan’s outlook from “negative” to “stable,” reflecting greater confidence in the Hashemite Kingdom’s ability to repay debt.

Jordan’s economy is struggling at the moment. The harsh COVID-19-related lockdowns in 2020 severely hurt businesses. Youth unemployment hit an unprecedented 50% in 2020. Female unemployment also shot up from 24% to 33% from 2019 to 2020. Indeed, many Jordanians are turning to cryptocurrency to try and earn money amid the economic stagnation. (Al-Monitor 21.04)

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* 1. Dubai to Launch $100 Million VC Fund to Support Start-Ups

Dubai has announced the launch of a new venture capital finance fund with about Dh370 million ($100.7 million) to bolster start-up projects in the emirate and promote its ambition of becoming a global FinTech hub. The launch of the Venture Capital Fund for Start-ups was approved by Sheikh Hamdan bin Mohammed, Crown Prince of Dubai, after he held a meeting of the Executive Council. The new fund, set to be launched in June 2022, aims to promote the economic growth of the emirate and consolidate its position as a global center for FinTech and innovation in investment capital.

The fund is expected to contribute about Dh3 billion to Dubai's gross domestic product during the implementation period, which will run for eight years, extendable for two additional years. It will be managed by the Dubai International Financial Centre, in partnership with international organizations.

Dubai is also boosting its VC capabilities and is among the top 35 most attractive cities in the world when it comes to attracting venture capital and the funding of start-ups, according to the first Innovation in Business Index from Finom, a business-to-business financial platform in Europe. The emirate was ranked 30th in terms of its ability to attract venture capital and 32nd in a category that evaluated how well start-ups are funded. Dubai also scored favorably in categories such as IT and software, artificial intelligence and machine learning and FinTech innovation. (TN 27.04)

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* 1. UAE & Greece to Set Up $4.2 Billion Investment Initiative

Sheikh Mohamed bin Zayed, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the Armed Forces, met Kyriakos Mitsotakis, Prime Minister of Greece, in Abu Dhabi on 9 May. As part of the visit, the UAE and Greece agreed to create a €4 billion ($4.22 billion) initiative to invest in the Greek economy. Investments will be made in sectors including infrastructure, renewable and new forms of energy, health care and pharmaceuticals, food and agriculture and logistics. For the initiative, a deal was signed between Abu Dhabi holding company ADQ and Hellenic Development Bank and Hellenic Development Bank of Investments. Mubadala Investment Company and the Hellenic Development Bank of Investments also agreed to extend their partnership in a €400 million co-investment platform they established in 2018.

During their meeting, Sheikh Mohamed and Mr. Mitsotakis discussed enhancing co-operation between their countries. Sheikh Mohamed said the visit to the UAE would help to expand the strategic partnership between the UAE and Greece. They reviewed opportunities to advance their relations, especially in the economic, investment, developmental, environmental and energy fields, and looked at expanding their partnership in renewables and food security. The leaders also exchanged views on a number of regional and global issues of mutual concern and relevant developments, including the Ukraine crisis and the humanitarian and economic fallout.

Energy sector deals were also signed. A strategic framework agreement between Greece’s Motor Oil and the Abu Dhabi National Oil Company to explore opportunities to supply LNG cargoes to Greece, as well as explore other co-operation opportunities between the two sides, was signed. In 2020, the UAE and Greece established a strategic partnership based on a relationship that dates back to 1976, when the countries set up a joint committee for economic, cultural and technical co-operation. Last year, the value of non-oil foreign trade between the UAE and Greece reached nearly $571.7 million, up 67% from 2020. (WAM 09.05)

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* 1. Dubai to Open the UAE’s First Robotic Biobank in 2023

Al Jalila Foundation, a member of the Mohammed Bin Rashid Al Maktoum Global Initiatives, announced that it will establish the UAE’s first robotic biobank in partnership with the Mohammed Bin Rashid University of Medicine and Health Sciences (MBRU) and the Dubai Health Authority (DHA). A biobank is a place to store all types of human biological samples, such as blood, tissue, cells, or body fluids. It also stores data related to the samples and other biomolecular resources that can be used in health research.

Al Jalila Foundation is investing Dhs17 million in building the facility and will manage seven million human biological materials. An automated, robotic, artificial intelligence-based system will ensure biological samples are secured in cryogenic storage (below 80 degrees Celsius), maintaining proper sample integrity and retrieval. The biobank, which is expected to launch in 2023 with room for seven million specimens, will be one of the world’s largest in terms of sample capacity.

The hospital will be housed in Dubai Healthcare City at the Mohammed Bin Rashid Medical Research Institute, part of the Al Jalila Foundation. Patient confidentiality will be a priority in line with UAE’s laws and regulations. In addition, the biological and medical data will be used by scientists for research to make discoveries about common and life-threatening diseases such as cancer, heart disease and stroke in order. (GB 29.04)

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* 1. Saudi Arabia’s GDP Grows by 9.6% in First Quarter

Saudi Arabia’s General Authority for Statistics (GASTAT) has published its flash estimates of the kingdom’s Gross Domestic Product (GDP) growth rate for Q1/22. It revealed that Saudi’s GDP recorded the highest growth rate in the past 10 years, achieving a growth of 9.6% during the first quarter of 2022 compared to the corresponding period in 2021.

The growth in GDP was reportedly driven by “a significant increase in oil activities by 20.4%, in addition to an increase in non-oil activities by 3.7% and an increase in government services activities by 2.4%.

The figures also indicated that the seasonally adjusted real GDP in the kingdom grew by 2.2% in the first quarter of 2022 compared to the previous year. This increase was due to the growth in oil activities by 2.9%, and an increase in non-oil activities by 2.5%, while government services activities decreased by 0.9%. According to previously released data, Saudi Arabia’s real GDP for the year 2021 grew by 3.2%.

The growth resulted from the economy recovering from the COVID-19 pandemic through the growth of non-oil activities by 6.1%, while government activities grew by 1.5%, and oil activities expanded by 0.2%. The kingdom’s real GDP grew by 6.7% in the fourth quarter of last year compared to Q4/20 and 1.6% compared to Q3/21. That growth was mainly attributed to the increase in oil activities (10.9% year-on-year). Furthermore, non-oil activities also increased 5.1%, while government activities expanded by 2.4%, according to the GDP and National Accounts report for the fourth quarter of 2021, released by GASTAT. (GASTAT 02.05)

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* 1. Egypt’s Non-Oil Exports Up 20% at Start of 2022

Egypt's exports rose by 20% from nearly $7.7 billion in Q1/21 to almost $9.2 billion in Q1/22, the Egyptian Ministry of Trade and Industry said. Rising exports in several sectors contributed to the increase. Exports of clothing rose 44%, building materials 35%, furniture 20%, medical products 19% and agricultural produce 10%, according to the ministry.

Like other regional states, Egypt is heavily dependent on oil exports. Egypt’s top exports in 2020 were refined petroleum, gold and crude petroleum, according to the MIT-based Observatory of Economic Complexity. Egypt also produces natural gas and wants to expand its petrochemical sector as well as seek investment in its energy industry.

The Egyptian government is currently seeking to diversify its energy sources by investing more in renewable energy, including solar power projects. Egypt’s non-oil sector has been significantly impacted by the war in Ukraine, with orders going down and prices going up. Egypt’s wheat supply has perhaps been the most affected, as the country gets 80% of its wheat from Russia and Ukraine. (Al-Monitor 02.05)

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* 1. High Traffic Lifts the Suez Canal’s Monthly Revenues in April

Egypt's Suez Canal recorded its highest monthly revenue to date in April, reaping $629 million in ship transit fees, the Suez Canal Authority said, as traffic rebounded from the impact of the pandemic. The monthly revenue in April was 13.6% higher than a year ago.

The total number of ships that passed through the 193 kilometer waterway that links the Red and the Mediterranean seas increased by 6.3% from a year ago to 1,929 vessels. They carried cargoes weighing in total 114.5 million tons, the highest monthly net cumulative payload to transit the waterway. The number of oil tankers, liquefied natural gas tankers and container carriers increased in April by 25.8%, 12% and 9%, respectively, versus a year ago, he added. In addition to the impact of the pandemic, last year's flows were disrupted after a container ship ran aground in the canal in late March. (SCA 01.05)

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* 1. Egypt to Receive €138 Million in EU Development Grants

The EU and the International Cooperation Ministry yesterday signed development financing grants worth a total of €138 million that will fund healthcare projects, administrative reform and environmental, rural and community development initiatives, according to a cabinet statement. The funding comes within the framework of the EU-Egypt Partnership Priorities for 2021-2027 and was announced to coincide with Europe Day.

Egypt's Health Ministry will get €80 million in a second tranche of budget support funding. The Agriculture Ministry will get €24 million in funding through a partnership between the EU and the Italian Agency for Development Cooperation. The Environment Ministry will get €14 million to support the new national waste management strategy through German development agency GIZ.

The grants also include €7 million for the Local Development Ministry for projects focused on Upper Egypt, to be implemented by the UNDP; an €5 million grant for the planning and ICT ministries for administrative reforms through the OECD; another €5 million for the Finance Ministry for financial management reforms; and €3 million for the Micro, Small and Medium Enterprises Development Agency as part of an urban employment program in partnership with French development agency AFD.

The EU is a key provider of development finance to Egypt, with ongoing cooperation projects amounting to around €1 billion. (Various 10.05)

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* 1. Morocco’s Inflation Rate at Highest Level Since 2008

Morocco’s inflation is at a record high, averaging 5.3% at the end of March - the highest since the 2008 financial crisis. The dramatic rise in inflation is driven by a spike in food prices, with non-fresh food inflation averaging 6.4% in March, according to data from Morocco’s Higher Commission for Planning (HCP), a state data institution.

Rising grain and vegetable oil have especially contributed to the inflation spike over the first quarter (Q1) of 2022, the HCP report indicates. Non-food prices witnessed a 2.5% rise in Q1 of 2022, compared to the same period a year ago, amid the global supply chain disruptions. HCP projected that customer spending in the country would have significantly slowed down over the same period, progressing at a quarterly rise of 0.8%.

The decline in agriculture production from this year’s severe drought would have especially negatively affected the purchasing power of many Moroccan households, the report notes. The six-month drought at the beginning of this year’s agriculture season caused agriculture’s added value to Morocco’s national economy to shrink by 12% year on year. Rainfall dropped by 65% during this year’s agriculture season compared to last year, triggering a 21% five-year average decline in the surface of agricultural land for autumn and winter crops, especially grain production, the HCP said. The yield of other crops is projected to fall given the lack of water reserves that could substitute rainfall. Morocco’s dams were only 33% full at the end of March, against 51% last month, the HCP report indicates. (MWN 27.04)

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* 1. Morocco’s Military Spending Increased to $5.4 billion in 2021

A new report from the Stockholm International Peace Research Institute (SIPRI) said that Morocco’s military spending grew by 3.2% to $5.4 billion in 2021, compared to 2020. In 2021, North African military expenditure totaled $19.6 billion, 1.7% lower than in 2020 but 29% higher than in 2012. Morocco and Algeria are among the countries that have spent the most on weapons on the African continent over the past decade.

Morocco is one of ten countries in MENA that allocates the highest amount of its gross domestic (GDP) product to military spending. In 2021 Morocco allocated 4.2% of its GDP to military spending, while Algeria allocated 5.6%. Morocco's military spending reached $4.8 billion in 2020, an increase of 29% compared to 2019 and 54% compared to 2011, representing a 29% share of GDP. Meanwhile, Algeria's spending reached $9.7 billion in 2020, a decrease of 3.4% compared to 2019.

Morocco ranked 55th out of 140 countries in terms of military power worldwide this year, according to the 2022 “Global Firepower” ranking. Regarding combat tank fleet strength by country, Morocco ranks 8th with 3,335 tanks. The country also comes 30th with 144 rocket projectors, 29th with 3,500 armored vehicles, 16th with 517 self-propelled artillery units, and 44th with 211 pieces of towed artillery. Last year, SIPRI released a report featuring Morocco among the top 40 largest importers of major arms, ranking 29th out of 40. Data showed Morocco is among the largest customers of US arms. Morocco buys 90% of its weapons from the United States, 9.2% from France and 0.3% from the UK. (MWN 27.04)

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* 1. Morocco’s UM6P Partners with Israel Technology Institute

The Israel Institute of Technology Technion has signed an agreement with Morocco’s Mohammed VI Polytechnic University (UM6P) to promote academic cooperation between the two institutions. On 31 March, a Moroccan delegation led by the president of UM6P paid a “historic visit” to the Israeli Institute. UM6P’s visit to the Technion, where the agreement was signed, reflects a dramatic historical change in the region. The value of the collaboration between the two institutions goes beyond the academic sphere and is also an attempt to educate and prepare the youth of the region for the future.

After signing the US-brokered Abraham Accords in 2020, Morocco and Israel continue to explore new opportunities for cooperation in various sectors, including education and academic research. Last month, Morocco’s Euro-Mediterranean University of Fes (UEMF) signed an agreement with Israel’s Sami Shamoon College of Engineering (SCE).

More than 15,000 Israeli tourists visited Morocco to celebrate Passover - a Jewish holiday- this year. The North African country expects the arrival of 200,000 Israeli tourists this year, according to Morocco’s National Tourism Office (ONNMT). In addition, since the signing of the Abraham accords, trade between the two countries has almost doubled, going from MAD 699 million ($70 million) in 2020 to MAD 1.2 billion ($130 million) in 2021. (MWN 27.04)

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* 1. Moroccan Phosphate Exports Nearly Double, Reaching $2.46 Billion in March

Moroccan exports of phosphates and derivatives reached nearly $2.5 billion at the end of March, recent data from the Foreign Exchange Office has shown. According to the latest data, Morocco’s phosphate exports almost doubled as of March 2022 compared to the same period in 2021 when the number reached $1.35 billion. The office attributed the change to the increase in sales of natural and chemical fertilizers.

The Ukraine crisis, impacting Russian fertilizer exports, has presented a good opportunity for Morocco. Recent reports showed how fertilizer prices have been recording all-time highs. Morocco holds around 75% of the world’s reserves of phosphate rock. The material is a key ingredient in fertilizer. Moroccan state-owned company OCP is the world’s largest exporter of phosphate rock.

In addition to phosphates, exports of the agricultural and agri-food sector stood at $2.44 billion at the end of March against $2.13 billion during the same period last year. The number represents an increase of 14.9%. The foreign exchange office attributed the development to the simultaneous increase in sales of the food industry and agriculture, forestry, and hunting.

