

**The FORTNIGHTLY**

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

**25 May 2022**

**24 Iyar 5782**

**23 Shawwal 1443**

**Written & Edited by Seth J. Vogelman\***

**TABLE OF CONTENTS**

[1. ISRAEL GOVERNMENT ACTIONS & STATEMENTS](#_Toc104314506)

[1.1. Israel Announces Paternity Leave as Part of State Budget](#_Toc104314507)

[1.2. Ecuador’s President Honored With State Dinner on First Israel Trip](#_Toc104314508)

[2. ISRAEL MARKET & BUSINESS NEWS](#_Toc104314509)

[2.1. Bioretec Agreement with AMI Medical Technologies for Activa Products in Israel](#_Toc104314510)

[2.2. Novu Raises $6.6 Million to Build Open Source Notification Infrastructure for Developers](#_Toc104314511)

[2.3. Gogoro to Launch In Israel This Summer](#_Toc104314512)

[2.4. SpearUAV Raises $17 Million in Series B Funding Round](#_Toc104314513)

[2.5. Unit Raises $100 Million at $1.2 Billion Valuation for Banking-as-a-Service Platform](#_Toc104314514)

[2.6. Stratasys Advances to Lead Industrial Polymer Additive Manufacturing](#_Toc104314515)

[2.7. CyberArk Ventures Launches $30 Million Fund to Fuel Cybersecurity Technologies](#_Toc104314516)

[2.8. Sunday Security Raises $4 Million to Protect the World’s Executive Teams](#_Toc104314517)

[2.9. Dig Exits Stealth with $11 Million for First Cloud Data Detection and Response Solution](#_Toc104314518)

[2.10. HUB Security $18 Million Agreement to Provide Computing Hardware Solutions](#_Toc104314519)

[2.11. Masterschool $100 Million Seed Round to Build Network of Career Schools](#_Toc104314520)

[3. REGIONAL PRIVATE SECTOR NEWS](#_Toc104314521)

[3.1. Jordan’s Kitchefy Raises $350,000 in a Pre-Seed Financing Round](#_Toc104314522)

[3.2. Pemo Raises $12 Million in a Seed Round](#_Toc104314523)

[3.3. Saudi Arabia Online Grocery Delivery Market Report 2022](#_Toc104314524)

[3.4. KAUST Spins-in Five International Startups and Brings New Tech to Saudi Arabia](#_Toc104314525)

[3.5. Egypt's Doxx Raises $1.5 Million in Seed Funding](#_Toc104314526)

[3.6. Sylndr Raises $12.6 Million in a Pre-Seed Round](#_Toc104314527)

[4. CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS](#_Toc104314528)

[4.1. Electreon Signs With Electra Afikim – Israel's Fourth Largest Bus Operator](#_Toc104314529)

[4.2. Egypt Invests More Than $1 Billion in Green Projects Ahead of COP27](#_Toc104314530)

[4.3. EBRD Lends Egypt $4.8 Million for Private Sector Energy Transition](#_Toc104314531)

[4.4. EBRD Finances Moroccan Ports Climate Resilience with €40 Million](#_Toc104314532)

[5. ARAB STATE DEVELOPMENTS](#_Toc104314533)

[5.1. Hyperinflation in Lebanon Hovers at 206% in April](#_Toc104314534)

[5.2. Lebanon Jobless Rate Almost Triples Since Crisis](#_Toc104314535)

[5.3. Jordanian Inflation Rises by 2.6% in First Third of 2022](#_Toc104314536)

[►►Arabian Gulf](#_Toc104314537)

[5.4. Abu Dhabi’s Non-Oil Foreign Trade Reached Dhs61.5 Billion in First Quarter](#_Toc104314538)

[5.5. Abu Dhabi’s GDP Grows by 1.9% in 2021 Over 2020](#_Toc104314539)

[5.6. UAE’s ADNOC Announces Three Onshore Oil Discoveries](#_Toc104314540)

[5.7. UAE Tourism Sector’s Performance in First Quarter](#_Toc104314541)

[5.8. Dubai Received 630,000 Health Tourists During 2021](#_Toc104314542)

[5.9. Saudi Arabia Posts a $15 Billion Surplus on Soaring Oil Income](#_Toc104314543)

[►►North Africa](#_Toc104314544)

[5.10. Ukraine Crisis Drives Higher Traffic in Suez Canal, Increasing Revenues](#_Toc104314545)

[5.11. Cairo Lowers Economic Growth Target for Next Fiscal Year](#_Toc104314546)

[5.12. Remittances from Egyptians Abroad Rose by 2% in Third Quarter](#_Toc104314547)

[5.13. Egypt Plans to Privatize State Assets & Boost Private Investment](#_Toc104314548)

[5.14. Egypt's State IPO Program Getting Underway](#_Toc104314549)

[5.15. Egypt's Unemployment Falls to 7.2% in 2022's First Quarter](#_Toc104314550)

[6. TURKISH, CYPRIOT & GREEK DEVELOPMENTS](#_Toc104314551)

[6.1. Cyprus to Export Natural Gas by 2026](#_Toc104314552)

[6.2. Cypriot Cabinet Approves 20% Tax Deduction for Research Expenses](#_Toc104314553)

[7. GENERAL NEWS AND INTEREST](#_Toc104314554)

[\*ISRAEL:](#_Toc104314555)

[7.1. Shavuot Holiday to be Celebrated on Evening of 4 June](#_Toc104314556)

[\*REGIONAL:](#_Toc104314557)

[7.2. Jordan Marks Independence Day on 25 May](#_Toc104314558)

[7.3. Sheikh Khalifa Bin Zayed, UAE President & Abu Dhabi’s Ruler, Passes Away](#_Toc104314559)

[7.4. UAE Choses New Education Minister & Announces Structural Changes](#_Toc104314560)

[7.5. Turkey Ranks as Second Worst Country in Europe for LGBTI+ Rights](#_Toc104314561)

[8. ISRAEL LIFE SCIENCE NEWS](#_Toc104314562)

[8.1. Istem - A New Variety of Cauliflower That’s Good All the Way Through](#_Toc104314563)

[8.2. MediWound Positive Results from Trial of EscharEx for Debridement of Chronic Wounds](#_Toc104314564)

[8.3. Seed-X and Advanta Seeds Announce Partnership to Improve Seed Lot Quality](#_Toc104314565)

[8.4. NeoTX Acquires InterX & Adds World Class Discovery Arm](#_Toc104314566)

[8.5. POCARED Diagnostics Secures €22 Million EIB Backing for its Rapid Testing System](#_Toc104314567)

[8.6. First Export of Israeli Medical Cannabis Seeds to the United States](#_Toc104314568)

[8.7. Can-Fite Granted Key NASH Patent in Israel](#_Toc104314569)

[8.8. GE Healthcare Enters Homecare Segment with Strategic Investment in Pulsenmore](#_Toc104314570)

[8.9. Blommer Chocolate & DouxMatok Expand with New Chocolate Coatings](#_Toc104314571)

[8.10. Imagindairy Closes its Seed Round, Reaching a Total of $28 Million in ‎Investment ‎](#_Toc104314572)

[8.11. VECTOR-HF I Study Confirms Safety and Accuracy of V-LAP In-Heart Sensor](#_Toc104314573)

[8.12. Fairtility Closes $15 Million Series A Funding Round](#_Toc104314574)

[9. ISRAEL PRODUCT & TECHNOLOGY NEWS](#_Toc104314575)

[9.1. Shield Partners with Intelligent Voice to Enhance Voice Surveillance Capabilities](#_Toc104314576)

[9.2. DISH Selects RADCOM to Monitor America's First 5G Smart Network](#_Toc104314577)

[9.3. PlainID Authorization-as-a-Service Platform Powered by Policy-Based Access Control](#_Toc104314578)

[9.4. Emza & Alif Demonstrate Ultra-Efficient Object Detection for Tiny AI Edge Devices](#_Toc104314579)

[9.5. mPrest Announces Strategic Partnership for Wildfire Risk Model Solution](#_Toc104314580)

[9.6. adidas & Delta Galil Introduce Full-Range Underwear Collections for All](#_Toc104314581)

[9.7. MOV.AI & Ouster Equip Autonomous Mobile Robots with Digital Lidar for Warehouses](#_Toc104314582)

[10. ISRAEL ECONOMIC STATISTICS](#_Toc104314583)

[10.1. Israel's Inflation Rate Reaches a 10 Year High as the May CPI Rises by 0.8%](#_Toc104314584)

[10.2. Israel's GDP Debt Ratio Falls Faster Than Expected](#_Toc104314585)

[10.3. Israel is World Leader in Number of High Tech Employees](#_Toc104314586)

[11. IN DEPTH](#_Toc104314587)

[11.1. LEBANON: What Hezbollah’s Parliamentary Loss Means for Lebanon](#_Toc104314588)

[11.2. IRAQ: IMF Staff Concludes Staff Visit to Iraq](#_Toc104314589)

[11.3. UAE: De Facto Becomes De Jure As MBZ Is Named UAE President](#_Toc104314590)

ISRAEL GOVERNMENT ACTIONS & STATEMENTS

[Back to Table of Contents](#TOC)

* 1. Israel Announces Paternity Leave as Part of State Budget

Israel's Finance Minister Lieberman and Transportation Minister Michaeli announced on 11 May the promotion of paternity leave with full pay as part of the upcoming state budget. As part of the outline, paternity leave will be given to fathers starting from the 15th week after birth. The complete procedure will be summarized with the submission of the 2023 state budget for government approval on 16 June. The leave would last for at least two weeks, after the mothers return to work, and it is intended to reduce the wage gap between men and women in the labor market. It is also meant to allow fathers to bond with their children. The outline is expected to start from January 2023 if the state budget is approved.

Israel's current law has the father split the 15 weeks of maternity leave with the mother, forcing families to decide if the mother should return to work early for the father to use his leave. This is an option only about 1% choose. (i24NEWS 11.05)

[Back to Table of Contents](#TOC)

* 1. Ecuador’s President Honored With State Dinner on First Israel Trip

On 11 May, Ecuador’s President Lasso met with Israel’s President Herzog for a state dinner to commemorate Lasso’s historic first visit to the country. Herzog honored the visiting president with a toast and called Lasso’s trip an “important and deeply significant step,” according to a press release on the event. The Israeli president expressed his gratitude to Lasso for Ecuador’s decision to open an innovation office in Jerusalem, and anticipated bilateral relations between the two countries would strengthen.

The Ecuadorian president arrived in Israel with a delegation of 100 people - including 50 specialists who stayed in Israel for two weeks to explore projects which focus on innovation. Lasso explained that his trip signals a new era in ties between Israel and Ecuador. He thanked Pres. Herzog for the reception he received in Israel, and said that all his expectations were met upon visiting the country. (Various 12.05)

ISRAEL MARKET & BUSINESS NEWS

[Back to Table of Contents](#TOC)

* 1. Bioretec Agreement with AMI Medical Technologies for Activa Products in Israel

Helsinki, Finland's Bioretec, a globally operating medical device company and a pioneer in bioresorbable orthopedic implants, has entered into a distribution agreement with AMI Medical Technologies, a leading distributor of medical devices in Israel. Under the 5 year exclusive agreement, AMI Medical Technologies will distribute, promote and sell Bioretec's bioresorbable Activa implants in Israel. Bioretec's Activa portfolio, already sold in about 40 countries, consists of innovative biopolymer implants for pediatric, trauma and sports surgery.

AMI Technologies is a leading distributor of medical devices and innovative technology in Israel. Established in 1986, the company has been working in the medical industry for over 30 years and marketed successfully in its territory innovative, cost-effective products in high growth market segments by investing the resources required to develop new product concepts to ensure a leadership position in the emerging medical technology segment. This excellent market performance is based on the company's clear and focused business strategy, the diversity and uniqueness of its product portfolio, as well as the professional competence and scientific approach shared by its people. (Bioretec 12.05)

[Back to Table of Contents](#TOC)

* 1. Novu Raises $6.6 Million to Build Open Source Notification Infrastructure for Developers

Novu has raised $6.6 million in seed funding led by Crane Venture Partners with participation from Eniac, MXV Capital, Entrée Capital, Ariel Maislos and a variety of individual angel investors. Novu's open source infrastructure removes the time and complexity of building and maintaining these systems and delivers a state-of-the-art notification experience for users.

Novu provides the standards, tools and best practices to implement meaningful product communications while saving engineering teams time otherwise spent on building again and again. Developers can quickly set up robust infrastructure to enable product-to-consumer communication across email, SMS, notification centers, Slack and more while maintaining full visibility of their systems. Because Novu is open source, it provides visibility and extendibility for engineers to create their own custom workflows. Novu customers will benefit from the collective wisdom and collaboration among a worldwide open source community.

Tel Aviv's [Novu](https://www.novu.co/%E2%80%8E) is the only open source notification infrastructure. It's simple to use and can be embedded in any product platform. Its management dashboard allows developers to understand exactly what is happening and enhances communications between enterprises and their customers for a long-term relationship. (Novu 11.05)

[Back to Table of Contents](#TOC)

* 1. Gogoro to Launch In Israel This Summer

Gogoro, a global technology leader in battery swapping ecosystems that enable sustainable mobility solutions for cities, announced it was partnering with industry leaders, Metro Motor and Paz Group in Israel to launch its industry leading battery swapping platform and Smartscooters in the Tel Aviv metropolitan area this summer and other cities in Israel in the future. Metro Motor is a top two-wheel vehicle distributor in Israel and Paz Group is a leading gas and energy company in Israel.

At the heart of Gogoro's ecosystem is the Gogoro Network, an open and interoperable battery swapping platform that was recognized in 2021 by Guidehouse Insights as the leading battery swapping company for lightweight urban vehicles in the world. Gogoro Network is a new generation of swappable battery refueling that is smart, scalable, and continually optimizing itself to be dynamic and versatile for people, communities, and businesses.

