

**The FORTNIGHTLY**

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

**22 June 2022**

**23 Sivan 5782**

**23 Dhul Qadah 1443**

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

**TABLE OF CONTENTS**

[1. ISRAEL GOVERNMENT ACTIONS & STATEMENTS](#_Toc106735347)

[1.1. Israel to Dissolve the Knesset and Declare New Elections in October](#_Toc106735348)

[1.2. Prime Minister Bennett Visits Abu Dhabi](#_Toc106735349)

[1.3. Liberia to Open an Official Office in Jerusalem](#_Toc106735350)

[1.4. Israeli Energy Minister Signs Trilateral Deal to Export Gas to Europe Via Egypt](#_Toc106735351)

[1.5. Israel & Arkansas Sign an Economic Trade Agreement](#_Toc106735352)

[2. ISRAEL MARKET & BUSINESS NEWS](#_Toc106735353)

[2.1. Rapyd Becomes the First DIFC Registered Israeli Company](#_Toc106735354)

[2.2. LUSIX Completes a $90 Million Investment Round from Key Investors](#_Toc106735355)

[2.3. SuperMeat Accelerates Cultivated Meat Commercialization with New System](#_Toc106735356)

[2.4. Israel's Titan Capital Partners Closes a $100 Million Growth Fund](#_Toc106735357)

[2.5. 500 Global & Ashdod Port Company Unveil Batch 1 of the Ashdod Accelerator](#_Toc106735358)

[2.6. ISF Raises $312 Million for a 3rd Secondary Fund Focusing on Israeli High Tech](#_Toc106735359)

[2.7. Pixellot Raises $161 Million with a Goal to Accelerate Sports Democratization](#_Toc106735360)

[2.8. Jit Emerges from Stealth & Raises $38.5 Million in Seed Funding](#_Toc106735361)

[2.9. Blitz & Addionics to Develop Smart 3D Electrodes for Electric Moped Fleet](#_Toc106735362)

[2.10. Tabnine Raises $15.5 Million for AI Assistant for Developers](#_Toc106735363)

[2.11. Finout Raises $18.5 Million for Cloud Cost Observability Platform](#_Toc106735364)

[2.12. Amy Raises a $6 Million Seed Round to Boost Business Professionals' Selling Power](#_Toc106735365)

[2.13. Base Raises $15 Million and Announces Rebrand to Support its Strategic Vision](#_Toc106735366)

[2.14. Greenfield Partners Announces Closing of $350 Million in New Investment Funds](#_Toc106735367)

[2.15. Wilco Exits Stealth in a $7 Million Seed Round to Help Software Engineers' Careers](#_Toc106735368)

[3. REGIONAL PRIVATE SECTOR NEWS](#_Toc106735369)

[3.1. Dubai’s DMCC Signs Agreement with the Brooklyn Chamber of Commerce](#_Toc106735370)

[3.2. Dubai’s SmartCrowd Closes a $3 Million Bridge Round](#_Toc106735371)

[3.3. Dubai's Huspy Raises $37 Million in a Series A Funding Round](#_Toc106735372)

[3.4. Dubai's Cartlow Raises $18 Million in Series A Funding](#_Toc106735373)

[3.5. DarkPulse Names MultiNet Communications its Distributor for MENA](#_Toc106735374)

[3.6. Torod Raises a $1.4 Million Seed Funding Round](#_Toc106735375)

[3.7. Moroccan Startups Raise $2 Million in Funding in May](#_Toc106735376)

[3.8. Morocco’s Chari Acquires Ivorian Retail Startup Diago](#_Toc106735377)

[4. CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS](#_Toc106735378)

[4.1. Israel & New Jersey Team to Develop Climate Solutions](#_Toc106735379)

[4.2. Alkemy Announces Closing of the Transaction to Purchase oceansix](#_Toc106735380)

[4.3. Augwind Signs a Strategic Agreement with Voith Hydro](#_Toc106735381)

[4.4. Dubai to Build New Reservoirs for Desalinated Water](#_Toc106735382)

[4.5. Morocco Ranks 160th in Global Environmental Performance Index](#_Toc106735383)

[5. ARAB STATE DEVELOPMENTS](#_Toc106735384)

[5.1. Cheaper Lebanon Brought Back Strong Tourism Activity in March 2022](#_Toc106735385)

[5.2. Jordanian Inflation Increases by 2.97% in January - May of 2022](#_Toc106735386)

[5.3. Jordan's Unemployment Rate Stands at 22.8% in the First Quarter](#_Toc106735387)

[►►Arabian Gulf](#_Toc106735388)

[5.4. UAE’s Trade Surplus with GCC Countries Equals Dhs134.7 Billion in 2021](#_Toc106735389)

[5.5. UAE & Japan Strengthen Bilateral Ties in Various Sectors](#_Toc106735390)

[5.6. Dubai Welcomes 5.1 Million Visitors in First Four Months of 2022](#_Toc106735391)

[5.7. Saudis Grant Digital Licenses in Latest Diversification Move](#_Toc106735392)

[►►North Africa](#_Toc106735393)

[5.8. Egypt's May Inflation Rate Rises to a Three-Year High](#_Toc106735394)

[5.9. Egypt's Export Bans and Self Reliance Efforts](#_Toc106735395)

[5.10. Morocco’s Budget Deficit Stands at MAD 14.6 Billion](#_Toc106735396)

[5.11. Calls Increase to Reactivate Morocco’s Only Refinery as Oil Prices Soar](#_Toc106735397)

[6. TURKISH, CYPRIOT & GREEK DEVELOPMENTS](#_Toc106735398)

[6.1. Turkish Unemployment Rate Rises to 11.3%](#_Toc106735399)

[6.2. Turkish Companies See 260% Increase in Shutdowns During May](#_Toc106735400)

[6.3. Turkish Parliamentary Commission Approves Social Media Censorship Law](#_Toc106735401)

[6.4. Cyprus Fails Competitiveness Test](#_Toc106735402)

[7. GENERAL NEWS AND INTEREST](#_Toc106735403)

[\*ISRAEL:](#_Toc106735404)

[7.1. Tel Aviv Rolls Out Rainbows for the 23rd Annual Pride Parade](#_Toc106735405)

[\*REGIONAL:](#_Toc106735406)

[7.2. Only One Moroccan University Featured in World University Ranking](#_Toc106735407)

[8. ISRAEL LIFE SCIENCE NEWS](#_Toc106735408)

[8.1. Wine Named for Israeli Teen Murdered by Terrorist Wins International Recognition](#_Toc106735409)

[8.2. Scopio Labs Wins FDA Clearance for Hematology Digital Cell Morphology Platform](#_Toc106735410)

[8.3. MeaTech Granted Patent for Physical Manipulation of Cultured Muscle Tissue](#_Toc106735411)

[8.4. Remilk Secures Self-Affirmed GRAS for Non-Animal, Real Dairy Protein](#_Toc106735412)

[8.5. DouxMatok & Batory Foods Expand Availability of Incredo Sugar in the US](#_Toc106735413)

[8.6. Ibex Obtains CE Mark for Galen Gastric Cancer Detection](#_Toc106735414)

[8.7. SoniVie IDE Approval for Pilot to Treat Hypertension with its Renal TIVUS Technology](#_Toc106735415)

[8.8. CropX Adds Disease Management to its Farm Management System](#_Toc106735416)

[8.9. DiA Partners with Intelerad to Empower Echocardiography Labs with AI](#_Toc106735417)

[8.10. Aidoc Raises $110 Million to Address Challenges Facing Health Systems by Using AI](#_Toc106735418)

[9. ISRAEL PRODUCT & TECHNOLOGY NEWS](#_Toc106735419)

[9.1. Shield Launches New Version with Robust eDiscovery Capabilities](#_Toc106735420)

[9.2. Spear Unveils New Ninox 103 Sub-to-Air Loitering UAS](#_Toc106735421)

[9.3. monday.com Adds Built-In Monetization Solution to the Apps Marketplace](#_Toc106735422)

[9.4. Valens' Stello Chipsets to Power Crestron's Next-Generation Product Lines](#_Toc106735423)

[9.5. Elbit Systems Unveils a Simultaneous Multi-Mission Tactical Radar System](#_Toc106735424)

[9.6. Plasan Sasa Reveals its New WILDER Military Vehicle](#_Toc106735425)

[9.7. Ethio Telecom Chooses Allot Traffic Management Solution](#_Toc106735426)

[9.8. ColorChip's Technology Addresses Field Deployment Failure of 400g Copper Cable](#_Toc106735427)

[9.9. TenureX Leverages Google Cloud Platform to Offer a New Banking Model](#_Toc106735428)

[9.10. Portnox Unveils First Cloud-Native TACACS+ Solution](#_Toc106735429)

[9.11. LUSIX Unveils Sun Grown Diamonds](#_Toc106735430)

[9.12. Lumigo Expands its Serverless Observability Platform Support](#_Toc106735431)

[9.13. Watersight AquaRing - a Complete Real-Time Sensing Device for Online Water Monitoring](#_Toc106735432)

[9.14. Cybellum "System of Systems" Provides Visibility & Control for Product Security Teams](#_Toc106735433)

[9.15. Axilion Successfully Completes Pilot of the X Way Twin System in Jerusalem](#_Toc106735434)

[9.16. RAFAEL Unveils the SPIKE NLOS 6th Generation Missile](#_Toc106735435)

[10. ISRAEL ECONOMIC STATISTICS](#_Toc106735436)

[10.1. Israel's May Inflation Rate Comes in Below Expectations](#_Toc106735437)

[10.2. Israel Posts Zero 12-Month Deficit for First Time Since 2008](#_Toc106735438)

[10.3. OECD Sees Strong Israel Growth While Cutting Global Forecast](#_Toc106735439)

[10.4. Israel's Economy Contracted by 1.9% During the First Quarter](#_Toc106735440)

[10.5. Tel Aviv Ranks as World's 7th Best Tech Ecosystem](#_Toc106735441)

[10.6. Tel Aviv & Jerusalem Rank Among the World's 20 Most Expensive Cities](#_Toc106735442)

[10.7. Israeli Tourism Recovery Continues Gradually](#_Toc106735443)

[10.8. Building Starts in Israel Reach a 30 Year High](#_Toc106735444)

[11. IN DEPTH](#_Toc106735445)

[11.1. ISRAEL: Facts & Figures about Israel’s Karish Offshore Gas Field](#_Toc106735446)

[11.2. MIDDLE EAST: Energy Investments in MENA to Reach $879 Billion in 5 Years](#_Toc106735447)

[11.3. MIDDLE EAST: Comparing Education Markets in Egypt, KSA & UAE and Their Outlooks](#_Toc106735448)

[11.4. OMAN: IMF Staff Concludes Staff Visit to Oman](#_Toc106735449)

[11.5. EGYPT: Egypt Looks to India for Wheat to Make Up Losses from Ukraine War](#_Toc106735450)

[11.6. TUNISIA: Tunisia’s Political Tensions Continue to Hamper Reform](#_Toc106735451)

[11.7. MOROCCO: Banks’ Net Income Recovers but Global Contagion a Risk](#_Toc106735452)

[11.8. TURKEY: Turkey’s Growing Current Account Gap Exacerbates Lira Weakness](#_Toc106735453)

[11.9. TURKEY: Turkey Struggles With its Name Rebrand](#_Toc106735454)

ISRAEL GOVERNMENT ACTIONS & STATEMENTS

[Back to Table of Contents](#TOC)

* 1. Israel to Dissolve the Knesset and Declare New Elections in October

On 20 June it was announced that Prime Minister Bennett and Alternate Prime Minister Lapid agreed to table a bill next week for the dissolution of the Knesset. As part of the agreement, Lapid will be immediately appointed as interim prime minister of the transition government, with elections likely to take place on 25 October. Lapid is set to become Israel’s 14th (and perhaps shortest-serving) prime minister, and the third not to come from a party which is neither Labor nor Likud. Of course, nothing is fully certain until it happens, given the fickle nature of Israeli politics. Should this happen, Israel will see its fifth election in just three-and-a-half years.

Reports say that the decision to dissolve the Knesset was taken following a meeting PM Bennett had last Friday with Attorney General Baharav-Miara. The coalition had lost its majority mainly over the government failing to extend regulations implementing Israeli criminal law into Judea and Samaria. Bennett realized that the regulations cannot be extended in any way outside Knesset approval, and thus decided to go ahead and dissolve the Knesset. Should the Knesset be dissolved before the regulations officially expire, they will be extended automatically.

The decision ends an unusual period in Israeli politics, when a coalition from the country’s center, right, left and an independent Arab party came together for the first time to form a government. The coalition is now poised to be among the shortest-lived in Israel’s history, after marking its first anniversary last week. The deep ideological differences of the coalition’s eight parties created an unwieldy alliance.

The coalition suffered several blows in recent months, with Knesset members from Bennett’s Yamina party announcing they joined the opposition, and with the opposition blocking legislation proposed by the coalition. It began on 6 April when Yamina Knesset member and coalition whip Silman announced she was quitting the coalition and joining the opposition. The latest member to turn against Bennett was Yamina legislator Orbach. The opposition Likud party announced that it intends to bring a no-confidence measure against the government. Bennett and Lapid clearly preferred to dissolve the Knesset on their own terms instead of being forced out by the opposition. (Various 21.06)

[Back to Table of Contents](#TOC)

* 1. Prime Minister Bennett Visits Abu Dhabi

On 9 June, Israeli Prime Minister Bennett arrived in the United Arab Emirates on a one-day visit to personally convey his condolences to President Mohamed bin Zayed Al Nahyan over the death of his brother Sheikh Khalifa bin Zayed Al Nahyan, last month. President Herzog embarked on an official condolence visit to the UAE soon after Sheikh Khalifa's death was announced. Arriving at the UAE, Bennett was received by UAE Foreign Minister Abdullah bin Zayed. He met with the Emirati ruler later in the day in his private palace.

This is Bennett's third meeting with the UAE leader and his second visit to Abu Dhabi. The first took place in December and was the inaugural visit by an Israeli leader to the Gulf kingdom. He met with bin Zayed in March, in Egypt. Bennett had invited bin Zayed to visit Israel and the then-crown prince accepted. While no official date has been set, officials in both countries are said to be hammering out the details.

[Back to Table of Contents](#TOC)

* 1. Liberia to Open an Official Office in Jerusalem

Liberia plans to open its first official office in Israel, it was reported on 8 June. The location will initially serve as a commercial office and will eventually become the Liberian embassy in Israel. The West African country does not currently have any official representation in the Jewish state. The announcement was made by a delegation of Liberian ministers, led by Prime Minister Nathaniel McGill, during a meeting with Israeli President Herzog and Deputy Foreign Minister Roll. The delegation visiting Israel included other senior Liberian government officials, including the ministers of economy, trade and industry, information and agriculture.

As part of the visit, the members of the delegation took part in meetings at the Defense Ministry and other bodies. The Liberian delegation said that within a few weeks they will finish submitting their application for the location of their office in Jerusalem. During these exchanges, the delegation asked for Israeli help on several issues, including agriculture, drought and tourism.