Exports of goods amounted to $10 billion against $7.79 billion a year earlier. The number represents a 29% increase that covered all sectors, including phosphates and derivatives, the agriculture and agri-food sector, and the textile and leather sector. (MWN 05.05)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkish Inflation Jumps from 20% to 70% in Just Six Months

Turkish consumer prices rose 7.25% in April and annual inflation hit 69.97%, more than tripling in just six months — a price explosion with few precedents in the recent history of the country. Food, clothing and transport prices were among the major drivers of inflation in April, according to data released by the Turkish Statistical Institute.

The dizzying price increases have been the public’s leading concern in recent months, plunging millions into grave livelihood woes ahead of elections next year. Though external factors such as the economic fallout of the Ukraine war have added to the inflation surge, President Erdogan is seen as primarily responsible for the problem, which is casting a big cloud of uncertainty over the country, both economically and politically.

Back in September, when annual inflation stood at about 20%, Erdogan pressured the central bank to lower its 19% policy rate, insisting on the unorthodox view that high interest rates are the cause of high inflation. The bank’s four cuts in as many months brought the benchmark rate to 14% in December. The controversial policy sent the Turkish lira into a tailspin and fueled dollarization, with the ensuing spike in inflation spiraling out of the control. Erdogan, meanwhile, kept assuring the nation that his policy would galvanize the economy and rein in inflation.

Food inflation has been the unruliest, dealing heavy blows to the populace in a country where food accounts for 25% of household spending, with the rate reaching up to 40% in low-income groups. Food prices rose about 13.5% in April, bringing the annual increase to nearly 90%. (Al-Monitor 05.05)

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* 1. Istanbul Inflation Accelerates to 80%

Inflation in Istanbul, Turkey’s largest city, accelerated to almost 80% in April, the Istanbul Chamber of Commerce (ITO) said on 1 May. The Istanbul Wage Earners Cost of Living Index, which measures retail price inflation in the city, climbed to an annual 79.97% last month from 63.25% in March. Monthly inflation stood at 16.34% in April last year.

Inflation in Turkey is soaring after President Erdoğan ordered the central bank to cut interest rates late last year while other monetary authorities around the world raised them to help curb a global spike in inflation. Istanbul inflation is an indicator of countrywide prices, which rose by an annual 61.1% in April, the fastest pace in two decades. Transport prices surged by 118.44%, household and related expenditures by 93.12% and food prices by 84.4%, ITO said.

On a monthly basis, prices rose by 11.36%, ITO said. Wholesale prices increased by an annual 73.21% compared with 65.59% in March. Inflation in Turkey has accelerated after the lira slumped by 44% against the dollar in 2021, making the price of imported goods and materials more expensive. (ITO 02.05)

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* 1. Turkey's Foreign Trade Deficit Almost Doubles in April

Turkey’s foreign trade deficit almost doubled to $6.1 billion last month, the Trade Ministry announced citing preliminary data. The trade gap widened from $3.08 billion in April 2021. Imports grew by 34.9% from a year ago to $29.47 billion. Exports expanded by 24.6% to $23.36 billion.

Turkey’s economic program is focused on achieving a current account surplus through growth in exports and less reliance on imported goods. But a surge in the global price of commodities and a policy of cutting interest rates to below annual inflation is threatening to scupper those plans by keeping import costs at elevated levels. The foreign trade deficit increased by an annual 129.7% to $32.5 billion in the first four months of the year. Imports surged by 40.1% to $116.1 billion. Exports grew by 21.7% to $83.6 billion.

Turkey imports nearly all the oil and natural gas it consumes. The developing economy also buys large amounts of electronics, cars and other consumer items from abroad. Demand for imports is rising as interest rates on consumer and business loans remain at less than half the annual inflation rate after the central bank cut borrowing costs to 14% late last year. (Ahval 05.05)

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* 1. Turkey’s Tourism Revenues Exceed Those of Record Year 2019

Revenue from tourism in Turkey more than doubled in the first quarter to $5.45 billion, exceeding levels seen in the record year of 2019. Tourism income rose from $2.45 billion in Q1/21, the Turkish Statistical Institute said. The revenue totaled $4.63 billion in the first three months of 2019, when the country went on to earn a record $34.5 billion for the year.

Turkey is seeking ways to maximize revenue from tourism to help it alleviate pressure on the lira, which lost 44% of its value against the dollar last year. The steps include keeping flights operating to and from Russia, traditionally its biggest source of visitors, despite President Putin’s war in Ukraine, which began in late February.

Turkish Treasury and Finance Minister Nebati said that Turkish banks were expanding the Russian Mir payment system to ensure that Russian tourists can make payments and cash withdrawals while on holiday. Visa and MasterCard have suspended operations in Russia, meaning bank account holders in the country cannot access the payment systems.

Visitors to Turkey totaled 6.45 million in the first quarter compared with 2.6 million in the first three month of 2021, when the COVID-19 pandemic kept many tourists away. In the first quarter of 2019, tourists totaled 6.64 million. Inflows of tourists also help Turkey finance its current account deficit, which is swelling due to a surge in imports and a jump in global energy prices. (Ahval 29.04)

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* 1. Cyprus GDP Growth Slashed Due to the Ukraine War

The University of Cyprus downgraded its projection for economic GDP growth this year to 2.6% due to the Russian invasion of Ukraine, warning of potential deterioration in asset quality in the banking system due to rising inflation. In the UCY Economic Research Centre outlook for May, real GDP growth is estimated at 2.6%, 1.5% lower than its January forecast. In 2023, real GDP growth is estimated to bounce back to 3.1%.

The ERC cautioned that the war in Ukraine and sanctions against Russia could impact activity in Cyprus more adversely than indicated by the current forecasts. The continuation of the war and tighter EU sanctions against Russia may weigh on growth prospects primarily through higher fuel, food and raw material prices.

UCY economists said new COVID-19 waves continue to pose significant downside risks to the outlook through new containment measures and supply bottlenecks that exert upward pressures on prices. Additional policy support may be needed because of the war in Ukraine, rising energy prices and the continuation of the pandemic. ERC said, pointing to fiscal challenges of high public debt and monetary tightening may cloud the outlook.

In response to high inflation, tightening financial conditions could negatively affect bank asset quality, creating risks to the outlook. According to the ERC, inflation (CPI) is projected to reach 4.8% in 2022 and decline to 2.2% in 2023, revising its previous forecast by 2.2%age points for this year. (fm 04.05)

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* 1. Greek Annual Inflation Jumps to 10.2% in April – a 28 Year High

Greece’s annual consumer inflation jumped to its highest level in 28 years in April at 10.2% on the back of surging costs for energy, housing, transportation and foods, official data showed on 10 May. Price growth was 8.9% in March, according to statistics service ELSTAT. Greece’s annual EU-harmonized inflation also rose sharply to 9.1% in April from 8.0% in March, further squeezing disposable incomes.

EU-harmonized inflation is an index of components used across the EU to measure inflation in a consistent way. Natural gas prices soared 122.6% on an annual basis, while electricity prices increased 88.8%, ELSTAT said. The cost of housing rose 35.2% year-on-year, transportation prices were up 15.4% with foods and non-alcoholic beverages 10.9% more expensive, the data showed. (ELSTAT 10.05)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. Israeli Population Grows to 9.5 Million on Eve of 74th Independence Day

On the eve of Israel’s 74th anniversary of its rebirth, its population stood at 9,506,000, the Central Bureau of Statistics announced. This includes nearly 7.02 million Jews, accounting for 73.9% of the population; 2 million Arab Israelis, just over one-fifth of the population; and 478,000 members of other groups, amounting to 5% of the population. About 79% of Israel’s Jews are native-born.

Since last year’s Independence Day, 191,000 babies were born, 55,000 people died and 38,000 people immigrated to the country. This was the largest number of new immigrants to reach Israel in 20 years, according to the Jewish Agency. Roughly half of the 38,000 immigrants came from Ukraine and Russia, overwhelmingly in the last two months since Moscow launched its invasion. The remaining 19,000 or so immigrants came from the US, France, Belarus, Argentina, the UK, South Africa, Brazil, Ethiopia and Canada, among other countries. Overall, the Israeli population increased by some 176,000 people, amounting to a 1.9% rise.

In 1948, when the Jewish state was re-established, the population of Israel numbered 806,000 people. Since then, 3.3 million people have immigrated to Israel, about 44.7% of them arriving since 1990. The population is expected to reach 11.1 million by 2030, and 13.2 million by 2040. Israel’s population is also young— 28% of the population is aged 0-14, and only 12% is aged 65 and over. On the eve of 2022, Israel’s population stood at 9.449 million people. (ToI 01.05)

\*REGIONAL:

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* 1. English Language to Take Center Stage in Morocco’s 2023 Education Reform

Morocco's Minister of Higher Education, Scientific Research, and Innovation Miraoui presented the “National Plan to Accelerate the Transformation of the Ecosystem” during a press conference on 26 April. The new reform, which is expected to take effect in September 2023, will require students to pass the English language proficiency test and receive a minimum B1 level - lower intermediate level - in order to get their undergraduate diploma. Students will also be required to receive a minimum B2 level - intermediate level - in the foreign language in which they pursue their program, such as French. Those who already pass the proficiency tests for English will be given the opportunity - if they wish - to learn another language, such as Chinese or Spanish.

In Morocco, although the teaching languages are mainly French or Arabic, many private and semi-private institutions offer degrees in English. Al Akhawayn University in Ifrane, and Mohammed VI Polytechnic University (UM6P) in Benguerir are examples of private universities that offer English speaking courses. (MWN 27.04)

ISRAEL LIFE SCIENCE NEWS

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* 1. Israeli Startup Connects Farmers and Residents

Favoring short circuits and affordable prices for the consumer is the objective of the Israeli startup SunDo, which connects farmers and residents living close to each other. The app generates a map of the area so the consumer can know where, for example, the cucumber or carrot grows, Waxman explained, so the consumer can know the farmers. SunDo also wants to reduce pollution by making the growing and produce-selling process more local. The goal is to sell premium products at affordable prices. The app makes it possible to buy fresh products from around 20 farmers in the Sharon region in central Israel.

Kfar Monash's [SunDo](https://en.sundoapp.com/%E2%80%8E) is a subsidiary of Hashomer HaChadash that seeks to strengthen the connection between farmers and the Israeli society. With SunDo, each person in Israel can “connect to the land” and volunteer in a variety of agricultural work. (i24NEWS 26.04)

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* 1. Nanox Gets FDA Clearance for HealthOST Device

Nanox announced that its deep-learning medical imaging analytics subsidiary, Nanox.AI, received FDA 510(k) clearance for HealthOST device, an AI software that provides qualitative and quantitative analysis of the spine from CT to support clinicians in the evaluation and assessment of musculoskeletal disease. Measurements of vertebral fractures and low bone density have been shown to increase the identification of patients with musculoskeletal disease of the spine, such as osteoporosis, a disease that affects more than 10 million people in the U.S.1

This is Nanox.AI’s tenth FDA clearance across its innovative portfolio of AI clinical decision assist tools and second FDA clearance for its vertebral compression fracture device. HealthOST offers a more detailed evaluation, including the ability to measure fractures more precisely, potentially aiding clinicians in evaluating risk factors for osteoporosis. The company’s latest AI solution automatically identifies findings suggestive of compression fractures and low bone density, enabling further work up and treatment of patients diagnosed with osteoporosis to prevent potentially life-changing major osteoporotic fractures, such as a hip fracture. Nanox.AI previously received FDA clearance in May 2020 for the AI software that identifies vertebral compression fractures.

Neve Ilan's [Nanox](http://www.nanox.vision) is focused on applying its proprietary medical imaging technology and solutions to make diagnostic medicine more accessible and affordable across the globe. The vision of Nanox is to increase the early detection of medical conditions that are discoverable by medical image technologies based on X-rays, which we believe is key to increasing early prevention and treatment, improving health outcomes, and, ultimately, saving lives. [Nanox.AI](http://www.nanox.vision/ai) is the deep-learning medical imaging analytics subsidiary of Nanox. Nanox.AI solutions are developed to target highly prevalent chronic and acute diseases affecting large populations around the world. Leveraging AI, Nanox.AI helps clinicians extract valuable and actionable clinical insights from medical imaging that otherwise may go unnoticed, potentially initiating further medical assessment to establish individual preventative care pathways for patients. (Nanox 28.04)

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* 1. Xcardia Announces First-In-Human Use of its New Xtractor Device for Cardiac Pacemaker

Xcardia Innovation announced the first-in-human use of its new Xtractor device in patients undergoing lead extraction procedures. The Johns Hopkins Hospital treated two patients in Baltimore, Maryland, following the FDA's 510(k) clearance of the device in February 2022.

The removal of pacemaker and ICD leads is a complex procedure that involves the potential for numerous complications. The procedure is becoming more necessary as increasing numbers of patients outlive their pacemakers. The Xtractor is designed to make the lead extraction procedure easier for surgeons, with more advanced control, incorporating motor assisted activation, steering capability, pedal activation and an advanced tip mechanism.

In February 2022, the FDA awarded 510(k) clearance to Xtractor, allowing Xcardia to market and sell the device in the United States. The Xtractor's unique pedal-operated device and collection of features are designed for ease of use and provide more control to surgeons working to remove pacemaker leads through intravenous procedures. Maintaining control of orientation of the tip along the lead and away from the veins is important, and motorized operation is designed to reduce physician fatigue. As a result, the game-changing Xtractor device could play an important role in enabling more physicians to perform the procedure on more patients.

Rehovot's [Xcardia Innovation](http://www.xcardia.com) is a private medical device company developing innovative cardiovascular technologies. Its latest product, Xtractor, received FDA 510(k) clearance in February 2022. (Xcardia 29.04)

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* 1. Bonus BioGroup's COVID Drug Helps in Complications in Cancer Patients

Haifa-based biotech company [Bonus BioGroup](http://www.bonusbiogroup.com/%E2%80%8E) recently completed a preclinical trial demonstrating the efficacy of its drug MesenCure (developed for the treatment of severe COVID patients) in reducing life-threatening inflammatory overreaction, seen in patients with cytokine release syndrome (CRS). This kind of inflammatory overreaction develops in up to 78% of cancer patients treated with biological immunotherapies that galvanize the immune system to fight cancer, and in patients transplanted with blood-forming stem cells. According to recent studies, up to 27% of cancer patients, who suffer from this condition, following such biological treatments, may develop a multi-system failure that could endanger their lives.

In a trial conducted by Bonus BioGroup at The Jackson Laboratory in California, one of the world's most respected research institutes, it was found that MesenCure significantly reduced the inflammatory overreaction that developed following biological cancer treatment, with complete response, demonstrating its potential to prevent life-threatening conditions in patients.

Bonus BioGroup is also continuing its clinical development of the drug MesenCure to treat severe COVID patients towards launching a Phase III clinical trial in leading U.S. hospitals, as the virus will be living with us for a long time. With new strains discovered almost weekly, experts estimate that millions more severe COVID patients are expected every year worldwide.