Metro Motors is Israel's largest power-sports distributor for motorcycles, ATVs, UTVs, and other leisure vehicles. Founded in 1981, Metro Motors are the authorized suppliers of the world's premier motorcycle brands: San Yang, Yamaha, Kawasaki, Beta and Fantic. The company also retails off-road vehicles, commercial vehicles, and utility vehicles from the likes of Access, Segway, Marshell and 'Afikim', an Israeli manufacturer of Mobility Scooters. Recently, Metro Motors founded the 'Metro ELECTRIC Division' importing urban electric two-wheel scooters, mopeds and motorcycles from the international brands, Gogoro and Zero. (Gogoro 11.05)

[Back to Table of Contents](#TOC)

* 1. SpearUAV Raises $17 Million in Series B Funding Round

On 12 May, Tel Aviv's [SpearUAV](https://spearuav.com/) announced a $17 million investment in a Series B funding round. The company is a developer of an autonomous, AI-based technology for encapsulated SWARM-based UAS (unmanned aircraft system). The funding round was led by UVision Air, which is a market leader in loitering munitions systems. It also included participation from several other investors.

The latest investment comes as the company continues its expansion in the international defense and homeland security (HLS) markets, as well as in providing solutions through unmanned aerial tools for armies and law enforcement agencies across the globe. Spear has developed state-of-the-art drone technology for intelligence-gathering and precision-attack missions. The technology enables immediate launch from a capsule, and it can be adjusted for air, land, and sea missions.

Spear has been operating as a tech company since 2017, with a focus on the development and manufacturing of unmanned air systems for defense and HLS. The company is a single source supplier for various Israeli MOD programs, and it provides AI-based aerial systems to military clients, organizations, and governments throughout the globe. The Spear team consists of a wide-range of individuals with both civilian and military backgrounds. Some of the team members’ areas of expertise include drone development, AI and AR, aerospace, military explosives, and swarm operations. (SpearUAV 12.05)

[Back to Table of Contents](#TOC)

* 1. Unit Raises $100 Million at $1.2 Billion Valuation for Banking-as-a-Service Platform

Unit, which has developed a banking-as-a-service platform that enables companies to embed financial services in their products, has raised $100 million in a Series C round led by global software investor Insight Partners, with participation from existing investors including Accel, Better Tomorrow Ventures, Aleph, Flourish Ventures, and TLV Partners. New investors Moving Capital and Stepstone also joined the round. The latest infusion of capital brings total funding raised by Unit to $169.6 million with a valuation of $1.2 billion, establishing the company as the first banking-as-service platform to reach unicorn status. Unit’s revenue is still not high and is set to reach $10 million annually in the coming months.

[Unit](https://www.unit.co/) was founded at the end of 2019. Unit helps accelerate time to market and enables companies to launch bank accounts, cards, payment, and lending products in weeks. The company will be launching business credit cards in the next three months with additional lending products including cash advance, invoice factoring, and early wage access to follow.

Unit plans to use the funding to double its workforce, and in particular, expand its R&D center in Israel. Unit has on-boarded more than 140 customers including AngelList, HoneyBook, Veryable, Roofstock, Hearth, and Benepass. Over the last six months alone, Unit has seen transaction volume grow 7x, crossing an annualized transaction volume of $2.6 billion, issued over 430,000 cards to over 330,000 end-customers, and saw a 10x increase in deposit volumes. (CTech 19.05)

[Back to Table of Contents](#TOC)

* 1. Stratasys Advances to Lead Industrial Polymer Additive Manufacturing

Stratasys announced that its subsidiary MakerBot has entered into a definitive business combination agreement with NPM Capital-backed Ultimaker to form a new entity. The new combined company is intended to offer a comprehensive solution set of hardware, software and materials, creating a leading force in Desktop 3D printing. Under the terms of the agreement, NPM Capital plans to contribute Ultimaker’s assets, invest $15.4 million, and own 54.4% of the combined company, while Stratasys will contribute MakerBot’s assets, invest $47 million, and own 45.6% of the combined company (all subject to adjustments in the definitive documentation). The combined $62.4 million of committed financial backing is intended to fuel ecosystem innovation and expand customer reach and applications. The entity is expected to maintain its headquarters in both The Netherlands and New York City.

Rehovot's [Stratasys](https://www.stratasys.com/en/), the innovation leader in 3-Dimensional printing, provides 3-D printing systems that enable manufacturers and industrial designers to reduce cost of product development and dramatically shorten time-to-market of new products. (Stratasys 12.05)

[Back to Table of Contents](#TOC)

* 1. CyberArk Ventures Launches $30 Million Fund to Fuel Cybersecurity Technologies

CyberArk announced the launch of [CyberArk Ventures](https://www.cyberark.com/cyberark-ventures) – a $30 million global investment fund designed to empower the next generation of disruptors solving complex security challenges with innovative technology. CyberArk has initially aligned with four venture capital investors: Venrock, YL Ventures, Team8 Capital and Merlin Ventures. CyberArk Ventures also announced that it has completed initial investments in three cybersecurity start-ups:

In addition to funding, CyberArk Ventures provides portfolio companies with go-to-market support, access to CyberArk technology and CyberArk Labs research, engagement with CyberArk leadership, and networking opportunities with prospective partners and customers. CyberArk Ventures also offers nascent companies guidance and feedback to improve their product design in hopes of making the product enterprise-ready, while introducing them to valuable channel and design partners.

Petah Tikva's [CyberArk](https://www.cyberark.com/cyberark-ventures) is the global leader in Identity Security. Centered on privileged access management, CyberArk provides the most comprehensive security offering for any identity – human or machine – across business applications, distributed workforces, hybrid cloud workloads and throughout the DevOps lifecycle. (CyberArk 12.05)

[Back to Table of Contents](#TOC)

* 1. Sunday Security Raises $4 Million to Protect the World’s Executive Teams

Sunday Security has raised $4 million in seed funding to elevate cyber-risk protection for senior executives and key personnel across the entire spectrum of their online digital identities and interactions. The round was led by MoreVC, with participation from renowned security executives and serial entrepreneurs, and many more industry leaders.

With giants such as CrowdStrike, Palo Alto Networks (PANW) and Check Point, in place, enterprise cybersecurity presents formidable barriers to cyber threats. Attackers are forced to shift the bullseye not just to what can be hacked, but who can be hacked — individuals, primarily those at the top, who offer key access to the organization and its data. Yet, the security of these key stakeholders and the assets they control rests largely on the integrity of personal accounts and devices that can fall to cyber attackers in just a few wrong moves.

Tel Aviv's [Sunday Security](http://www.sundaysecurity.com) is the leader of a new category in cybersecurity – Personal Cybersecurity. Personal Cybersecurity defends key personnel from attacks on their personal security: from their online accounts to their devices, identity fraud and beyond. As executives are increasingly targeted by hackers as a means of penetrating the enterprise, Sunday’s Personal Cybersecurity stands to protect everything private and personal in digital worlds. (Sunday Security 11.05)

[Back to Table of Contents](#TOC)

* 1. Dig Exits Stealth with $11 Million for First Cloud Data Detection and Response Solution

Tel Aviv's [Dig](https://www.dig.security/) emerged from stealth, announcing $11 million in seed funding for the first cloud Data Detection and Response (DDR) solution. The seed round was led by Team8, with cybersecurity firms CrowdStrike, through their Falcon Fund, and CyberArk joining as strategic investors alongside Merlin Ventures. Moving beyond posture solutions, Dig Security helps organizations discover, monitor, detect, protect and govern their cloud data in real time through a single unified policy engine.

Dig gives organizations complete control over their cloud data, providing real-time Data Detection and Response (DDR). Using one of the industry's most comprehensive threat models for cloud data attacks, Dig detects, analyzes and responds instantly to threats to cloud data, triggering alerts on suspicious or anomalous activity, stopping attacks, exfiltration and employee data misuse. The solution discovers all data assets across public clouds and brings context to how they are used. It also tracks whether each data source supports compliance like SOC2 and HIPAA. (Dig 19.05)

[Back to Table of Contents](#TOC)

* 1. HUB Security $18 Million Agreement to Provide Computing Hardware Solutions

HUB Cyber Security (Israel) Limited has signed a long-term framework agreement with a leading European corporation to provide Confidential Compute hardware solutions expected to reach $18 million in hardware and recurring services, including approximately $3.6 million that are expected in revenues already in 2022.

 Hub Security's cyber platform is designed and manufactured in Israel and provides military-grade security for organizations. The company specializes in protecting sensitive commercial information of companies and has developed an advanced encrypted computing solution aimed at preventing hostile intrusions in organizations. In addition to cyber security solutions for AI, data, fintech and edge computing, HUB Security offers professional services including integration, pen-tests., red-teams services, DDoS attacks simulations and more.

Tel Aviv's [HUB Cyber Security](https://hubsecurity.io/) was established in 2017 by veterans of the 8200 and 81 elite intelligence units of the Israeli Defense Forces. The company specializes in unique Cyber Security solutions protecting sensitive commercial and government information. The company debuted an advanced encrypted computing solution aimed at preventing hostile intrusions at the hardware level while introducing a novel set of data theft prevention solutions. (HUB Security 22.05)

[Back to Table of Contents](#TOC)

* 1. Masterschool $100 Million Seed Round to Build Network of Career Schools

Tel Aviv's [Masterschool](https://www.masterschool.com/), a network of tech career-training schools, announced a $100 million seed funding round led by Group 11, with significant participation from Target Global, Pitango Ventures, Dynamic Loop Capital, Sir Ronald Cohen and other strategic investors.

With 1 million unfilled IT jobs in the US alone, the tech talent shortage is one of the biggest challenges facing companies today and is expected to reach 85 million unfilled jobs worldwide by the end of the decade. 57% of tech executives listed the labor shortage as their top concern. To address this shortage, Masterschool created a network of career-training schools for technology, with students paying for the courses only after they are hired in the field. Through the Masterschool network, tech creators and industry experts launch schools, teaching and mentoring promising students with a curriculum that prepares them for careers in the most in-demand fields. Since it was founded in 2019, graduates from dozens of Masterschool schools have been hired by some of the largest tech companies, including Google, Microsoft, and Intel, more than doubling their previous salaries on average.

Masterschool's data-driven approach helps ensure success for their students at each stage of the process, culminating in a job placement. The company also continuously analyzes technology and market trends, adjusting to course curricula and materials to meet the market and each student's needs. Applicants must successfully pass an admission process that includes tests and assessments to select the most ambitious and motivated candidates. Researchers from Masterschool collaborate with researchers at leading institutions such as the European University Institute and MIT Sloan School of Management to continually review and improve the admission process to minimize bias and ensure diversity. (Masterschool 19.05)

REGIONAL PRIVATE SECTOR NEWS

[Back to Table of Contents](#TOC)

* 1. Jordan’s Kitchefy Raises $350,000 in a Pre-Seed Financing Round

Amman's [Kitchefy](https://www.kitchefy.com/), a cloud kitchen, has raised a $350,000 pre-seed financing round, led by the Oasis 500 fund, the Beyond Capital Fund, MyStartUp Incubator Injaz and a group of individual investors. Founded in 2021 by Abdullah Absi, Ahmad Akel and Marwan Abu Sakha, Kitchefy transforms commercial kitchens into cloud kitchens to help restaurants reach new customers, explore new markets and locations and enable them to make the most out of their existing resources.

Kitchefy offers an innovative solution that transforms commercial kitchens into cloud kitchens. By doing so, the company creates high-demand food brands and injects them into the underutilized commercial kitchens of over-capacity in hotels, cafes, restaurants and other hospitality venues, to help restaurants reach new customers, explore new markets and locations and enable them to make the most out of their existing resources.

The co-founders of Kitchefy spotted an opportunity to revolutionize the food delivery industry, as the demand for services grew at a time when restaurants and cafes were closing down. Current statistics suggest that 38% of food orders are done through delivery. This figure is expected to increase to over 60% by 2026. The company will utilize the recent investment to develop and expand its operations, and open four new food brands with new concepts. Kitchefy also seeks to expand locally as well as regionally, starting with the Saudi market. (Kitchefy 20.05)

[Back to Table of Contents](#TOC)

* 1. Pemo Raises $12 Million in a Seed Round

Dubai's [Pemo](https://www.pemo.io/) raised $12 million in a seed financing round co-led by Cherry Ventures and Shorooq Partners, with participation from FinTech Collective, Speedinvest, BY Venture Partners, Antler and prominent business angels. Pemo has also announced the launch of its all-in-one spend management platform. The startup offers fast, transparent, and simplified invoice payment and expense management solutions, as well as smart corporate cards, for small and medium-sized enterprises (SMEs) in the region.

The Pemo platform is tailored to the requirements of SMEs in emerging markets and has begun onboarding its first batch of UAE-based companies. Currently available features include digitized invoices, automated approval flows, one-click invoice payments and real-time cash flow monitoring. Users can soon avail physical and virtual prepaid cards that can be topped up and distributed to employees. Through integration into the Pemo app, the prepaid card will automatically categorize employee expenses, capture receipts for each transaction, and offer business owners and management teams full visibility on corporate spending.

The new funds will be used to drive further product development and expansion across MENAP. Pemo is looking to establish operations in Saudi Arabia and later extend its geographical footprint into Egypt and Pakistan. (Pemo 18.05)

[Back to Table of Contents](#TOC)

* 1. Saudi Arabia Online Grocery Delivery Market Report 2022

The "Saudi Arabia Online Grocery Delivery Market, By Product Category, By Platform, By Mode of Payment, By Region, Competition, Forecast & Opportunities, 2027" report has been added to [ResearchAndMarkets.com](http://www.ResearchAndMarkets.com‎)'s offering.

Saudi Arabia online grocery delivery market is anticipated to grow at a formidable rate during the forecast period with growth attributed to the entry of new online grocery platforms and a shift in consumer purchasing behavior. The online grocery segment is projected to outpace the rest of the e-retail sectors in Saudi Arabia over the next years as customers are increasingly turning to online grocery channels and 80% of shoppers continue to make repeated grocery purchases.

The quick commerce players are disrupting the Saudi Arabia online grocery market, generating high order volumes as they have offered a wide variety of products at competitive prices and improved customer shopping experience by way of delivery experience. The growing availability of various high-quality products on the online platforms where consumers can even compare quantity, prices, and quality of offered items are driving the growth of Saudi Arabia online grocery market. Moreover, easier user interface applications, round-the-clock services, and exciting offers by the online grocery channels are further supporting the growth of Saudi Arabia online grocery market.