Liberia, home to five million people, is an important ally of Israel on the international stage, having regularly sided with Israel both at the UN and at the African Union in recent years. Liberia was one of the African nations to vote in favor of the re-establishment of an independent Jewish state at the UN in 1947. Under pressure from African Muslim nations, Monrovia's government severed ties with Jerusalem in 1973. Diplomatic relations were renewed in 1983. (Israel Hayom 09.06)

[Back to Table of Contents](#TOC)

* 1. Israeli Energy Minister Signs Trilateral Deal to Export Gas to Europe Via Egypt

On 15 June in Cairo, Israel’s Energy Minister Elharrar signed a trilateral memorandum of understanding with Egypt and with the European Union, enabling Israeli marine-extracted natural gas from the Mediterranean Sea to be exported to Europe through Egypt. Addressing the 7th ministerial meeting of the East Mediterranean Gas Forum (EMGF), Elharrar said that the joint commitment by Israel and by Egypt to share their natural gas with Europe places both countries and the region as major global players in the energy market.

Jordanian Minister of Energy and Mineral Resources Al-Kharabsheh, who spoke right after Elharrar, insisted that progress can be made only by all the members of the forum working together. He stated that Jordan was committed to dialogue with all EMGF members in order to achieve the goals of promoting regional natural gas and advancing energy sustainability and protection of the environment.

According to Israel’s Energy Ministry, the agreement signed in Cairo recognizes the key role that natural gas increasingly plays and will continue to play in coming years in the EU energy markets, on the backdrop of the European goals for zero emission by 2050. It stipulates that the signatory parties will work together to enable the regular supply of natural gas to EU member states from Egypt, Israel and other destinations, through existing natural gas liquefaction infrastructure in Egypt. The agreement is valid as of today for three years. After that, it will be automatically renewed for another two years. The agreement also calls for a plan to be formulated for optimal utilization of infrastructure related to natural gas extraction, liquefaction and transportation.

In fact, this year alone, Israel made $260.5 million from exporting natural gas to Egypt. It should also be noted that while security cooperation in the Sinai Peninsula, the Gaza Strip and the region have long been the basis for Israel’s ties with Egypt, the issue of energy is now becoming a significant element in enhancing bilateral relations. (Al-Monitor 15.06)

[Back to Table of Contents](#TOC)

* 1. Israel & Arkansas Sign an Economic Trade Agreement

On 17 June, officials from Arkansas and Israel signed a Memorandum of Understanding with the Israel Innovation Authority, solidifying an agreement to promote a partnership in the areas of technology and research and development in business and education.

Arkansas Governor Asa Hutchinson called the pact a "mutually beneficial partnership," adding that it "builds on the momentum we have created for the past eight years to develop a tech-based workforce that can meet the needs of a 21st-century economy. In addition, this agreement allows us to strengthen our relationship with a critical ally to the United States." He added that "it's going to make a big difference in the future of mobility and how quickly we can improve our supply chains."

Last year, trade between Israel and Arkansas was valued at more than $100 million, stated the Arkansas Economic Development Commission, a figure that includes Arkansas exporting more than $35 million in manufactured goods to the Jewish state. According to the Washington Free Beacon, Arkansas and Israel shared more than $400,000 in binational foundation grants in agriculture research and development; science and technology; and industrial research and development. (Various 19.06)

ISRAEL MARKET & BUSINESS NEWS

[Back to Table of Contents](#TOC)

* 1. Rapyd Becomes the First DIFC Registered Israeli Company

Rapyd announced the opening of its new Dubai office as it seeks to become the first Israeli company to be regulated in the UAE. Rapyd has been registered at the Dubai International Centre (DIFC). Meanwhile, DIFC’s independent regulator Dubai Financial Services Authority (DFSA) has granted an in-principle approval (IPA) to Rapyd under its money services regime. The company expects to be fully authorized to conduct financial services once it fulfills the DFSA’s in-principle requirements. Rapyd’s office opening in Dubai follows its global acquisitions and a Series E fundraising of $300 million.

The company will provide local merchants with solutions to send, receive and simplify payments in the region and worldwide, empowering them to enhance their cross-border payment capabilities and grow their businesses globally. Rapyd celebrated the office opening on 11 May and plans to hire 120 employees in Dubai across the R&D, product, operations and HR departments within the next 18 months.

Tel Aviv's [Rapyd](https://www.rapyd.net/) helps businesses create great local commerce experiences anywhere. We build the technology that removes the back-end complexities of cross-border commerce while providing local payments expertise. Global ecommerce companies, technology firms, marketplaces, and financial institutions use our fintech-as-a-service platforms—Collect, Disburse, Wallet, and Issuing—to seamlessly embed localized fintech and payments capabilities into their applications in a simple way. We have also built the Rapyd Global Payments Network that lets businesses access the world’s largest local payment network with over 900 locally preferred payment methods including, bank transfers, e-wallets and cash in more than 100 countries. (DIFC 09.06)

[Back to Table of Contents](#TOC)

* 1. LUSIX Completes a $90 Million Investment Round from Key Investors

LUSIX, a leading producer of lab-grown diamonds (LGD), announced that high-profile investors, including LVMH Luxury Ventures, Ragnar Crossover Fund and More Investments, have completed an investment round of $90 million. The Company will use this investment to fuel its growth initiatives, notably the expansion of its production capacity in Israel with a second 100% solar-powered state-of-the-art facility, which will commence production this summer. The new facility will enable LUSIX to better serve the increasing demand for LGD, from its clients worldwide and from the overall industry.

Over the years, LUSIX has become a reference among LGD producers, thanks to its quest for perfection and quality, which has laid the foundations of proprietary science-backed know-how and achieved a perfect mastery of the diamond growing process. In addition to its superior growing practices, LUSIX’s externally audited 100% solar-powered diamond growing facilities solidify the company’s scientifically advanced leadership in the sustainability realm. LUSIX constantly pushes the limits towards more innovation, promoting the LGD category’s wide potential and preparing the ground for future applications.

Rehovot's [LUSIX](http://www.lusix.com) is a technology-driven, prime grower of lab grown diamonds (LGDs). Marketing its diamonds under the Sun Grown Diamonds mark, LUSIX is the world’s first 100% solar-powered LGD producer. The Company is unique in its ability to grow custom shaped rough diamonds, including LUSIX Pyramid Diamonds, as well as custom-colored rough diamonds. LUSIX diamonds are grown in Israel in the world’s most scientifically advanced manufacturing facility. (LUSIX 10.06)

[Back to Table of Contents](#TOC)

* 1. SuperMeat Accelerates Cultivated Meat Commercialization with New System

SuperMeat has received a grant from the Israeli Innovation Authority to establish an open high-throughput screening system for optimizing cultivated meat feed ingredients, helping the entire industry work toward commercial viability. SuperMeat will use the funding to set up the world's largest open high-throughput system for cultivated meat media ingredients, supplements and cell scaffolds for cultivated meat production. As part of this effort, SuperMeat partnered with Thermo Fisher Scientific, which provided the world's most advanced screening platform and will support the development and operation of the system. The system will allow SuperMeat to screen hundreds of thousands of materials every month, helping identify the highest quality ingredients with the lowest costs.

By optimizing the ingredients for the cell feed (media), SuperMeat will be able to significantly lower production costs, and improve product quality – providing an open standard for cell feed ingredients that can be used by cultivated meat companies around the world moving toward commercialization.

This announcement comes on the heels of two strategic partnerships for SuperMeat to further the path to commercialization. Most recently the company announced a strategic partnership with Ajinomoto, a global food ingredient and biotechnology leader, to establish a commercially viable supply chain platform for the cultivated meat industry. SuperMeat has also signed a memorandum of understanding with PHW Group, one of Europe's largest poultry producers and the only company from the meat industry to rank among the 50 Sustainability & Climate Leaders, to manufacture and distribute cultivated meat at a large scale for European consumers.

Tel Aviv's [SuperMeat](http://www.SuperMeat.com) is a food-tech company working to supply the world with high-quality meat grown directly from animal cells. The company's products offer a delicious meat experience and a high-quality nutritional profile, while being manufactured in a sustainable, slaughter-free way. SuperMeat's proprietary cultivated meat platform allows food companies to be at the forefront of the emerging cultivated meat industry and manufacture a wide range of products containing cultivated meat inside. SuperMeat is the first B2B company to address the entire category of poultry meat from fat to muscle, providing a complete solution to cultivated meat production. (SuperMeat 08.06)

[Back to Table of Contents](#TOC)

* 1. Israel's Titan Capital Partners Closes a $100 Million Growth Fund

Israeli based [Titan Capital Partners](https://www.titancapital.vc/) has announced a new $100 million global fund for both investments in fundraising rounds and the purchase of secondary positions in companies and funds. In addition to its flagship fund, Titan manages several co-investment vehicles, through which it plans to deploy an additional $100-$200 million, over the next three years.

The Titan Fund plans to assist companies forge international ties in the financial markets, so that they can raise strategic late-stage rounds and buy other companies. Titan will also address the need for shareholders’ liquidity through secondary transactions.

Titan, established in late 2021, has raised funds from five global family offices of billionaires from Israel, the US, England, Australia and South Korea as well as the wealth management groups of three global investment banks from the US and Switzerland. Since its closing, the group has made a $14 million investment in AI based transcription and captioning company Verbit.AI, in which Titan both invested primary and secondary capital. The fund will investment up to $15 million per transaction in 10-15 companies, focusing on software and Internet companies that are raising Round B and have $10 million or more in sales and at least 80% annual growth. (Globes 07.06)

[Back to Table of Contents](#TOC)

* 1. 500 Global & Ashdod Port Company Unveil Batch 1 of the Ashdod Accelerator

San Francisco's [500 Global](https://500.co), a leading global venture capital firm, and Ashdod Port Company, the national port of Israel, unveiled 12 startups in Batch 1 of the Ashdod Port Accelerator by 500. They hail from Israel, with one startup based in Germany.

500 Global and Ashdod Port Company partnered in January 2022 to mentor startups and help them test and validate partnership opportunities with Ashdod Port. The Ashdod Port Accelerator by 500 program consisted of 12 weeks of masterclasses and dedicated coaching in areas such as business strategy, sales & marketing, and fundraising from 500 Global’s network of expert mentors. The program is followed by participation in an accelerated proof-of-concept for five to six months, with the potential for investment by Ashdod Port. Program graduates in this first cohort are addressing solutions to issues in energy, logistics, seaport operations, and shipping. They will continue to work on their proof-of-concept at Ashdod Port through October, with the help of trained port personnel.

[Ashdod Port](https://www.ashdodport.co.il/english/Pages/HomePage.aspx), the Port of Israel, is the leading seaport of the State of Israel with a strategically advantageous location. Experiencing growing demand, Ashdod Port has incorporated technological advancements into its operations and has inspired other ports around the world. Ashdod Port has collaborated with other institutions and ports to establish innovation embassies that promote growth within the industry. (500 Global 13.06)

[Back to Table of Contents](#TOC)

* 1. ISF Raises $312 Million for a 3rd Secondary Fund Focusing on Israeli High Tech

ISF (Israel Secondary Fund) has raised its 3rd fund totaling $312 million dollars. In 2017, ISF raised its 2nd fund of $100 million and currently manages over half a billion dollars focused on secondary transactions in the Israeli technology market. The investors who participated in the current fundraising include several of Israel's largest institutional investors, such as Migdal Insurance, Altshuler Shaham, Bank HaPoalim, as well as leading institutions, pension funds, endowments and family offices from Europe and the U.S.A.

Herzliya Pituah's [ISF (Israel Secondary Fund)](https://www.israelsecondary.com/) is a leading technology-focused secondary fund, established in 2008, and provides liquidity in the inefficient private tech market, performing quick and creative transactions acquiring holdings in private companies and venture capital funds. ISF's target audience is entrepreneurs, investors, and employees who hold options and shares in companies in addition to limited partner stakes in funds.

ISF invested directly and indirectly in approximately 220 companies. Its portfolio includes many successful companies and funds, including Myheritage, Aidoc, WSC, Innovid, Valens, Pixellot, Earnix, Papaya Gaming, Verbit, Arbe, Yotpo, Waze, Glilot, Vertex, Coralogix, Solaredge and more. (ISF 13.06)

[Back to Table of Contents](#TOC)

* 1. Pixellot Raises $161 Million with a Goal to Accelerate Sports Democratization

Pixellot has completed a $161 million funding round led by PSG, a leading growth equity firm partnering with software and technology-enabled services companies to help accelerate their growth, with the participation of existing investor Israeli Secondary Fund (ISF). The round also includes secondary capital from existing investors.

Pixellot’s AI-automated video production and analytics technology enables a fully automated end-to-end solution that includes capturing, producing, broadcasting and data analytics. Pixellot’s AI-powered cameras and automated video production solutions allow high-quality video coverage of sports at a fraction of the cost. This affordable alternative to the traditionally manually-intensive and expensive video capture process simplifies video production and distribution for sports leagues ranging from professional to youth sports organizations – allowing for greater utilization of sports media distribution. Pixellot supports 17 types of team sports and has deployed its systems at 23,000 courts and venues across 70 countries and produces upwards of 350,000 hours of live sports each month.

Pixellot intends to use the funds to support its global market expansion and to enhance its video, analytics and highlights value proposition to fans, athletes and coaches at all levels. With this planned expansion of services, Pixellot believes it is well-positioned to expedite its expansion into new territories and verticals, such as Asia, Latin America and the global youth markets.

Founded in 2013, Petah Tikva's [Pixellot](http://www.pixellot.tv) produces and livestreams more hours of team sports than any company in the world. Pixellot pioneered the concept of automated sports production solutions as an affordable alternative to traditional video capture, production, and distribution systems for professional and semi-professional sports events. Pixellot’s AI-Automated technology solutions streamline production workflow by fully automating live sports capture, distribution, and production of over 2 million live games from 70 countries across the globe. (Pixellot 13.06)

[Back to Table of Contents](#TOC)

* 1. Jit Emerges from Stealth & Raises $38.5 Million in Seed Funding

Jit announced a $38.5 million seed funding round and launched a free beta version which automates product security – translating complex security plans from written documents and spreadsheets into living security plans-as-code stored in GitHub – enabling modern engineering teams to own product security as part of their DevOps pipeline. boldstart ventures leads the $38.5 million seed round, joined by Tiger Global Management and strategic angel investors. The company came out of FXP, a new Boston-Israel startup venture studio.

Jit builds an easy on-ramp for bringing security into the developer and DevOps workflow. By providing unified orchestration and management for the best – and most popular – open source and cloud native security tools – Jit is designed for modern engineering teams that are developing cloud native software and using continuous integration/continuous development (CI/CD) best practices and want to ensure that product security is there from day zero. Jit allows modern engineering teams to easily orchestrate their security tools and technologies for their cloud native applications from day zero.

[Jit](https://jit.io/‎) was founded in 2021 in order to help modern engineering teams that are developing cloud native software and using continuous integration/continuous development (CI/CD) to easily own product security without the common overhead. The company is based in Tel Aviv, Israel and backed by boldstart ventures along with TechAviv, FXP and several strategic angel investors. (Jit 15.06)

[Back to Table of Contents](#TOC)

* 1. Blitz & Addionics to Develop Smart 3D Electrodes for Electric Moped Fleet

Blitz Motors signed an agreement with Addionics to co-develop AI-optimized, Smart 3D Electrodes to improve range, increase charging time, and lower production costs for its fleet of smart electric mopeds. Under the terms of the agreement, Addionics will supply Blitz with Smart 3D Electrodes to co-develop lithium ion batteries for Blitz’s fleet of smart electric mopeds, with a prototype expected to be completed in 2023.