Since its inception, Bonus BioGroup has been involved in cell therapy and tissue engineering to achieve bone tissue regeneration and reconstruction. The main building block utilized to produce the viable bone graft is mesenchymal cells extracted from the patient's adipose tissue. With the outbreak of the global Coronavirus epidemic, the company began experimenting with the very same mesenchymal cells, isolated from adipose tissue of healthy donors, and their activation to enhance their ability to reduce inflammatory processes, including respiratory infections and others. These efforts led to the development of the cell therapy MesenCure. (Bonus BioGroup 28.04)

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* 1. MeaTech's Multi-Nozzle 3D Bioprinting System for Cultured Meat Production

MeaTech 3D announced a unique multiple-nozzle modular printing head developed in house. The new technology can produce complex meat products with pinpoint precision at an industrial rate of production without impacting cell viability. It is a breakthrough toward the mass production of cultured meat using cells and bio-materials.

MeaTech's new modular bioprinting design allows flexibility with up to hundreds of nozzles and multiple bio inks with low- and high-viscosity. MeaTech's software gives manufacturers complete digital control to produce a wide variety of cultured meat products based on any desired complex 3D models.

MeaTech's private subsidiary, based in the Rehovot Science Park, is focused exclusively on developing and commercializing MeaTech's 3D-printing capabilities in-house and to third parties in the food tech sector. This will allow MeaTech to expand and accelerate the company's path toward market entry and address a lack of broader technology infrastructure in the cultured meat industry for customized mass production.

Rehovot's [MeaTech](https://meatech3d.com) is an international deep-tech food company at the forefront of the cultured meat revolution. The company initiated activities in 2019 and is listed on the Nasdaq Capital Market under the ticker "MITC". MeaTech maintains facilities in Rehovot and Antwerp, Belgium and is in the process of expanding activities to California, USA. The company believes cultivated meat technologies hold significant potential to improve meat production, simplify the meat supply chain, and offer consumers a range of new product offerings. (MeaTech 3D 28.04)

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* 1. Rochester Taps TytoCare to Optimize Remote Physical Examinations

TytoCare announced a partnership with Rochester Regional Health, an integrated health system serving western New York, the Finger Lakes and beyond. The integration of TytoCare into Rochester Regional's current telehealth offering enhances the health system's ability to diagnose and treat patients remotely with in-depth, physical examinations during virtual visits. The partnership comes on the heels of a successful pilot with Rochester Regional employees, and enables the health system to gain a first-to-market advantage and exclusivity in Western New York with the TytoCare solution.

Rochester Regional is using TytoCare's TytoHome and TytoClinic solutions. The TytoHome device can be purchased by patients directly through Rochester Regional, enabling a direct-to-consumer revenue stream for the health system, and the device is being used by Rochester Regional patients for virtual primary, pediatric, and urgent care. In addition, Rochester Regional is allocating TytoHome devices for patients of Federal Qualified Health Centers (FQHCs), giving underserved populations access to quality healthcare from the ease and convenience of home. TytoClinic is being used by Rochester Regional in school-based healthcare and home-based healthcare for patients with Congestive Heart Failure (CHF) by Rochester Regional's eHealth at Home team.

TytoCare's FDA-cleared handheld examination kit enables users to perform comprehensive physical exams of the heart, skin, ears, throat, abdomen, and lungs, and measure heart rate and body temperature, which are key for treating many acute and chronic conditions. This allows healthcare clinicians to gain the vital clinical data they require to monitor, diagnose, and treat patients remotely.

Netanya's [TytoCare](https://www.tytocare.com/%E2%80%8E) is a telehealth company using AI to transform primary care by putting health in the hands of consumers. TytoCare seamlessly connects people to clinicians to provide the best virtual home examination and diagnosis solutions. Its solutions are designed to enable a comprehensive medical exam from any location and include a hand-held, all-in-one tool for examining the heart, lungs, skin, ears, throat, abdomen, and body temperature; a complete telehealth platform for sharing exam data, conducting live video exams, and scheduling visits; a cloud-based data repository with analytics; and built-in guidance technology and machine learning algorithms to ensure accuracy and ease of use for patients and insights for healthcare providers. (TytoCare 05.05)

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* 1. Voiceitt New Initiative Expands Voice Tech Capabilities for Users with Disabilities

Voiceitt announced the launch of its community engagement and development initiative called Project Ensemble. Project Ensemble invites individuals with non-standard speech to record a set of phrases and short sentences to help build a database of speech recognition language. This will expand the capabilities of the Voiceitt technology, increasing the power, flexibility and accuracy of the underlying speech algorithms. Project Ensemble welcomes individuals with non-standard speech to record a set of phrases and short sentences in exchange for an Amazon gift card.

The launch of Project Ensemble follows the successful 2021 integration of Voiceitt's speech recognition capabilities with Amazon's Alexa. This allows people with speech impairments to access and interact with Alexa using the Voiceitt mobile app. Users around the world currently use the Voiceitt speech recognition app, now available for free on the Apple App Store. The app gives people more freedom and independence by enhancing their ability to communicate verbally and be understood. In addition, the Alexa integration empowers users to control smart home devices using voice commands independently.

Founded in 2012, Ramat Gan's [Voiceitt](http://www.voiceitt.com)'s mission is to help people with disabilities live more connected, independent lives. The proprietary automatic speech recognition (ASR) enables people with speech disabilities to access mainstream voice technologies, communicate by voice — and be understood. (Voiceitt 02.05)

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* 1. Limaca Medical Receives FDA Breakthrough Device Designation

Limaca Medical announced that its Precision-GI Endoscopic Ultrasound Biopsy Product has received a Breakthrough Device Designation from the U.S. FDA. The Precision-GI device is designed to obtain tumor tissue within or adjacent to the gastrointestinal tract. Endoscopic biopsy is performed by a gastroenterologist who accesses the targeted GI tumor utilizing an ultrasound visualization endoscope. Precision-GI is deployed and operated through an instrument channel in the endoscope to biopsy the tumor. Suspect GI tumor locations include submucosal lesions, mediastinal masses, lymph nodes, intraperitoneal masses, and within GI related organs such as the pancreas and liver.

Precision GI is designed to obtain biopsies for definitive diagnosis of pancreatic cancer and other life-threatening GI cancers more quickly and less traumatically than current products. The automated design will provide for more efficient and effective diagnosis of GI cancers since it is designed to yield significantly superior quality and quantity of diagnostically relevant biopsy tissue.

Yokneam's [Limaca Medical](https://limaca-medical.com) is dedicated to improving endoscopic biopsy results for patients facing potentially life threatening gastroenterology cancers. Limaca Medical is primarily funded by the Israeli Innovation Authority, Agriline and The Trendlines Group. (Limaca Medical 02.05)

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* 1. Else Nutrition’s Super Cereal for Babies Receives First US Clean Label Certification

Tel Aviv's [Else Nutrition](https://elsenutrition.com/), which develops plant-based nutrition for babies and toddlers, announced the launch of its first cereal product, Super Cereal for babies. Made to provide a sustainable, dairy-free alternative to conventional baby cereals, Super Cereal was certified heavy-metal safe by the Clean Label Project Purity Award.

Super Cereal is designed for babies six months and older and offers a nutritionally complete product that is organic, plant-based, and free from gluten and soy. Made from whole ingredients like buckwheat and almonds, it also provides 20+ essential vitamins, iron, quality proteins, fats and carbs with low sugar content. Else says the cereal is available in four flavors that can be easily prepared by mixing with warm liquids (breast milk, formula or water.)

According to Else, its products use only the cleanest ingredients sourced in the US and Europe and undergo a patented processing method to ensure purity. Thanks to these strict controls, Super Cereal was recently granted the Clean Label Project Purity Award, which tests for 400 impurities, heavy metals, and toxins like arsenic, lead and cadmium. Since 2020, Else has rapidly grown its presence in US retail, launching in 350 Sprouts Farmers Markets nationwide, and signing with distributor UNFI to enter 30,000 retail locations. Super Cereal is currently available through Amazon and Else’s website, with a larger retail expansion coming soon. (Else Nutrition 03.05)

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* 1. Imagene AI Raises $21.5 Million in Series A Funding

Imagene AI raised $21.5 million, comprising $3 million in Seed funding led by Blumberg Capital and an $18.5 million Series A round led by renowned technology-driven cancer medicine investors. Using only a digitized biopsy image, Imagene's AI diagnostic technology delivers real-time molecular analysis, increasing the level of accuracy and reducing the time required for results, from several weeks to just two minutes. Imagene also drives a new approach for a wider scope of treatment response-prediction that encapsulates the uniqueness of each patient, bringing cancer care closer to reaching the full potential of precision medicine.

Imagene's technology classifies patterns that cannot be seen by the human eye, evolving genomics, proteomics, and spatial insights to better understand the recurrence of specific cancers and their resistance mechanisms. This enables better stratification of patients in clinical trials and the discovery of novel targets for new drugs.

Founded in 2020, Tel Aviv's [Imagene AI](https://imagene-ai.com/)'s molecular and micro-environment intelligence platform delivers real-time biomarker reports using only digitized biopsy images, leading to faster diagnosis and better identification of treatment for patients. Its multidisciplinary team is composed of a diverse group of experts from the fields of science, clinical, and deep learning. Imagene collaborates with top-tier medical centers and pharmaceutical companies worldwide, making therapeutic decisions for cancer more accurate and accessible, profiling patients for clinical trials, and accelerating the drug development process. (Imagene AI 02.05)

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* 1. Enlivex Gets Two U.S. Patents Covering Methods of Treating Sepsis with Allocetra

Enlivex Therapeutics announced the issuance of U.S. Patent Nos. 11,304,976 and 11,318,163. Each patent provides Enlivex with added intellectual property (IP) protection in the United States until at least 2036 with respect to claims covering methods of treating sepsis with Allocetra. These latest patents add important depth to the IP portfolio protecting Enlivex' sepsis program, with one specifically covering the treatment of sepsis derived from pneumonia, urinary, or biliary tract infections. These are three important sepsis subtypes that Enlivex intends to evaluate in Phase II trial of Allocetra.

Enlivex is developing Allocetra as a universal, off-the-shelf cell therapy designed to reprogram macrophages into their homeostatic state. Diseases such as solid cancers, sepsis, and many others reprogram macrophages out of their homeostatic state. These non-homeostatic macrophages contribute significantly to the severity of the respective diseases. By restoring macrophage homeostasis, Allocetra has the potential to provide a novel immunotherapeutic mechanism of action for life-threatening clinical indications that are defined as “unmet medical needs”, as a stand-alone therapy or in combination with other therapeutic agents.

Ness Ziona's [Enlivex](https://enlivex.com) is a clinical stage macrophage reprogramming immunotherapy company developing Allocetra, a universal, off-the-shelf cell therapy designed to reprogram macrophages into their homeostatic state. Resetting non-homeostatic macrophages into their homeostatic state is critical for immune system rebalancing and resolution of life-threatening conditions. (Enlivex 05.05)

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* 1. BioGenCell Completes $16 Million Seed Round led by Private Investor

Netanya's [BioGenCell](http://biogencell.net/) has completed a $16 million seed round, led by Marius Nacht, Israel's largest private biotech investor. BioGenCell's innovative, accessible and painless medical platform focuses on the needs of patients and physicians. The current product treats severe limb-threatening ischemia (CLI) typically found in patients with diabetes and heavy smokers. CLI is a serious and painful disease caused by the acute blockage of blood flow in small blood vessels, leading to constant pain, chronic inflammation, sores, and loss of limbs. Its implications are tragic. Typically, within a year of diagnosis, 30% of patients are candidates for amputation, and there is a 20% morbidity rate. In the U.S. alone, an estimated 80,000 non-traumatic leg amputations are performed each year.

As part of the treatment, stem and other cells taken from the patient in a standard blood draw are manipulated under BioGenCell's patented process and then reinjected into the leg muscle. The injected cell mixture promotes the production of new blood vessels that bypass the damaged ones and thus renew blood flow to the leg; reduces the local inflammatory process; and cleans the damage caused by the inflammation. Cell reinjection is performed once and can occur in any standard treatment room.

BioGenCell recently received FDA permission to continue to Phase II controlled, double-blind trials. If successful, BioGenCell's future product line, based on its technology, includes those to restore blood vessels related to kidney failure, pulmonary hypertension, heart failure, stroke, blindness and more. BioGenCell is located at and has a strategic partnership with Laniado Hospital in Netanya, Israel. (BioGenCell 09.05)

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* 1. BlueWind Medical Raises $64 Million for Overactive Bladder (OAB) Treatment

BlueWind Medical announced the closing of a $64 million Series B funding round. This round of financing was led by ConvaTec, a global medical products and technologies company focused on therapies for the management of chronic conditions including continence care.

BlueWind Medical completed patient enrollment of the OASIS pivotal clinical study in November 2021 at 23 centers in the US, UK, the Netherlands and Belgium. Interim safety data was recently announced at the SUFU (Society of Urodynamics, Female Pelvic Medicine & Urogenital Reconstruction) Winter Meeting showing no device or procedure related serious adverse events. BlueWind Medical will submit an application for U.S. FDA marketing clearance in the United States later in 2022 based on the OASIS pivotal study. The RENOVA iStim device utilizes neuromodulation to target the nerves that control the bladder. RENOVA iStim is implanted near the ankle in a single short outpatient procedure of approximately 30 minutes utilizing local anesthesia.

Herzliya's [BlueWind Medical](http://www.BlueWindMedical.com) was founded in 2010 and has an extensive patent portfolio including 15 patent families, 35 filings and 24 issued patents. BlueWind Medical obtained CE Mark for RENOVA iStim in the treatment of overactive bladder in 2016. The OASIS study is being conducted under an Investigational Device Exemption (IDE) from the FDA. RENOVA iStim is not approved for use in the U.S. (BlueWind Medical 09.05)

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* 1. Madrigal Develops Treatment for PTSD Based on Psychedelic Drugs

Madrigal Mental Care introduced its novel nanotechnology for the treatment and prevention of post-traumatic stress disorder (PTSD) at Biomed Israel 2022. The advanced nanotechnology-based system is a breakthrough nasal spray that enables nose-to-brain delivery of organic nanoparticles. These biodegradable nanoparticles encapsulate molecules of psychedelic substances, such as psilocybin, the active ingredient in magic mushrooms, as well as ketamine, mescaline, MDMA and others.