Based on product category, the market is further segmented into fresh foods, household products, packaged foods & beverages, personal care, and others. Packaged foods & beverages segment is expected to hold the largest market share in Saudi Arabia online grocery market, accounting for the increasing working population in the country.

Due to busy lifestyles, people are relying on online grocery platforms to fulfill their grocery requirements. The fresh food segment is expected to hold a significant share in Saudi Arabia's online grocery market due to the increased availability of fresh meat, fruits, vegetables, etc., to consumers on account of multiple market players entering into delivering fresh produce.

Nana Direct, Quix, Khodar & More, Lulu Hypermarket KSA, Noon, Talabat, Haseel, Shgardi, Jumlaty, Qava Shop, Freshvery, Mandarine, Suqiakum, ZAD, Qareeb Technology FZ-LLC are some of the major market players in the Saudi Arabia online grocery market. The key players are focused on enhancing their value proposition of quick delivery and convenience to achieve a significant share in the Saudi Arabia online grocery delivery market. (R&M 18.05)

[Back to Table of Contents](#TOC)

* 1. KAUST Spins-in Five International Startups and Brings New Tech to Saudi Arabia

King Abdullah University of Science and Technology (KAUST) has recently wrapped up 'Destination Deep Tech,' a Saudi-first program that spins in leading-edge global startups to the Kingdom to develop deep tech innovations. The international startups - CeEntek, Hopu, Insignes-Labs, Pasqal and Proteinea - were chosen to experience the three-month program as a result of their highly advanced technology expansion into the MENA region.

Pasqal, from France, is a leading European Quantum Computing startup that provides a full-stack solution from hardware to applications. Their goal is to bring the quantum advantage faster to end-users. Insignes-Labs, from Poland, develops antimicrobial additives to protect a wide range of materials from microorganisms such as bacteria, algae, fungi and molds. Proteinia, from Egypt, is a platform technology that harnesses the power of AI, deep learning models and biological automation for protein design and production. CeEntek, from Singapore, delivers Ultra-High Performance Concrete for increased sustainability and efficiency of construction projects. Hopu, from Spain, provides AI-based IoT devices and sensors for Industry 4.0 and Smart Cities, covering air quality monitoring, noise, energy metering and more.

The Next Web (TNW) is the team behind Destination Deep Tech. It helps corporations and governments to innovate together with the startup ecosystem and ensured that top talent was recruited for the program. (KAUST 16.05)

[Back to Table of Contents](#TOC)

* 1. Egypt's Doxx Raises $1.5 Million in Seed Funding

Cairo's [Doxx](https://doxx.care/about-us/) raised $ 1.5 million in a seed round led by international VC outfit Openner, with participation from Egypt’s Elevate Private Equity. The funds will help develop Doxx’s digital platform, which connects patients to various healthcare providers including labs, pharmacies and ins. companies.

Founded in 2021, Doxx’s integrated healthcare platform allows patients to easily access and share their medical records across different providers, book at-home, online, and in-clinic services from doctors and nurses, and order tests and meds. Doxx currently has 2,600 doctors, 18 polyclinics, 52 pharmacies, 26 medical labs and 10 diagnostic centers on its app. It plans to expand its meds delivery services over the next few months to cover several governorates outside Greater Cairo. (Doxx 19.05)

[Back to Table of Contents](#TOC)

* 1. Sylndr Raises $12.6 Million in a Pre-Seed Round

Cairo's [Sylndr](http://www.sylndr.com/) is an automotive focused e-commerce marketplace aiming to bring innovation to the used-cars market, where customers can reliably and transparently sell and buy used cars. It has raised $12.6 million in its pre-seed round, led by RAED Ventures, with participation from Algebra Ventures, Nuwa Capital, 1984 Ventures, Global Founders Capital and a number of prominent regional and global angel investors.

Sylndr wants to build trust in the used-car market by becoming the go-to place for customers seeking to sell and buy their cars. The proceeds from the round will help build Sylndr’s operational and technological infrastructure, brand awareness and expand its team. The competence of the team, coupled with the massive business potential inside Egypt and beyond, forge a solid path to success. (Sylndr 23.05)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Electreon Signs With Electra Afikim – Israel's Fourth Largest Bus Operator

Electreon signed an agreement of cooperation with the public transportation company Electra Afikim. As part of the agreement, Electreon will provide Electra Afikim with wireless charging infrastructure that will enable simultaneous charging of 30 buses, 24 hours a day. The deal is a result of a call for proposals issued by Israel’s National Public Transportation Authority in the Ministry of Transportation to public transport operators, to procure and establish infrastructure to electrify buses. The ministry was a partner in arranging the parking lot for electric charging with the Rosh HaAyin municipality, and invested about $2.9 million in the project.

As part of the agreement Electreon will provide maintenance, support and operation services for the next 12 years. The cost of the deal is $1.9 million; it will cover the fleet's activity, and includes 30 buses. In addition, Electra Afikim will bear the cost of the electricity. Electra Afikim is the fourth largest bus operator in Israel with roughly 1,400 buses. The support of the Ministry of Transportation is important especially since the ministry is the entity that finances the public transportation activity in Israel, and the entity that approved the use of Electreon’s wireless charging. The approval given will allow Israeli public transportation operators to duplicate the project and quickly promote green transportation in Israel.

Beit Yannai's [Electreon](http://www.electreon.com) is the leading provider of wireless charging solutions for electric vehicles (EVs), providing end-to-end charging infrastructure and services to meet the needs and efficiency demands of shared, public and commercial fleet operators and consumers. The company’s proprietary inductive technology dynamically (while in motion) and statically (while stopped) charges EVs quickly and safely, eliminating range anxiety, lowering total costs of EV ownership, and reducing battery capacity needs—making it one of the most environmentally sustainable, scalable, and compelling charging solutions available today. Electreon works with cities and fleet operators on a charging as a service (CaaS) platform that enables cost-effective electrification of public, commercial, and autonomous fleets for smooth and continuous operation. (Electreon 16.05)

[Back to Table of Contents](#TOC)

* 1. Egypt Invests More Than $1 Billion in Green Projects Ahead of COP27

Egyptian Petroleum Minister el-Molla has recently announced that plans are underway to implement three green petrochemical projects with a total value of $1.2 billion. The three projects include a $600 million biofuel production plant with a production capacity of 350,000 tons of biofuels from algae oil per year, expected to cut CO2 emissions by up to 1.2 million tons annually. The second project consists of a biodegradable plastic factory with a production capacity of 75,000 tons, with investments amounting to $600 million and an annual reduction of 45,000 tons of CO2 emissions. The third project is a $50 million recycling project that would see used plastic converted into 30,000 tons of oil annually to make polyethylene, which will cut CO2 emissions by 63,000 tons annually.

Egypt is currently intensifying its efforts in the energy sector as it gears up for hosting the Conference of Parties to the United Nations Framework Convention on Climate Change (COP 27), to be held in Sharm el-Sheikh in November this year. Molla indicated that the petroleum sector in Egypt has developed policies and strategies to expand green energy projects and leverage the latest CO2 emissions reduction technologies ahead of the conference. He said that the sector, in cooperation with its foreign partners, has implemented 13 projects to exploit flare gas in petroleum facilities as an alternative to diesel in 10 companies affiliated with the sector. (Al-Monitor 17.05)

[Back to Table of Contents](#TOC)

* 1. EBRD Lends Egypt $4.8 Million for Private Sector Energy Transition

The European Bank for Reconstruction and Development (EBRD) is again supporting sustainable development in Egypt. The financial institution is providing a $4.8 million loan to Intro Sustainable Resources (Intro-SR) and Intro Solar. According to the EBRD, the funding will enable Intro-SR to finance its participation in a portfolio of energy efficiency, waste-to-energy, waste management and solar photovoltaic projects. This portfolio includes one of the first private-to-private power generation projects in Egypt aimed at promoting resource efficiency. Cairo-based Intro Solar develops, builds and operates solar photovoltaic power plants.

The EBRD is supporting both companies as part of its commitment to Egypt. The London-based bank has increased its investments in Egypt tenfold in recent years. The bank’s main focus is on renewable energy. Recently, the EBRD participated in the refinancing of six solar power plants of Scatec and Africa50 in the Benban complex. This was in the context of a green bond whose issuance was also subscribed by the American Development Finance Corporation (DFC), the Dutch Development Finance Corporation (FMO), the German Investment Corporation (DEG) and other private institutional investors. (Afrik21 16.05)

[Back to Table of Contents](#TOC)

* 1. EBRD Finances Moroccan Ports Climate Resilience with €40 Million

The European Bank for Reconstruction and Development (EBRD) is signing a €40 million loan agreement with Morocco's National Ports Agency (ANP) to facilitate climate resilience in the local port sector. Of this funding, €15 million represents a committed loan and €25 million in uncommitted capital. The loan will be complemented by a $5.7 million investment grant from the Global Environment Facility (GEF). With the EBRD loan, the ANP intends to set up a working group, including the main stakeholders of the Moroccan port sector, to facilitate informed and climate-sensitive decision-making, as well as better environmental management and standards of the agency.

To support the implementation of these climate resilience initiatives in the management of Moroccan ports, the EBRD will back its loan with a comprehensive technical capacity package, financed to the tune of $1 million, as well as an additional $500,000 in GEF funding. In addition, the EBRD promises additional technical assistance to support effective project implementation and monitoring, as well as improved financial reporting standards for the PNA.

These various arrangements should enable the implementation of the Moroccan government’s climate change resilience initiatives in the ports of this North African country. In addition to the transfer of skills and the strengthening of the technical capacities of port operators, the ANP plans to improve infrastructures in order to strengthen their resilience to climate change. The agency does not exclude investment in the construction of new climate resilient ports. As part of this approach, an assessment, adaptation and replacement process will be followed to prioritize infrastructure rehabilitation initiatives. (Afrik21 19.05)

ARAB STATE DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Hyperinflation in Lebanon Hovers at 206% in April

Hyperinflation in Lebanon continued to rise higher in April as the country emerges from parliamentary elections. The future government will need to put institute various reforms approved by the outgoing Cabinet, in order to secure $3 billion from the IMF that seek resuscitate its economy.

Inflation in the country, which faces its worst economic crisis since its independence in 1943, reached 206% last month, compared to the same period a year earlier. This is the 22nd consecutive triple-digit increase of the Central Administration of Statistics' Consumer Price Index since July 2020.

Transportation costs increased 492% in April 2022, compared to the same month last year, followed by the health segment, which surged 431%. Water, electricity, gas and other fuels soared 409%, while food and non-alcoholic beverages rose 375%. Though elevated, inflation is far from the peak of 741% reached at the end of 1987 during the country's 1975-1990 civil war.

Lebanon's economy collapsed after it defaulted on about $31 billion of Eurobonds in March 2020, with its currency sinking more than 90% against the dollar on the black market.

Lebanon, already suffering from years of financial crisis, has faced new problems since Russia invaded Ukraine in February. Lebanon normally buys 96% of its wheat from Russia and Ukraine. The war between two of the world's biggest wheat exporters has sparked fears of a food crisis in many Middle Eastern countries. Lebanese importers are struggling to get dollars from a subsidy program to buy wheat from new suppliers.

As countries try to secure new sources of wheat, cash-strapped Lebanon's small market of 6 million people could go without. Lebanon lacks grain storage after silos were destroyed in the 2020 Beirut Port blast. The country needs 50,000 tonnes of wheat to feed its people for a month. Subsidies keep the price of bread in Lebanon artificially low, but a loaf now costs on average 10,000 Lebanese pounds, or $0.45, more than six times the price in 2019. Millers estimate that without subsidies, prices could more than double. The pundits' fear that could cause social unrest in a country where three quarters of the population now live in poverty.

Inflation has since surged while public debt, already a major overhang, continued to rise and reached $100bn, or about 212% of gross domestic product, in 2021. That ranks Lebanon as the country with the fourth highest debt-to-GDP ratio in the world, surpassed only by Japan, Sudan and Greece, according to the World Bank. The country's economy contracted about 58% between 2019 and 2021, with the GDP plummeting to $21.8 billion in 2021 from about $52 billion in 2019, according to the World Bank. That is the largest contraction on a list of 193 countries. (Various 24.05)

[Back to Table of Contents](#TOC)

* 1. Lebanon Jobless Rate Almost Triples Since Crisis

The official unemployment rate in crisis-hit Lebanon jumped almost three-fold to reach 29.6% at the start of the year, a joint survey by the UN and the government said. Lebanon's unemployment rate increased from 11.4% in 2018-2019 to 29.6% in January 2022, indicating that almost one third of the active labor force was unemployed in January 2022.

After years of corrupt practices and financial mismanagement, Lebanon's economy collapsed two years ago, stripping the national currency of 95% of its value and sending poverty rates soaring. The rare survey released by Lebanon's Central Administration of Statistics and the International Labor Organization, a UN agency, said the informal economy accounted for around 60% of employment. It said one of the most alarming findings was the huge growth in “underutilized labor” from 16.2% in 2018-2019 to 50.1% in January 2022, referring to people available to work more hours than they do.

In its initial rescue deal reached with the government last month, the IMF urged Lebanon to reform its bloated public sector, which employs around a quarter of the working population. (AFP 13.05)

[Back to Table of Contents](#TOC)

* 1. Jordanian Inflation Rises by 2.6% in First Third of 2022

Jordan's Consumer Price Index (CPI) inched up 2.62% in the first 4 months of 2022 to 104.58 points against 101.91 points in the same period of last year, according to official figures. In a monthly report released Tuesday, the Department of Statistics (DoS) said inflation edged up by 1.2% in April, reaching 105.99 points compared with 104.73 points in March 104.73 points. (Petra 17.05)

►►Arabian Gulf

[Back to Table of Contents](#TOC)

* 1. Abu Dhabi’s Non-Oil Foreign Trade Reached Dhs61.5 Billion in First Quarter

The total value of Abu Dhabi’s non-oil foreign trade in the first quarter of 2022 amounted to Dhs61.522 billion, a 15% increase compared to Q1/21. Exports recorded a growth of 35% year-on-year and were valued at Dhs24.449 billion, while imports recorded an increase of 5% and were reported at Dhs25.374 billion. Re-exports meanwhile were valued at Dhs11.698 billion, a 4% increase compared to Dhs11.237 billion last year.