Addionics develops and manufactures Smart 3D Electrodes that are compatible with any chemistry, existing or emerging. Unlike most companies that focus on improving batteries through chemistry, Addionics focuses on battery physics. Its award-winning approach to battery design improves all key battery performance metrics, including increased energy density and power, enhanced safety, and extended lifetime – all without increasing cost. Addionics’ patented electrode fabrication process is cost-effective and scalable, and as a drop-in solution, Smart 3D Electrodes are compatible with existing battery manufacturing facilities and assembly lines.

Blitz provides a cleaner, more cost effective means of commercial transportation along with a full range of first- and last-mile services that includes 24/7 support, operations, insurance, maintenance, repairs. Blitz’s smart e-mobility offerings are equipped with data analytics for predictive maintenance and enhanced operational efficiency, enabling customers to mitigate any problems with their moped fleets before they arise.

Founded in 2012, Tel Aviv's [Blitz](https://blitzmotors.com/) develops and manufactures smart electric mopeds that are robust, powerful and designed for intensive business use. This combined with a full solutions package of maintenance services and telematics data which provides the BI required for business operations, ensuring operational savings, and a safe and green travel environment. Established in 2018, Tel Aviv's [Addionics](https://www.addionics.com/) is transforming battery architecture with Smart 3D Electrodes to create the next step change in battery performance for electric mobility. Addionics has raised $40 million to date and is collaborating with leading automotive companies to further develop, manufacture and scale its technology, while expanding the team with leading chemists and mechanical engineers. (Blitz 14.06)

[Back to Table of Contents](#TOC)

* 1. Tabnine Raises $15.5 Million for AI Assistant for Developers

Tel Aviv's [Tabnine](https://www.tabnine.com), which develops an AI-powered assistant for developers, announced that it has raised an additional $15.5 million in funding from Qualcomm Ventures, OurCrowd and Samsung NEXT Ventures, with participation from existing investors including Khosla Ventures, Headline Ventures, Hetz Ventures and TPY Capital. With this latest infusion of capital, Tabnine has raised a total of $32 million to date.

Tabnine has developed an AI code completion platform that provides long snippet suggestions and focused line code completions, helping developers increase productivity. Tabnine competes with GitHub’s AI platform.

Over 1 million developers are now using Tabnine’s AI technology directly in their IDE to successfully complete 30% or more of their code, while having to search 38% less for code examples on Google or StackOverflow. Overall, developers are using Tabnine to complete more than 4 million lines of code every day. Tabnine (formerly Codota) was founded in 2017. (Tabnine 15.06)

[Back to Table of Contents](#TOC)

* 1. Finout Raises $18.5 Million for Cloud Cost Observability Platform

Finout, the FinOps Certified Platform and a member of the FinOps Foundation, announced it secured $18.5 million to date, closing a $14 million Series A funding round led by Team8 Capital. The company’s previously unannounced $4.5 million seed round was led by Pitango First. Finout’s Series A round included participation from seed funding partners R Squared Ventures, Jibe Ventures and Seed Investor Ariel Maislos. Leading angel investors and toDay Ventures also participated in the seed round. The funding comes as Finout’s proprietary solution is in high demand, with an increasing number of cloud-enabled companies adopting its platform, such as WalkMe, Riskified, Hunters, Logz.io, Pixellot, Singular and Bigabid, among others.

The financing round will support Finout’s further disruption of the FinOps market, the ongoing expansion of its global team, and the release of even more advanced FinOps capabilities to help companies monitor, manage, and reduce their spend, empowering them to adapt to the current market landscape.

Tel Aviv's [Finout](http://www.finout.io) is a modern, self-service cloud cost management and observability tool that provides FinOps unmatched business context into cloud environments. By correlating business metrics with cloud costs, Finout clients are empowered to make healthier business decisions that improve efficiency, pricing and go-to-market strategy. (Finout 16.06)

[Back to Table of Contents](#TOC)

* 1. Amy Raises a $6 Million Seed Round to Boost Business Professionals' Selling Power

Amy has raised a $6 million Seed Round led by Next Coast Ventures and Lorne Abony. Additional investors in the round include Jim Mellon and Eric Ludwig, Micha Breakstone, Joey Low and James Kong among others. Amy will utilize the funds to further enhance its AI, natural language processing, and machine learning capabilities as well as launch its B2P solution to the market.

Amy's sales intelligence platform saves sales professionals time and money while enhancing business outcomes by automating prospect research and providing actionable insights that generate deeper, long-lasting business relationships. The platform analyzes all publicly available information about a business prospect, transforming strands of random data into digestible briefs which contain insights about the prospect, the company they work for, and common experiences. The platform's unique algorithm collects information about the respective prospect and, through proprietary NLP technology, extracts and presents a personalized meeting brief comprised solely of information relevant to business professionals.

Tel Aviv's [Amy](https://myamy.io)'s AI-driven sales intelligence platform is revolutionizing the way that business professionals prepare for external meetings. By automating the pre-meeting prospect research process, Amy empowers business professionals to focus on what really matters – building relationships with customers and driving sales. Leveraging deep technology, Amy's platform analyzes thousands of data sources and provide users with actionable insights regarding their business connections and professional networks. With personalized meeting briefs at their fingertips, business professionals can effectively prepare for their meetings in seconds. (Amy 17.06)

[Back to Table of Contents](#TOC)

* 1. Base Raises $15 Million and Announces Rebrand to Support its Strategic Vision

Crowdvocate, pioneer of B2B customer marketing, has raised $15 million from Wing VC and Vertex Ventures Israel, and will now be called Base. The company's rebranding to Base, is a reflection of its Customer-led Growth vision, whereby a focus on engaging with customers for revenue influence, effectively and at scale, is the new foundation upon which B2B companies will build their futures.

Founded in 2018, Base is inspired by the data-driven understanding that existing customers are the number one revenue stream for SaaS companies, and by the untapped potential of automation in scaling marketing programs targeting these customers.

Kfar Saba's [Base](http://www.Base.ai) is leading the evolution of B2B marketing by building a Customer-led Growth (CLG) ecosystem for customer marketing professionals to grow in, including an end-to-end Customer Marketing platform, the first CLG academy, and a global professional Community. With integrations, automations, insights, and education, Base helps you refocus your efforts on your company's most valuable assets - its relationships with its customers. Armed with the tools and knowledge to achieve a well-engaged customer base, at scale, some of the world's best marketing teams are already using Base to go from impacting Demand to impacting Growth, including HubSpot, Gainsight, Twilio, Gong, NICE, NetApp, Calendly, Similarweb, Trustpilot, Gainsight, Radware, Zscaler and more. (Base 16.06)

[Back to Table of Contents](#TOC)

* 1. Greenfield Partners Announces Closing of $350 Million in New Investment Funds

Tel Aviv's [Greenfield Partners](https://www.greenfield-growth.com) announced the final closing of new investment funds totaling $350 million. The new capital includes Greenfield Partners Fund II, which is intended to invest across 15 startups at the early growth stages (rounds B and C), and several additional investment vehicles that will jointly enable investments of a larger quantum, as well as support Greenfield’s existing portfolio companies at later stages and for the long term. The new funds raised bring the total assets under management of Greenfield Partners to over $500 million.

Greenfield Partners was initially established in 2016 by TPG Growth. In 2020, the fund’s partners spun out into an independent fund, backed by new investors including leading institutional investors, entrepreneurs, and investors from Israel and across the globe. The Fund now employs 7 investment professionals across offices in New York and Israel.

Previous Greenfield Partners investments include Guardicore, which was sold to Akamai last year; Avanan, which was sold to Check Point last year; and unicorns VAST Data, recently valued at $3.7 billion, and BigPanda, recently valued at $1.2 billion. Greenfield Partners Fund II has already invested in notable companies, including: Capitolis, Coralogix, Cynet, Silverfort, Panorays, EquityBee, Mixtiles, DustPhotonics, Planck and Quali.

The fund places a heavy focus on enterprise software and invests also in fintech and consumer/internet, while focusing on companies at the early growth stage. Greenfield’s unique value comes from supporting founders and their companies in their transition from being primarily R&D focused, to ones where international expansion and building out go-to-market functions become core tenets of their operations. Greenfield’s team, and its global network of advisors, is comprised of a diverse set of former founders, senior management in leading technology companies, and financial experts with experience in banking and investments. (Greenfield Partners 14.06)

[Back to Table of Contents](#TOC)

* 1. Wilco Exits Stealth in a $7 Million Seed Round to Help Software Engineers' Careers

Wilco announced the release of its first public version and $7 million in seed funding. The round was led by Hetz Ventures, with participation from leading funds and angel investors including Vertex Ventures, Flybridge Capital Partners and Shopify VP Engineering Farhan Thawar.

On Wilco's platform, developers join a fantasy tech company — a game-like experience designed to accelerate their professional growth. At their "new workplace", engineers go on quests that challenge them to navigate complex life-like scenarios while utilizing real tools and technologies. One quest, aimed at honing skills like debugging and communication, begins with the developer being notified via the workplace messaging app about a mysterious issue with the fantasy company's application. The developer must analyze data to identify the affected users, recreate the issue on their own device, find the problematic code and push their fix to the company's code repository on Github. When needed, guidance from virtual coworkers is provided through the messaging app, simulating a modern remote work environment.

Tel Aviv's [Wilco](https://www.trywilco.com/) enables software engineers of all experience levels to upskill by acquiring and honing hands-on skills in an immersive experience. The platform, built to emulate the conditions at a tech startup, sends users on "quests" that cover everyday engineering tasks — from deploying an app to finding the root cause of a production issue — utilizing real-life tech stacks. By providing a safe life-like environment for upskilling at an accelerated pace, Wilco helps developers from all backgrounds unlock their full potential. (Wilco 20.06)

REGIONAL PRIVATE SECTOR NEWS

[Back to Table of Contents](#TOC)

* 1. Dubai’s DMCC Signs Agreement with the Brooklyn Chamber of Commerce

The Dubai Multi Commodities Center (DMCC) has signed an agreement with Brooklyn Chamber of Commerce to bolster Dubai-US relations. The agreement will see the two entities work together on several initiatives to promote bilateral trade. DMCC will work with the Brooklyn Chamber to support New York-based businesses in setting up their operations in the emirate. Similarly, the partnership will look to facilitate the expansion of DMCC’s member companies into the US market.

The agreement will also see Brooklyn Chamber of Commerce promote the services offered by DMCC’s Dubai Diamond Exchange (DDE), Tea Centre and Coffee Centre to commodities businesses within the New York business community. The UAE is a key player for the trade of rough diamonds, with over $22.8 billion of them traded in 2021, with the agreement looking to expand the country’s polished diamond trade market.

DMCC has become home to over 21,000 member companies, from large multinationals through to SMEs and entrepreneurs. The center currently houses over 650 American companies. In Q1/22, 665 new companies registered in the free zone – making it the best first quarter since its inception 20 years ago, and representing a 25% increase compared to the five-year average. (DMCC 10.06)

[Back to Table of Contents](#TOC)

* 1. Dubai’s SmartCrowd Closes a $3 Million Bridge Round

[SmartCrowd](https://smartcrowd.ae/), an innovative real estate crowdfunding platform, which allows individual investors to take a “fractional” share in a rental property, has raised $3 million in a Bridge Round, led by Mad’a Investment Company. The round also saw participation from TriCap Investments and was joined by Amaana Capital, the venture capital arm of US-based NRD Capital, along with prominent angel investors in the region.

SmartCrowd is the MENA’s real estate investments platform and a pioneer in bringing alternative investments to the mass market. According to the company, assets under management have grown more than 60% quarter-on-quarter, while the number of investors has doubled in the last quarter.

The bridge funding will enable the rapidly growing company to scale its operations, products and establish a presence in new markets including Saudi Arabia and Pakistan. (SmartCrowd 13.06)

[Back to Table of Contents](#TOC)

* 1. Dubai's Huspy Raises $37 Million in a Series A Funding Round

Dubai's proptech startup [Huspy](https://huspy.com/) has raised $37 million in Series A round led by Sequoia Capital India. The round also welcomed participation from Founders Fund, Fifth Wall, Chimera Capital, as well as pervious investors Breyer Capital, VentureFriends, COTU, BY Venture Partners and Venture Souq.

Launched in 2020, Huspy is on a mission to digitally transform and reimagine the home ownership journey. Huspy’s innovative platform features a suite of digital solutions to create unparalleled benefits for buyers, property agents and mortgage brokers. With a total addressable market of $13 billion across the UAE and Spain, the startup is aiming to create a world-class experience for home buyers in EMEA. Through trusted partnerships with leading property agents and international financial institutions, Huspy’s customers have an opportunity to discover, buy and finance their homes all in one place.

Huspy also announced the launch of its full-service property marketplace complementing the company’s position as leaders in home finance. Real estate continues to be an in-demand asset class around the world, growing by 59% YoY in 2021. However, less than 1% of home-buying transactions are completed through digital channels. With this addition, Huspy will solve challenges across every stage of the home buying process. Huspy’s Series A round will be used to extensively invest in technology development, double down on growth in the UAE and Spain, and expand across Europe. (Huspy 21.06)

[Back to Table of Contents](#TOC)

* 1. Dubai's Cartlow Raises $18 Million in Series A Funding

Dubai's [Cartlow](https://cartlow.com/), the reverse logistics platform in UAE and KSA, has raised $18 million in Series A round. The round was led by Cartlow’s strategic partner, AlSulaiman Group (ASG), a Saudi Arabia based group with investments in various sectors including omni-channel Retail, Logistics and E-commerce. Cartlow began as a Re-Commerce platform which then grew to become a cloudbase technology platform in UAE and KSA, offering SaaS (Software as a Service) services to major players within the reverse logistics ecosystem.

Since its launch, Cartlow has significantly impacted the reverse logistics ecosystem by enabling major retailers and brands with various programs including; returns management, warranty management, buy-back and trade-ins driven by its technology. In addition, Cartlow’s re-commerce platform for consumers and businesses provides unbeatable prices on a range of products assuring the highest quality standards. Cartlow is ISO certified and holds the R2 certification, demonstrating its commitment to environmentally responsible recycling practices.

This investment will boost Cartlow with the ability to further expand its operations and services, optimize technology and contribute to decarbonization in the economy. It will also enable the startup to further mature its ecosystem in the region by combining return management, recycling, and re-commerce through its advanced technology. (Carltlow 15.06)

[Back to Table of Contents](#TOC)

* 1. DarkPulse Names MultiNet Communications its Distributor for MENA

Houston, Texas' DarkPulse, a technology company focused on the manufacture, sale, installation and monitoring of their patented laser sensing systems which provide a data stream of critical metrics for assessing the health and security of infrastructure, announced that MultiNet Communications has become a distributor for DarkPulse BOTDA EREBOSÔ sensing systems across the Middle East and Africa including United Arab Emirates, Saudi Arabia, Qatar, Oman, Kuwait and Bahrain. In offering these products, MultiNet Communications will concentrate on customers in the critical infrastructure/key resources, smart cities, transportation, and renewable energy sectors with a focus on oil and gas pipeline applications.