Founded in 2021, [Madrigal Mental Care](https://www.linkedin.com/company/madrigal-mental-care/) aims to redefine the future of mental health care by using cutting-edge, breakthrough nanotechnology to deliver psychedelic drugs. The Company focuses on the treatment and prevention of post-traumatic stress disorder (PTSD). Madrigal Mental Care is based on research at Ben-Gurion University of the Negev (BGU), and licensed from BGN Technologies, the Technology Transfer Company of BGU. (BGN Technologies 09.05)

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* 1. Sequentify Raises $7 Million to Enable DNA Sequencing at Scale

Sequentify enables fast and focused DNA sequencing. It combines tools from the synthetic biology and AI software fields to enable rapid targeted DNA sequencing. Sequentify exited stealth mode with $7 million in funds led by Israel's most active venture firm, OurCrowd. The funds will be used to accelerate R&D, delivery, and go-to-market plans for the company. Sequentify, on track to 600% revenue growth, already has multiple hospitals and labs as customers, as well as over 70x valuation growth in less than18 months.

Sequentify's InfiniSeq technology condenses sample preparation lab time to only 3.5 hours from DNA to sequencing, with one-tube reaction, full automation support, and dramatic cost reduction. The patent-pending InfiniSeq technology is adjustable to most sequencing instruments and fits into any lab workflow, thus enabling full integration into laboratories that have so far refrained from entering the sequencing field. During the COVID-19 pandemic, Sequentify's COVID-19 mutation surveillance kit enabled mapping the entire COVID-19 viral genome in a cost-effective, fast and automated process supporting the identification of existing and emerging variants such as Omicron and Delta. Sequentify is also working on supporting liquid biopsy, epigenomics and virology across its technologies.

Founded in 2021 as a Weizmann Institute of Science spinoff, Rehovot's [Sequentify](https://www.sequentify.com/%E2%80%8E) provides a technology that is based on tools from the synthetic biology and AI software worlds for targeted DNA sequencing applications such as cancer diagnostics, carrier screening, COVID-19 surveillance and other applications. (Sequentify 10.05)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Personetics Launches Sustainability Insights to Help Reduce Carbon Footprints

Personetics launched Sustainability Insights, a new offering included within the Personetics engagement platform, will help banks meet growing customer demand and regulatory expectations for environmentally responsible banking and sustainable finance.

The Personetics Sustainability Insights solution is the world’s first to show banking customers the carbon footprint of every banking transaction and recommend personalized actions to reduce carbon emissions – such as by making purchases from lower-carbon merchants or categories or saving for climate-friendly financial goals. Sustainability Insights are fully embedded into the Personetics financial data-driven engagement platform, based on advanced data analytics of billions of customer transactions.

Tel Aviv's [Personetics](http://www.personetics.com) is the global leader in financial data-driven personalization, customer engagement, and advanced money management capabilities for financial services. They are creating the future of “Self-Driving Finance,” where banks can proactively act on their customers’ behalf to help improve their financial wellness and achieve financial goals. Their industry-leading data analytics solutions harness customer financial transaction data to provide day-to-day actionable insights, personalized recommendations, product-based financial advice, and automated financial wellness programs. (Personetics 26.04)

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* 1. Wi-Charge & Belkin Apply Wireless Power Technology to Consumer Products

Wi-Charge is partnering with Belkin, a consumer electronics leader, to apply Wi-Charge's patented long-range wireless power technology to Belkin's future products. Wi-Charge leverages its field-proven infrared technology to provide wireless power across distances of up to 40 feet. The solution is safe, regulatory approved, eco-friendly and easy to deploy.

Wi-Charge breakthrough technology is already deployed in multiple commercial venues, helping eliminate the hassle of cables and batteries. The company recently expanded its market scope to Smart Home applications. The Belkin partnership represents a further step up in Wi-Charge commitment to the consumer market.

Rehovot's [Wi-Charge](http://www.wi-charge.com) is a long-range wireless power company founded to enable automatic charging of phones and other smart devices. Their patented infrared wireless power technology can safely and efficiently deliver several watts of power to client devices at room-sized distances. It gives end-users freedom they crave, and product designers the power they need to usher in the next generation of mobile smart devices. (Wi-Charge 27.04)

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* 1. Essence SmartCare Boosts Digital Transformation in Independent-Living

Essence SmartCare announced that VitalCALL, Australia's primary provider of 24/7 personal emergency response alarms and a subsidiary company to the global provider of monitoring solutions Chubb Fire & Security, has selected Essence's LTE-powered personal emergency response system (PERS) platform for implementation in independent-living retirement facilities across Australia.

As Australia prepares the ground for a digital network branch out to support leading-edge security solutions, Essence SmartCare's LTE-based personal emergency response systems will be deployed to replace generation 2G and 3G cellular services. The upgraded system will be implemented by Essence SmartCare's strategic partner, HSC Technology Group, which was awarded the project for its proven ability to deploy next generation security technology solutions. Building on Essence SmartCare's market leadership for cellular-enabled personal emergency response systems, the PERS 4G provides activity monitoring, fall detection, and voice capabilities anywhere in the home, allowing service providers and users to enjoy the highest levels of dependability and accuracy.

Herzliya's [Essence SmartCare](http://www.essencesmartcare.com), part of the Essence Group, develops advanced health and care platforms for market-leading healthcare and senior care providers, enabling smart preventive care and emergency response so seniors can live life to the fullest – with total peace of mind. Partnering with Essence SmartCare helps position companies as progressive, forward-thinking and in touch with the need to enable elderly and vulnerable people to lead more independent and safer lives.  (Essence SmartCare 27.04)

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* 1. Stratasys' State-of-the-Art 3D Printer for High-End Fashion & Design

Stratasys announced the industry’s first 3D printer designed specifically for printing direct-to-textile. The Stratasys J850 TechStyle 3D printer, the company’s newest PolyJet printer, is being launched to meet the unique needs of design and fashion manufacturers, which include 3D printing for high-end, premium textiles and clothing, bags and accessories and footwear.

Stratasys is providing designers and fashion brands with the ability to differentiate their manufacturing practices through the unique versatility and productivity of the Stratasys 3DFashion solution which includes the J850 TechStyle 3D printer, workflow software and materials that support the individual needs of fashion manufacturers. This solution opens unlimited possibilities for fashion manufacturers to personalize and customize 3D-printed fabric pieces – including limited editions and digital automation, all while reducing time-to-market. The J850 TechStyle 3D printer is designed to print directly on a variety of fabrics and garments, including denim, cotton, polyester, linen and leather at volumes ranging from single pieces to the tens of thousands.

Rehovot's [Stratasys](http://www.stratasys.com) is leading the global shift to additive manufacturing with innovative 3D printing solutions for industries such as aerospace, automotive, consumer products and healthcare. Through smart and connected 3D printers, polymer materials, a software ecosystem, and parts on demand, Stratasys solutions deliver competitive advantages at every stage in the product value chain. The world’s leading organizations turn to Stratasys to transform product design, bring agility to manufacturing and supply chains, and improve patient care. (Stratasys 02.05)

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* 1. TalonWork Recognized for Innovative Approach for Securing Hybrid Work

Talon Cyber Security has been named one of 10 finalists for the RSA Conference 2022 Innovation Sandbox Contest for its work in helping customers better secure distributed workforces. On 6 June, Talon will present its technology to a panel of renowned industry judges and a live in-person audience at RSA Conference 2022 in San Francisco.

Purpose-built for the enterprise, TalonWork empowers organizations to simplify their security programs by bringing enterprise-grade security to the browser, delivering native features like identity protection, data loss prevention, zero trust controls and more. Customers leverage Talon to gain visibility into and secure SaaS applications, web activity, corporate devices and non-corporate devices. Built on Chromium, TalonWork ensures employee privacy and delivers the consistent, high-quality user experiences needed to securely power the future of work.

Tel Aviv's [Talon Cyber Security](https://talon-sec.com) is modernizing security programs and improving user experiences for hybrid work by delivering the first secure enterprise browser. Built on Chromium, the TalonWork browser provides customers with the consistent user experiences, deep security visibility, and control over SaaS and web applications needed to simplify security for the future of work. (Talon 03.05)

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* 1. Variscite Enables Over-the-Air Updates to Enhance IoT & Edge Security

Variscite has enhanced security options for IoT and edge devices built with Variscite SoMs. Integrations with Variscite and leading third-party providers enable advanced over-the-air (OTA) software updates on edge devices based on its SoMs, including its popular i.MX 8M series and i.MX 6UL, both used frequently in IoT devices. Variscite offers device developers a growing array of security solutions from partners including Sequitur Labs, Foundries.io, JFrog (formerly Upswift), and Mender. These providers offer high-level secure OTA updates on Variscite-equipped devices, plus extensive complimentary features like software versions management, large-scale device fleets management, key and certificate management and secure boot.

Update processes are often tailored to the device’s application—sensitive medical monitors may require different approaches than rugged industrial robotics—and Variscite’s selection of partners and free software update tools offer best-case options to all industries. OTA updates also mitigate device recalls, and reduce their logistics and costs, as bug fixes may be performed without customers shipping their devices back. Variscite SoMs offer core technology capabilities in embedded products for medical, industrial, agriculture, control systems, multimedia, and more. These fully integrated systems provide critical components to optimize product design, development, manufacturing, stability, and flexibility. All Variscite production is performed at fully ISO 13485-, 9001- and 14001-compliant facilities, satisfying international customers and regulatory requirements for a broad range of industries.

Lod's [Variscite](https://www.variscite.com) is a worldwide leading System on Module provider, setting the bar for embedded solutions since 2003 with high-quality modules. The company provides the broadest ARM-based SoM portfolio in the embedded market with a wide range of configuration options that cover an entire embedded product and application range; from entry-level to high-performance solutions. Variscite's in-house production fully complies with the strict medical ISO13485 and ISO9001 standards. (Variscite 03.05)

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* 1. Loox One of the Fastest Performing Solutions in 2022 Ecommerce Technology Index

Loox was recognized in the 2022 eCommerce Technology Index as a top performing Customer Reviews solution. The report, which was conducted by YOTTAA, is designed to help retailers research new innovative features for their sites and understand the impact 3rd party technologies can have on site performance and digital experience.

Loox currently works with 100,000 Shopify merchants, including over 1,000 Shopify Plus brands, such as Sennheiser and BlendJet. With over 8,000 5 star reviews on the Shopify App Store, Loox is one of the most popular apps for Shopify merchants.

Ramat Gan's [Loox](https://loox.app) is the leading Shopify Product Reviews & Referrals app, enabling brands of all sizes to automatically collect customer reviews with photos & videos and beautifully display happy customer content. Over 100,000 Shopify & Shopify Plus merchants use Loox to boost trust, drive word of mouth and referrals, and increase customer retention and sales. (Loox 03.05)

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* 1. Arbe Launches Final RF Chipset Production Configuration

Arbe Robotics announced the launch of the final RF chipset production configuration, which increases range, reduces power consumption, and offers the industry-first combination of design flexibility with ultra-high resolution, providing optimal performance across driving scenarios and customer verticals, including commercial vehicles and trucks.

Arbe's proprietary RF chipset leverages the latest RF processing technology and state-of-the-art RF performance at the lowest cost per channel. Arbe's high-resolution relies on 48 transmitting and 48 receiving antennas to create a wide, 2304 virtual channel array that natively achieves high dynamic range and avoids angular ambiguities and phantom objects. The ultra-high resolution allows the system to track moving objects, map the environment, and detect stationary obstacles, generating free-space mapping for easy path planning and accurate localization.

Tel Aviv's [Arbe](https://arberobotics.com) is spearheading a radar revolution, enabling truly safe driver-assist systems today while paving the way to full autonomous-driving. Arbe's imaging radar is 100 times more detailed than any other radar on the market and is a mandatory sensor for L2+ and higher autonomy. The company is empowering automakers, tier-1 suppliers, autonomous ground vehicles, commercial and industrial vehicles, and a wide array of safety applications with advanced sensing and paradigm-changing perception. (Arbe 03.05)

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* 1. ThetaRay & Qolo Provide Transaction Monitoring for Payment Platforms

ThetaRay and Fort Lauderdale, Florida's Qolo, an omnichannel platform enabling the seamless movement of money from a single API, announced a collaboration to detect and prevent financial crimes across Qolo's full range of curated payment services. Through the agreement, Qolo will implement ThetaRay's SONAR anti-money laundering (AML) SaaS solution to monitor transactions -- including worker disbursements, multi-currency business processing, and more -- for its existing and new clients.

ThetaRay's SONAR is a unique SaaS offering that analyzes multiple payment data sources to detect anomalies indicating money laundering activity across complex paths. It deploys proprietary "artificial intelligence intuition" machine-learning methodology with unbiased AI to rapidly analyze risk indicators associated with financial crimes for both domestic and cross-border payments. As a result, SONAR delivers 95% investigation-worthy alerts and detects both known and unknown threats hidden within massive amounts of data.

Hod HaSharon's [ThetaRay](http://www.thetaray.com)'s AI-powered SONAR transaction monitoring solution, based on "artificial intelligence intuition," allows banks and fintechs to expand their business opportunities through safe and reliable cross-border payments. The groundbreaking solution also improves customer satisfaction, reduces compliance costs, and increases risk coverage. ThetaRay's technology is the only SaaS offering that analyzes SWIFT traffic, risk indicators and client/payer/payee data to detect anomalies indicating money laundering activity across complex, cross-border transaction paths in a single unified platform. (ThetaRay 03.05)

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* 1. Sternum Enhances IoT Protection with New Kibana & Grafana Integrations

Sternum announced new integrations with Kibana and Grafana, two leading open-source data analysis and visualization tools. The integration allows IoT device manufacturers using Sternum’s platform to make the most of the deep visibility it provides by exploring and visualizing the incoming data from live devices through tools they are already relying on for analytics.

Through its integrations with Kibana and Grafana, Sternum delivers critical insights to device manufacturers, enabling them to streamline and optimize their resources and efforts. Customers can access, visualize, and analyze Sternum's alerts, anomaly detections, operational insights, and runtime observability metrics directly in their pre-existing Kibana or Grafana instances. This enables them to rapidly identify and address a wide variety of potential issues, from product faults to security risks to future developments, and keep their IoT fleets protected 24/7 and operating with ironclad runtime integrity.

Founded in 2018, Tel Aviv's [Sternum](https://www.sternumiot.com/%E2%80%8E) is the only code-free, device-resident IoT security, observation, and data-harvesting company. The company’s transformational, patented software can be embedded into any IoT device, no matter the underlying code, manufacturer, or year of production, and is running whether the device is connected or not. This self-sustaining, unified platform brings intelligence to otherwise non-communicative edge devices, enabling them to autonomously protect themselves without connectivity and generate real-time data; processing happens in the Sternum cloud platform when available. (Sternum 04.05)

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* 1. OMNIVISION & Valens Offer Automotive OEMs a MIPI A-PHY-Compliant Camera Solution

OMNIVISION, a leading global developer of semiconductor solutions, advanced digital imaging, analog, and touch & display technology, and Valens Semiconductor have partnered to bring to market a MIPI A-PHY-compliant camera solution for the automotive industry. The companies will include Valens Semiconductor's new VA7000 A-PHY-compliant chipsets inside OMNIVISION's Automotive Reference Design System (ARDS) camera modules. The initial camera module will also include the OX08B40 image sensor from OMNIVISION.