The value of trade-in commodities from ordinary metals and their products exceeded Dhs12.83 billion, a rise of 27%, compared to Dhs9.491 billion in the Q1/21, while the trade in pearls, precious stones, precious metals, and their products, recorded a growth of 78% during over the same period. The trade of wood and its products, cork, mats and baskets grew by 47%, while the trade of leather goods, animal kits and travel supplies grew 43%. Saudi Arabia accounted for the largest share of total trade of 23%, valued at Dhs13.921 billion, followed by Switzerland at 8%, the US at 7%, China with 5% and India with 5%. (WAM 12.05)

[Back to Table of Contents](#TOC)

* 1. Abu Dhabi’s GDP Grows by 1.9% in 2021 Over 2020

Overall, Abu Dhabi’s GDP at constant prices grew 1.9% in 2021 compared with 2020, while its non-oil GDP at constant prices grew by 4.1%. The non-oil activities contributed 49.7% of the GDP at constant prices in 2021. In 2021, according to figures shared by the Statistics Centre-Abu Dhabi (SCAD). The growth rates across several non-oil activities including agriculture, forestry, and fishing grew 23.1% while the manufacturing expanded 21.7%, health and social service by 19.7%, arts, entertainment and recreation by 17.3%, wholesale and retail trade by 15.3%, accommodation and food service activities by 14.7%, transportation and storage by 7%, and electricity, gas, water supply and waste management activities by 6.9%. Mining and quarrying activity (which includes crude oil and natural gas) contributed approximately 50.3% of Abu Dhabi’s real GDP in 2021. (SCAD 12.05)

[Back to Table of Contents](#TOC)

* 1. UAE’s ADNOC Announces Three Onshore Oil Discoveries

On 19 May, the state-owned Abu Dhabi National Oil Company (ADNOC) announced multiple onshore oil discoveries in place, totaling 650 million barrels of oil. It said that it includes 500 million barrels of oil in place at Abu Dhabi’s largest onshore field – Bu Hasa. Bu Hasa is part of the Adnoc Onshore Concession and is operated by Adnoc Onshore. Additionally, a 100 million barrels were discovered in Onshore Block 3 operated by Occidental. Back in 2019, ADNOC awarded the US-based Occidental Petroleum the Onshore Block 3. Occidental was handed a 35 year concession and invest $244 million during the exploration phase of the block, which spans an area of 5,782 km2 in the Al Dhafrah region of Abu Dhabi.

Also announced was that around 50 million barrels were discovered in the Al Dhafra Petroleum Concession offering the potential to develop more premium Muruban grade oil. The Al Dhafra Petroleum Concession is operated by Al Dhafra Petroleum, a joint venture between Adnoc, the Korea National Oil Company (KNOC) and GS Energy.

Over the past few months, ADNOC has reported significant new oil and gas discoveries. In December 2021, it said that it had found “significant” conventional oil, condensate and gas discoveries of up to 1 billion barrels of oil equivalent (from an exploration well in Onshore Block 4 concession. The concession is operated by Inpex – part of the Japan Oil Development Company. (GB 20.05)

[Back to Table of Contents](#TOC)

* 1. UAE Tourism Sector’s Performance in First Quarter

Underlining its competitiveness at both regional and global levels, the UAE’s tourism sector has achieved a new growth milestone in Q1/22, according to the state news agency, WAM. The sector exceeded the growth rates recorded not only in 2020 and 2021, but also during the same period in 2019, which is the benchmark for measuring recovery and growth rates in most countries today.

According to tourism figures for Q1/22, the country’s hotel establishments attracted nearly six million visitors who spent 25 million hotel nights, reflecting a growth of 10% compared 2019. The average duration of hotel guest stays reached 25% during the same period, up from three nights to four nights. Moreover, the occupancy rate of hotel establishments in the country during this period achieved 80% growth, which is one of the highest globally.

Furthermore, Q1/22 saw a resurgence and comeback of inward tourism flows from foreign markets, as hotel establishments in various emirates hosted nearly four million international tourists. India, Saudi Arabia, the UK, Russia and the US topped the list of international tourists. Hotel establishments also generated a total revenue of Dhs11 billion with a 20% growth compared to the same period in 2019 and resumed operations at full capacity of approximately 200,000 hotel rooms. (WAM 19.05)

[Back to Table of Contents](#TOC)

* 1. Dubai Received 630,000 Health Tourists During 2021

Dubai received 630,000 international health tourists in 2021, according a report released by the Dubai Health Authority (DHA). It found that most incoming health tourists were from Asian countries, accounting for 38%, whereas 24% were from Europe and 22% from Arab and GCC nations. Spending by international patients reached nearly Dhs730 million in the past year. As many as 55% of the international health tourists were men, while 45% were women. Almost 70% of treatment given to international health tourists was offered at multidisciplinary clinics, 16% at hospitals and 14% at one-day surgery centers.

The three medical specialties that attracted the most health tourists were dermatology (43%), dentistry (18%), and gynecology (16%). Other medical specialties included orthopedics, plastic surgery, ophthalmology, health and wellness, and fertility treatments.

The top three regions that attracted health tourists in dentistry included the Arab and Gulf Cooperation Council (GCC) region at 45%, Asia at 28% and Europe at 15%. Regions that attracted health tourists in dermatology were Asia (31%), Europe (27%) and Arab and GCC region (26%). In the field of gynecology, the top regions attracting tourists were Asia (57%), Europe (15%) and the Arab and GCC region (13%).

The top three regions from which health tourists came for treatment in the field of orthopedic surgery were Asia (36%), Europe (29%) and the Arab and GCC region (17%). For plastic surgery, the top three regions were the Arab and GCC region (36%), Europe (31%), and Asia (14%). Top regions from which health tourists came for treatment in ophthalmology were Asia at 33%, Arab and GCC region at 23%, and Africa at 18%. For fertility treatments, most patients came from Asia (34%), Africa (24%) and Europe (19%). (GB 10.05)

[Back to Table of Contents](#TOC)

* 1. Saudi Arabia Posts a $15 Billion Surplus on Soaring Oil Income

Saudi Arabia reported a SAR57.5 billion ($15.3 billion) budget surplus in the first quarter as officials kept spending restrained despite surging oil income. Total government revenue was SAR278 billion, 36% more than the same quarter last year, while spending rose 4% over the same period to SAR220.5 billion. Capital expenditures fell 1% as the kingdom relies more on its sovereign wealth fund for projects and domestic investment.

The boost was mainly driven by oil revenue, which rose 58% compared to last year, as oil prices surged and the kingdom gradually increased production. Crude reached a high of $128 a barrel in the first quarter and averaged nearly $100 over the period. The kingdom’s finance ministry has said that it will stick with spending plans for 2022 outlined in December’s budget announcement, using higher oil revenues for replenishing its reserves or transferring to one of its investment funds. It wants to break a boom and bust cycle that has followed previous periods of high oil prices.

Oil markets are lifting Saudi Arabia’s fortunes again after the kingdom was hit hard by plummeting crude prices during the pandemic, giving officials greater geopolitical sway and more cash to spend at home and abroad. The International Monetary Fund last month raised its estimate for Saudi Arabia’s economic growth by 3%. (GB 16.05)

►►North Africa

[Back to Table of Contents](#TOC)

* 1. Ukraine Crisis Drives Higher Traffic in Suez Canal, Increasing Revenues

While the war in Ukraine is adversely effecting Egypt, it is a different story for the Suez Canal. The Suez Canal made its highest monthly revenue ever in April with $629 million. The canal's navigation had seen the transit of 1,929 ships that month, compared to 1,814 ships in April 2021 — a difference of 115 ships and a 6.3% increase. Also, 114.5 million net tons were carried throughout the canal — the largest monthly tonnage in the canal’s history, as the waterway authority stated on 1 May. The Russia-Ukraine war caused the crude oil trade to change, resulting in an increase in oil tankers transiting the canal. When it comes to liquefied natural gas (LNG), more gas now transits the Suez Canal heading north from the Arab Gulf region to Europe. The war has also resulted in a surge in dry bulk commodities being shipped from Asia and Australia to Europe — especially coal, iron and steel — due to a shortage of imports from Russia and Ukraine.

In April 2022, the SCA noted a significant increase in the number of different types of ships transiting the canal compared to the same month last year. Tankers increased by 25.8%, container ships increased by 9% and liquefied natural gas tankers increased by 12%.

According to the latest data published by Egypt's Central Bank, in 2021, Egypt earned $88.3 billion in foreign exchange from five sources: the Suez Canal, remittances from Egyptian workers abroad, exports, tourism and foreign direct investment. The waterway generated $6.4 billion, which is 7.1% of the total revenue. As a result of Russia's invasion of Ukraine, foreign investors pulled billions of dollars out of Egypt this year, prompting Cairo to devalue its currency by almost 17% on 21 March. The war has also negatively affected Egypt's tourism industry and pushed Cairo to turn to India for wheat after relying solely on Russian and Ukrainian wheat for years. (Al-Monitor 14.05)

[Back to Table of Contents](#TOC)

* 1. Cairo Lowers Economic Growth Target for Next Fiscal Year

Egypt's Madbouly government has cut its 2022-2023 growth forecast to 4.5% from 5.5%, the cabinet announced. The government was predicting 5.5% growth in the coming fiscal year as recently as early May, when it published its draft budget. Russia’s invasion of Ukraine has already caused the government to temper its forecast, trimming its outlook in March from its 5.7% target announced at the beginning of the year. Russia’s invasion has also caused global commodity prices to soar and volatility in financial markets, threatening to undermine the economy and putting pressure on the balance of payments. This is also lower than the IMF’s most recent forecasts. In April, the Fund forecast 5.0% growth in 2022-2023, down slightly from 5.6% previously. (Ent 18.05)

[Back to Table of Contents](#TOC)

* 1. Remittances from Egyptians Abroad Rose by 2% in Third Quarter

Remittances from Egyptians abroad increased by 2% in Q3/21-22 to $8 billion, according to calculations based on new Central Bank of Egypt figures released on 16 May. Inflows over the first nine months of the year reached $23.6 billion, up 1% from the same period a year earlier. Inflows reached a record $31.4 billion in FY 2020-2021. Egypt is one of the largest recipients of remittances in the world, and they become an increasingly important source of foreign currency, particularly following the hit to tourist revenues caused by the COVID-19 pandemic.

The World Bank has forecast remittances to rise 8% in 2022, from $32.2 billion in the previous calendar year. This would put the figure at around $34.8 billion. Egyptian expats sent $3.3 billion back to the country in March, up almost 13% from March 2021 and 44% higher than February. The bulk of remittances are sent from Egyptians working in the Arabian Gulf, making them sensitive to oil fluctuations. The rise in inflows in March coincided with a surge in oil prices, which reached their highest levels since 2008 on the back of Russia’s invasion of Ukraine. (CBE 17.05)

[Back to Table of Contents](#TOC)

* 1. Egypt Plans to Privatize State Assets & Boost Private Investment

Egyptian Prime Minister Madbouly outlined the government’s plans to privatize state-owned assets and increase the private sector’s role in the economy recently in a wide-ranging address that underlined the economic damage being done to Egypt by Russia’s war in Ukraine. The prime minister used a two-hour news conference to announce a bevy of new measures and ambitious targets designed restructure the economy in favor of the private sector. The PM also looked to reassure the public on the government’s handling of the crisis caused by the war, which was costing the economy hundreds of billions of EGP.

Cairo plans to attract $40 billion in fresh investments over the next four years by selling stakes in state-owned assets to local and international investors, Madbouly said. It is aiming to raise $10 billion each year by offering a range of assets to the private sector. The $40 billion figure was first made public by President El Sisi in a speech late last month. Up for sale, according to Madbouly, are:

• New and renewable energy projects

• Real estate assets in new cities

• Desalination projects

• Banking, telecom and education assets

• Possibly transport infrastructures (e.g. high-speed electric rail line and the monorail).

The government has already selected assets that, if sold, would contribute $9.1 billion toward this year’s target of $10 billion and is currently working on appraising assets worth another $15 billion as part of a “fast-tracked” component of the strategy, which should be completed this year, Madbouly said. The remaining assets will also soon be identified and a timeline drawn up. The government wants to increase the private sector’s contribution to economic investment to 65% over the next three years, up from 30% last year, the PM said. (Ent 16.05)

[Back to Table of Contents](#TOC)

* 1. Egypt's State IPO Program Getting Underway

Cairo plans to list 10 state-owned and two military-owned companies on the EGX this year, PM Madbouly announced, confirming earlier statements from Finance Minister Maait. Madbouly did not provide further details on the companies to be listed. The state will begin offering shares in companies on the EGX starting September.

Seven of Egypt’s biggest ports will be merged under one entity and listed on the EGX, Madbouly said, without disclosing which ports will be selected or the timeline for the listing. A number of state-owned hotels will also be merged and offered to domestic investors, he added. Already in the pipeline are Heliopolis Housing and Development (which is eyeing a secondary offering); state fertilizer producer Mopco; Misr Ins. Holding subsidiary Misr Life Ins.; and perennial candidate Banque du Caire. As for military-owned assets, bottled-water maker Safi and filling station operator Wataniya are currently being prepared for public or private offerings before summer. (Ent 16.05)

[Back to Table of Contents](#TOC)

* 1. Egypt's Unemployment Falls to 7.2% in 2022's First Quarter

CAPMAS announced that Egypt’s unemployment rate fell to 7.2% in Q1/22 from 7.4% the previous quarter. Unemployment was also down 0.2% compared with the same period last year. The jobless rate has remained more or less flat since the summer of 2020, with only mild fluctuations since spiking to a near-two-year high of 9.6% in Q2/20 on the back of the lockdown and economic disruption that accompanied the pandemic.