MultiNet Communications was founded in 2008 as a value-added distributor for optical fiber cables & accessories, structured cabling solutions, enclosures and data center solution, ELV & security solutions, CCTV, racks and PDUs, UPS, KVM switches and audio/video solutions.

DarkPulse high resolution BOTDA sensors alert to internal anomalies in infrastructure before catastrophic failure. The Company's technology excels when applied to live, dynamic critical infrastructure and structural monitoring, including pipeline monitoring, perimeter and structural surveillance, aircraft structural components and mining safety. (DarkPulse 14.06)

[Back to Table of Contents](#TOC)

* 1. Torod Raises a $1.4 Million Seed Funding Round

Riyadh based E-commerce fulfillment platform [Torod](https://torod.co/en/?p=en) has closed a $1.4 million seed round led by IMPACT46, with participation from local investors including Hala Ventures and SEEDRA Ventures. The round was closed back in May. Founded in early 2022, Torod brings together a deep expertise in E-commerce & Logistics spaces, enabling fast and cost-effective shipping for D2C retailers with the ability to manage & track the orders through a single interface by the platform.

Torod serves the pain-points in the transportation and logistics cycle as the results of the extensive growth of the ecommerce space. By providing an encompassing post-order management experience, Torod is easing the burden of merchants' supply chain. Post COVID the number of online buyers jumped and many businesses moved to online selling. This comes with a higher expectation from the shoppers for good delivery service. To meet these expectations, E-commerce has to enhance the delivery checkout experience and make sure it’s backed by the best-fit delivery partner reflecting the same values merchants are aspiring. At this point Torod helps the merchants control and monitor the whole process by catering to customers' variant needs.

Through the platform technology, helping merchants to seamlessly choose the best method suited for the shipment from a wide range of courier partners local and international including SPL, J&T, SMSA and DHL, with real-time order tracking and returns management. Torod is looking to deploy the freshly infused capital to accelerate its mission in enabling fast and cost-effective shipping process for D2C retailers and enhance the post-order experience for the merchants and the consumer. (Torod 20.06)

[Back to Table of Contents](#TOC)

* 1. Moroccan Startups Raise $2 Million in Funding in May

Morocco’s startups attracted $2 million in funding last month, ranking fourth in terms of funding appeal among the Middle East and North African (MENA) countries. During the same period, Egyptian startups led the way with an impressive $80 million, followed by Saudi Arabian startups with $46 million, and the UAE closed on its heels with $45 million, according to data from the data platform Wamada. MENA startups raised an overall investment volume of $176 million at the end of May through 42 deals, the report indicates.

Despite recording a month-on-month decline of 40%, the investment volume represents a year-on-year increase of 62.7%, noted the report, adding that the number of fundraising deals has also increased by 31%. Breaking down the investment volume by sector, the report explains that fintech startups continue to attract the most funding with $112 million, logistics startups came in second with $15.7 million, and mobility startups followed with $12 million.

The report further notes that early-stage startups attracted the largest number of deals. 21 pre-seed and seed-stage startups secured $50 million in funding, making 28% of the overall investment volume, 10% up compared to last month.

While fintech startups maintained a leading market position in terms of capitalization, marketplace startups matched fintech’s appeal in terms of the number of deals secured. As for the source of investments, the report details that foreign investors took part in 21 fundraising deals, with nine US investors accounting for nine deals. UAE investors were the most active in the MENA region, funding nine deals.

Regarding women's participation in the startup ecosystem, the report explains that female-led startups have raised only 0.4% of total investments, while male-female co-founded startups attracted $22 million through four deals. Male-led startups attracted the most funding with $154 million. (MWN 13.06)

[Back to Table of Contents](#TOC)

* 1. Morocco’s Chari Acquires Ivorian Retail Startup Diago

Morocco’s B2B E-commerce platform [Chari](https://chari.co/) has taken 100% stake over an Ivorian Retail app Diago. Chari is an FMCG and financial services digital distributor targeting small retailers in French-speaking Africa while Diago is an Ivorian app that connects neighborhood shops to FMCG producers/importers. Chari launched its operations in Morocco in 2020 before expanding to Tunisia in early 2022. Diago was founded in 2021 and operates exclusively in Abidjan.

Chari acquired Diago primarily in an all-stock transaction. The companies announced that the founders Ali and Amidou will remain CEO and COO, respectively, and will oversee local business growth before expanding footprint to other Sub-Saharan countries.

After a successful proof of concept in Morocco, Chari aspires to become the leader of this business model in Francophone Africa. Trade in French speaking Africa tends to be fragmented and informal. For example, in Morocco, there are around 200,000 convenience stores selling more than $10 billion of merchandise each year. Chari's mission is to meet the needs of these entrepreneurs by ensuring them a regular supply of consumer products and offering them financial services. With just a few clicks, Chari's app can be used by a local store to buy products at unbeatable prices while benefiting from a free delivery service in less than 24 hours. (Chari 10.06)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Israel & New Jersey Team to Develop Climate Solutions

As New Jersey faces increasing climate threats, it is turning to Israeli technology to deal with the situation. The New Jersey-Israel Commission and MILE Ventures co-sponsored a summit recently that brought state leaders and Israeli innovators together to address urgent climate problems, including the need for renewable energy. The first-ever "Climate 180 Turning Point Summit" featured a delegation of cutting-edge Israeli sustainability companies, together with New Jersey officials and private sector executives. The forum focused on collaborative models between public and private stakeholders in the areas of energy and the environment.

The conference included companies that received grants from the BIRD Foundation, a joint U.S.-Israel venture that provides capital for joint industrial research and development projects. Panelists and speakers discussed the future of energy, sustainability and climate-related technologies, in addition to the role of government, academia and the private sector in responding to the challenges faced by climate change in New Jersey, Israel and elsewhere. (JNS 08.06)

[Back to Table of Contents](#TOC)

* 1. Alkemy Announces Closing of the Transaction to Purchase oceansix

Alkemy ([K.B. Recycling Industries](http://www.alkemy.solutions)) announced the closing of its purchase of oceansix GmbH, a Germany based company focused on developing technologies and product solutions from recovered materials, from RAM.ON finance GmbH.

Following the closing, Alkemy and oceansix will focus on the development, production and sale of plastic products for a variety of uses, extruded from plastic films made from post-consumer or post-industrial plastics.

Beit Shean's Alkemy is an environmental technology company based in Israel that has developed a unique plastic recycling process for plastic bags and sheets traditionally not considered economically viable for recycling. Alkemy employs a dynamic one-step process that does not require separate recycling and production plants. Alkemy's process includes both recycling and finished product manufacturing in a single process called "waste-to-product", allowing Alkemy to reduce the cost of the recycled plastic as raw materials, and increase the profit margin per metric ton. (K.B. Recycling 17.06)

[Back to Table of Contents](#TOC)

* 1. Augwind Signs a Strategic Agreement with Voith Hydro

Augwind signed a strategic collaboration agreement with Voith Hydro (part of Voith Group), a global technology group with operations in over 60 countries worldwide, 20,000 employees, and a sales turnover of around €4.3 billion. Voith Hydro is considered one of the world's leading and most experienced companies in the fields of hydropower plants and pumped storage.

Under the agreement, Voith and Augwind will collaborate in the development of designated systems and equipment, including turbines, water pumps and power systems, for integration into Augwind's AirBattery energy storage system. In the company's estimation, development of the systems and their integration into the AirBattery storage systems are expected to support the company's roadmap for bringing the system to the required performance levels, including a high level of energy efficiency. According to the agreement, Augwind will have the exclusive right to integrate these components into the AirBattery systems it builds and sells.

The three-year collaboration framework with Voith is the first step towards the implementation of the company's new strategy, and part of the roadmap that it has outlined for reaching the performance targets of the AirBattery system, making it a competitive option for energy storage clients.

Yakum's [Augwind](https://www.aug-wind.com/) was established in November 2012 and specializes in the development and implementation of industrial compressed air management technology for operational and energy efficiency (AirSmart), and power storage systems using compressed air (AirBattery) for the integration of power from renewable sources (solar, wind, etc.) and to support the electricity transmission network. Augwind operates in two markets: the energy storage market and the industrial compressed air market. (Augwind 13.06)

[Back to Table of Contents](#TOC)

* 1. Dubai to Build New Reservoirs for Desalinated Water

On 8 June, Dubai’s Electricity and Water Authority announced it plans to construct three new reservoirs to increase the emirate’s water security. The reservoirs will cost around $150 million and store desalinated water. The UAE is among the most water-stressed countries in the world.

Water desalination has exploded in the Gulf in recent years and the region has the highest number of desalination plants in the world. The UAE gets 90% of its drinking water from desalination. Desalination has the potential to help mitigate the effects of rising sea levels and produce more drinking water, but the process also poses environmental issues of its own. When fresh water is separated from salt water, the remaining waste water, with its high levels of salt, is dumped back into the ocean. The Dubai Electric and Water Authority has set a target of storing 6,000 million imperial gallons of water by 2025. (Al-Monitor 10.06)

[Back to Table of Contents](#TOC)

* 1. Morocco Ranks 160th in Global Environmental Performance Index

Morocco ranks 160th out of 180 in the global Environmental Performance Index (EPI) with a similar overall score as China, earning 28.6 out of 100 points. The EPI provides an overview of the state of sustainability worldwide through the study of 40 performance indicators to provide guidance to countries wishing to adopt sustainable solutions. The index, produced by Yale University and funded by the McCall MacBain Foundation of Canada, bases its scoring (0-100) on “trusted sources” from international organizations, nongovernmental organizations, and academic researchers Yet even the global leader in environmental performance, Denmark, falls short of achieving the 100 mark, as it scored 77.9.

EPI focuses on three axes, ecosystem vitality, health, and climate policy where Morocco ranked 164 (out of 180), 123, and 135, in the respective order. The three axes are further divided into 11 indices and even more sub-indices.

As for Morocco, the country provided a varying performance in the indicators. It ranked first globally with a perfect score in the SO2 -toxic gas- growth rate indicator, reflecting the country’s good management of the SO2 emissions. However, 44 other countries also received 100 in the performance indicator including Spain, Tunisia, the US and China. Morocco ranked 163th in biodiversity, 143th in air quality, 107th in sanitation and drinking water, 92th in waste management, as well as 135th in climate policy. The Kingdom ranked 14th in the Great Middle East region, ahead of only two counties, Iraq (169th) and Sudan (171th).

Regionally, the UAE topped the regional ranking with an overall score of 52.4 ahead of Israel (57th globally), Jordan (84th), Tunisia (96th), Egypt (127th) and Algeria (155th). The results of the EPI demonstrate the need for Morocco to reinforce its efforts in preserving ecosystems, protecting human health, and reducing greenhouse gas emissions for climate change mitigation purposes. (MWN 09.06)

ARAB STATE DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Cheaper Lebanon Brought Back Strong Tourism Activity in March 2022

The first quarter of 2022 brought about positive developments for Lebanon. The tourism sector was more robust marked by outstanding improvements amid the resumption of normal activity and the easing of pandemic restrictions in Lebanon. According to the data revealed by the Ministry of Tourism, the number of incoming visitors witnessed an annual increase of 155.77% reaching 212,950 visitors by March 2022, compared to only 83,260 by March 2021, 194,395 by March 2020, and down from 375,815 visitors by March 2019. In tandem, number of travelers in Beirut airport increased by an annual 100.94% totaling 1.10M passengers by March 2022, compared to 549,342 passengers by March 2021 and down from 1,207,882 passengers by March 2020 and 3,140,440 passengers by March 2019. The breakdown of statistics by the Ministry of Tourism reveals that the number of tourists from the top 3 destinations recorded considerable upticks. In detail, Europeans grasped the lion’s share or 36.93% of total tourists. Travelers from the Arab countries came in second, grasping a share of 33.74% of the total while tourists from the Americas and Asia constituted 16.59%, and 4.83% of total tourists. In more details, the number of European tourists rose sharply by 116.49% year-on-year (Y-O-Y) to 78,651 by March 2022. Most notably, visitors from France stood at 19,109 by March 2022. Germany followed by 12,891 tourists while England came third as British visitors amounted for 6,641 by the same period. Meanwhile in the Arab world, tourists from Iraq grasped the majority among all the Arab countries with a stake of 55% or 40,902 visitors came to Lebanon. Egyptians in turn gripped 18% (13,566 visitors) out of Arab visitors while Jordanians followed by a share of 10% (7,540 tourists) out of total Arab tourists. Interesting to note that UAE and Saudi Arabia‘s share dropped sharply to 0.11% (84 visitors) and 0.82% (588 visitors), respectively as the national efforts to mend relations and break the curse of GCC travel bans seemed failed to succeed. Lastly, tourists from the American continent rose by 160.29% Y-O-Y to reach 35,348 visitors by the first quarter of 2022 up from 13,580 by March 2020.

On a country basis, the number of tourists came from the USA amounted to 18,423 or 52% out of total arrivals from America. In its turn, Canada came second with 11,356 visitors constituting 32% of total arrivals from America’s continent. Brazil and Venezuela followed with 8% and 3% share out of total arrivals from America. Historically speaking, the tourism sector in Lebanon witnessed moderate improvements in tourist arrivals yet it was very limited compared to 362,398 and 375,815 visitors by the first quarter of 2018 and 2019, respectively. However, the outlook for Lebanon’s tourism sector is optimistic as indicators from the private sector signal a very agitated and promising summer in terms of tourism, compared to 2010; but a complete recovery in the tourism sector in Lebanon is still a long way ahead. (MoT16.06)

[Back to Table of Contents](#TOC)

* 1. Jordanian Inflation Increases by 2.97% in January - May of 2022

Jordan's Consumer Price Index (CPI) rose by 2.97% in the January-May period of 2022 to 104.97 points against 101.94 points in the same period of 2021. In its monthly report, the Department of Statistics (DoS) said that the main commodity groups, which contributed to this increase, were transport by 0.88%, fuel and lighting by 0.63%, vegetables, dried and canned legumes by 0.44%, meat and poultry by 0.19%, and culture and entertainment by 0.14%.

However, the prices of several commodities slightly dropped including beverages and refreshments by 0.03%, rentals by 0.02%, health-related commodities by 0.02% and condiments, food enhancers and other foodstuffs by 0.01%. On a monthly level, the DoS indicated that the CPI went up by 0.51, reaching 106.53 points in May compared to 105.99 in April. (Petra 21.06)

[Back to Table of Contents](#TOC)

* 1. Jordan's Unemployment Rate Stands at 22.8% in the First Quarter

Jordan's unemployment rate fell by 2.2% in the first quarter of the current year 2022, to 22.8%, compared to the same quarter of the previous year. In its quarterly report on the jobless rate, the Department of Statistics (DoS) said that the unemployment rate for males was 20.5% in the first quarter of this year, compared to 31.5% for females. In comparison to the first quarter of last year, the unemployment rate for men fell by 3.7% while it grew by 3% for women.

In comparison to other educational levels, the unemployment rate among university degree holders (unemployed persons with a bachelor's degree or higher divided by the labor force of the same educational qualification) increased to 26.6%. According to the findings, 52.3% of the overall jobless held secondary school diplomas or higher, while 47.1% had educational credentials lower than secondary school. Unemployment rates differed by educational level and gender, with 24.6% of unemployed males holding a bachelor's degree or higher compared to 78.7% of unemployed females.