The collaboration between Valens Semiconductor and OMNIVISION will pave the way for the development of A-PHY-compliant camera systems, allowing for smaller camera designs, reduced power consumption, lower camera cost, and interoperability with the wider A-PHY ecosystem.

Hod HaSharon's [Valens Semiconductor](https://www.valens.com) pushes the boundaries of connectivity by enabling long-reach, high-speed video and data transmission for the Automotive and Audio-Video industries. Valens' HDBaseT technology is the leading standard in the Audio-Video market with tens of millions of Valens' chipsets integrated into thousands of products in a wide range of applications. Valens' Automotive chipsets are deployed in systems manufactured by leading customers around the world. (Valens 09.05)

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* 1. Priority's New V22.0 Release Introduces New AI-Based Features

Priority Software announced the release of its latest ERP platform version, V22.0, to Priority's customers worldwide. V22.0 offers a new experience through advanced customization and personalization capabilities and enhanced business process automation, delivering a higher fit to organizations and users' unique needs and requirements. V22.0's new customization features introduce a dedicated "System Onboarding Survey," enabling automatic system configuration based on organizational needs, ultimately delivering tailor-made, industry-configured solution suites with intelligent business learning for best practice optimization.

Priority V22.0 also offers new personalization tools to enhance user experience and create a unique workspace according to personal usage and best practice role configuration. Features include AI recommendations to enable personal workflow automation, views, insights, and shortcuts by reoccurring work patterns to streamline tasks and activities. An additional new feature is the automation hub that includes an embedded RPA and allows for intelligent workflows, such as automation of recurring tasks, setting autofill rules, and cross-form macro activities, to deliver higher performance by reducing operational expenses, lessening human errors, and improving employee productivity and satisfaction.

Rosh HaAyin's [Priority](http://www.priority-software.com) is a leading provider of scalable, agile, and open cloud-based business management solutions for various industries and organizations, from global enterprises to small and growing businesses. Recognized by top industry experts and analysts for its product innovation, Priority provides real-time access to business data and insights from any desktop or mobile device, enabling organizations to increase operational efficiency, improve the customer experience, identify new opportunities, and outpace the competition. (Priority Software 09.05)

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* 1. Smartest Container Evaluation Kit to Expedite Smart Container Rollouts

In its continuing promise to help shipping companies towards Contopia, Loginno is introducing a no-strings-attached evaluation kit for smart containers. The kit, available to purchase now through the Loginno.com website, enables shipping companies to experience smart container functionality, opening a dialog about unlocking this new and exciting playground. The evaluation kit will include a flexible number of AGAM container brains, and Loginno's critically acclaimed shipper-ready On-Schedule Monitoring software, allowing shipping companies to bring on their shippers of choice to the evaluation process.

The 10 year lifetime AGAM container brain, designed with both liners and shippers in mind, is currently the most fully-featured smart container conversion device, with unique features like a container-vent retrofit, 6-sided intrusion detection, two-minute permanent installation, and compatibility with future technologies like Loginno's SOLAS VGM on-container weighing.

Shoham's [Loginno](http://www.loginno.com/) is creating Contopia (Container Utopia), the world's Internet-of-Shipping-Containers infrastructure, by partnering with shipping companies to convert entire container fleets to IoT-enabled fleets, mining cargo and voyage data through patented unique technology. (Loginno 09.05)

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* 1. Powermat Launches an Innovative Wireless Power Designed for Small IoT Devices

Powermat Technologies released a new Powermat PMT 100 Wireless Power Solution, which is designed to meet the needs of small medical, lifestyle, and smart home internet of things (IoT) devices. From fitness trackers and medical sensors to industrial sensors that increase operational efficiency, Powermat PMT 100 enables higher performance levels and a seamless charging user experience at a price point that supports scale.

The PMT 100 receiver is designed for small form factor IoT devices for wireless power and charging, supporting battery charging functionality and smart battery interfaces. With no receiver microcontroller and minimal peripheral components, the Powermat PMT 100 supports the design and development of smaller, more discreet portable products and reduces overall wireless power implementation costs by up to 50 percent. Powermat PMT 100 leverages Powermat SmartInductive™ Technology, which is based on magnetic induction but allows for a broader scope of capabilities than traditional magnetic induction solutions found in the market today.

Petah Tikva's [Powermat Technologies](https://powermat.com/) provides advanced Qi-certified and proprietary wireless power solutions for IoT, telecom (5G), automotive, robotics, consumer electronics, medical devices, and industrial applications. Powermat wireless power solutions and IP licensing programs enable global businesses to incorporate advanced wireless power into their products and customize solutions for unique use cases. (Powermat 10.05)

ISRAEL ECONOMIC STATISTICS

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* 1. Israel's Composite State of the Economy Index for March Increased by 0.2%‎

With the end of the fifth morbidity wave (the Omicron wave) and the return of economic activity and of ‎the labor market to their strong levels from before the COVID-19 crisis, Israel's Composite State of the ‎Economy Index for March increased by 0.2%. It seems, thus far, that the war in Ukraine, which ‎led to a marked increase in commodity prices, has not led to a significant impact to real economic ‎activity in Israel.‎

The Index was positively affected by increases in the Industrial Production Index (February), the ‎services revenue index (February), and the import of production inputs (March). The job vacancy rate ‎remains at a record high that reflects the continued desire of employers to expand their operations ‎following the reopening of the economy. In contrast, the import of consumer goods (March) and goods ‎exports (March) declined, which had a negative impact on the Index. ‎

In view of the uniqueness of the crisis and the resulting measurement difficulties, the changes in the ‎Index should not be used as an indicator of the precise intensity of changes in economic activity. (BoI ‎‎01.05) ‎

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* 1. Unemployment in Israel Hits a 50 Year Low

The unemployment rate in Israel fell to 2.9% in the first half of April, from 3.7% in the second half of March, the Central Bureau of Statistics announced. This is a 50 year low. There were 120,000 jobseekers in the first half of April, while there were 150,000 job vacancies. At the same time, the unemployment rate under the broad definition fell to 4.4% in the first half of April from 5.3% in the second half of March. The broad definition includes employees put on unpaid leave at the start of the COVID crisis two years ago and who have still not returned to work. These employees are mainly in the tourist industry.

Participation in the workforce of the working age population in Israel fell to 61% in the first half of April from 61.3% in the second half of March. 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. (CBS 03.05)

IN DEPTH

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* 1. ISRAEL: Beer Sheva Evolves Into an Israeli Tech Powerhouse

Danny Zaken reported on 5 May in [Al-Monitor](https://www.al-monitor.com) that with financial benefits, investment in infrastructure and a vibrant university, Israel's southern city of Beer Sheva‎ is swiftly becoming a hub for both international and local high tech companies.

There has been enormous change in Beer Sheva‎, a southern Israeli city that was once known best for poverty and other socioeconomic problems. Eight years ago, former Prime Minister Benjamin Netanyahu remarked on the "human capital" of the south, saying, "For the first time there’s immigration to the Negev. This is changing its character. Beer Sheva‎ will be the cyber capital of the eastern hemisphere.”

That forecast is now being realized, though the IDF’s cyber intelligence headquarters have not yet moved to the Negev. But the move to Beer Sheva‎ is expected in 2028 and bulldozers started breaking ground in December.

Even without the new bases, Beer Sheva‎ is already powered by IDF veterans and graduates of the Ben-Gurion University of the Negev (which has grown from 5,000 to 20,000 students in the past decade). The secondary school system is strong in tech as well and in 2021, 500 high school students studied technology and cybertechnology, more than any other concentration.

Cybereason and CyberArk, two large companies headquartered in Boston, recently announced the establishment of research and development centers in Beer Sheva‎. The development and activity centers of many cyber companies are being transferred and constructed there to make use of the advantages of the region. They receive quite a bit of government aid in tax benefits and grants to do so. The prices of land and rent are also much lower in Beer Sheva‎, which is only an hour from Tel Aviv by train or car.

The Israel National Cyber Directorate grants tens of millions of shekels a year to companies that move to the region and employ Negev residents. The National Center for Managing Cyber Events of the National Cyber Directorate, which has 80 employees, operates from the high tech park in Beer Sheva‎, from which it manages the cyber defense umbrella for all infrastructure facilities and the entire Israeli market.

Cybereason operates today in more than 50 countries and employs more than 1,500 people around the world. At its new Beer Sheva‎ center, it is expected to employ more than a hundred more people from the region. In the past year, the company has seen accelerated growth and doubled its employees in Israel to more than 500. Reports last February revealed that the company had submitted a confidential forecast ahead of its stock issue in the United States, estimating that its stock will be issued at a worth of $5 billion. The company has raised $750 million from major firms around the world, including the Japanese Softbank and Google’s cloud division, which invested $50 million. There is also Liberty Capital, run by former US Treasury Secretary Steven Mnuchin, who is also a director of Cybereason.

CyberArk announced that it will expand its research and development campus and also add at least 100 workers. Chen Bitan, Cyberark’s general manager and chief product officer, said in an interview that not only does the move have great advantages for the company, but it is a Zionist mission to bring high tech from the center of the country to the periphery.

The Gav-Yam Negev Park is planned to include 200,000 square meters of offices, labs and commercial space. The park was created by the Gav-Yam company in cooperation with the city of Beer Sheva‎, Ben-Gurion University and the American-Japanese KUD company. The park is expected to grow alongside the neighboring new IDF teleprocessing campus now under construction, where 7,000 conscripts and officers in elite technology units will serve. It is expected to include 15 buildings and employ 10,000 high tech workers.

Israeli has long had the reputation of a cyber superpower, starting from the IDF’s cyber units and continuing with the software firm CheckPoint, Nir Zuk’s Palo Alto Networks and companies like SentinelOne and Cybereason. Investment in the field has been flourishing. Several of Israel’s unicorn companies from the last two years are cyber companies including Cheq, Wiz and Pantera.

However, a shortage of human resources in these fields is slowing the growth of Israeli cyber companies. The training provided by the IDF’s cyber units provides the Israeli ecosystem with a constant flow of workers and new entrepreneurs, but this supply is not enough to feed the growth in the field, and Israel is facing a human resources crunch. Right now, there is no government plan to address this problem, nor a stable enough government to create one.

The war in Ukraine has paused the work of about 20,000 Ukrainians who worked remotely for Israeli tech companies. There are efforts to find new workers in Morocco, Georgia, India and elsewhere, but the demand is greater than the supply. The focus on tech education in Beer Sheva‎ is hoped to meet some of this demand and transform poor peripheral cities to flourishing tech centers. (Al-Monitor 05.05)

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* 1. ISRAEL: Fundraising by Israeli Startups Expected to Decline During 2022

[Al-Monitor](https://www.al-monitor.com) reported that According to a report by the Tel Aviv-based Greenfield Partners, during the first quarter of 2022, a total of 132 Israeli startup companies in various stages raised $5.95 billion in funding. The figure marks a slight increase compared to the corresponding period in 2021 ($5.90 billion), but a significant drop compared to the previous quarter ($8.88 billion). The report shows that $2.35 billion through 42 deals was raised during January 2022, $1.27 billion through 38 deals was raised in February and $3.23 billion through 52 deals was raised last month. Most of the deals (69) were valued at less than $25 million while 19 raised more than $100 million each.

During that period, 10 new Israeli companies joined the prestigious club of unicorns (valued at $1 billion or more). They include AI leader BigPanda ($190 million), fintech company Capitolis ($110 million), data warehouse Firebolt ($100 million), cybersecurity company Island ($115 million), cybersecurity company Pentera ($150 million), Placer.ai ($100 million), RapidAPI ($150 million), battery technology startup StoreDot (unknown), gaming startup Tripledot Studios ($116 million) and building tech firm Veev ($400 million).

Israeli tech companies raised a record of $25.4 billion in 2021, according to the Tel Aviv-based Start-Up Nation Central, which has yet to publish statistics for the first quarter of 2022. Estie Rosen, global PR director at Start-Up Nation Central, which promotes Israel's technology ecosystem, told Al-Monitor she is not concerned by the drop during the first quarter. "2022 will not be like 2021 in terms of fundraising, but the Israeli high-tech sector is here to stay," Rosen said, adding she expects "some correction" in the market after the record year.

According to Rosen, the Israeli cybersecurity, fintech and IT enterprises solutions will continue to attract interest from investors. The figures back this notion. During the first three months of 2022, nearly 29%, or $1.7 billion, was raised by cybersecurity startups; 16%, or $942 million, by data/AI/ML startups and 13%, or $754 million, by fintech and insurance tech. Meanwhile, 8.5%, or $506 million, was raised by real estate and contracting firms, while just over 8% was raised by health tech startups.

Guy Preminger, partner and technology leader at PwC Israel, describes the drop in fundraising as "natural" after the peak last year. He thus expects the decline to continue along 2022. While he emphasized that the Israeli high-tech sector is "powerful and successful," Preminger connects the fall in investments to global developments. "Investors are now more cautious due to the global situation with rapid inflation and rising interest rates. [Venture capital firms] are looking to the longer term with some concern due to the expected rising interest rates, and therefore at this stage prefer to slow down," he explained to Al-Monitor.

Ofer Shoshan, venture partner at the investment platform OurCrowd, added another reason for the slowdown: "Since the outset of the current year and especially the Ukraine invasion, we observe a drop in investments. Specifically, startups in the early stages are those facing the most difficulties in raising funds. Startups in the fields of cybersecurity, defense and energy are those which attract most of the interest."

Shoshan emphasized that the decrease in investments should not affect Israeli startups. "During last year, numerous companies boosted their cash reserves and hence will be able to go through the next two to three years even in an inflationary market. Most of these companies are already well-established with a stable stream of revenues and sales."

According to Preminger, the fundamentals of the Israeli high-tech sector ensure its future in the long term. He speaks about three components that place the Israeli high-tech sector on top of the global industry: talent, speed of response and spirit. "You can find talented engineers in other locations around the globe, but you can’t find the special spirit of creativity and innovation created here. The combination of all these three factors will always generate interest among investors," he said. (Al-Monitor 25.04)

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* 1. JORDAN: A Longer and Stronger Deal for Jordan

Ben Fishman posted on 27 April in [The Washington Institute](https://www.washingtoninstitute.org)'s PolicyWatch 3607 that the Hashemite kingdom can only transition from its crisis footing to a period of sustained economic growth if it receives more assistance over the coming period.