Egypt's official unemployment rate only includes people who are looking for work. The labor force participation rate — which counts everyone aged 15-64 either in work or actively looking for work — fell 1% from the previous quarter to 42.8%. The number of 15-29 year-olds out of work accounted for 63% of all jobless people, down from last quarter’s 64.3%. The jobless rate among women remained flat from the previous quarter at 17.7%, down 0.1% from Q4/21. Unemployment among men continued to decline, falling to 4.9% from 5.2% the previous quarter. Private sector employment fell every month last quarter and saw its sharpest drop in a year in April, according to PMI data, as firms hold back from making new hires due to rising prices and falling demand. (CAPMAS 16.05)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Cyprus to Export Natural Gas by 2026

Cyprus is targeting its first natural gas exports by 2026 from the Aphrodite gas field, Energy Minister Pilides announced. After a parliamentary committee hearing, Pilides said there are many options concerning natural gas infrastructures. One is a pipeline connecting Cypriot gas fields with Egypt, either a joint pipeline with Israeli gas fields or separately. Pilides said there are advanced contacts with companies that own pipelines from various gas fields to the Egyptian natural gas infrastructure and the contractor companies. She said the development would be easier if additional confirmed natural gas quantities were discovered.

Cyprus’ first natural gas discovery, Aphrodite, is estimated to hold a gross reserve of between 3.6 to 6 trillion cubic feet (tcf). Explorations carried out by Italy’s ENI in block 6 of the Cypriot EEZ revealed the extension of a Zhor-type carbonate play into Cyprus. Exploration carried out by ExxonMobil/Qatar Energy in the Glafcus field in Block 10 revealed an estimated gas field of 5 to 8 tcf. US energy giant ExxonMobil also carried out an appraisal well in Glaucus but has not announced confirmed quantities yet.

She said the aim was to exploit Cypriot natural gas reserves as the EU is pursuing energy diversification in the wake of Russia’s invasion of Ukraine and the ensuing sanctions against Moscow. Moreover, Pilides said the option of a pipeline to Turkey is quite difficult, facing the same challenges as other projects of technical and financial difficulties. Cyprus has submitted a letter to the EU Commissioner outlining the opportunities stemming from its gas reserves and ways to export natural gas to the EU, and Cyprus’ role in cooperating with countries in the Eastern Mediterranean. (FM 04.05)

[Back to Table of Contents](#TOC)

* 1. Cypriot Cabinet Approves 20% Tax Deduction for Research Expenses

The Cypriot Cabinet has granted a 20% tax deduction for research and development expenses in a campaign to attract foreign investments and businesses to Cyprus. Minister of Finance Petrides said the deduction would be valid for three years, starting from the tax year 2022. He said it is the second pillar of the program for attracting investments and businesses in Cyprus – after headquartering incentives — “a program that seems to yield strong results”. He pointed out that the European Commission, in its recent report on Cyprus, stated that the export of services to Cyprus, despite the blow to tourism, especially by high-tech companies and professional companies, contributed greatly to economic growth. Petrides said the new investment programs are part of the long-term framework of a new growth model for Cyprus. (FM 19.05)

GENERAL NEWS AND INTEREST

\*ISRAEL:

[Back to Table of Contents](#TOC)

* 1. Shavuot Holiday to be Celebrated on Evening of 4 June

On 4/5 June, the Jewish world will observe the holiday of Shavuot. Shavuot is the second of ‎the three major pilgrim festivals (Passover being the first and Sukkot the third) and occurs ‎exactly fifty days after the second day of Passover. This holiday marks the anniversary of the ‎day when the Jewish People received the Torah at Mount Sinai. This is a biblical holiday ‎complete with special prayers, holiday candle lighting and Kiddush, with many forms of work ‎and labor are prohibited. The word *shavuot* means weeks and it marks the completion of the ‎seven-week counting period between Passover and Shavuot. During these seven weeks the ‎Jewish people cleansed themselves of the scars of Egyptian slavery and became a holy nation ‎ready to enter into an eternal covenant with G d with the giving of the Torah. Before the giving ‎of the Torah the Jews were a family and a community. The experience of Sinai bonded the ‎Jews into a new entity: the Jewish people; the Chosen Nation. This holiday is likened to their ‎wedding day - beneath the wedding canopy of Mount Sinai, G d betrothed the Jews. ‎The holiday is observed for an additional day in the Diaspora.

\*REGIONAL:

[Back to Table of Contents](#TOC)

* 1. Jordan Marks Independence Day on 25 May

Celebrations commemorating the 76th Independence Day of Jordan will begin on 25 May, lasting for three days all over the Kingdom. According to the scheduled program, activities for this year's Independence Day aim to revive the national occasion to create a sense of joy for people after experiencing difficult circumstances in the past two years due to the pandemic.

Celebrations will also feature a variety of national artistic performances, musical performances by the Jordan Armed Forces-Arab Army, and airs shows performed by the Royal Jordanian Falcons and Royal Jordanian Air Force. National folk, theatrical and artistic performances, entertainment for children of different age groups, and displays of fireworks in all governorates of the Kingdom will be included as well. The Prime Ministry also launched a special logo to celebrate the 76th Independence Day of Jordan to be used by people throughout the three days of activities.

Following World War I, the Hashemite Army of the Great Arab Revolt, took over and secured present-day Jordan. Emir Abdullah and the British entered negotiations about independence and the treaty was signed on 22 March 1946. It took two years for Jordan to be fully independent, in March 1948, when Jordan signed another treaty with Britain in which all restrictions on sovereignty were removed for Jordan.

[Back to Table of Contents](#TOC)

* 1. Sheikh Khalifa Bin Zayed, UAE President & Abu Dhabi’s Ruler, Passes Away

The UAE news agency WAM announced on 13 May that UAE President Sheikh Khalifa bin Zayed Al Nahyan died. Sheikh Khalifa bin Zayed Al Nahyan, who was also the ruler of Abu Dhabi, was elected as the new president of the UAE in 2004. His role had been largely ceremonial since 2014 after he suffered a stroke. He was seen as one of the most powerful people in the region, with TIME magazine having ranked him as “one of the 100 Most Influential People of 2019”. The New York Times in 2019 similarly dubbed him the most powerful Arab ruler, as well as one of the most powerful men on Earth.

Since 2004, the emir of Abu Dhabi was named supreme commander of the United Arab Emirates Armed Forces and was seen as one of the most influential individuals in both his own country, and the region as a whole as a key figure in global oil dealings.

President Sheikh Khalifa bin Zayed Al Nahyan succeeded his father, the late Sheikh Zayed bin Sultan Al Nahyan, who served as UAE President from 1971 to 2004 and was one of the founders of the United Arab Emirates. Khalifa was the eldest son of Zayed bin Sultan Al Nahyan.

Born in the inland oasis-city of Al Ain in 1948, Khalifa was a strong supporter of the six-member Gulf Cooperation Council (GCC). He graduated from the Royal Military Academy Sandhurst in Great Britain. Sheikh Khalifa served as the 16th emir for the Emirate of Abu Dhabi. Khalifa was known for his several initiatives seeking to improve and reform political and economic conditions in the country. Khalifa was also the chairman of the Abu Dhabi Investment Authority, a financial company worth billions of dollars.

The United Arab Emirates' long-time de facto ruler Sheikh Mohamed bin Zayed Al Nahyan was elected as president on 14 May, following the death of Sheikh Khalifa bin Zayed Al Nahyan. Bin Zayed's widely expected ascension thus formalizes his position as leader of the UAE. (Various 13.05)

[Back to Table of Contents](#TOC)

* 1. UAE Choses New Education Minister & Announces Structural Changes

The UAE has announced a major structural change to its education system, with Ahmad Belhoul Al Falasi appointed as the Minister of Education. The new structure in the education sector includes the Education and Human Resources Council, Federal Authority for Quality of Education, the Ministry of Education, the Federal Authority for Early Childhood Education, the Emirates Schools Establishment, and local educational authorities in each emirate, which will operate according to one system and specific competencies.

According to the new structure, the responsibilities of the education ministry will include developing policies, strategies and legislation related to public and higher education in the UAE. Its functions will also include managing and developing the general education framework, curricula and tools for government public education schools, developing curricula for compulsory educational materials for private schools, setting standards and regulations, issuing licenses and monitoring private schools in coordination with the competent local authorities. The Ministry will also be tasked with supervising international exams in the country and managing their implementation across all public, private and higher education institutions.

Also announced was the establishment of the Federal Authority for Quality and Standards of Education affiliated to the UAE Cabinet. The authority would be responsible for measuring the educational outcomes, student performance, and the efficiency of the educational process. Meanwhile, the Education and Human Resources Council would also be restructured and would be tasked with setting the vision and objectives of the country’s education sector, developing the general framework for education and submitting it to the UAE Cabinet for approval, and developing educational policies and legislation. In addition, the Council would follow up the performance of the sector. (GB 23.05)

[Back to Table of Contents](#TOC)

* 1. Turkey Ranks as Second Worst Country in Europe for LGBTI+ Rights

Turkey was ranked as the second worst country in Europe and Central Asia for LGBTI+ rights for the fourth consecutive year, according to an annual report by the Brussels-based International Lesbian, Gay, Bisexual, Trans and Intersex Association (ILGA) Europe. ILGA Europe, co-funded by the European Union, rated Turkey as 48th among 49 countries in the 2022 review of the human rights situation for LGBTI+ people, which covered 2021.

Only Azerbaijan ranked lower, the report showed. The two Muslim countries are close regional allies, cooperating closely on political, economic and social issues. Armenia, Russia and Belarus ranked immediately above Turkey, followed by Poland, the lowest-ranked European Union member.

Being LGBT has never been criminalized during the modern Turkish republic, but LGBT-focused events have been banned since 2015 after Istanbul Pride attracted some 100,000 people in 2014. In July last year, Turkey withdrew from the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence, better known as the Istanbul Convention, after pro-government conservative and Islamist groups argued that it promoted homosexuality and undermined family values.

The ILGA highlighted incidents and campaigns of hate speech in Turkey targeting LGBTI+ people last year, including by political leaders and pro-government media outlets. It also drew attention to restrictions on freedom of assembly and freedom of expression, as well as attacks targeting LGBTI+ human rights defenders and their work. Malta remained the top European country for LGBTI+ rights, the ILGA reported. (ILGA 13.05)

ISRAEL LIFE SCIENCE NEWS

[Back to Table of Contents](#TOC)

* 1. Istem - A New Variety of Cauliflower That’s Good All the Way Through

Israel's [Syngenta Vegetable Seeds](https://www.syngentavegetables.com/) has been nominated for a prestigious Fruit Logistica Innovation Award for its unique Istem cauliflower. Istem is high-yielding and appeals to consumers because it is good to eat whole, with sweet, nutty curds on top of tender, succulent stems, and no food waste. It is quick to prepare, and can be eaten raw or cooked, from baking to barbecuing, steaming to stir-frying. It’s also a healthy choice – high in fiber and immune-boosting vitamin C.

When two members of Syngenta Vegetable Seeds’ team spotted a side-shooting cauliflower, they knew it was the future. That was 2012, but it was a long way from being marketable. It has taken resilience and vision to breed, trial and taste-test the Istem. In 2020, Syngenta extended its partnership with UK grower Barfoots, who farm, harvest and pack the vegetables by hand under the joint Istem - CauliShoots brand.

The Istem is a perfect example highlighting Syngenta Vegetable Seeds priorities. They put growers and sustainability at the heart of everything we do. They have the capability to use agile, science-based agronomic solutions to create sustainable crops, while anticipating consumer preferences and market trends. The Istem exemplifies this. It not only cuts food waste, it also offers consumers a great-tasting, healthy, convenient choice. Extensive trials are planned in 2022 across Europe, Africa, Middle East, North America and Australasia, preparing for it to launch in new markets very soon. (IsraAg 12.05)

[Back to Table of Contents](#TOC)

* 1. MediWound Positive Results from Trial of EscharEx for Debridement of Chronic Wounds

MediWound announced positive results from its U.S. Phase 2 clinical study of EscharEx for the debridement of venous leg ulcers (VLUs). The study met its primary endpoint, its key secondary endpoints with high degree of statistical significance, as well as its wound closure safety measurements. MediWound anticipates meeting with the U.S. FDA in the second half of 2022, for an End-of-Phase 2 meeting to discuss study results and a potential Phase 3 pivotal plan for EscharEx.

The study met key secondary and exploratory endpoints. Patients treated with EscharEx had a statistically significant higher incidence of complete debridement, during the same 14-day measurement period, compared to patients treated by non-surgical standard-of-care (NSSOC). On average, complete debridement was achieved after 3.6 applications of EscharEx compared to 12.8 applications with NSSOC. Patients treated with EscharEx demonstrated significantly higher incidence of at least 75% granulation tissue at the end of the treatment period compared to gel vehicle (p-value <0.0001). Favorable trends were observed in wound area reduction and reduction of pain compared to gel vehicle.

In addition, the study showed that EscharEx was safe and well tolerated, and the overall safety was comparable between the arms as assessed by the data safety monitoring board. Importantly, there were no observed deleterious effects on wound closure and no material differences in reported adverse events. Estimated time to complete wound closure was 64 days for patients treated with EscharEx compared to 78 days for patients treated with NSSOC.

Yavne's [MediWound](http://www.mediwound.com) is a biopharmaceutical company that develops, manufactures, and commercializes novel, cost effective, bio-therapeutic solutions for tissue repair and regeneration. Their strategy leverages our enzymatic technology platform, focused on next-generation bioactive therapies for burn care, wound care and tissue repair. (MediWound 12.05)

[Back to Table of Contents](#TOC)

* 1. Seed-X and Advanta Seeds Announce Partnership to Improve Seed Lot Quality

Seed-X and Dubai's Advanta Seeds, a UPL group company, are joining forces to apply new technology in seed processing. The collaboration between the global seed company and the Israeli Agtech startup aims to set a new standard in seed lot quality by disrupting the conventional seed processing.

Seed-X's unique GeNee technology merges proprietary computer vision and artificial intelligence algorithms to facilitate non-destructive, seed-by-seed classification that leverages comprehensive seed image data to predict unaddressed quality attributes such as germination and physical and genetic purity. Seed-X's software is embedded in the GeNee Sorter - the first sorting machine that facilitates seed segmentation powered by Seed-X's GeNee technology. By integrating the GeNee Sorter into its processing line, Advanta Seeds drives innovation and sets up new standards for seeds quality. The use of the new generation sorter strengthens the Advanta's production capabilities, at the same time allowing to provide customers with highly germinating and vigorous seeds produced in a greener, more cost-efficient manner.