The findings also indicated that 71.2% of the overall female workforce held a bachelor's degree or higher, compared to 24.7% among males. For the first quarter of this year, the revised economic participation rate (the labor force attributed to the population 15 years and older) was 33.2% (53.2% for males versus 13.7% for females), compared to 34.5% (54.8% for males and 14.0% for females) for the same quarter last year. (Petra 20.06)

►►Arabian Gulf

[Back to Table of Contents](#TOC)

* 1. UAE’s Trade Surplus with GCC Countries Equals Dhs134.7 Billion in 2021

The UAE’s trade surplus with other Gulf Cooperation Council (GCC) countries in 2021 was valued at Dhs134.7 billion. This marked a 26% increase in trade between the UAE and GCC countries in 2021, with a value of Dhs247.5 billion and weighing 68.7 million tonnes, compared to Dhs196.5 billion in 2020 with a weight of 59.9 million tonnes, according to figures from the Federal Competitiveness and Statistics Centre.

UAE imports from GCC countries in 2021 increased to Dhs56.3 billion, weighing 27.9 million tonnes, compared to Dhs43.8 billion with a weight of 26.5 million tonnes in 2020. Meanwhile, the country’s non-oil exports to GCC countries at the end of 2021 stood at Dhs71.9 billion, weighing 36.4 million tonnes, compared to Dhs48.8 billion with a weight of 29.3 million tonnes at the end of 2020.

The value of re-exports at the end of last year amounted to Dhs119.1 billion, weighing 4.3 million tonnes, compared to Dhs103.8 billion with a weight of 4.08 million tonnes at the end of 2020. Output in the country’s non-oil economy increased at the fastest pace since last December and employment saw a renewed increase, according to a survey published by S&P Global on 3 June. Further inputs from the survey revealed, the rate of job creation in the UAE was quickest in seven months. Moreover, strong price competition led companies to refrain from passing on higher costs to customers. (Various 12.06)

[Back to Table of Contents](#TOC)

* 1. UAE & Japan Strengthen Bilateral Ties in Various Sectors

During a three-day working visit to Japan, the UAE Minister of Industry and Advanced Technology and Special Envoy for Climate Change held series of high-level meetings with senior Japanese government and business leaders. The meetings focused on UAE’s preparations to host COP28 in 2023 and strengthen economic, energy and industrial cooperation between the two countries.

At the meetings, the UAE reinforced its commitment to Japan’s energy security and said the UAE will continue to ensure reliable supplies of crude oil and liquefied natural gas (LNG) to Japan. The UAE is Japan’s top crude oil supplier, providing over 20% of its crude oil requirement. The meetings were built on the solid foundations of 50 years of close economic and diplomatic co-operation between the UAE and Japan.

They also reviewed ongoing joint initiatives between the UAE and Japan in hydrogen and low-carbon blue ammonia and highlighted the ambition of the UAE and Japan to harness new commercially feasible technologies to reduce carbon emissions. The last 12 months have witnessed further economic co-operation between the UAE and Japan, with the signing of an agreement between ADNOC and three Japanese companies, INPEX Corporation, JERA Co. Inc and the Japan Oil, Gas and Metals National Corporation to explore the commercial potential of blue ammonia production in the UAE. Both countries also agreed to cooperate on fuel ammonia and carbon recycling technologies following a MoU between ADNOC and Japan’s Ministry of Economy, Trade and Industry in January 2021. (GB 08.06)

[Back to Table of Contents](#TOC)

* 1. Dubai Welcomes 5.1 Million Visitors in First Four Months of 2022

Dubai has welcomed 5.1 million visitors in the first four months of the year, as the emirate continues to position itself as a business and tourism hub. This marks a 203% rise compared to the same period last year, the Dubai Media Office has said. Meanwhile, hotel occupancy stood at 76% during the January-April period.

The emirate recorded 3.97 million overnight visitors in Q1/22, up from 1.27 million welcomed during the corresponding period last year, representing a 214% year-on-year visitation growth. Hotels also achieved an average occupancy levels of 82% during the first three months of 2022, at par with levels of 84% for the same period in 2019.

Dubai International (DXB) airport also marked its busiest quarter in Q1/22 since 2020, recording 13.6 million passengers. The first quarter of the year was also the second consecutive quarter when passenger traffic at DXB surpassed the 10 million mark. DXB is connected to 193 destinations across 92 countries via 73 scheduled international carriers. (GB 10.06)

[Back to Table of Contents](#TOC)

* 1. Saudis Grant Digital Licenses in Latest Diversification Move

The Saudi government granted three companies licenses for the first time to provide digital government services. The Digital Government Authority provided the "first package" of interim licenses to the Saudi sovereign wealth fund-owned Elm for Information Security, Takamol Business Services and Thiqah, another business solutions provider. The licenses formalize the companies’ provision of digital services in conjunction with Saudi government entities. For example, Takamol operates Saudi Arabia’s National Donation Platform, which manages charitable donations throughout the kingdom.

The Saudi Federation for Cybersecurity, Programming and Drones, the National Center for the Development of the Non-Profit Sector and a variety of other government ministries work with the companies.

Saudi Arabia is seeking to increase the size of its digital economy in a bid to diversify and rely less on oil. To this end, Saudi entities have invested in artificial intelligence, blockchain technology, video games and a variety of other digital services this year. The Digital Government Authority decided last November to grant licenses to digital government services providers to “accelerate the growth of the digital economy” and strengthen public-private sector cooperation in this endeavor. (Al-Monitor 13.06)

►►North Africa

[Back to Table of Contents](#TOC)

* 1. Egypt's May Inflation Rate Rises to a Three-Year High

Egyptian inflation rose to a three-year high in May, but it came in lower than expected and even slowed down on a monthly basis. Annual urban inflation rose to 13.5% last month from 13.1% in April as rising global commodity prices and the EGP devaluation pushed consumer prices upwards for a sixth consecutive month, according to the statistics agency CAPMAS.

Food and beverage prices — the biggest component of the basket used to measure inflation — rose 24.8% y-o-y in May, down slightly from 26% in April, as the war in Ukraine continued to hamper supplies of basic food staples. The increase was mostly driven by a significant jump in the cost of grains and bread (up 32.4% y-o-y).

Urban inflation slowed on a monthly basis for the first time since November, falling to 1.1% from 3.3% in April. This was due to a slowdown in food prices, which grew 0.6% compared to 7.6% in April. Annual core inflation rose to 13.3% y-o-y, according to central bank data. Core inflation strips out volatile items such as food and fuel.

Inflation could peak in July or August on higher electricity and fuel prices. Expected changes to electricity and oil prices could push headline inflation towards 15-16% by July or August, pundits said. Households could see their electricity bills rise by as much as 21% from 1 July, according to the government’s schedule to phase out subsidies by 2025. Meanwhile, the government’s fuel pricing committee will meet at the end of June to review prices at the pump. (CAPMAS 12.06)

[Back to Table of Contents](#TOC)

* 1. Egypt's Export Bans and Self Reliance Efforts

Egypt's Trade Ministry has extended by three months its March ban on exports of wheat, flour, corn, lentils, pasta, fava beans and vegetable oils. Exports of any “excess” supplies of the listed goods could go ahead following Trade Ministry approval, according to the decision.

This comes as the Agriculture Ministry wants local wheat production to account for 65% of Egypt's annual consumption needs by 2025. Agriculture Minister El Quseir said that the government would introduce fresh incentives next harvest season, without specifying what they could be. Wheat farmers may be getting some help with new subsidized fertilizer prices, after people in the industry said that the surging price of fertilizers is one of the key impediments for Egyptian farmers. President El Sisi also recently inaugurated a 1.5 million *feddan* land reclamation project in the New Delta, dubbed Egypt’s Future, which will be used to grow wheat, corn, and other crops. Egypt has already reached self-sufficiency in vegetable, cheese, milk and poultry production, and is about to achieve sugar self-sufficiency.

Egypt's export ban on key staples as well as moves to bolster local production comes as part of measures to shore up supplies after Russia’s invasion of Ukraine threw global food markets into turmoil. This comes as the government is raising local wheat prices by 22% as part of a raft of measures to incentivize farmers to increase production. It also introduced a minimum selling quota to the state and tightened restrictions on sales to non-state actors. (Ent 10.06)

[Back to Table of Contents](#TOC)

* 1. Morocco’s Budget Deficit Stands at MAD 14.6 Billion

Morocco’s General Treasury (TGR) registered a budget deficit of MAD 14.6 billion ($1.4 billion) at the end of May 2022. The figure is a significant decrease from the deficit that was recorded at the same time last year, which saw a MAD 24.6 billion deficit. Gross revenues increased by almost 20%, the TGR noted, saying this was due to a 32% increase in direct tax revenues, as well as increases across the board in customs duties, indirect taxes and non-tax revenues. Registration and postage stamps similarly increased to help gross ordinary revenue reach more than MAD 116 billion ($11.6 billion). Meanwhile, expenditures issued under the general budget reached almost MAD 187 billion ($18.7 billion), registering an increase of close to 20%.

The increase was due to a rise in investment expenditures, as well as operating costs. Morocco also showed a 45% commitment rate when it comes to its expenditures, compared to 43% last year. The country’s expenditure commitments reached MAD 286 billion ($28.6 billion). Independently managed government services notably recorded a decrease of almost 20% in revenue, going down from MAD 733 million ($73 million) last year, to around MAD 617 million ($61.7 million) in 2022.

The treasury's report says that issuances from the country’s compensation fund increased by 148.9% to MAD 15.69 billion ($1.5 billion) at the end of May. The amount represents more than 90% of the expected issuances for the year. (MWN 13.06)

[Back to Table of Contents](#TOC)

* 1. Calls Increase to Reactivate Morocco’s Only Refinery as Oil Prices Soar

Morocco currently imports 90% of its energy, and rising fossil fuel prices are increasing the calls to reopen the kingdom’s sole oil refinery. The Société Anonyme Marocaine de l’Industrie du Raffinage (SAMIR) opened in 1959 as a joint venture between the Moroccan state and Italian energy giant ENI. In 1997, the plant was privatized, with majority control going to the Saudi-Swedish owned Corral Petroleum Holdings. The refinery ceased operation in 2015 due to financial difficulties.

In Q1/22, fossil energy imports accounted for 17% of total imports in the country. The value of this share is expected to rise due to the war in Ukraine, and western sanctions targeting the Russian economy, particularly its energy sector. High energy prices combined with inflation negatively affect the purchasing power of Moroccan citizens. Thus, it threatens social stability, as a large portion of Moroccans cannot make ends meet.

The closure of the plant in 2015 was due to heavy financial difficulties and management failure. At the commercial court of Casablanca in 2016, there were calls for the state to take over the plant. In December 2015, the Moroccan government, under the leadership of Abdelilah Benkirane, fully deregulated petrol prices. By removing subsidies, the government aimed to support public investments in other sectors, while competition among energy companies was expected to reduce prices. (Al-Monitor 10.06)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Turkish Unemployment Rate Rises to 11.3%

Turkey’s unemployment rate increased to 11.3% in April, the Turkish Statistical Institute said. The jobless rate rose from 11.2% in March; unemployment was 9.7% for men and 14.5% for women.

Turkey’s official jobless rate has remained relatively stable over the past year despite the COVID-19 pandemic, a jump in inflation and the war in Ukraine. The government has sought to stimulate the economy by cutting interest rates and providing cheap loans to manufacturers, exporters and other tradesmen despite a surge in prices. The youth unemployment rate, which covers people between 15 and 24 years of age, declined to 20% in April from 20.8% in March.

The labor force participation rate was 71.6% for men and 34.9% for women. The unemployment rate was 13.7% in April last year. Weekly average working hours stood at 45.1 hours compared with 41.9 hours in April 2021. (Turkstat 10.06)

[Back to Table of Contents](#TOC)

* 1. Turkish Companies See 260% Increase in Shutdowns During May

Turkish firms have registered a 260% increase in closures compared May of last year, according to a report by the Union of Chambers and Commodity Exchanges of Turkey (TOBB). A total of 2,054 companies shut their doors in the country last month, marking a 259.7% increase compared to May of last year, the report found, while a total of 7,597 firms shut down between January-May of this year.

The report arrives as Turkey is experiencing its worst economic crisis in almost two decades. The lira has lost nearly a quarter of its value this year as soaring inflation, which has hit a two-decade high, and the central bank's reluctance to raise interest rates are sparking fears of another currency crisis.

Turkey’s current account recorded a deficit of $2.74 billion in April, increasing by $1.22 billion from the same month of 2021, the central bank announced. Consumer price inflation in Turkey may accelerate to more than 200%. Turkey’s cooperatives and one-person companies (OPC) also registered an increase in closures in May compared to the same time last year, the TOBB report said, at 671.4% and 122.2%, respectively. (Diken 19.06)

[Back to Table of Contents](#TOC)

* 1. Turkish Parliamentary Commission Approves Social Media Censorship Law

A Turkish parliamentary commission approved a draft social media law introducing jail sentences for spreading so-called fake news on the internet. The digital censorship law, which will now be considered by the general assembly, foresees prison sentences of between one and three years for publicly disseminated so-called false information on the internet regarding national security, public order, or general public health that creates anxiety, fear, or panic among the population or disturbs public peace.

In December, President Erdoğan labelled social media as one of the main threats to democracy, saying his government would criminalize spreading fake news and disinformation online. His critics say the punishments are yet another example of a crackdown on democracy, freedom of speech and objections to his one-man rule. Turkey will use the legislation as an extra tool to prosecute journalists, according to the Committee to Protect Journalists (CPJ).

Lawmakers from Erdoğan’s governing Justice and Development Party (AKP) and their Nationalist Movement Party (MHP) political allies presented the legislation to parliament on 27 May. It amends the penal code and press and internet laws. The new law fails to define what constitutes misleading information or who defines what it is. If the perpetrator commits the crime of spreading so-called false information by concealing her/his true identity or “within the framework of the activity of an organization” punishments will be increased by half.

Turkey’s social media laws were updated in July 2021 to require social media companies to open offices inside the country and appoint representatives who were Turkish citizens. Those who refused faced millions of liras in fines, bandwidth throttling, and possible bans. (Diken 16.06)

[Back to Table of Contents](#TOC)

* 1. Cyprus Fails Competitiveness Test

Cyprus is losing more ground to major economies, dropping seven places to 40 among 64 countries on the 2022 IMD World Competitiveness Ranking index. The island dropped three spots on last year’s results, falling to 33 from 30, and the trend has continued downwards. According to the University of Cyprus Economics Research Centre, an IMD World Competitiveness Centre partner, the ranking is down to a significant deterioration in economic performance. The country recorded the largest drop in the sector among all 63 participants. Cyprus plunged 25 places from 13 to 38 for its economic performance.

The drop in the 2022 ranking was derived from the worst rating received by Cyprus in the subcategories of the domestic economy, reduced investment flows and rising inflation. In addition, criteria related to international trade (current account deficit, deteriorating trade conditions, limited exports of goods) burdened the country’s position.

Cyprus’ performance improved marginally in terms of government efficiency and infrastructure. For government efficiency, Cyprus moved up a spot to 24th place. Its position has improved in the subcategories of state finances (government deficit reduction) and the distribution of wealth. On the contrary, the evaluation of Cyprus deteriorated in 2022 in the subcategories of fiscal policy, the institutional framework, and the legislative framework of enterprises, such as laws for the employment of foreign labor and access to capital markets.