The current U.S.-Jordan Memorandum of Understanding (MOU) expires this fiscal year, and negotiations are underway for an updated version. As talks continue, Washington should acknowledge the partnership by continuing to pledge assistance commensurate with the kingdom’s role in managing stability in an ever-dangerous neighborhood. At the same time, the United States should require Jordan to demonstrate a continued commitment to essential reforms.

**Bilateral Assistance by the Numbers**

The United States supports Jordan as a longtime ally in a difficult region - bordering an active war zone in Syria and a permanently unstable Iraq while also serving as a key component in Israel’s security. It is thus in the U.S. interest to maintain stability in the kingdom, which hosts more than 1.3 million Syrian refugees, representing around 15% of the Jordanian population. The dollar cost of U.S. assistance to Jordan is proportionally high, but the benefits include a close partnership on security and political issues.

Signed during the Trump administration, the previous MOU pledged $6.375 billion over five years, or $1.275 billion per year, a notable signal of support amid the administration’s cuts to foreign assistance elsewhere around the world. The FY 2018–22 agreement was the third U.S.-Jordan MOU; the previous ones covered FY 2009–14 and 2015–17. Though not legally binding, these agreements established a solid baseline for underlying support and allowed Jordan to plan the portion of its budget that relies on foreign aid. Each of the past five years, total U.S. assistance to Jordan exceeded $1.5 billion, which was at least $200 million per year higher than the target of the third MOU.

As context, Jordan is the second-largest recipient of U.S. foreign assistance in the Middle East after Israel, having surpassed Egypt in FY 2018 and Iraq in FY 2013. Israel receives around $3 billion annually in military aid. Jordan, as of FY 2021, was the third-largest U.S. aid recipient in the world after Afghanistan and Israel. The recent shift in U.S. policy with respect to Afghanistan and the onset of the Ukraine crisis will shift these rankings in 2022 and 2023.

At the time of the original MOU with Jordan, the United States gave equal amounts for economic and military aid; this balance is now more than four-to-one, as the economic needs of the kingdom have grown while the procurement requirements of the Jordanian Armed Forces remain stable—although desired upgrades to their F-16 fleet would require additional funding. During the same period, total U.S. aid to Jordan has more than doubled, from $776 million in 2012 to $1.65 billion in 2021. Further, the majority of economic aid now goes directly toward supporting Jordan’s budget. The United States provided budget grants totaling $745 million each in 2019 and 2020, $845 million in 2021, and $845 million again in the 2022 appropriations bill passed this March. The original Senate version of the appropriations legislation designated $400 million of the total aid package to incentivize continued economic reforms, but that language was dropped in the omnibus bill.

It is a testament to Jordan’s strong bipartisan support in Congress that the amount of direct budget support is specified in the appropriations language. The United States rarely provides such funds to any country, and nowhere near the level of $845 million. In addition to direct budget and military assistance, Jordan receives other U.S. funding for economic development and governance projects, border security, and smaller-scale security needs.

**Economic Needs**

Jordan historically has relied on foreign support, including economic aid, because it lacks sufficient natural resources, including water and energy—although its solar power production is increasing rapidly. The 2011 Arab Spring uprisings not only required Amman to respond with more social spending, which it could not afford, but also corresponded with a cutoff of subsidized gas from Egypt due to attacks on the pipeline. This forced Jordan to buy more expensive hydrocarbons and inflated the debt of its National Electric Power Company (NEPCO).

Further, the kingdom has hosted more than one million Syrian refugees outside UN-managed camps, a cause of funding strains in healthcare, education, and social services. The refugees competed for jobs as well. All these factors increased pressure on the country’s general budget and were not covered by separate U.S. funding for the UN High Commissioner for Refugees. Jordan’s Gulf allies responded initially by providing funds to support its budget, but political tensions with Saudi Arabia eventually dried up those funds. That led the United States to step in, which partly explains the expansion of the MOUs and direct budget support. Jordan also turned to the IMF for assistance and received three agreements totaling more than $4 billion in loans over the last decade, plus another $400 million in emergency relief for COVID-19 in 2020.

The IMF has guided Jordan’s economic reforms, first focusing on reducing NEPCO’s debt by eliminating costly fuel subsidies—a very unpopular measure. Subsequent moves included increasing and reforming tax collection and reducing Jordan’s traditionally high public sector payroll, which has traditionally contributed to East Banker support for the monarchy. The IMF’s current Extended Fund Facility is intended to help reduce unemployment among youths and women, improve the investment climate to spur private sector growth, and implement electricity tariff reforms for businesses, which will reduce private sector expenses. Increasing U.S. support will reinforce and amplify these reforms.

Still, Jordan remains in a challenging economic position. The official unemployment rate was 23.2% as of Q3/21, with the rate for youths at more than 50% and women’s workforce representation remaining one of the world’s lowest. Like the rest of the region, Jordan recorded negative growth in 2021 due to COVID, which deepened existing unemployment, especially in revenue-generating sectors such as tourism and remittances. The deficit, which continues to balloon, will reach over 110% of GDP this year as a result of extensive borrowing locally and internationally over the last decade.

Jordan’s $15 billion 2022 budget includes $2.18 billion in capital investments that aim to expand growth, of which $477 million is designated for new projects. The investment program, however, is unlikely to boost job creation significantly, given that these investments and programs are split across a variety of sectors and many are focused on expanding services. Amman has enacted some plans to increase employment, such as the World Bank–supported National Employment Program, which intends to create 60,000 private sector jobs and job training for six months, with the remaining six months covered by employers. Further, the government is introducing new legislation to consolidate investment codes, with the aim of improving the business climate.

**A Fourth MOU**

The questions at the heart of a fourth MOU are not just how much aid and for how long, but also whether the assistance should be conditioned on economic or political reforms given the extent of U.S. assistance. (In 2021, the United States provided 84% of all budget grants to Jordan.)

The Biden administration’s proposed FY 2023 budget includes $1.45 billion for Jordan, a figure that reflects how it sees the baseline of the MOU. Yet Congress provided Jordan with $1.65 billion in assistance each of the last two years. Given congressional support and Jordan’s needs, the MOU should target $1.75 billion for each of the next four years. Further, pending a review of needs and progress on reforms, that amount could increase to $2 billion per year for the subsequent three years, for a maximum of $13 billion over seven years, essentially creating an incentive fund of $750 million over FY 2027–2029. Ideally, that level of support would help Jordan transition from its crisis management mode, as Minister of Finance Mohamad al-Ississ describes, to a period of sustained growth and increased government efficiency, with the goal of reducing its need for U.S. foreign aid in the following decade.

As Jordan moves away from the pandemic, returns to positive economic growth, and implements ongoing reforms as part of its IMF program, the United States can consider reducing the portion of its assistance that supports the kingdom’s budget, especially as a new long-term MOU enters its later years. U.S. budget grants currently constitute nearly 10% of all Jordanian revenue.

*Ben Fishman, a senior fellow in The Washington Institute’s Program on Arab Politics, served as director for North Africa and Jordan on the National Security Council in 2012–2013*. (TWI 27.04)

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* 1. GCC: GCC Color Cosmetics Market Report for 2022

The "GCC Color Cosmetics Market Report: By Type, Product, Packaging, Consumer Group, Distribution Channel - Latest Trends, Competition Analysis, and Business Opportunities, 2022-2030" report has been added to [ResearchAndMarkets.com](http://www.ResearchAndMarkets.com‎)'s offering.

GCC color cosmetics market size, which was estimated at $1.277 billion in 2021, is expected to increase to $2,314.5 million by 2030, at a 6.8% CAGR. Among all Gulf Cooperation Council countries, Saudi Arabia witnesses the highest sale of such products due to its large population and rising number of women in the workforce. Additionally, the disposable income in the kingdom rose from $617.85 billion in 2016 to $658.5 billion in 2017.

Similarly, the U.A.E. is a key user of these products because of its position as a major financial and tourist hub of the Middle East. As a result, it enjoys a high culture, which drives people's consciousness on their appearance. This is why personal care companies are pouring heavy sums in marketing their products in the country, often through social media influencers. The U.A.E. has over 1,000 such entities that review and promote cosmetics and other related products on the internet.

In turn, the advancing e-commerce industry is helping drive the GCC color cosmetics market in the post-COVID-19 period. During the lockdowns, there was a major shift from offline purchases to online purchases for almost all types of goods. With people now more aware of the benefits of online shopping than before, such as the flexibility to compare products of different brands and avail of discounts, cosmetic sales through e-commerce platforms are booming.

Hence, major GCC color cosmetics market players, including L'Oreal S.A., Unilever Group, Beiersdorf AG, The Procter & Gamble Company, Shiseido Co. Ltd., The Estee Lauder Companies Inc., LVMH Moet Hennessy-Louis Vuitton SE, Avon Products Inc., Oriflame Holding AG, Coty Inc., Guerlain SA, Revlon Inc., and MAC Cosmetics, are investing in better digital marketing technologies. For instance, Coty Inc. added AR and VR tools to its online marketing ecosystem in September 2021, while in October 2020, L'Oreal Group partnered with Sprinklr, an AI-integrated CXM platform.

However, since chemical-laden cosmetics are harmful to the skin in the long run, the demand for those made from organic ingredients is rising in member countries.

Among all products, those used for facial makeup are the most popular in GCC countries. With both men and women increasingly engaging in social obligations, they are doing more than ever to enhance their facial appearance. Products specifically targeted at women have dominated the GCC color cosmetics market till now. This is because compared to men, women are more conscious of their appearance, especially since many of them have entered the workforce now. For instance, compared to 11.5% in 2010, 16.7% of the employed people in the U.A.E. in 2017 were women, according to the World Bank. Apart from making them appearance-conscious, this is leading to an increment in their spending power, thereby driving cosmetic sales.

Moreover, the increasing usage of Instagram, Facebook, YouTube, Twitter, and Pinterest and rising viewership on personal beauty blogs are giving market players more ways to promote their products. This is also a key reason the sale of cosmetic products in the region is set to increase the fastest through online channels in the coming years. (R&M 05.05)

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* 1. UAE: United Arab Emirates Social Commerce Market Report for 2022

The "United Arab Emirates Social Commerce Market Intelligence and Future Growth Dynamics Databook on Social Commerce Trends - Q1 2022 Update" report has been added to [ResearchAndMarkets.com](http://www.ResearchAndMarkets.com‎)'s offering.

Social commerce industry in United Arab Emirates is expected to grow by 42.1% on annual basis to reach $904.8 million in 2022. The social commerce industry is expected to grow steadily over the forecast period, recording a CAGR of 35.5% during 2022-2028. The social commerce GMV in the country will increase from $904.8 million in 2022 to reach $5,350.0 million by 2028.

The smartphone and internet penetration rates are at an all-time high in the UAE. The country has one of the highest adoption rates globally, with 99% of the total population using one or the other social media platform. This is a clear indication of the increasing amount of time spent by consumers online and their association with various social networking sites. Following this shift in social media consumption and consumer behavior, an increasing number of brands in the UAE are focusing more on online offerings and seamless shopping experiences.

While the popularity of e-commerce platforms is not new in the country, the number of consumers shopping online surged significantly during the global pandemic. Apart from the growth in the traditional e-commerce channels, the country also experienced an increase in the number of consumers who turned to buy products on social networking platforms.

As the social commerce market continues to mature over the next four to eight quarters, brands are seeking new ways to reach their targeted audience, and this also includes social commerce. In the UAE, retailers are adopting unique, out-of-the-box social commerce strategies, including asking consumers to vote for their favorite products, trending TikTok and Reels videos, personalized product options, user-generated content, and in-app shopping. In addition to this, innovative startups, through their strong business models, are also changing the social commerce landscape in the country.

In recent years, the market for pre-owned cars has surged significantly in the UAE. This growing interest in pre-owned cars among consumers has given rise to another trend in the country. According to the Q1/22 Global Social Commerce Market Survey, more than 68% of the consumers in the country prefer to make pre-owned cars related purchases through social media platforms such as Facebook, Instagram and TikTok. This growing trend of purchasing pre-owned cars through social networking sites has supported the growth of the social commerce industry to some extent in the UAE and will continue to boost the market growth from the short to medium-term perspective in the country.

Amid growing demand from retailers to provide their customers with an innovative online shopping experience in the UAE, startups are launching innovative video shopping platforms.

In December 2021, ShopperON launched a video shopping platform in the UAE, which enables individuals to host live streams and stores to create and host their own channels on the platform. Moreover, ShopperON is an interactive marketplace where online shoppers can ask questions, and the host of the live stream can answer the questions with shoppable products showing on the screen. The platform allows the consumers to add the shoppable product to their cart without leaving the live streams. The platform also provides retailers with a real-time dashboard, thereby enabling them to track their sales in real-time. The platform can also be used by influencers to interact with their followers and earn money through commissions in the UAE.

The popularity of social commerce is growing across the GCC region. In the midst of this growing social commerce market, UAE-based social and conversational commerce platforms are looking to expand their presence in the region to gain increasing market share and are consequently raising funding rounds to support their goals.

In September 2021, Zbooni, the UAE-based social and conversational platform, announced that the firm had raised the second tranche of $4.5 million to close its Series A funding round with total funding of $9.5 million. The funding round came from March Holding and Enterprise Fund, among other global investors. Notably, the firm provides businesses with innovative tools to address the increasing prevalence of social and conversational commerce. (R&M 03.05)

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* 1. OMAN: Oman on Cusp of Introducing Personal Income Tax

Sebastian Castelier wrote on 22 April in [Al-Monitor](https://www.al-monitor.com) that income tax is now in the pipeline in Oman, and other nations in the Gulf, one of the world’s largest bastions of tax-free wages, are watching with interest.

After two years of suspense, the Gulf state of Oman could pull the trigger next year. “Income tax is still on track,” a source at the sultanate's National Program for Fiscal Balance told Al-Monitor on condition of anonymity. "We just finished the drafting of the law and we are doing some operational readiness. We expect the personal income tax to go live in 2023 [probably first half], provided that it receives all approvals including the royal decree."

Fitch Ratings and S&P Global Ratings also estimated that Oman will likely introduce a personal income tax on high wage earners in 2023. As yet, the details are scarce. “Oman is more likely to bring personal income tax in the range of 5-9%,” said Anurag Chaturvedi, chief executive of tax consultancy firm Andersen in the United Arab Emirates (UAE). He told Al-Monitor that industrial groups and agencies close to the government expect foreign nationals would be subject to a personal income tax rate between 5-9%, likely on Oman-sourced income above a threshold of $100,000, and Omanis would be subject to 5% tax on their net global income above $1,000,000.

The proceeds will go toward social programs, the National Program for Fiscal Balance source said. Following rare social unrest in May 2021 over high unemployment and resentment among youth towards the country’s political elite, the Omani leadership pledged to strengthen social safety nets to preserve social and political stability.