Magshimim's [Seed-X](http://www.seed-x.com) is an AI-driven Agtech software company revolutionizing seed quality and food safety over the entire seed and grain value chain for the benefit of seed and food companies. Seed-X's proprietary composite of computer vision and deep learning analysis capabilities facilitate a more sustainable & secure food future by addressing new quality attributes at the single seed level, introducing new capabilities addressable at multiple stages along the seed & grain value chain. (Seed-X 12.05)

[Back to Table of Contents](#TOC)

* 1. NeoTX Acquires InterX & Adds World Class Discovery Arm

NeoTX announced the acquisition of Berkeley, California's InterX. InterX, is a drug discovery company utilizing advanced proprietary tools of biomolecular computation for the discovery and design of novel therapeutic molecules. These tools allow a detailed quantum mechanical process assessment of biochemical interactions resulting in faster, more accurate and efficient drug discovery. In addition to the discovery engine, this acquisition also comes with a pipeline of early drugs.

Rehovot's [NeoTX](http://www.neotx.com) is a clinical-stage company developing targeted anticancer immunotherapies utilizing its proprietary Tumor Targeted Superantigen (TTS) platform. TTS binds a genetically engineered bacterial determinant to the tumor surface while simultaneously activating and expanding tumor specific immune cells that are then redirected from the periphery to the tumor to mount an immune response. The company's lead TTS molecule, naptumomab estafenatox (NAP) is currently in clinical development for advanced solid tumors. (NeoTX 12.05)

[Back to Table of Contents](#TOC)

* 1. POCARED Diagnostics Secures €22 Million EIB Backing for its Rapid Testing System

Research and development of fully automated testing of bacteria and infectious diseases by POCARED Diagnostics will be accelerated by €22 million of European Investment Bank specialized venture debt formally announced. POCARED Diagnostics is currently finalizing development of a new microbiology testing system that has the potential to revolutionize infectious disease diagnosis by providing complete results, including sample screening, organism identification and antimicrobial susceptibility within hours instead of days.

The new POCARED test will enable, for the first time, an optimal, evidence based, patient treatment and transform the fight against Antimicrobial Resistance. The venture debt program of the EIB was established to fill the persistent market gap and increase support for growth stage companies promoting disruptive innovation. Since 2015, the EIB has deployed more than €3 billion in venture debt and quasi-equity operations, supporting more than 150 highly innovative companies.

Rehovot's [POCARED Diagnostics](https://www.pocared.com) is an in-vitro diagnostic and pre-analytics company utilizing cutting edge technologies to deliver next generation platforms. POCARED's Culture-Free Microbiology technology is revolutionizing infectious disease diagnosis and practice with real-time automated results. This saves several critical days in reporting compared to current practices. (EIB 12.05)

[Back to Table of Contents](#TOC)

* 1. First Export of Israeli Medical Cannabis Seeds to the United States

The first-ever shipment of Israeli cannabis seeds for export has left for the United States, the Agriculture Ministry said in a statement on 18 May, hailing the move as an important step in becoming a global pioneer in the field. Efforts to organize this experimental and initial shipment have been going on for a year. The shipment contained seeds from Givat Chen's [BetterSeeds](https://www.betterseeds.com), which has a research license issued by the Ministry of Health.

If all goes well, contacts will be made regarding the continuation of the export. This then could lead to the opening of additional international markets for Israeli exports and significantly advance the medical cannabis industry in Israel. Increasing the range of exports and extending it to cannabis products will deepen existing markets and penetrate new markets while tapping into the growing wave of demand for cannabis products with medical value. Last August, the government changed its medical cannabis shipping rules to allow the export of cannabis seeds. This change came after intense pressure from companies in the sector.

Israel’s medicinal cannabis market was valued at around $264 million in 2021, roughly $7 million less than the entirety of Europe’s. However, Israel maintains tight restrictions on exports — particularly to major markets in Europe and North America. Israel exported a comparatively meager 663 kg. of cannabis last year, according to the Health Ministry. (i24NEWS 18.05)

[Back to Table of Contents](#TOC)

* 1. Can-Fite Granted Key NASH Patent in Israel

Can-Fite BioPharma announced that its patent titled "An A3 Adenosine Receptor Ligand for use in Treating Ectopic Fat Accumulation" has been granted by the Israel Patent Office. This patent has been issued in approximately 40 countries and territories including Japan, South Korea, Hong Kong, Mexico and in the EU. It addresses the use of the A3 Adenosine Receptor (A3AR) ligand, the target receptor for Can-Fite's drug platform technology, for the treatment of ectopic fat accumulation particularly in fatty liver as manifested in non-alcoholic fatty liver disease (NAFLD) and non-alcoholic steatohepatitis (NASH). The treatment of NASH is a market estimated to reach $35 billion by 2025.

Can-Fite is currently enrolling and treating patients in a Phase IIb NASH study of its liver drug candidate Namodenoson. The multi-center, randomized, double blind, and placebo controlled study of biopsy-confirmed NASH patients will measure efficacy periodically through biomarkers, with a primary efficacy endpoint determined by liver biopsy at the end of the treatment period. In a prior Phase IIa study, Namodenoson met endpoints including reduced liver fat content, anti-inflammatory effects, and decreased body weight with excellent safety.

Petah Tikva's [Can-Fite BioPharma](http://www.can-fite.com) is an advanced clinical stage drug development company with a platform technology that is designed to address multi-billion dollar markets in the treatment of cancer, liver and inflammatory disease. The Company's lead drug candidate, Piclidenoson has completed enrollment in a Phase III trial for psoriasis. Can-Fite's liver drug, Namodenoson, is being evaluated in a Phase IIb trial for the treatment of non-alcoholic steatohepatitis (NASH), and enrollment is expected to commence in a Phase III trial for hepatocellular carcinoma (HCC), the most common form of liver cancer. (Can-Fite 16.05)

[Back to Table of Contents](#TOC)

* 1. GE Healthcare Enters Homecare Segment with Strategic Investment in Pulsenmore

GE Healthcare has entered into an agreement to invest up to $50 million in Israeli start-up Pulsenmore, marking another strategic step forward in enabling precision health. This investment is aimed at accelerating global adoption of Pulsenmore’s homecare ultrasound solutions and will also support their goal to pursue U.S. FDA clearance and commercial expansion. In addition to its equity investment, GE Healthcare will also partner with Pulsenmore to distribute its products in Europe and other markets as the product becomes available for commercial distribution and collaborate closely on developing ultrasound-based healthcare offerings that cater to the burgeoning homecare market, which is expected to reach $ $662.67 billion by 2027 and poised to grow at a compound annual growth rate of 14.2%i.

The telehealth market is projected to expand at a compound annual growth rate (CAGR) of over 30% from 2022-2029ii, creating a need for robust technologies that can improve remote monitoring and clinical decision-making. Pulsenmore is well positioned for this market with its novel self-operated prenatal home ultrasound solution, which, combined with a smartphone, enables pregnant women to self-scan for remote clinical assessment by their healthcare provider.

Omer's [Pulsenmore](http://www.pulsenmore.com) is a world leader in portable ultrasound devices for home use and is the first to enable patients to self-scan for remote clinical assessment. The company was founded in 2014 and aims to make home ultrasound universally accessible for remote and reliable care. The flagship product for fetal ultrasound is approved for marketing in Europe (CE) and in Israel. Clinical studies in the U.S. are currently underway. Pulsenmore is traded on the Tel Aviv Stock Exchange. (GE Healthcare 12.05)

[Back to Table of Contents](#TOC)

* 1. Blommer Chocolate & DouxMatok Expand with New Chocolate Coatings

Pennsylvania's Blommer Chocolate Company, the largest cocoa processor and ingredient chocolate supplier in North America, and DouxMatok launched additional chocolate and confectionery products. Earlier this year, Blommer launched the innovative Discovery product line, empowered by DouxMatok’s award-winning sugar-based sugar reduction solution, Incredo Sugar. The first products were chocolate-flavored chips and they have now expanded the product line to include additional coatings to support utilization in a broader range of food applications, including but not limited to panning, enrobing and molding.

Recognized as a special mention in the ‘Best Inventions of 2020’ by TIME, Incredo Sugar is the flagship product of DouxMatok. Incredo® Sugar is a first-of-its-kind, sugar-based sugar reduction solution that improves the efficiency of sugar delivery to the sweet taste receptors and enhances the perception of sweetness enabling substantial sugar reduction without compromising taste, mouthfeel or texture. Based on real cane sugar, this breakthrough, patented sugar reduction solution enables food manufacturers to develop delicious, better-for-you formulations that deliver great taste experiences and enhance nutritional values of sweet food products while reducing sugar.

Petah Tikva's [DouxMatok](http://www.douxmatok.com) is pioneering the development of efficient nutrition and flavor delivery technologies of food products. Patented through 24 granted patents, its sugar reduction solution, Incredo® Sugar, maximizes the efficiency of sugar delivery to the sweet taste receptors and enhances the perception of sweetness, enabling substantial sugar reduction without compromising taste, mouthfeel, or texture. Independent consumer and expert sensory panel tests have confirmed that, when using Incredo® Sugar, it is possible to reduce 30%-50% of the sugar levels in a wide range of food and snack products while retaining consumer preferences. (Blommer Chocolate 11.05)

[Back to Table of Contents](#TOC)

* 1. Imagindairy Closes its Seed Round, Reaching a Total of $28 Million in ‎Investment ‎

Imagindairy secured an additional $15 million in its extended seed-‎round. The initial round in November 2021 brought in $13 million. This brings the total ‎investment capital to $28 million, making it one of the highest-earning seed rounds in the ‎alternative protein space. The funding was led by Target Global and joined by the company's existing investors Strauss ‎Group, Emerald Technology Ventures, Green Circle Foodtech Ventures, Collaborative Fund, ‎New Climate Ventures, and FoodSparks by PeakBridge, demonstrating a robust commitment ‎to the company's future progress.‎

In its mission to provide consumers sustainable, better-for-you, guilt-free dairy solutions, the ‎alt-protein innovators found a way to create animal-free milk proteins from microorganisms ‎via proprietary precision-fermentation technology. The technology allows the production of a ‎broad spectrum of dairy analogs, from raw milk to cheese, without involving animals. ‎Imagindairy's dairy proteins are non-GMO, cholesterol-free, and possess the same flavor, ‎texture, functionality, and nutritional value of their cow-based counterparts. Most importantly, ‎they eliminate the burden that livestock imposes on the environment. Imagindairy's proprietary platform significantly amplifies protein expression, enabling ‎exceptionally cost-effective production of animal-free milk proteins. This overcomes one of ‎the biggest hurdles in alt-dairy protein production, allowing brands to sell analog dairy ‎products at consumer-friendly prices—a major requirement for mass-market adoption.‎

The funds raised in this seed round will be used to accelerate the company's R&D efforts to ‎launch a range of real dairy products without using animals. It also will help attract additional ‎talent to its expanding workforce. Imagindairy is currently in dialogue with major dairy food ‎producers seeking to diversify their product portfolios.‎

‎Yokneam's [Imagindairy](http://www.imagindairy.com) is reinvigorating the dairy industry by producing sustainable, guilt-free, animal-‎free dairy milk proteins. The company utilizes 15 years of research in evolutionary genomics for the ‎advancement of high-yield protein expression and production. The use of advanced ‎computational and molecular biology technologies enables Imagindairy to develop cost-‎effective processes that overcome considerable barriers in the emerging precision-fermentation ‎industry. Imagindairy is on a mission to bring a future of new possibilities and innovation to ‎dairy lovers worldwide. ‎ (Imagindairy 18.05)

[Back to Table of Contents](#TOC)

* 1. VECTOR-HF I Study Confirms Safety and Accuracy of V-LAP In-Heart Sensor

Vectorious Medical Technologies announced results of VECTOR-HF I, a first-in-man clinical study demonstrating the robust safety, ease of use, and accuracy of its pioneering V-LAP novel wireless system. The V-LAP system is implanted permanently in the left atrial wall of the heart to remotely calculate left atrial pressure (LAP).

The V-LAP system is the first device to directly measure pressure data generated from the left atrium, the most specific and comprehensive indication for fluid accumulation and the culmination of a decade of work by Vectorious Medical Technologies. By enabling physicians to have direct access to LA pressure readings remotely, heart failure treatment has the potential to be more personalized, accurate and timely, beginning even before physiological symptoms appear. The VECTOR-HF I study also provided early indications of clinical benefit of direct LAP measurement, based on improvement in well-established quality-of-life metrics. Lessons learned from VECTOR-HF II will be incorporated into VECTOR-HF III, a larger pivotal study which is scheduled to begin in the US in 2023 with the goal of achieving FDA approval.

[Vectorious Medical Technologies](http://vectoriousmedtech.com/) Ltd. is a Tel Aviv based company, founded in 2011. The company’s V-LAP System enables heart failure patients to better control their disease and live fuller, longer lives by remotely monitoring the heart’s Left Atrial Pressure (LAP) to detect fluid accumulation in the earliest stages of disease, prior to obvious physiological symptoms. A patient app further empowers the patient to self-titrate medication in real time based on data extracted from the heart. (VMT 23.05)

[Back to Table of Contents](#TOC)

* 1. Fairtility Closes $15 Million Series A Funding Round

Fairtility announced the completion of a $15 million Series A funding round, bringing total funding to $18.5 million to date. The round was led by Boston based, Gurnet Point Capital, and included Nacre Capital and additional investors.

Fairtility transforms AI-decision-making in IVF into a transparent process for both clinicians and patients with CHLOE EQ (Cultivating Human Life through Optimal Embryos), Fairtility's Embryo Quality Assessment Assistant. CHLOE EQ provides visibility into the biological data that informs the system's embryo assessment conclusions. CHLOE EQ's data output is intended to support IVF professionals' experience and intuition, augmenting decision-making with the collective analysis of millions of data points collected from a diverse set of embryology labs and workflows globally. Powering IVF professionals with this data facilitates improved decision-making and informative conversations with patients with the goal of reducing the number of IVF cycles to live birth and improving patient care.

Fairtility is investing resources from its Series A funding round into advanced clinical research with fertility clinics and marquee academic institutions globally, as well as in regulatory approval processes. The company continues to develop CHLOE beyond embryo assessment to span the full breadth of IVF treatment.