The IMD World Competitiveness Ranking assesses how a country promotes the prosperity of its people by measuring economic well-being through hard data and survey responses from executives. Noting the Cypriot economy suffered from the war in Ukraine and the COVID-19 pandemic, it said a number of chronic weaknesses had taken their toll. (FM 15.06)

GENERAL NEWS AND INTEREST

\*ISRAEL:

[Back to Table of Contents](#TOC)

* 1. Tel Aviv Rolls Out Rainbows for the 23rd Annual Pride Parade

On 10 June the city of Tel Aviv-Jaffa was decked out in rainbows as some 100,000 people participated in its annual Pride Parade, which began at 10:00. To accommodate the crowds, the parade route was been moved from central Tel Aviv and the beachfront to the outskirts of the city and the Tel Aviv fairgrounds adjacent to Yarkon Park. The event began with a gathering at the Sportek facility in the park, followed by a parade leading to the main event, a music event with many popular artists and DJs.

Over 1,000 uniformed and undercover police officers were deployed to protect the marchers and keep order. Magen David Adom was also prepared for the event, with ambulances and teams of paramedics set up along the parade route and at the venues. Paramedics prepared cooling pools for participants who suffer heat stroke. (Israel Hayom 10.06)

\*REGIONAL:

[Back to Table of Contents](#TOC)

* 1. Only One Moroccan University Featured in World University Ranking

Mohammed V University in Rabat, the sole representative of Moroccan higher education in the 2023 QS World University Rankings, was the least well ranked among Arab universities featured in the global ranking. The Moroccan university saw a sharp drop in its global ranking from 1201+ in 2022 to 1401+ in the 2023 edition, well behind the University of Damascus in Syria. It was ranked along with 74 Arab universities.

For this year, QS recorded its largest study so far by collecting data from 1,418 institutions across 100 countries, marking a 1,300 increase in the number of represented universities. The 2023 edition also introduced two new indicators -- employment outcomes for alumni and an international research network for research collaboration. The other indicators include academic and employer reputation, citation per faculty, faculty/student ratio, international faculty ratio, and international student ratio. The main aim of such indicators is to evaluate universities’ internationalization efforts, as well as their academic performance and their students’ learning experience.

The QS report established that the Arab region notably has one of the world’s highest international faculty ratios with nine out of the world’s top 10 institutions in this metric based in the UAE and the remaining university located in Kuwait. The region is also home to five of the world’s top-10 universities with the highest international student ratio. Four of them are in the UAE while Saudi Arabia’s Islamic University of Madinah ranked first worldwide in this category.

Meanwhile, Egyptian universities topped this year’s QS regional ranking with 14 entries, including the American University in Cairo (AUC) which ranked 416th worldwide. The AUC is notably the only university from an Arab-speaking country on the African continent to be placed in the world’s top 500 universities.

The low placement and absence of Moroccan universities in the global and regional rankings echo most Moroccans’ concerns about the quality of national education. As the Moroccan government promotes reforms for a more innovative and English-driven K-12 and higher education, Morocco continues to record low in different indicators set by the QS ranking. (MWN 08.06)

ISRAEL LIFE SCIENCE NEWS

[Back to Table of Contents](#TOC)

* 1. Wine Named for Israeli Teen Murdered by Terrorist Wins International Recognition

The Ariel in Yehuda Winery, located in Kiryat Arba, has won the silver medal at the prestigious Decanter World Wine Awards for its Hallel wine, which vintner Amichai Ariel named after his daughter, Hallel, who was murdered by a terrorist. The family-made wine beat more than 18,000 competing wines from South America, South Africa, North America, Australia, New Zealand and Europe.

In 2016, a terrorist snuck into the Ariel family's home in Kiryat Arba and stabbed Hallel to death while she was sleeping. Amichai, who founded the winery on the outskirts of Kiryat Arba, tells visitors the story of his daughter's murder.

The competition is a very prestigious one. There were wines there from traditional wineries that are hundreds of years old. It's a very tough competition that takes about two and a half months to judge. The judges taste wines without knowing which countries produce them. Only after it is tasted by a number of judges in several places are points awarded.

Hallel wine is a blend of cabernet, franc and merlot. A bottle sells for as much as NIS 150 ($44.60) and the wine is only available for purchase at the winery itself. While thrilled at the win, Ariel said that he is more gratified that groups of youth and visitors come to the winery and learn about Hallel. (Israel Hayom 10.06)

[Back to Table of Contents](#TOC)

* 1. Scopio Labs Wins FDA Clearance for Hematology Digital Cell Morphology Platform

Scopio Labs announced that its ground-breaking X100HT device with Peripheral Blood Smear (PBS) Application has received U.S. FDA 510(k) clearance. Coupling high throughput capabilities with the highest resolution for hematological analysis, the X100HT caters to major medical facilities and labs across the world.

In manual microscopy, users must choose between a large field of view and high resolution. Scopio's devices eliminate that tradeoff completely, capturing large scan areas at 100X magnification. Holding 30 slides and processing up to 40 samples an hour, Scopio's X100HT can meet the high throughput requirements of large hospitals and labs, while fully supporting remote review capabilities, enabling a new subfield of telehematology. Hospital and lab networks can now operate seamlessly across multiple facilities of all sizes, with workload balancing, remote consultations, addressing personnel shortages and more. As the first Full-Field digital imaging and AI-powered analysis platform, Scopio provides a solution to the laboratory workforce shortage by reaching a level of workflow efficiency and traceability that has never been possible before.

Tel Aviv's [Scopio Labs](https://scopiolabs.com) is transforming cell morphology analysis, offering a suite of fully digital diagnostic applications and platforms that drastically enhance clinical workflows and enable faster, earlier, and more accurate detection and diagnosis of disease, expediting patients' access to life-saving treatments. Solving the tradeoff between field-of-view and resolution, Scopio enables labs to assess and analyze cell morphology at unprecedented scale and depth. (Scopio Labs 09.06)

[Back to Table of Contents](#TOC)

* 1. MeaTech Granted Patent for Physical Manipulation of Cultured Muscle Tissue

MeaTech 3D received its first patent out of several that are currently pending. The patent, granted by IP Australia, is based on the company's development of systems and methods to apply external forces to muscle tissue that result in the development of high-quality complex structured meat.

One of the main challenges of producing structured meat is to enable the muscle tissue to mature with an enhanced fibrous texture that results in a mouthfeel with the right elasticity, density and taste. This achievement strengthens the company's IP which we believe will help speed up MeaTech's entry into the market as the leading producer of high-quality cultivated whole cuts of meat. This will also provide technology and services to third-party food-sector players.

Rehovot's [MeaTech](https://meatech3d.com) is at the forefront of the cultured meat revolution. The company initiated activities in 2019 and is listed on the NASDAQ Capital Market under the ticker "MITC". The company believes cultivated meat technologies hold significant potential to improve meat production, simplify the meat supply chain, and offer consumers a range of new product offerings. MeaTech aims to provide an alternative to industrialized animal farming that dramatically reduces carbon footprint, minimizes water and land usage, and prevents the slaughtering of animals. With a modular factory design, MeaTech aims to offer a sustainable solution for producing a variety of beef, chicken and pork products, both as raw materials and whole cuts. (MeaTech 09.06)

[Back to Table of Contents](#TOC)

* 1. Remilk Secures Self-Affirmed GRAS for Non-Animal, Real Dairy Protein

Remilk has obtained self-affirmed GRAS (generally recognized as safe) status, in accordance with U.S. FDA requirements, paving the way for non-animal, real-dairy products in the U.S.

Remilk protein is identical to cow-based milk protein but produced without a single animal cell. GRAS status indicates that Remilk protein is considered safe for consumption in food and beverages, which means it can be used by manufacturers to make non-animal varieties of popular consumer products such as ice cream, yogurt and cream cheese. Unlike plant-based dairy alternatives, Remilk proteins are bio-equivalent to their traditional counterparts and dairy produced using them is indistinguishable in taste and function from traditional dairy. With this regulatory clearance, the company can begin selling to US CPGs, with sales anticipated to begin in the coming quarters.

Rehovot's [Remilk](https://www.remilk.com/) is a global leader in the development of animal-free dairy. Remilk produces dairy-identical milk proteins through precision fermentation and has developed a unique and patented approach to scalable manufacturing which requires a fraction of Earth's resources compared to traditional dairy, while dramatically increasing efficiency in production, and, for the first time in history, eliminates the need for dairy cows in industrial-scale dairy production without compromising on taste, functionality, or nutritional values. (Remilk 07.06)

[Back to Table of Contents](#TOC)

* 1. DouxMatok & Batory Foods Expand Availability of Incredo Sugar in the US

DouxMatok and Batory Foods (USA), a national sales and supply chain management solutions provider of commodity and specialty food ingredients, announced a commercial distribution agreement. Starting this month, Incredo Sugar will be added to Batory Foods’ full portfolio of high-quality food ingredients, unlocking a network of customers in North America looking to reduce sugar in baked goods and confectionery products, such as cakes, snacks, cookies, chocolate, candy, spreads and protein bars. The engagement between the two companies will expand distribution opportunities in addition to DouxMatok’s direct sales channels.

Incredo Sugar is the only solution on the market made of real cane sugar and achieves the same level of sweetness with up to 50% less sugar and no compromise on taste or texture. As consumers across the globe, and especially in the U.S., continue to prioritize health and nutrition, Incredo Sugar can provide food manufacturers and CPGs an opportunity to reduce sugar significantly in their products while still meeting the high expectations of taste and sweetness.

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 maintains the same level 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. (DouxMatok 15.06)

[Back to Table of Contents](#TOC)

* 1. Ibex Obtains CE Mark for Galen Gastric Cancer Detection

Ibex Medical Analytics announced a CE mark for the Galen Gastric solution that supports pathologists in the detection of various types of gastric cancer. With this first-of-its-kind solution becoming generally available, Ibex offers the richest portfolio of artificial intelligence (AI) solutions in pathology, enabling detection of cancer and other pathologies in gastric, breast and prostate biopsies.

The Galen suite of solutions is the most widely deployed AI technology in pathology, and Ibex now partners with laboratories, hospitals and health systems to implement AI for the diagnosis of gastric biopsies. Galen Gastric is an integrated diagnostics solution that supports pathologists in the detection of gastric cancer, H. pylori and other important clinical findings and in enabling shorter turnaround times and optimized diagnostic workflows. The solution was developed by a team of pathologists, data scientists and software engineers who implemented advanced Deep Learning technologies and trained algorithms on more than a million image samples, scanned from biopsy slides digitized using digital pathology.

Tel Aviv's [Ibex](http://www.ibex-ai.com) pioneers AI-powered cancer diagnostics in pathology. They empower physicians to provide every patient with an accurate, timely and personalized cancer diagnosis by developing clinical-grade AI algorithms and digital workflows that help detect and grade cancer in biopsies. The Galen platform is the first-ever AI-powered integrated diagnostics solution in pathology and used in routine clinical practice worldwide, supporting pathologists and providers in improving the quality and accuracy of diagnosis, implementing comprehensive quality control, reducing turnaround times and boosting productivity with more efficient workflows. (Ibex 15.06)

[Back to Table of Contents](#TOC)

* 1. SoniVie IDE Approval for Pilot to Treat Hypertension with its Renal TIVUS Technology

SoniVie announced that the U.S. FDA granted IDE approval for its "REDUCED" Pilot study to treat Resistant Hypertension Patients with Renal Artery Denervation using TIVUS, its innovative Ultra-Sound Ablation System. Resistant hypertension is defined as blood pressure higher than 140/90 mmHg despite use of three antihypertensive medications of different classes at the best tolerated doses, one of which must be a diuretic. Millions of people world-wide suffer from resistant hypertension which substantially increases the risk of heart attack, stroke and kidney failure.

The REDUCED study will further expand the Company's clinical experience based on two clinical trials in Renal Denervation performed using the earlier generation of the TIVUS. Renal Denervation with TIVUS is a minimally invasive procedure that uses high-frequency non-focused Ultra-Sound energy to ablate nerves in the renal artery. This causes a reduction in the nerve activity, which may decrease blood pressure. This procedure is designed for patients who suffer from resistant hypertension.

Rosh HaAyin's [SoniVie](http://www.sonivie.com) is a medical device company developing the TIVUS, the only Ultra-Sound Denervation platform with active development programs in three therapeutic areas: pulmonary artery denervation for pulmonary hypertension, renal artery denervation for resistant hypertension, and lung denervation for chronic obstructive pulmonary disease with chronic bronchitis. (SoniVie 19.06)

[Back to Table of Contents](#TOC)

* 1. CropX Adds Disease Management to its Farm Management System

CropX has expanded its system to include an innovative disease management capability that can lead to reduced chemical use while protecting crop yields. The CropX farm management system tracks key fungal diseases on over 320 crop and fungal disease combinations and offers advice on when to spray. This new capability integrates 20 years of agronomic research and expertise of Netherlands-based Dacom Farm Intelligence, which CropX acquired in 2021.

The disease management capability analyzes data from a full array of sources above and below ground to monitor and warn of conditions that lead to disease outbreaks. It then offers insights on the timing of fungicidal applications. Users can see a forecast of specific fungal stressors and a visualization of the best and worst times of day in the coming week for crop protection applications. By timing the application correctly, farmers can ensure that they protect their crops while limiting the use of chemicals to what is absolutely necessary. Customers can save 2-3 fungicide sprays per season or more, reaping significant savings while optimizing crop protection with a typical return on investment (ROI) of $30 per acre.

Netanya's [CropX](https://cropx.com) is one of the fastest growing providers of agribusiness farm management solutions in the world, deployed in over 50 countries and across all the arable continents. The CropX platform synthesizes data from the earth and sky to offer advanced soil and crop intelligence and a suite of digital decision and planning tools, all on an easy-to-use app capable of tracking multiple farms and fields. CropX is backed by the world's leading agribusinesses and VCs, who recognize that CropX's precision-ag technologies set new standards of best practices for environmental sustainability and greater farm productivity. (CropX 16.06)

[Back to Table of Contents](#TOC)

* 1. DiA Partners with Intelerad to Empower Echocardiography Labs with AI

Intelerad Medical Systems, a global leader in medical image management solutions and Headquartered in Raleigh, NC and Montréal, and DiA Imaging Analysis announced a commercial partnership to offer DiA's LVivo Seamless AI-based cardiac ultrasound software solution as part of Intelerad's cardiac imaging solutions IntelePACS. This collaboration is aligned with Intelerad's expansion of its enterprise imaging offerings in the cardiology space.

DiA's LVivo Seamless AI-based software solution runs automatically 'behind the scenes' on echo lab servers, automatically selecting and analyzing the optimal cardiac ultrasound images and generating key clinical indications of left and right ventricle function. The results are immediately presented on the CPACS viewer as secondary-capture clips in-motion, saving time, reducing variability and optimizing echo lab workflow.