The situation is “suitable” to start taxing personal income, said Haitham Al-Khoshman, a Jordan-based MENA economist with previous experience in Gulf financial institutions. “It is now an economic boom period for the Gulf region, and most Omani people who live modestly will not oppose taxing high earners,” he told Al-Monitor. Oil prices have reached their highest levels since 2008 recently in response to the Russian invasion of Ukraine, briefly trading above $139 a barrel in March 2022. More than immediate revenue, the primary goal of income tax appears to be laying the groundwork for greater wealth redistribution.

**“Not at the table at all now”**

Oman’s move, if confirmed, would be the first time a Gulf Cooperation Council (GCC) member state introduced personal income tax. The wind of change blowing from the southern end of one of the world’s largest tax-free wage bastions could arouse the interest of other GCC governments to explore new revenue streams, such as value-added tax, to diversify their rent-driven fiscal landscapes.

The finite nature of hydrocarbon resources coupled with volatile oil prices and steady population growth means that “GCC governments cannot indefinitely rely on oil resources to finance their budgets in a sustainable manner,” the International Monetary Fund (IMF) wrote in 2015. Consulting firm Oliver Wyman reported that as of 2019, Saudi Arabia derived only 16% of government revenues from taxes, compared to an average of 90% in OECD countries. “The most likely candidate to follow suit Oman on personal income tax would be Bahrain,” Al-Khoshman believes. Although it resumed making payments into its Future Generations Reserve Fund, the island country has small oil reserves and weak fiscal positions. In 2018, neighboring Saudi Arabia, the UAE and Kuwait gave Bahrain a $10 billion bailout.

Andersen’s Chaturvedi does not foresee GCC countries, except Oman, implementing personal income tax by 2030. In the UAE, an income tax is “not at the table at all now,” Minister of state for foreign trade Thani Al Zeyoudi told Bloomberg in February 2022 following an announcement that the country will start levying a 9% corporate tax in 2023. Although personal income tax could benefit public finances, it might also make Gulf nations a less attractive work destination. In the UAE, Chaturvedi said that the government focuses on attracting global talent by providing long-term residency visas and tax-free income, hence it is unlikely to implement personal tax in the next seven years.

In 2017, Saudi Arabia's Shura Council considered taxing remittances sent by foreign workers to their countries — $41 billion in 2021 — before withdrawing the proposal to avoid a backlash. “Oman may choose to bring personal tax by linking it with permanent residency or other incentives to make it attractive,” Chaturvedi said. In 2021, Oman launched the Investor Residency Programme through which wealthy foreigners can secure long-term residency.

**“People are hit by amnesia”**

S&P Global Ratings expect Oman's personal income tax to be “introduced gradually, with a relatively low tax rate. The government is also planning to introduce offsetting measures.” Omanis interviewed by Al-Monitor said increasing taxation should come with greater political representation. Many also gave priority to the need for reform and anti-corruption initiatives.

Policymakers are reluctant to introduce new taxes as citizens grew accustomed to a tax-free wage — GCC states agreed to implement value-added tax in 2016 but Qatar and Kuwait failed to do so. In 1950, Saudi Arabia attempted to introduce personal income tax on nationals and non-nationals, but the tax law was reformed six months later to exclude citizens and suspended for foreigners in 1975 as oil revenues grew and the Gulf kingdom needed foreign expertise. “The social texture is almost common across the GCC region: the society is used to the welfare state, so in my opinion, we can expect a major shift in the region’s mindset,” the source from Oman’s National Program for Fiscal Balance said, in reference to the personal income tax.

But this has not always been the case. Before the oil era, taxes were an integral part of Gulf societies’ fabric as trade and pearl diving dominated the local economy. “Since time immemorial, taxing was a norm in Gulf coastal towns,” said Bader Al-Saif, assistant professor of history at Kuwait University, including pearling season tax, customs duty, transit tax on goods re-exported, land taxes, tax on renting a shop, etc.

In 1910, prominent pearl merchants left Kuwait for Bahrain after Mubarak Al-Sabah, Kuwait’s ruler at the time, hiked taxes to fund military ambitions. “People are hit by amnesia because since oil discoveries in the 1930s we have seen a halt in taxation if you may,” Al-Saif told Al-Monitor. "The economic structure has been revamped completely and people were numbed as Gulf governments brought in the welfare state system." Contributing financially to the common good is not alien to 21st-century citizens of GCC states, though. The Islamic Zakat is a religious contribution that has to be paid every year to support charitable purposes and poor or needy members of the society.

Al-Saif believes Gulf states’ oil-rent-driven exceptionalism will not last. “We are just like any other society and guess what, taxation has proven valuable as a way to organize the state-society relations worldwide. We tried it in the past, so it is not inventing rocket science.” (Al-Monitor 22.04)

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* 1. EGYPT: Fitch Affirms Egypt at 'B+'; Outlook Stable

On 21 April, [Fitch Ratings](http://www.fitchratings.com/) affirmed Egypt's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'B+' with a Stable Outlook.

**Key Rating Drivers**

**Macro Performance, Reforms and International Support:** Egypt's ratings are supported by its recent record of fiscal and economic reforms, its large economy with robust growth and strong support from bilateral and multilateral partners. The ratings remain constrained by weak external liquidity metrics amid still substantial reliance on non-resident investments in the local bond market, large fiscal deficits, high general government debt/GDP, and domestic and regional security and political risks.

**Reserves Lower on Portfolio Outflows:** Central Bank of Egypt (CBE) reserves dropped by $4.7 billion to $35 billion in March 2022, after portfolio outflows and CBE interventions to smooth exchange-rate volatility. At an estimated 3.7 months of current external payments, reserve coverage is now weaker than the 'B' median. CBE's foreign-currency (FC) assets not in reserves, mostly deposits at local banks, which used to be an important backstop, also declined by $7.6 billion to $1.5 billion.

Foreign holdings of Egyptian pound-denominated government debt dropped to $17.5 billion by mid-March, a decline of $11 billion from end-2021 and $16 from their all-time high in September 2021.

**CBE Liabilities Are Mostly Medium- to Long-Term:** The CBE's net foreign assets remain significantly weaker than gross reserves, declining to a negative $5.1 billion at end-March from $8.6 billion in February, the lowest level since 2016. However, CBE's liabilities are medium- to long-term in nature and have repeatedly been rolled over, and we continue to view gross reserves as the most relevant indicator of Egypt's external liquidity. Aside from GCC deposits, CBE liabilities include a currency swap with the People's Bank of China and repurchase agreements with international banks.

**Bank External Position Also Weaker:** Bank NFA had weakened markedly prior to the Ukraine shock as public-sector banks in effect funded Egypt's current account deficit and maturities, keeping CBE reserves stable. Bank NFA fell to a negative $12 billion in February 2022 (March figures are unavailable), from an asset position of nearly $7 billion in February 2021. Local banks appear to have drawn down on their external assets in part to increase their holdings Egypt's FC bonds, which have increased by more than $9 billion in the financial year to end-June 2022 (FY21/22).

**Swift International Support:** CBE reserve figures for March already reflect a $5 billion deposit from Saudi Arabia in March and a $3 billion deposit from the UAE in February, bringing total GCC deposits to about $20 billion. Abu Dhabi also bought $2 billion in listed local equities from Egypt's government. In addition, Qatar and Saudi Arabia have committed a $5 billion each in a combination of deposits and investments. Egypt is in discussions with the IMF on a new program, which we expect will be funded.

**Prospects for Recovery of Portfolio Flows:** Non-resident portfolio holdings stabilized in the final week of March, and we assume some recovery, to $20 billion by end-FY21/22 and $25 billion by end-FY22/23, helping restore Egypt's gross external buffers. A 14% depreciation of the Egyptian pound against the US dollar in March, a policy rate rise of 100bp on 21 March, GCC support and a new IMF program will support investor confidence, in our view.

**Current Account Pressures Manageable:** We expect the current account deficit to narrow to 4% of GDP in FY21/22 ($18 billion) and 3.5% of GDP in FY22/23 from 4.6% of GDP in FY21. The deficit improved in 2H21 helped by growth in shipping through the Suez Canal, a rebound in travel receipts and a widening hydrocarbon trade surplus. Travel receipts will likely still be higher in FY22 than FY21, despite the loss of tourists from Russia and Ukraine (less than a fifth of receipts). The increase in global food prices and disruptions to wheat imports from Russia and Ukraine will weigh on the trade balance.

**Fiscal Deficits Contained at High Level:** We forecast general government fiscal deficits of 7.4% of GDP in FY21/22 and 7.0% of GDP in FY22/23, from 7.2% of GDP in FY20/21, wider than the 'B' median. These forecasts are conservative and imply further spending to mitigate the effects of inflation and enhance social protection beyond announced initiatives, which the government expects to accommodate within existing spending allocations and contingency reserves. The central government deficit was 7.1% of GDP (annualized) in July 2021-March 2022.

**Solid Economic Growth:** Egypt's recovery continued in 2H21, with real growth of 9.8% y-o-y in Q3/21, driven both by exports and domestic demand. Goods exports have been supported by natural gas as well as agricultural and manufactured goods, in particular textiles, and a rebound in tourism and shipping through the Suez Canal buoyed the services sector. Domestic demand has been supported by a continued loose fiscal policy, including public-sector investment. We forecast 6% growth in FY22 and 4.5% in FY23, although tighter monetary conditions pose significant risks.

**Reforms Continue Despite Challenges:** The government continues to work on boosting tax revenue, but progress is slow. In FY21/22, we expect tax revenue/GDP to fall to 12.8% from 13.2%, with the government falling behind on a previous target to raise the ratio by 2pp between FY20/21 and FY23/24. Amendments to the VAT law passed this year will expand the tax base to include e-commerce activities. A new customs law came into force in October 2021. Previous subsidy reforms have been resilient in the face of higher inflation.

**Debt High, but Falling:** We expect government debt/GDP to fall to about 91% in FY22, from 92% in FY21 and to remain on a slight downward trend, despite the impact of currency devaluation. Egypt has an established record of surpluses in recent years, but weaker growth presents a risk to the debt dynamics, particularly amid higher interest rates. Debt metrics are well above 'B' medians. However, more than half of government external debt is owed to multilateral institutions, with which Egypt has good relations, and the large domestic banking sector is a captive investor in local-currency debt.

**Inflation, Monetary Tightening:** Higher oil and food prices have driven a surge in inflation. Overall consumer prices rose 12% y-o-y in March, driven by food (34% weight, up 20%) and electricity and fuels (4.5% weight, up 11%). CBE's headline urban CPI reached 10.5% in March 2021, above the 9% upper limit of the CBE's target range. We expect price pressures to accelerate further after exchange-rate depreciation in March, lifting overall inflation to 10% in FY22 (July 2021-March 2022: 7.8%) and 12% in FY23.

In our view, the CBE is likely to raise interest rates further to maintain positive real policy rates, tame inflation, and support the Egyptian pound and attractiveness of local-currency assets. We assume a further 300bp in rate rise by FY23/24.

**Political, Social Risks:** The potential for political instability remains a significant tail risk, in our view, given structural problems, including deficiencies in governance and high youth unemployment, particularly in a high inflation environment. Although the headline overall unemployment rate has fallen, this is against the backdrop of a low and falling participation rate. The government has sought to mitigate this through targeted social spending and economic reforms, while the space for political opposition and freedom of expression is restricted, in our view.

**Rating Sensitivities**

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

* External Finances: Renewed signs of external financing strains, including downward pressure on international reserves and rapid outflow of non-resident portfolio investments from Egypt's financial system.
* Public Finances: Failure to resume a path of narrowing the fiscal deficit and reducing government debt/GDP, for example, due to higher interest rates and weaker growth.
* Macro: A prolonged hit to economic growth and/or backsliding on the country's economic reform program, which could result in greater risks to macroeconomic stability and could undermine progress on debt reduction.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

* Public Finances: Sustained progress on fiscal consolidation leading to a further substantial reduction in the gross general government debt/GDP ratio to a level closer to the 'B' median over the medium term.
* External Finances: Reduction in external vulnerabilities, for example, through lower dependence on non-resident portfolio flows, narrowing of the current account deficit, and build-up of international reserves or other liquidity buffers.
* Structural: Significant improvement across structural factors over the medium term, such as governance standards, the business environment and income per capita, to levels closer to 'B' and 'BB' rated sovereigns.

**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%ile 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%ile 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 21.04)

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* 1. EGYPT: Egypt & Russia Discuss Next Steps for Nuclear Power Plant

[Al-Monitor](https://www.al-monitor.com) reported on 28 April that despite of the ongoing war in Ukraine, and the US and Western sanctions on Moscow, Russia sent a delegation to visit the Dabaa nuclear power plant in Egypt on 17 April. The delegation included representatives from the Novosibirsk Chemical Concentrates Plant (NCCP) and TVEL Fuel Company of Rosatom, led by Alexander Lokshin, first deputy director general for nuclear energetics at Rosatom. The Russian delegation, along with Egyptian officials, visited the construction site of the Dabaa power plant project to inspect the bases of the pits of power generation units 1 and 2, the facilities of the construction base and the concrete-mix unit. In 2015, Egypt and Russia signed a contract to build Egypt’s first nuclear power plant in the city of Dabaa in the Marsa Matrouh governorate in the west of the country, with a capacity of 4,800 MW via four reactors.

Amjad al-Wakeel, head of Egypt’s Nuclear Power Plants Authority (NPPA), accompanied the Russian delegation to the plant’s construction site. He said that the implementation of the Dabaa plant project is evolving in coordination with Russian officials to establish the first nuclear power plant for peaceful uses in Egypt. He explained that the "work is underway in accordance with the schedule agreed upon with Rosatom,” adding that the "Egyptian and Russian work teams are able to deliver all specified tasks, maintaining the highest standards of quality and safety.” Lokshin said he expects the nuclear power plant to obtain a construction permit for the first reactor this coming summer after the approval of the Egyptian State Nuclear and Radiological Regulatory Authority.

Officials from the Egyptian Atomic Energy Authority discussed with the visiting Russian delegation the contracts related to the purchase of nuclear fuel and some products made of aluminum alloys and aluminum powder, necessary for the operation of the second Egyptian research reactor in 2030.

These statements come after media reports suggested a delay in the implementation of the Dabaa nuclear power plant in light of the Russian war on Ukraine and ensuing Western sanctions against the Russian government, which is the main financier of the project. The sanctions include disconnecting Russian banks from the international SWIFT network.

Russia’s TASS news agency had said in January that the total cost of construction of the power plant project is $30 billion. The parties also signed an agreement to provide Egypt with a state export loan of $25 billion for the construction of the nuclear power plant, which will cover 85% of the work. Under the agreement, Egypt is to start payments on the loan, which was provided at 3% per annum, in October 2029.”