Tel Aviv's [Fairtility](https://fairtility.com/) is powering in vitro fertilization (IVF) through transparent AI to improve outcomes. Equipping clinicians and their patients with unparalleled visibility into IVF treatment, CHLOE (Cultivating Human Life through Optimal Embryos) is the first and only transparent AI-based decision support tool that provides clinicians with complete visibility into the clinical and laboratory parameters that make up data output to help improve IVF outcomes. (Fairtility 23.05)

ISRAEL PRODUCT & TECHNOLOGY NEWS

[Back to Table of Contents](#TOC)

* 1. Shield Partners with Intelligent Voice to Enhance Voice Surveillance Capabilities

Shield announced it will be boosting its voice surveillance capabilities through a partnership with the UK's Intelligent Voice, a leading specialist in voice and audio analysis solutions. As global regulators prioritize data management and archiving across both written and voice communications, Shield, through its partnership with Intelligent Voice, is breaking the inefficient silos between text and voice compliance by taking the complex data and analyzing it via its award-winning AI platform that turns communication compliance into a competitive advantage.

Since hybrid work environments have become the norm across regulated industries there has been an increase in both voice and text-based communication platforms that would not have been considered pre-pandemic. With fraud on the rise, compliance vendors are struggling to provide end-to-end solutions that address accurate transcription, multi-language support, audio quality and more. Shield, however, enhanced through its partnership with Intelligent Voice, which has deep knowledge and experience in financial markets, provides customers with a complete data management and surveillance platform. A complete, end-to-end solution, Shield provides customers with a comprehensive electronic communications platform that addresses compliance and surveillance concerns, regardless of whether employees are communicating through email, text or voice.

Tel Aviv's [Shield](https://www.shieldfc.com) is an advanced end-to-end workplace intelligence platform that allows organizations of any size to mitigate risks, escape the dead-end legacy archive, improve operational efficiency and reduce compliance costs. Shield redefines the way enterprises and financial institutions manage and mitigate communications compliance risks by applying advanced AI, NLP, and visualization capabilities. Shield is specifically built for today’s digital work environment, where organizations face multiple risks, including financial crime, privacy and misconduct. (Shield 12.05)

[Back to Table of Contents](#TOC)

* 1. DISH Selects RADCOM to Monitor America's First 5G Smart Network

RADCOM was selected by DISH Wireless (DISH) to provide its best-in-class RADCOM ACE solution to monitor customers' experience across DISH's 5G Smart Network — the first cloud-native, OpenRAN-based 5G network in the United States. RADCOM ACE will seamlessly integrate into DISH's network, enabling the company to monitor and analyze service quality across its nationwide deployment and proactively ensure the best customer experience.

RADCOM ACE uses built-in artificial intelligence and machine learning to enable DISH to differentiate from its competition through automation that solves issues faster, saves engineering resources, and proactively maintains service quality across the network. In addition, RADCOM ACE provides scalability, performance, and efficiency to monitor the network continually and runs on the Amazon Web Services (AWS) cloud using Amazon Elastic Kubernetes Service (Amazon EKS) and Amazon Elastic Compute Cloud (Amazon EC2). Also, the control and automation by Amazon EKS provide DISH with an innovative approach to assurance in the cloud, using minimal data center resources while providing real-time insights into the subscribers' experience as soon as new services launch.

Tel Aviv's [RADCOM](http://www.radcom.com) is the leading expert in 5G ready cloud-native network intelligence solutions for telecom operators transitioning to 5G. RADCOM Network Intelligence consists of RADCOM Network Visibility, RADCOM Service Assurance, and RADCOM Network Insights. The RADCOM Network Intelligence suite offers intelligent, container-based, on-demand solutions to deliver network analysis from the RAN to the core for 5G assurance. (RADCOM 12.05)

[Back to Table of Contents](#TOC)

* 1. PlainID Authorization-as-a-Service Platform Powered by Policy-Based Access Control

PlainID announced the production readiness of its highly anticipated "Authorization-as-a-Service," SaaS-enabled Authorization Platform. Additionally, PlainID introduces its pre-built, third-party "Authorizers," which allow authorization policies to enforce vital access points across a distributed computing environment, including authorization for API gateways, microservices and data.

Designed to solve the broad enterprise challenges associated with advanced access control, PlainID's Authorization-as-a-Service Platform has been architected for scale and the performance demands of the largest global companies. PlainID helps businesses advance and modernize by simply and securely connecting people with the digital assets they need to do their jobs, accomplish tasks at scale and conduct digital commerce. By making authorization decisions simple, smart, granular, and dynamic, PlainID helps enterprises control who can access what, when and how on whose authority.

Tel Aviv's [PlainID](https://www.plainid.com), The Authorization Company, is the recognized leader of Policy-Based Access Control (PBAC). PlainID's simple, straightforward solution to authorization management enables organizations to govern, administer and control who can access assets across their digital landscape. PlainID recognizes the frustrations of businesses struggling to understand, incorporate, and best implement Identity and Access Management, and is using Policy-Based Access Control (PBAC) to solve it. The PlainID Authorization Platform enables rapid business growth by connecting new and legacy technologies with the latest and most advanced authorization features. (PlainID 11.05)

[Back to Table of Contents](#TOC)

* 1. Emza & Alif Demonstrate Ultra-Efficient Object Detection for Tiny AI Edge Devices

Emza Visual Sense is joining with India's Alif Semiconductor to show how the combination of powerful, highly efficient Arm®-based hardware and optimized models can make AI a reality at the edge. The companies are demonstrating Emza’s trained face detection model running on Alif’s Ensemble microcontroller (MCU), the first MCU featuring the Arm Ethos-U55 microNPU. The Emza model runs an order of magnitude faster on the Ensemble device with Ethos-U55 compared to a CPU-only solution, with extremely low power consumption\*.

The combination of AI/ML frameworks, models, neural networking processors (NPUs) and silicon that are all optimized for edge AI solutions means it’s now possible to support complex AI inference capabilities such as eye tracking and facial identification in low-power, low-cost devices. This creates an opportunity for creation of new applications and use cases across industrial IoT devices, consumer appliances, and numerous other segments. Emza trained a sophisticated, full implementation of a face detection model on the Arm Ethos-U55 microNPU and is the first Arm AI ecosystem partner to contribute a complete application code ML example to Arm’s ML Embedded Eval Kit repository. Companies can use it to gauge runtime, CPU demands, memory allocation and other requirements even before silicon is available.

Givatayim's [Emza Visual Sense](http://www.emza-vs.com) is a pioneer in ultra-low power edge AI devices. The company provides solutions including hardware, software, algorithms and IP to semiconductor companies and OEMs bringing AI capability to tiny, power- and cost-constrained edge devices. As compute power increases and silicon costs decline, the market for these tiny edge AI devices is rapidly expanding across a broad array of segments such as consumer, industrial, automotive and smart cities. (Emza Visual Sense 16.05)

[Back to Table of Contents](#TOC)

* 1. mPrest Announces Strategic Partnership for Wildfire Risk Model Solution

mPrest announced a strategic partnership with Seattle's BIS Consulting to provide utility companies and grid operators with enhanced historical, real-time and forecasted operational analytics and decision support capabilities. The partnership, first initiated in late 2021, combines mPrest’s world-class analytics and BIS Consulting’s leading modeling to create an industry-leading alliance and prioritize rollout of applications that support utility operations, grid modernization and customer safety.

The partnership’s initial use case will be a first-of-its-kind tool for wildfire risk management. The Wildfire Risk Model Solution will arm utility companies and grid operators with improved real-time and forecasted decision support in critical moments. The partnership leveraged the combined experience and expertise of both companies in the development of the Wildfire Risk Model Solution, an approach that will also be applied to other future applications. The Wildfire Risk Model Solution is made possible through mPrest’s Asset Performance Management platform (mAPM), a cloud and microservices based architecture that provides scalability and high availability through a cybersecure cloud-based deployment.

Leveraging its unparalleled experience and expertise in real-time mission-critical command and control software, Petah Tikva's [mPrest](http://www.mprest.com) has developed the world-leading distributed asset orchestration and optimization software. mPrest’s microservices based, real-time orchestration and optimization platform brings the power of AI and IoT to the digital transformation of various industries, from energy and smart cities, through oil & gas, connected cars, water, defense and other industry 4.0 applications. (mPrest 17.05)

[Back to Table of Contents](#TOC)

* 1. adidas & Delta Galil Introduce Full-Range Underwear Collections for All

adidas and Delta Galil Industries announced the arrival of full-range underwear collections for adidas Originals and Badge of Sport. adidas underwear is about comfort at the core, and the Spring/Summer ’22 collections are designed to support all forms of movement and expression by using super soft cotton and high-tech stretch fabrics to empower all bodies to realize their full potential. The collections are identified by a unifying message: comfort is our sport.

The value of comfort continues to grow unilaterally across all generations. How consumers feel as they move through their day matters now more than ever, and adidas, together with Delta Galil, are speaking to that collective rising-of-consciousness through intentional design and production. The new adidas underwear collections offer a wide range of underwear separates including thongs, bikinis, briefs, trunks and boxer shorts, plus an assortment of versatile bralettes, bramis, tank tops, body suits and t-shirts.

Caesarea's [Delta Galil Industries](http://www.deltagalil.com) is a global manufacturer and marketer of branded and private label apparel products for men, women and children. Since its inception in 1975, the Company has continually strived to create products that follow a body-before-fabric philosophy, placing equal emphasis on comfort, aesthetics and quality. (Delta Galil 12.05)

[Back to Table of Contents](#TOC)

* 1. MOV.AI & Ouster Equip Autonomous Mobile Robots with Digital Lidar for Warehouses

MOV.AI announced its partnership with San Francisco's Ouster, a leading provider of high-resolution digital lidar sensors, to provide autonomous mobile robots (AMRs) with uninterrupted autonomy in today's challenging intralogistics and industrial environments. MOV.AI has integrated Ouster digital lidar into its Robotics Engine Platform for industrial equipment manufacturers that are looking to automate.

Ouster's digital lidar provides AMRs with high-resolution data to accurately perceive the environment and accomplish specific tasks. The OS0 sensor's ultra-wide vertical field-of-view allows AMRs to map the entire warehouse environment, from floor to ceiling, in real-time. This data is then used in autonomy algorithms to help the AMR safely and efficiently navigate throughout the warehouse.

The MOV.AI ROS-based Robotics Engine Platform provides AMR manufacturers and automation integrators with navigation, localization, calibration, and the enterprise-grade tools they need for advanced automation. It includes a visual Integrated Development Environment (IDE), off-the-shelf algorithms and integrations, fleet management, flexible interfaces with warehouse environments such as ERP and WMS, and cyber-security compliance.

Tel Aviv's [MOV.AI](http://www.mov.ai) provides AMR manufacturers with tools they need to create enterprise-grade robots quickly, allowing users to benefit from automation products. MOV.AI is a Robotics Engine platform based on ROS and packaged in an intuitive web-based interface. (MOV.AI 18.05)

ISRAEL ECONOMIC STATISTICS

[Back to Table of Contents](#TOC)

* 1. Israel's Inflation Rate Reaches a 10 Year High as the May CPI Rises by 0.8%

Inflation in Israel over the past fiscal year was 4% - the highest since 2011, the Central Bureau of Statistics announced on 15 May. The Consumer Price Index rose 0.8% in April, driven up by price hikes in fresh produce (5.5%), clothing (2.8%), transportation (2.8%) and entertainment (1.5%). Home prices rose by 16.3% rise in twelve months, while the Construction Inputs Index rose by 6.8% over the past fiscal year.

According to the CBS, the price hike was highest in central Israel – 18.5% on a year-on-year average – followed by Jerusalem (16.7%), Tel Aviv (16%), Haifa (14.9%), and Israel (13.8%), and southern Israel (12.3%). The prices of new homes rose by 20.7% overall in the past 12 months.

In related news, the Finance Ministry said Israel's fiscal deficit for the 12 months that ended in April at 0.6% of GDP. Since the onset of 2022, Israel has recorded a fiscal surplus of NIS 31.4 billion. (CBS 15.05)

[Back to Table of Contents](#TOC)

* 1. Israel's GDP Debt Ratio Falls Faster Than Expected

Israel's Accountant General reported on 24 May that the GDP – Debt ratio shrank to 68.8% at the end of 2021 from 71.7% at the end of 2020. This figure is better than the initial estimate published earlier by the Ministry of Finance in January, which said that the ratio fell to 70.3%. Although Israel's sovereign debt fell as a proportion of GDP, in absolute terms the national debt exceeded a trillion shekels in 2021, amounting to NIS 1.044 trillion at the end of that year, versus NIS 984 billion at the end of 2020.

Over the decade before the outbreak of the COVID-19 pandemic, Israel's GDP-Debt ratio fell by 11% to 59.5%, a historic low. This granted the government fiscal flexibility in dealing with the pandemic in 2020, as pandemic-related expenditure, on compensation, unemployment benefit and grants, alongside a slowdown in economic growth, set the ratio shooting upwards.

The Ministry of Finance says that the government's financing needs were lower than forecast last year because of the economy's rapid recovery from the pandemic, leading to high tax collection figures. The total interest expense on government debt in 2021 was NIS 40.9 billion, versus NIS 38 billion in 2020. Despite the rise, the declining trend in the ratio of interest payments to debt and to GDP continued. The ratio of interest to debt fell to 3.9% in 2021 from 4.1% in 2020. The level of confidence in the Israel economy was manifest in the latest reports of the credit rating agencies and in the upgrade of Israel's rating outlook to 'Positive' by Moody's. (FM 24.05)

[Back to Table of Contents](#TOC)

* 1. Israel is World Leader in Number of High Tech Employees

For the first time in Israel's history, high tech exports accounted for more than 50% of the country's exports in 2021, now standing at 54%, while in another first, more than 10% of all Israelis now work in the high tech industry, according to a report by the Israel Innovation Authority. Israel, according to the report, is a global leader in the percentage of citizens working in the high tech field, with 362,000 in the industry who represent 10.4% of the country's workforce.

By comparison, the percentage of the overall workforce in high tech in Ireland is 9.2%, in Sweden, it is 5.7%, in Great Britain 5.5%, Germany 5.3%, and in the Netherlands 4.3%. The number of high-tech workers in Israel increased by 8% over the past year (representing 27,000 new workers), while that number was just 1% in all other industries.