Beer Sheva's [DiA Imaging Analysis](http://www.dia-analysis.com) is a global leading provider of FDA cleared and CE marked ultrasound AI software solutions that automate the way clinicians use and analyze ultrasound images. The company's LVivo product line for cardiac and abdominal automated analysis allows clinicians with varying levels of ultrasound experience to automatically analyze ultrasound images on their ultrasound devices near bedside and on healthcare IT system workstations remotely, with increased speed, efficiency and accuracy. (DiA 16.06)

[Back to Table of Contents](#TOC)

* 1. Aidoc Raises $110 Million to Address Challenges Facing Health Systems by Using AI

Aidoc announced a $110 million Series D round investment, bringing its total funding to $250 million. The round, co-led by global growth investors TCV and Alpha Intelligence Capital (AIC), with participation from AIC’s co-investor CDIB Capital, will power the continued expansion of the Aidoc AI Care Platform. The platform enables hospitals to tackle their most prominent challenges, especially in the post pandemic reality of physician and nursing shortages, rising supply costs, and an increasingly challenging economic environment.

Clinical research conducted on Aidoc’s AI solutions has shown its potential value in empowering physicians to manage larger patient volumes by reducing time to treatment, shortening length of stay in the ED and capturing more patients requiring advanced treatments. Now, Aidoc, is bringing its AI-driven clinical experience from medical imaging and multidisciplinary response teams to the entirety of the hospital enterprise—covering the key modalities, the various specialties and aiding physicians in managing the entire patient care continuum, all connected under the AI Care Platform.

The AI Care Platform, the first of its kind, already boasts 15 FDA-cleared clinical solutions, in addition to the Care Coordination application which operates as an intelligent layer on top of hospital IT systems, offering physicians a centralized solution to address care points, across the health system. The full platform empowers radiologists and other imaging professionals to triage potential time-critical cases and for the care team to conclude deep, actionable insights derived from imaging data, and electronic medical records.

Tel Aviv's [Aidoc](https://www.aidoc.com) is the leading provider of artificial intelligence healthcare solutions that empower physicians to expedite patient treatment and enhance operational capabilities. Aidoc’s AI Care Platform—the first of its kind—offers health systems a singular platform solution that works with physicians to manage the entire patient lifecycle—from diagnostic aid, to consultation to suggested treatment paths to patient follow-up tools. In clinical studies, the Aidoc AI has proven to reduce turnaround time, shorten patient length of stay and improve patient outcomes. (Aidoc 16.06)

ISRAEL PRODUCT & TECHNOLOGY NEWS

[Back to Table of Contents](#TOC)

* 1. Shield Launches New Version with Robust eDiscovery Capabilities

Shield announced a new version of its award-winning, end-to-end communication compliance platform, including an industry-defining eDiscovery tool that offers firms a fast response to regulatory inquiries while increasing team efficiency and enabling collaborative case management. Shield 3.1’s market-leading platform was developed, refined and actualized through countless rounds of in-depth conversations with compliance users, resulting in a modern, dynamic platform that is solely built so today’s compliance professional can quickly search and drill down the right results while gaining access to smart analytics and insights across the full eDiscovery flow.

With a deep understanding of its customers' needs and expectations following a comprehensive user research, Shield 3.1 provides a new, better compliance platform that users will love and is a significant upgrade from existing legacy vendors that are inefficient and outdated. Through close collaboration with its customers, enhancements to Shield 3.1 include a fresh User Interface and User Experience (UI/UX), a drastically improved way of reviewing and handling alerts, updated case management functionalities, new, out-of-the-box reports and a completely transparent and explainable alert drilldown.

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 08.06)

[Back to Table of Contents](#TOC)

* 1. Spear Unveils New Ninox 103 Sub-to-Air Loitering UAS

Tel Aviv's [Spear UAV](https://spearuav.com/) unveiled its encapsulated Ninox 103 Sub-to-Air loitering UAS, which for the first time enables the launch of sub-marine drones into the air, providing immediate beyond-line-of-sight situational awareness. Designed for undetectable, underwater launch and focusing on existing operational needs, the Ninox 103 Sub-to-Air is an autonomous AI-based system. Intuitive and easy to operate, it provides the most effective way for submarines, Autonomous Underwater Vehicles (AUVs), and other underwater platforms to gain instant aerial capabilities, supporting various missions, including those of special forces, reconnaissance, and joint-force operations.

Capable of instantaneous launch, the system enables the vessel’s team to receive real-time imaging beyond the coastline, at long ranges, while remaining undetected and at a distance from land. Ruggedized for harsh underwater and maritime environments, the Ninox 103 is payload agnostic, with an open architecture that enables third-party data link integration. Seamlessly integrated into existing submarine launching infrastructure, its low visual, thermal, and acoustic signatures support stealth-mode operation.

Founded in 2017, Spear is a Defense and HLS company that is disrupting the world of unmanned aerial systems with its broad range of solutions, which are used by the military, government and civilian organizations around the globe. Spear is the single source supplier for several projects with the Israeli MOD. (Naval News 07.06)

[Back to Table of Contents](#TOC)

* 1. monday.com Adds Built-In Monetization Solution to the Apps Marketplace

Tel Aviv's [monday.com](https://www.monday.com), a work operating system (Work OS) where organizations of any size can create the tools and processes they need to manage every aspect of their work, has launched a monetization framework for the monday apps marketplace. The new marketplace monetization solution will give developers and partners the ability to integrate and manage app payments directly within the Work OS, and let all users manage multiple payments and subscriptions from their existing monday.com account.

With the new payment solution and the platform’s flexible low-code/no-code framework, developers will be able to build, distribute, and monetize their apps all within their monday.com workspace. The payment solution can be easily integrated into new and existing marketplace apps with the monday.com SDK. Once the new capability is implemented, developers can start processing payments and monday.com will automatically handle the entire billing process, including currency conversions, recurring subscriptions, refunds, invoices, and revenue payouts. New and existing developers will still have the option to use external payment solutions until they are ready to make the transition.

The monday.com Work OS is an open platform that democratizes the power of software so organizations can easily build work management tools and software applications to fit their every need. The platform intuitively connects people to processes and systems, empowering teams to excel in every aspect of their work while creating an environment of transparency in business. monday.com has teams in Tel Aviv, New York, San Francisco, Miami, Chicago, London, Warsaw, Sydney, São Paulo and Tokyo. The platform is fully customizable to suit any business vertical and is currently used by over 152,000 customers across over 200 industries in 200 countries. (monday.com 09.06)

[Back to Table of Contents](#TOC)

* 1. Valens' Stello Chipsets to Power Crestron's Next-Generation Product Lines

Valens Semiconductor announced that a full suite of more than 24 Professional Audio-Video (ProAV) products from Crestron Electronics, the global leader in workplace and smart home technology, are powered by the Valens Stello family. These products support a new era of technological innovation for Audio-Video, bringing to the industry a truly uncompressed 4K60@4:4:4 video distribution solution.

Crestron has already introduced to market multiple Valens Stello-based products, including the popular 4K HD-PS presentation switchers and end points from its DM Lite® product lines, which have been met with strong market demand. The Crestron products incorporate chipsets from the Valens Stello family, which implements the latest generation of the HDBaseT standard, HDBaseT 3.0. The Valens Stello chipsets offer unparalleled technological capabilities and are the only ones on the market that can converge and extend fully uncompressed HDMI 2.0 4K60@4:4:4 Video, 1Gbps Ethernet, Hi-Speed USB, Controls, and Power, over a single Category cable for distances of up to 100 meters (328ft).

Hod HaSharon's [Valens Semiconductor](http://www.valens.com) pushes the boundaries of connectivity by enabling long-reach, high-speed video and data transmission for the Audio-Video and Automotive industries. Valens' HDBaseT technology is the leading standard in the Audio-Video market with tens of millions of Valens' chipsets integrated into thousands of products in a wide range of applications. Valens' Automotive chipsets are deployed in systems manufactured by leading customers and are on the road in vehicles around the world. (Valens 09.06)

[Back to Table of Contents](#TOC)

* 1. Elbit Systems Unveils a Simultaneous Multi-Mission Tactical Radar System

Elbit Systems launched DAiR, an innovative simultaneous multi-mission tactical radar. The system makes target prioritization redundant enabling a step change in the effectiveness and efficiency of tactical terrain dominance, protection against Unmanned Aerial Systems (UAS) and border security.

The DAiR is an X-band software defined radar system that incorporates hundreds of digital receivers, sophisticated algorithms and computing cores with Artificial Intelligence capabilities. The system is capable of simultaneous detection and tracking of thousands objects of various sizes and velocities, with no need for target prioritization. These unique radar capabilities enable a tactical force to use a single radar system for handling of a very large number of targets of various types and ranges including: humans, small quadcopters, helicopters and UAS, vessels and artillery. Small drones are detected from up to 12km and humans from up to 15km. The DAiR radar systems is compatible with the All-purpose Structured EUROCONTROL Surveillance Information Exchange protocols (ASTERIX) enabling seamless sharing of information with C4I systems.

Haifa's [Elbit Systems](https://elbitsystems.com) is an international high technology company engaged in a wide range of defense, homeland security and commercial programs throughout the world. The Company, which includes Elbit Systems and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence surveillance and reconnaissance, unmanned aircraft systems, advanced electro-optics, electro-optic space systems, EW suites, signal intelligence systems, data links, radios, cyber-based systems and munitions. (Elbit Systems 13.06)

[Back to Table of Contents](#TOC)

* 1. Plasan Sasa Reveals its New WILDER Military Vehicle

Kibbutz Sasa's [Plasan Sasa](http://www.plasan.com) revealed an exciting new vehicle, designed from the ground up to answer the needs of military patrols and Special Forces. The groundbreaking design breaks the paradigm that forces had to choose between mobility, protection and firepower. Wilder provides Stanag 4569 Level 2 protection for 4 people in a compact package weighing just 3.7t and offering a full 800kg of payload. With a huge 370mm of wheel travel due to a unique patented suspension system, a reliable 420Nm engine driving all 4 wheels through an 8-speed automatic gearbox, and a central driving position with panoramic view, the Wilder has the mobility and off-road capability of a racing buggy, combined with the protection and remotely operated firepower normally only seen on vehicles weighing twice as much. Situational awareness is excellent for all 4 occupants in the comfortable air-conditioned monocoque Kitted Hull, and the rear cargo bed can accommodate a NATO pallet packed with equipment and supplies for a long mission with ease.

Light and compact, Wilder is internally transportable by CH47 making it deployable wherever your forces need to be, and allowing it to take on multiple missions including reconnaissance and raids over the roughest terrains and in the harshest of conditions. Options available include 4-wheel steering and remote control of the entire vehicle. The crew can dismount and remotely drive the vehicle and its weapon to a vantage point without putting themselves in danger. With this fully integrated drive-by-wire capability and associated cameras and sensors, the Wilder is also ready for fully autonomous operation.

Wilder can also be paired with Plasan's ATeMM to create a hybrid-electric 6x6 with 2t of combined payload and all of the exportable power and system capability of the unique ATeMM and ATeMM Tandem. This highly innovative clean-sheet design is being offered by Plasan as a turnkey product or in kit form for local assembly by vehicle manufacturers around the world. (Plasan Sasa ‎13.06)

[Back to Table of Contents](#TOC)

* 1. Ethio Telecom Chooses Allot Traffic Management Solution

Allot announced that Ethio Telecom in Ethiopia has selected the Allot SmartTraffic QoE solution. SmartTraffic QoE, which provides comprehensive network traffic analytics, plus flexible, granular and precise real-time bandwidth and congestion management. The solution will be implemented to improve network performance and QoE for Ethio’s mobile customers and to take advantage of its PCEF (Policy and Charging Enforcement Function) features to enable new and more competitive service plans.

The SmartTraffic QoE solution from Allot prioritizes critical applications over those that hog bandwidth based on Key Quality Indicators (KQIs). Using those KQIs, network traffic is intelligently shaped to ensure that heavy users do not negatively impact the Quality of Experience (QoE) of regular customers.

Hod HaSharon's [Allot](https://www.allot.com) is a provider of leading innovative network intelligence and security solutions for service providers and enterprises worldwide, enhancing value to their customers. Their solutions are deployed globally for network and application analytics, traffic control and shaping, network-based security services, and more. Allot’s multi-service platforms are deployed by over 500 mobile, fixed and cloud service providers and over 1,000 enterprises. Their industry-leading network-based security as a service solution is already used by over 20 million subscribers globally. (Allot 13.06)

[Back to Table of Contents](#TOC)

* 1. ColorChip's Technology Addresses Field Deployment Failure of 400g Copper Cable

ColorChip announced the innovative Hairtail direct attached cable (DAC) technology, which offers the industry's most flexible, bending insensitive, and the lightest cable for 50G PAM4 applications. This technology, when being implemented in the QSFP-DD or OSFP form factors which are made with 16 pairs of high-speed cables, may address the conventional DAC field deployment challenges due to the rigidity and rack routing with greater than 30% cost savings. The unique construction of the cable makes the typical bending radius and bending space required for conventional cable structure 50% less while twisting, bending, and zip-tying the cable demonstrates no signal integrity degradation. A Hairtail 3m QSFP-DD using a 27AWG cable offers at least 1dB margin in both insertion loss and Channel Operating Margin (COM) versus the IEEE 802.3cd.

Yokneam Illit's [ColorChip Group](https://www.color-chip.com/) is a technology innovator in the field of photonic integrated circuits, a group of 4 assets specializing in an array of connectivity solutions and optical devices joined forces to address the growing needs for high bandwidth demand of the Datacom and Telecom markets. (ColorChip 13.06)

[Back to Table of Contents](#TOC)

* 1. TenureX Leverages Google Cloud Platform to Offer a New Banking Model

TenureX has collaborated with Google Cloud to develop a secure and trusted cloud service which shall eliminate the constraints of bilateral, relationship-based banking. With TenureX, financial counterparties can cooperate seamlessly and confidently, one transaction at a time.

Built on Google Cloud Platform (GCP), TenureX promises to completely unlock the legacy of operations of correspondent banking. TenureX creates a digital layer that enables new payment corridors and new customers to join the banking ecosystem through a pay-per-transaction model instead of the relationship model, which is effectively a membership club. TenureX doesn't bypass or disrupt correspondent banking; it adds value and control to the existing structure and uses transaction data to strengthen the interface between banks and increase trust.

With GCP's solid integrity, security and reduced risk, Tel Aviv's [TenureX](http://www.tenurex.com) is promised to allow its counterparties to communicate multilaterally and objectively in real time, reduce operating costs, gain new revenue streams, diversify income, and boost financial inclusion. Developed with help from Google Cloud Services, the TenureX Platform mission will make a major contribution to the G20 Roadmap for Enhancing Cross-border Payments. (TenureX 13.06)

[Back to Table of Contents](#TOC)

* 1. Portnox Unveils First Cloud-Native TACACS+ Solution

Portnox announced the general availability of the first cloud-native Terminal Access Controller Access Control Server (TACACS+) solution to help midmarket businesses more easily manage network device administration and access management across increasingly distributed networks. Continuing its commitment to delivering network security products that are easy for the mid-market to use, scale and maintain, the new cloud-native Portnox TACACS+-as-a-Service offering empowers users to easily enforce network authentication, authorization, and accounting (AAA) services and policies for network devices – functionality once only available to large enterprises. Offering a free entry-level tier, Portnox now allows any organization to deploy this must-have network security technology for up to 100 network devices – such as wireless access points and wired switches – under the authority of a single administrator.