Former NPPA deputy head Ali Abdel Nabi told Al-Monitor, the "recent Russian delegation’s visit underscores the implementation of the Dabaa project, especially in light of the ongoing war in Ukraine, which some expected to cast a shadow on the project’s implementation schedule. It has become certain now that the Russians and the Egyptians are working together to speed up its implementation regardless of current political circumstances…The project cannot be delayed because every day of delay will cost us $2 million, which is the value we obtain when the implementation is completed and the generated power is exported abroad.”

Abdel Nabi explained that the "containment bases that would enclose the first and second reactors’ units at the plant were dug. The next phase includes pouring concrete into those units after obtaining the permit, which is expected to be issued in mid-2022 after completing the review of the initial safety report, which includes the designs of the plant and reconciliation studies between the Dabaa site and what is commensurate with the Russian nuclear plants.”

Abdel Nabi said, “Moving forward with the construction and the Russian delegation’s visit indicates that the work on the project is in progress according to the set timetable without delay. This visit indicates that the project is as important for Moscow as it is for Cairo, which was confirmed in the last call between President Abdel Fattah al-Sisi and his Russian counterpart, Vladimir Putin. Hence, things are going as planned.”

On 9 March, Sisi and Putin discussed in a phone call the “latest developments related to the strategic partnership between Cairo and Moscow, including the implementation of major nuclear energy joint projects,” the Russian Foreign Ministry said in a tweet.

During a 23 March meeting with a delegation from the Egyptian Association of Graduates of Russian and Soviet Universities, Russian Ambassador to Cairo Georgy Borisenko reassured his listeners that cooperation continues between Cairo and Moscow, stressing Russia's commitment to implementing all the agreements Russia has signed with Egypt.

Ramadan Abul Ela, a petroleum engineering professor and vice president of Alexandria's Pharos University, told Al-Monitor by phone, “The Russian delegation’s visit is a political visit par excellence, because Russia is trying to improve its relationship with the world countries, especially in light of the suffocating European and American blockade. The Russian regime seeks to maintain good economic relations with countries that have not severed relations with Moscow." He explained that “Egypt could benefit now from any additional advantages from Russia in implementing the Dabaa project, especially in light of international pressure on Moscow and the economic blockade.”

Abdel Nabi added, “The sanctions on Moscow will not affect the course of the project because months ago [the Russian side] began manufacturing equipment for the nuclear plant, such as the reactor core catcher for nuclear units. This was announced during the recent visit of the [Egyptian] minister of electricity to Moscow [in July 2021].”

Bloomberg reported on 9 March that the US administration is considering imposing sanctions on Russia’s state-owned atomic energy company, Rosatom Corp, a major supplier of fuel and technology to power plants around the world. No final decision has been made until now.

Tarek Fahmy, a professor of political science at Cairo University, told Al-Monitor, “The visit confirms the direct Russian presence in the project continuation, which reflects the Russian endeavor to coordinate with Egypt politically and strategically and to expand economic coordination in the next period...The Russians are practically saying that they support Egypt in its major project (the Dabaa plant), thus discrediting reports on the delay or disruption of the project due to the war in Ukraine.”

Commenting on the impact of the visit, he said, “The Russian delegation’s visit in Cairo confirms the peer-to-peer Egyptian foreign relations and that Egypt is not biased to one party at the expense of another at this time. It is also a Russian message to the world that its economic cooperation with friendly countries is ongoing. It is also a message to the United States that affirms the Egyptian-Russian partnership.” (Al-Monitor 28.04)

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* 1. EGYPT: Egypt E-Commerce Markets Report for 2022

The "Egypt Social Commerce Market Intelligence and Future Growth Dynamics Databook - 50+ KPIs on Social Commerce Trends by End-Use Sectors, Operational KPIs, Retail Product Dynamics, and Consumer Demographics - Q1 2022 Update" report has been added to [ResearchAndMarkets.com](http://www.ResearchAndMarkets.com‎)'s offering.

The social commerce industry is expected to grow steadily over the forecast period, recording a CAGR of 71.6% during 2022-2028. The social commerce GMV in the country will increase from $1.159 billion in 2022 to reach $21.99 billion by 2028. The widespread popularity of social media platforms, along with the rise in smartphone and internet penetration rate in the country, has propelled the popularity of shopping through social commerce platforms in the country. According to the Q1/22 Global Social Commerce Market Survey, there are nearly 1.3 million social sellers in Egypt, driving the growth of the social commerce market in the country.

By 2024, the social commerce market in Egypt is expected to be worth more than $15 billion. This growth in the social commerce industry has been largely driven by social media platforms such as Facebook, Instagram, and TikTok. Moreover, innovative social commerce startups in the country have also supported the industry growth over the last four to eight quarters through their strong business models, use of artificial intelligence and data science, and leveraging of local connection with consumers.

The growing social commerce industry in the country has also attracted many regional and global private equity and venture capital firms to invest in the high-growth potential market offered by Egypt. As more and more consumers purchase products from social commerce platforms, the publisher expects a strong inflow of investments over the next four to eight quarters in the Egyptian social commerce market. While e-commerce is still the most preferred channel for consumers to make purchases in the country, social commerce is expected to gain rapid momentum over the next four to eight quarters in Egypt.

**Big Technology Players Driving Social Commerce Sales Growth in Egypt**

Several of the big technology and social media platform players, such as Facebook, Instagram, and TikTok, are eyeing a piece of the growing social commerce market globally, including in Egypt. Consequently, all of these players are ramping up their investment to boost social commerce activities through their platforms. This increased investment in the social commerce strategy is driving the growth of the overall market in the country.

With the Egyptian social commerce market expected to record strong growth in the next four to six quarters, the publisher projects these big technology players to further increase their investment in the sector. This will subsequently assist the growth of the overall social commerce industry in the country from the short to medium-term perspective and will also promote further innovation and competition in the Egyptian market.

**Firms are Raising Funds to Accelerate Their Growth and to Expand in Other Regional Markets**

In the midst of Egypt's growing social commerce market and projected growth over the next four to eight quarters, social commerce firms are aggressively raising funding rounds to accelerate their growth further and expand their presence in other regional markets. For instance, in January 2022, Brimore announced that the firm raised $25 million in its Series A funding round, which was led by IFC and Endure Capital. Notably, the firm is planning to use the funding round for expanding its logistics and operational infrastructure, boosting product catalogs, and increasing its sellers and suppliers network. Apart from this, the firm is also planning to use the January 2022 investment to replicate its success in the Egyptian social commerce industry in other African markets from a short to medium-term perspective.

In July 2021, Taager also announced that the firm had raised $6.4 million in a seed funding round, which was led by 4DX Ventures. The funding round also saw participation from other investors, including Raed Ventures, Beco Capital, Breyer Capital, and some individual investors. Similar to Brimore, Taager is also looking to expand its presence in the global market, with an initial focus on regional African markets. Using its data-driven approach, the firm is planning to drive further growth by expanding its services across the region over the next four to eight quarters.

**Cairo Seeks Taxes for Influencers Promoting Products on Social Media Platforms**

In Egypt, influencers who are selling products through social media platforms, such as YouTube, Instagram, and other platforms, are on the radar of tax authorities as the Government looks to magnify its tax revenue in the country.

In September 2021, the Egyptian Tax Authority and Finance Ministry called on influencers and content creators promoting goods and services through their social media pages to register with the authority. Notably, the Tax Authority announced that influencers and content creators earning more than $32,000 annually would be subjected to taxation in the country. The announcement from the Egyptian Tax Authority (ETA) comes in the midst of growing e-commerce and social commerce activities. The ETA also announced that the number of tax evaders has increased in the country. However, individuals from the social commerce sector, which includes influencers and content creators, did welcome the decision from the ETA. (R&M 05.05)

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* 1. MOROCCO & ALGERIA: A Long Rivalry

Ilhem Rachidi posted in [Sada](https://carnegieendowment.org/sada) on 3 May that diplomatic relations between Morocco and Algeria ceased last summer. But this recent break merely sheds a light on a history of tensions and mistrust.

The decision by Algeria to unilaterally sever diplomatic ties with Morocco last summer – days after the Presidency announced in a statement their relations would be reviewed – was all but surprising. The hostility and the long-time rivalry between the two neighboring countries has been long running. Nevertheless, tensions greatly intensified in December 2020 when Morocco normalized its relations with Israel in exchange for U.S. recognition of the kingdom’s sovereignty over the Western Sahara territory, and since that time, Algeria has appeared increasingly isolated diplomatically. This March, the Algerian regime suffered a new defeat when Spain expressed its support for Morocco’s autonomy plan for the Western Sahara.

Verbal attacks have continued, if not increased, in their intensity over the last few months. In July, Moroccan Ambassador to the United Nations Omar Hilale’s open support for the self-determination of the Kabylie region in response to Algerian support of the Polisario Front infuriated Algerian leaders, prompting the recall of Algeria's ambassador to Morocco. Meanwhile, the Pegasus scandal, in which Morocco was accused of hacking the phones of Algerian political and military officials among others – which it denies – was similarly making headlines. Further, Algeria accused Morocco of supporting the Movement for the Self-Determination of Kabylie and the Islamist Rachad movement, both recognized as terrorist organizations by Algeria, and also blamed Morocco for being behind deadly wildfires in Kabylie, without providing any evidence.

Last November, three Algerian truck drivers on their way from Mauritania were killed in a bombing in the Western Sahara. This incident, which was attributed to Morocco by Algeria and which Morocco has not officially responded to, raised fears of a direct military conflict for the first time in decades. Although it remains unlikely, this tragic event has increased tensions in an already volatile region, even more so since the end of the 29 year ceasefire between Morocco and the Polisario in 2020. The land border between Morocco and Algeria has already been closed since 1994 at the behest of the Algerian regime, after Morocco blamed its secret services for a terrorist attack in a hotel in Marrakech carried out by French citizens of North African descent, imposed visas for Algerian nationals, and expelled those who didn't hold residence permits. This latest diplomatic break, then, is not unprecedented, but has simply made the reality on the ground more obvious. So far, its main consequences have simply been the closing of Algerian airspace to Moroccan planes and Algeria’s refusal to renew the contract of the Maghreb-Europe gas pipeline, which supplied gas to Spain via Morocco.

For over four decades, the Western Sahara issue has purportedly been the main reason for the poor relations between the two countries; their positions over the status of the territory are irreconcilable. Morocco considers its sovereignty over Western Sahara as a non-negotiable national cause which drives its foreign policy, whereas Algeria supports the pro-independence Polisario Front. In November 1975, the geopolitical dynamic turned to Morocco’s advantage and the relationship worsened dramatically after the Green March, in which 350,000 unarmed Moroccans marched towards the Spanish colony. The territory was divided between Morocco and Mauritania a few days later under the Madrid Accords, which included neither the Polisario nor Algeria as parties to the agreement. In December, the Algerian regime retaliated by initiating the sudden expulsion of 45,000 Moroccan families based in the country. In March 1976, Algeria recognized the Sahrawi Arab Democratic Republic, leading Morocco to cease diplomatic ties between the two countries. In justifying their rigid stance on the Sahara issue, Algeria’s rulers continue to argue they support the right to self-determination – a principle on which modern Algeria was built but also a convenient argument to antagonize Morocco. They also claim the settlement of the Western Sahara issue should be discussed in international settings, such as through the United Nations, rather than directly with Morocco.

However, the opposition over the Western Sahara issue is actually a fixation point of tense relations between Algeria and Morocco. The real source behind the tensions stems from a struggle for leadership in the region and an unresolved colonial-era land dispute, which led in 1963 to a swift yet still resented war. The diverging political and ideological path of the two newly independent states soon became blatant when in the 1960s, socialist Algeria welcomed Morocco’s leftist opposition figures on its soil, including in its then-renowned university in Algiers. While their people share the same language, culture, and religion, the nature of the two countries’ political systems, their recent histories, and their strategic alliances, especially during the Cold War, have caused them to drift apart.

When they partook in a shared struggle against colonial France and Morocco’s frontier served as a rear base for the Algerian Front de Libération Nationale, their trajectory seemed intertwined. Up until Algeria's independence, the two countries’ elites had close relations and even family ties; there are well-known examples of political figures who had links to both countries at that time. One of Morocco’s most ardent supporters of the monarchy, Abdelkrim El Khatib, had an Algerian father. His cousin Youcef Khatib was a commander of the Armée de Libération Nationale during Algeria's independence war. On the Algerian side, Cherif Belkacem, a member of the Oujda clan – the component of the FLN that had seized power – and a leading political actor under Algerian President Houari Boumediene, was partly Moroccan. Like him, former president Abdelaziz Bouteflika, although of Algerian descent, grew up in Morocco. This is why, in spite of his long career as Algeria's leading diplomat, Bouteflika’s election in 1999 had raised hopes among Morocco’s political elite of better relations between the two countries. Unsurprisingly, no improvement took place during his twenty-year rule. The heads of state haven't held official talks since Mohamed VI and the late Bouteflika met in 2005 at the Arab League Summit in Algiers.

As a result of this distance, today’s political actors now hardly know each other, while the new generation has grown up consuming misconceptions and clichés perpetuated by pro-government media on both sides, which frequently defame the other country’s political figures and focus on each other’s internal crises. Yet, the longstanding political feud generally has not impacted both societies’ perceptions of the other, with people regularly calling for the opening of the border. For example, sports events, during which they often support each other, indicate a genuine sense of brotherhood. Unfortunately, local populations have paid a heavy price, with families split for decades. In order to reach the other side of the border, people have been forced to go to Casablanca and travel to Algiers by plane, or vice versa. While officially closed, the border was nonetheless still able to be permeated by hydrocarbon and merchandise smugglers, until Algerian authorities strengthened control over the last years. More recently, Moroccan agricultural workers, who have long cultivated land across the border, have found themselves in an absurd situation as a result of the closures and protested in March 2021 in Al Arja in the Figuig region in response to their expulsion by Algerian authorities. Many observers fear the current break in relations might impact communities established in both countries and, should the political situation worsen, lead to new deportations.

On several occasions, Morocco has moved towards reconciliation and called for dialogue and the opening of the border, with King Mohammed VI pushing for a new dynamic in his throne speech as tensions rose. On the other hand, Algeria’s rulers, who largely belong to an older generation and are beleaguered with internal political crises, are not demonstrating any willingness or political interest in reconciliation. In any event, in order for the bilateral relations to improve, leaders on both sides will eventually have to agree to sit at the discussion table.

*Ilhem Rachidi is a freelance journalist focusing on protest movements and human rights issues in Morocco and Algeria*. (Sada 03.05)

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