Israel is ranked first among OECD countries R&D expenditure in relation to GDP, but is ranked last in the terms of the percentage of government spending on research and development out of all of its expenditures in the field. Additionally, Israel slipped to 15th place in the Global Innovation Index's rankings for 2021, compared to 10th place in 2019.

According to the report, in the past year, the Israeli high tech industry raised over $100 million 88 times, although publically traded Israeli high tech companies in 2021 lost 10% of their worth on the NASDAQ. Israeli start-ups raised a record $27 billion in funds in 2021, more than doubling the total from the previous year.

Israeli high tech is still lagging in terms of representation from all sectors of the population. There was a 6% drop in the number of ultra-Orthodox high-tech workers in 2021, and only 200 new workers entered the industry from the Arab sector.

One-third of the high-tech companies in Israel, which employ around 25% of all the workers in the industry, is located in Tel Aviv. Jerusalem is mostly home to medium and small-sized high-tech companies, and Haifa is home mainly to large, multi-national corporations. Beersheba, in southern Israel, is the fastest-growing city in terms of start-up companies. (IHL 11.05)

IN DEPTH

[Back to Table of Contents](#TOC)

* 1. LEBANON: What Hezbollah’s Parliamentary Loss Means for Lebanon

On 16 May, Hanin Ghaddar posted in [TWI](http://www.washingtoninstitute.org)'s PolicyWatch 3612 that the voting results provide even more hope for change than meets the eye, though the winners will need international help to prevent Hezbollah from obstructing the next steps.

On 15 May, Hezbollah suffered a major defeat in Lebanon’s parliamentary election, losing not only its majority control of the legislature but also all of its non-Shia-Muslim allies. Despite low turnout, threats of violence, financial difficulties, and growing national despair, the people voted for change, choosing reforms over Hezbollah and its ever-growing military arsenal.

From a distance, one might conclude that the major political parties managed to maintain substantial parliamentary blocs. Yet a closer look at the details reveals that a number of significant changes will mark Lebanon’s new political scene.

First, Hezbollah lost the Christian cover that has enabled it to manipulate various levers of power and flout the constitution, including the arms that make it the country’s most potent military force. Previously, the Hezbollah-allied Free Patriotic Movement, headed by Gebran Bassil, enjoyed the majority of Christian representation in parliament, but Samir Geagea’s “Lebanese Forces” party will now claim that mantle, winning more than twenty seats compared to thirteen for the FPM. Bassil’s loss will also affect his ambitions to win this fall’s presidential election.

Second, Druze areas in the Chouf and Aley districts witnessed real breakthroughs by the opposition, with three seats going to independents — Mark Daou, Najat Aoun Saliba and Halime Kaakour. Druze leader Walid Jumblatt maintained his representation as well. Even more notable were the losses by Wiam Wahab and Talal Arslan, two key allies of Hezbollah and Bashar al-Assad’s regime in Syria. In fact, Assad lost traditional allies all across Lebanon, such as Assaad Hardan, Elie Ferzli and Faisal Karami.

Third, in Beirut’s western second district, Sunni voters defied former Prime Minister Saad Hariri’s calls to boycott the election, and many of their votes went to new independent candidates, including big wins for Ibrahim Mneimneh and Melhem Khalaf. Hezbollah had its eye on this district, where it worked hard to boost its own Sunni candidates and hoped that low overall turnout among this community would help compensate for its expected loss of Christian allies. Ultimately, the group aimed to cultivate a significant Sunni bloc via wins in Beirut, Tripoli, West Beqa and Saida-Jezzine. Yet its plan to penetrate the Sunni street failed, and the majority of its Sunni candidates lost. As for Hariri, his exit from the country’s political scene is now finalized.

Fourth, the south brought the biggest surprise. For the first time ever, Hezbollah’s joint list with allied party Amal lost seats to two outside candidates, Elias Jradeh and Firas Hamdan. This setback came despite the many violations committed by Hezbollah-Amal representatives inside and outside the voting stations.

So what does all this mean? Hezbollah lost nearly everywhere in Lebanon and although it managed to force the preservation of its twenty-seven-member Shia bloc in parliament, its support appears to be slipping even among this core constituency. Compared to the 2018 election, all Shia districts witnessed lower turnout, indicating that a considerable silent majority is dissatisfied with the group politically.

Moreover, the new independent members of parliament generally do not abide by sectarian identities or political affiliations. This is a big break from the opposition’s former “March 14” coalition, which was larger but definitely more sectarian. In addition to new civil society representatives, a combination of winning factions — Samy Gemayel’s Kataeb Party, traditional independent candidates, the new anti-Hezbollah Sunni bloc and the Lebanese Forces with their largest bloc yet — could have a real chance to take Lebanon in a new direction. The formation of the next government, the outcome of the presidential election, and, most imminently, the selection of the next speaker of parliament will go a long way toward determining the horizons of this potential change.

Current speaker Nabih Berri, the head of Amal, can no longer guarantee holding that post for an eighth time — at least not unless he is willing to compromise with Jumblatt and Geagea. The challenge remains agreeing on another Shia candidate (as the constitution mandates for this post) when all of the Shia members are members of Hezbollah or Amal. After their election victories were announced, Geagea, Gemayel, and Tripoli Sunni politician Ashraf Rifi publicly promised their constituencies that they would not repeat the previous mistake of allowing Berri to remain speaker. If all opposition forces decide to reject Berri and take the daring step of agreeing on a single nominee, the parliament might finally see a new speaker—a development that would greatly affect Amal’s internal politics, popular support and relationship with Hezbollah.

The new majority, although fragmented, shares many of the same views regarding reforms and Hezbollah’s arms. If they manage to coordinate, they could even spark a new discussion on national defense strategy, focusing on Hezbollah’s arsenal while also addressing the role of the Lebanese Armed Forces, the appointment of key security and financial officials, and, most important, what kind of leader they want to emerge from the presidential election.

The main obstacle to such momentum will be a humiliated and anxious Hezbollah. Having lost this round, the group will no doubt use all of its tools to influence the next steps, including threats of violence. Yet its old formula of bullets vs. ballots — which worked after the 2005 and 2009 elections — might not be as successful this time around, simply because the group’s political allies can no longer provide cover.

Hezbollah could also play another game at which it has long excelled: delaying key processes by blocking decisions and creating vacuums in government institutions. It has used such deadlocks to affect government formation and presidential elections many times before. This time, it might try to link those two events in order to force a compromise that guarantees its preferred presidential candidate a win. Unfortunately, this scenario could obstruct reforms and political change, ensuring that the promising electoral outcome is not properly reflected in state institutions. More international pressure is therefore needed immediately to prevent an institutional vacuum and discourage any compromises that threaten to cripple the movement toward change.

*Hanin Ghaddar is the Friedmann Fellow at The Washington Institute and author of its recent study Hezbollahland: Mapping Dahiya and Lebanon's Shia Community*. (TWI 16.05)

[Back to Table of Contents](#TOC)

* 1. IRAQ: IMF Staff Concludes Staff Visit to Iraq

An [International Monetary Fund (IMF)](http://www.imf.org/) mission visited to Amman, Jordan, during 14-18 May 2022, to discuss with the Iraqi authorities recent economic developments, the impact of global events on the economic outlook, and the country’s policy priorities. At the conclusion of the visit, the IMF issued the following statement:

“The economic recovery is well underway. In 2021, buoyed by the resumption of activity, a more accommodative fiscal stance, and stimulus measures by the central bank, real non-oil GDP rebounded by an estimated 20% and is poised to expand by around 5% this year. Oil output is projected to reach its pre-pandemic level and bring overall real GDP growth to 10% in 2022. The war in Ukraine is affecting Iraq mainly through its global impact on commodity prices. In 2022, soaring oil revenues will more than offset the increased food and energy import bills. As a result, the fiscal and current account balances are projected to post double-digit surpluses in% of GDP. Nonetheless, headline inflation is expected to climb to 6.9%, up from 6% last year, driven in part by higher food prices, which are adversely affecting the poorest segments of the population.

“Cushioning the impact of surging food prices on the most vulnerable is thus the most urgent priority. With fiscal policy paralyzed by the absence of the 2022 budget—which limits current fiscal expenditures to last year’s level—strengthening spending efficiency, maintaining tight control over public hiring, and reprioritizing expenditures within the overall budget cap will be essential to enable boosting targeted cash transfers to the most vulnerable and containing the poverty impact of the rising cost of living.

“In an environment of high oil prices and against the background of elevated global risks and uncertainty, the focus of macroeconomic policies needs to shift toward consolidating economic stability and strengthening Iraq’s long-term economic resilience. In the short run, maintaining fiscal discipline and tapering the central bank’s lending support to the real estate sector will help avoid adding to inflationary pressures. In addition, despite large reconstruction and other investment needs, limited near-term absorptive capacity, fiscal vulnerability to oil price volatility, and the challenges of the global energy transition call for building buffers for the future by saving a portion of oil revenues via a carefully designed sovereign wealth fund.

“The current favorable oil market conditions also provide an opportunity to accelerate structural reforms envisaged in the authorities’ “White Paper.” Strengthening the quality of public services and creating the fiscal space for much-needed investments and the social safety net require a civil service reform, reducing inefficient energy subsidies, diversifying fiscal revenues, and strengthening governance. Fixing the electricity sector will be crucial to reduce fiscal costs and enable private sector productivity. Improving the coverage and targeting of social assistance will help better protect the most vulnerable. Enhancing governance in large state-owned banks and completing their audits and restructuring will facilitate access to finance and job creation by the private sector.

“The mission welcomes the authorities’ increased attention to the challenges of climate change and the release of Iraq’s first Nationally Determined Contribution document last year. In the coming months, the mission encourages prioritizing the preparation of national climate adaptation and mitigation plans, development of green financing, and full integration of climate-related priorities into the macroeconomic policy framework. The IMF stands ready to support Iraq in these endeavors." (IMF 19.05)

[Back to Table of Contents](#TOC)

* 1. UAE: De Facto Becomes De Jure As MBZ Is Named UAE President

Simon Henderson posted on 16 May in [TWI](http://www.washingtoninstitute.org)'s Policy Alert that the succession of one of the most energetic emerging Arab leaders suggests an even more active regional role.

After President Khalifa bin Zayed al-Nahyan of the United Arab Emirates died on 13 May, he was immediately succeeded by his half-brother, Crown Prince Muhammad bin Zayed (aka MbZ), as ruler of Abu Dhabi, one of the seven member emirates. A day later, the other six rulers chose him for a five-year term as president of the federation. Regional and world leaders have been quick to send condolences or schedule visits to pay their respects in person.

Over the past several years, MbZ (age 61) was already becoming synonymous with Emirati decision making. Khalifa (73) had been greatly incapacitated since suffering a stroke (not his first) in 2014 and rarely appeared in public. As MbZ gradually became the country’s de facto leader, he increasingly leveraged oil wealth and diplomatic acumen to successes such as the Abraham Accords with Israel. He also influenced political change in Sudan and other countries, despite the UAE’s small citizen population of around one million (boosted by 9 million foreign temporary workers).

It is MbZ’s standing rather than Khalifa’s loss that has prompted the arrival of so many world leaders in Abu Dhabi, including a U.S. delegation of Vice President Kamala Harris, Secretary of State Antony Blinken, Defense Secretary Lloyd Austin and CIA Director William Burns. Washington’s high-level retinue suggests its determination to overcome lingering awkwardness in the relationship, particularly since the start of the Biden administration and, more recently, the 17 January attack on Abu Dhabi by Houthi rebels in Yemen, which MbZ reportedly believes has not been followed by sufficient U.S. support. Other visitors include French president Emmanuel Macron, British Prime Minister Boris Johnson, Oman’s Sultan Haitham, Qatar’s Emir Tamim, and Israeli president Isaac Herzog. Even President Ebrahim Raisi of Iran has sent condolences and Foreign Minister Hossein Amir-Abdollahian visited Abu Dhabi to pay respects.

**Immediate Questions**

Who will be the next crown prince of Abu Dhabi? When MbZ assumed that title, he was not chosen by Khalifa. Rather, he was named deputy crown prince by their father—Sheikh Zayed bin Sultan al-Nahyan, the UAE’s founding president—in 2003, then became crown prince a year later when Zayed died and Khalifa succeeded him as president. MbZ now has to decide whether to choose one of his five full brothers (collectively known as the Bani Fatima) or, much less likely, one of his several half-brothers. Alternatively, he could appoint one of his four sons, of whom the eldest are Khaled (40) and Dhiyab (33). Particular attention will be paid to any added prominence or authority granted to his full brother Tahnoun, the low-profile national security advisor who went on a diplomatic mission to Tehran last year.

Regarding foreign policy, Emirati relations with Saudi Arabia merit close attention. When King Salman came to the throne in 2015, MbZ was seen as the mentor to the Saudi ruler’s son, Prince Muhammad bin Salman (aka MbS), twenty-four years MbZ’s junior. MbS quickly emerged as crown prince and is now the kingdom’s de facto leader. Yet there is perceived tension in the relationship: MbS wants to make Saudi Arabia the commercial center of the Arabian Peninsula, but this would undermine the UAE’s position, particularly for its second-largest emirate, Dubai.

An immediate challenge for Washington is to get relations back on a more even keel. Two key aspects of this effort are the UAE’s appearance of supporting Russia’s invasion of Ukraine and its willingness to buy military equipment from China. Washington and Abu Dhabi have a shared interest in countering threats by Iran, and any high-profile differences between them could be vulnerabilities to be exploited by others.

*Simon Henderson is the Baker Fellow and director of the Bernstein Program on Gulf and Energy Policy at The Washington Institute.* (TWI 16.05)

**\*\* - Copyright 2022 by Atid, EDI. All rights reserved.**

The **Fortnightly** newsletter is a free service of Atid, EDI. We are a team of economic and trade development consultants, headquartered in Jerusalem, but active throughout the region and beyond. EDI works with an international clientele interested in identifying and researching business opportunities in the region. We also serve as the regional representative offices for a number of U.S. states and bilateral Chambers of Commerce, as well as European clients.

EDI's other services include development of feasibility studies and tailored research reports, as well as identification of potential joint ventures for commercial clients. For more information on how we may better assist you, please visit our Web site at: http:// [www.atid-edi.com](http://www.atid-edi.com).

**\* END \***