Since closing its Series A earlier this year, Portnox has invested heavily in its product and people. The company has also drastically increased its employee count in Sales, Marketing, Product, Engineering, and other departments across the United States, Europe and Israel to fuel its growth, growing its workforce by more than 50% since the start of 2022.

Ra'anana's [Portnox](http://www.portnox.com) offers cloud-native network and endpoint security essentials that enable agile, resource-constrained IT teams to proactively address today’s most pressing security challenges: the rapid expansion of enterprise networks, the proliferation of connected device types, and the increased sophistication of cyberattacks. Hundreds of companies have leveraged Portnox’s award-winning security products to enforce powerful network access, endpoint risk monitoring and remediation policies to strengthen their organizational security posture. By eliminating the need for any on-premises footprint common among traditional information security systems, Portnox allows companies - no matter their size, geo-distribution, or networking architecture - to deploy, scale, enforce and maintain these critical security policies with unprecedented ease. (Portnox 15.06)

[Back to Table of Contents](#TOC)

* 1. LUSIX Unveils Sun Grown Diamonds

LUSIX unveiled its Sun Grown Diamonds, revealing that its entire diamond growing operation is now 100% solar powered. LUSIX is the world’s first producer of 100% solar powered lab-grown diamonds.

LUSIX' entire company, including all its diamond growing operations, is fully powered by a dedicated 30 MW solar farm situated in southern Israel, ensuring that all LUSIX’s energy consumption is 100% accounted for by solar power. This significant milestone in lab-grown diamond production supports the Company’s mission to sustainably produce the highest quality lab-grown diamonds. LUSIX will supply its solar powered lab-grown diamonds under the commercial name: Sun Grown Diamonds.

Rehovot's [LUSIX](https://lusix.com/) is a technology-driven, prime grower of lab-grown diamonds (LGDs). Marketing its diamonds under the Sun Grown Diamonds mark, LUSIX is the world’s first 100% solar-powered LGD producer. The Company is unique in its ability to grow custom shaped rough diamonds, including LUSIX’s proprietary Pyramid Diamond, as well as colored rough diamonds. LUSIX is committed to the highest level of quality and traceability practices and is independently certified for its sustainability. LUSIX diamonds are grown in Israel in the world’s most scientifically advanced manufacturing facility. The Company is vertically integrated, from the design and manufacture of its own custom-made reactors to large scale production of premium quality diamonds. They are also chosen by leading luxury brands worldwide including a recent investment by LVMH Luxury Ventures. (LUSIX 14.06)

[Back to Table of Contents](#TOC)

* 1. Lumigo Expands its Serverless Observability Platform Support

Lumigo announced the extension of its core product to support containers and Kubernetes. Lumigo now offers complete end-to-end observability covering the full spectrum of cloud services used in modern applications, from AWS Lambda to serverless services like DynamoDB to containers.

Lumigo developed best-in-breed distributed tracing algorithms to contend with highly distributed serverless applications. The same technology can now be utilized to monitor and trace applications built on containers or Kubernetes. In most modern environments, Lumigo's solution can be deployed without any code changes. This enables the correlation of executions across fully managed services, where app developers don't have the ability to deploy an agent, alter the code or change the API. Lumigo's team, who have deep expertise in cybersecurity, opted for an approach inspired by this domain. It utilizes existing information (raw data, calculated metadata and additional signals from the dataflow of the services) to generate "virtual unique identifiers" which are used for the correlation of executions. The typical method of propagating trace context fails with cloud managed services, like S3 buckets, whose code or APIs cannot be modified.

Tel Aviv's [Lumigo](https://lumigo.io/) is an observability platform for modern cloud applications that uses automated distributed tracing to allow developers to quickly navigate to the root cause of issues with visual debugging, resolve performance bottlenecks with a clear breakdown of each component's execution duration, and receive notifications on issues before they impact the business with smart alerts. The platform is used by hundreds of leading companies, including Medtronic, Sonos and Vimeo. Lumigo has raised $37 million in funding to date. (Lumigo 16.06)

[Back to Table of Contents](#TOC)

* 1. Watersight AquaRing - a Complete Real-Time Sensing Device for Online Water Monitoring

Ness Ziona's [Watersight](https://watersight.ai/), a joint venture company of MEKOROT, Israel's national water company, and Newsight Imaging, a technology company that specializes in advanced CMOS image sensors for spectral analysis, announced the official launch of the AquaRing, a complete real-time sensing device for online water condition monitoring for water, utility, and food & beverage industries.

The patent-pending AquaRing is based on the game-changing spectral technology developed by Newsight Imaging, powered by Machine Learning and AI, and supported by a cloud-based dashboard. The device provides an advanced Real-Time IoT monitoring solution that gives alerts based on water conditions. From source to tap, inlet to outlet, Watersight's solution is fast, smart, and scalable at an unbeatable price.

The AquaRing is now available for select customers to join the pilot program. The pilot kit includes a set of AquaRing sensors with an installation kit and software to evaluate multiple desired use cases. Watersight will provide close support and guidance. Learn more about our pilot program. (Watersight 15.06)

[Back to Table of Contents](#TOC)

* 1. Cybellum "System of Systems" Provides Visibility & Control for Product Security Teams

Cybellum announced the release of its new "System of Systems" functionality for comprehensive system level cybersecurity for vehicles and products.

Cybersecurity has become one of the biggest challenges for vehicle and device manufacturers. Supply chain vulnerabilities from open source and third-party components are on the rise, and vulnerabilities that are a result of coding errors by internal development teams are also opening doors for potential threat actors. In addition, the creation of SBOMs, and the handling of the high number of uncovered vulnerabilities has become much more labor-intensive and costly than just scanning and detecting threats. The result is a time consuming, expensive, and error prone process, which is very difficult to manage throughout the device lifecycle. Product teams have no visibility at the product system level, they are unable to assess overall potential risk and damage, and they are left with complex processes that don't scale.

Tel Aviv's [Cybellum](http://www.cybellum.com) enables device manufacturers to keep the products they build secure and compliant, every single moment of their life. Industry leaders use Cybellum's product security platform to fuse security into every phase of the product lifecycle. Powered by Cyber Digital Twins technology -- a live digital replica of every software component inside your devices – Cybellum allows product security teams to manage cyber risk continuously, whatever new threat arises. From living SBOMs to automated vulnerability management and continuous monitoring, teams can ensure their product portfolio is secure from design to post-production and beyond. (Cybellum 15.06)

[Back to Table of Contents](#TOC)

* 1. Axilion Successfully Completes Pilot of the X Way Twin System in Jerusalem

Axilion successfully completed a pilot along Rabin Blvd. in Jerusalem, using the X Way Twin system. With the completion of the pilot, the Company presented representatives of the City of Jerusalem with a comprehensive calibrated simulation of the programs of traffic lights along Rabin Blvd. in Jerusalem in the morning hours, while demonstrating a significant real-time reduction in traffic congestion and emission of pollutants, using the X Way Twin system which is being developed by the Company, and based on information collected by Axilion in recent months in order to produce an accurate solution.

The pilot helped to fully verify the X Way Twin technology, and is another step towards implementation of more significant commercial pilots in the U.S. market which, to the Company's estimation, is the largest and most advanced market technologically and commercially. Following the pilot's success, and after an in-depth review by the City of the scientific quality of the results and the possibility and economic merit of deploying sensors of a single supplier, the Company will continue the collaboration once the City installs advanced sensors across the city for information and data collection which will enable the full implementation of the X Way system's capabilities in Jerusalem.

Tel Aviv's [Axilion](https://axilion.com) is an Israel AI company which develops and builds tailored digital cities and enables them to reduce air pollution, decrease traffic congestion, streamline public transportation, and increase the safety of pedestrians, cyclists and scooters (micro mobility). The Company provides software-based urban infrastructure and algorithms for outdated traffic light systems, and gives them the ability to "communicate" in order to create green wave traffic along city routes, prioritize public transportation at traffic lights, and develop an AI-based infrastructure to manage traffic lights as a dynamic, synchronized, and adapted network which regulates traffic to the variety of means of transportation in the city, including connected and autonomous vehicles. (Axilion Smart Mobility 14.06)

[Back to Table of Contents](#TOC)

* 1. RAFAEL Unveils the SPIKE NLOS 6th Generation Missile

Haifa's [Rafael Advanced Defense Systems](https://www.rafael.co.il/) unveiled the SPIKE NLOS 6th generation precision missile at Eurosatory 2022 in Paris, France. Rafael’s SPIKE missile family of multi-purpose, electrooptical guided missiles provides pinpoint precision at extended ranges with the NLOS variant successfully engaging non-line of sight targets. SPIKE NLOS, launched from air, land, or naval platforms, provides critical real-time tactical intelligence and damage assessments allowing it to adjust targets and abort missions midflight and operate in both offensive and defense scenarios.

The SPIKE NLOS 6th generation, building on the exceptional operational success of the entire SPIKE missile family, includes several new, enhanced capabilities to account for modern battlefield needs and trends. Specifically, these advanced technologies more quickly close the sensor-to-shooter loop and more efficiently neutralize swarm attacks from standoff ranges, improving overall battlefield survivability as a result. (IsraelDefense 12.06)

ISRAEL ECONOMIC STATISTICS

[Back to Table of Contents](#TOC)

* 1. Israel's May Inflation Rate Comes in Below Expectations

The Central Bureau of Statistics announced that Israel's Consumer Price Index (CPI) rose by 0.6% in May, below the pundits' estimates of 0.7%-0.8%. Despite this. Israel's inflation rate remains at its highest level in more than a decade. Inflation over the past 12 months now stands at 4.1%, still well above the Bank of Israel's annual target range for inflation of between 1% and 3%, and this is likely lead to the Bank of Israel again raising interest rates at the start of next month.

Among the prominent rises in prices in May, fresh fruit rose 13.8% and clothing and footwear rose 2.2%, food rose 0.9%, and culture and entertainment rose 0.8%. Among the prominent price falls in May were fresh vegetables, which fell by 0.7%. Housing prices rose 0.9% in March-April compared with February-March and have risen 15.4% over the past 12 months, down from 16% last month.

In March-April compared with February-March, housing prices in Tel Aviv rose 1.6%, in southern Israel 1.1%, in central Israel 1%, in Haifa 0.9%, and in northern Israel 0.8%. In Jerusalem prices fell 1.1%. Over the 12 months prior to January-February housing prices rose 17.7% in central Israel, in Jerusalem (16.4%), Tel Aviv (14.5%), Haifa (13.2%), southern Israel (12.5%) and northern Israel (11.5%). (CBS 15.06)

[Back to Table of Contents](#TOC)

* 1. Israel Posts Zero 12-Month Deficit for First Time Since 2008

Israel’s cumulative fiscal deficit for the twelve months to the end of May was zero. This is the first time the government has recorded a zero deficit for a twelve month period since 2008. According to initial estimates released by the Central Bureau of Statistics, in May there was a NIS 1.4 billion surplus. The fiscal surplus for 2022 to date is NIS 33.3 billion. In the corresponding period of 2021 there was a NIS 34.8 billion deficit.

State revenues for the first five months of 2022 totaled NIS 206.3 billion, 25.4% more than in the corresponding period of 2021. The government spent NIS 173 billion in the first five months of this year, 13.2% less than in the corresponding period. May was the fifth month in succession in which there was a fiscal surplus. There has not been such a run of monthly surpluses since 2007. The cumulative deficit figures show a 0.5% fall in the twelve months to the end of May from the twelve months to the end of April.

The Ministry of Finance explains the figures by the fact that alongside steady, significant growth in tax receipts as a percentage of GDP, state expenditure has fallen, mainly because of the ending of aid programs connected to the COVID-19 pandemic.

Taxation related to real estate almost doubled in May. Net receipts from these taxes totaled NIS 2.7 billion last month, which compares with NIS 1.4 billion in May 2021. Capital gains tax collection rose by 81%, while purchase tax collection rose by 79%. There was also a jump in income tax collection from self-employed people and from companies. State revenues under this heading totaled NIS 8.9 billion in May, which compares with NIS 6.4 billion in May last year. (Globes 09.06)

[Back to Table of Contents](#TOC)

* 1. OECD Sees Strong Israel Growth While Cutting Global Forecast

The OECD has cut its forecast for world growth for 2022 from 4.5% to 3%. But according to the OECD, GDP growth will remain strong in Israel at 4.8% in 2022 and 3.4% in 2023. The forecast for Israel is only slightly down on its most recent forecast of 4.9% in 2022 and 4% in 2023. Israel's Ministry of Finance remains more optimistic and forecasts 7% GDP growth in 2021.

Concerning Israel, the OECD said that the tech sector is expected to strengthen with growing exports and investments in the industry, if at a slightly lower rate than in previous years. In addition, the Israeli employment market is recovering and continues to strengthen consumption. The OECD report also points out that inflation in Israel is rising relatively slowly and will only slightly climb above the annual inflation target range of 1%-3% of the Bank of Israel. (Globes 08.06)

[Back to Table of Contents](#TOC)

* 1. Israel's Economy Contracted by 1.9% During the First Quarter

The revised estimates released by the Central Bureau of Statistics showed that Israel's economy contracted faster than initially calculated. According to the new estimate, Israel's GDP shrank by 1.9% on an annualized basis in Q1/22. This is even worse that the first estimate, which indicated that GDP contracted by 1.6% in the first quarter, on an annualized basis.

The contraction of the economy in Q1/22 comes after an annualized growth rate of no less than 15.6% in Q1/21 as Israel exited from the COVID pandemic. The economy actually grew 8.9% between the first quarter of 2021 and the first quarter of 2022. GDP per capita fell by an annualized 3.5% in the first quarter of 2022, a sharper fall than the 3.2% found by the first estimate. The decline came after an exceptional jump in the previous quarter. Private consumption fell 1.5%, more than double the first estimate which was 0.7%, after rising 18.2% in the previous quarter. (CBS 16.06)

[Back to Table of Contents](#TOC)

* 1. Tel Aviv Ranks as World's 7th Best Tech Ecosystem

US research company Startup Genome has ranked Tel Aviv seventh in an annual survey of the world's best ecosystems for startups. It said that Israel has more startups per capita than any nation in the world thanks to its tight-knit entrepreneurial community, impressive R&D capabilities, educated population and strong government support.

Tel Aviv's startups are valued at $120 billion and raised a record-breaking $20 billion in 2021, making up 63% of the country's total. In addition, the city had 30 unicorns, which are companies valued at more than $1 billion, and 20 that went public, raising $4 billion. In 2021, cybersecurity companies raised $8.8 billion, triple the amount from the previous year, according to the research firm.

Other reasons for startups moving to Tel Aviv include tax benefits and deductions for single investors that invest in R&D during a company's initial stages. Israel's Ministry of Economy also offers wage subsidies for specific groups such as students and minorities. (IHL 16.06)

[Back to Table of Contents](#TOC)

* 1. Tel Aviv & Jerusalem Rank Among the World's 20 Most Expensive Cities

Tel Aviv and Jerusalem are among the 20 most expensive cities in the world, the annual ranking published by global consultancy firm ECA International Wednesday has found. ECA's cost-of-living index ranked 207 cities according to price hikes in rent, gasoline and food. Tel Aviv improved its position compared to the previous index, when it ranked as the world's seventh-most expensive city, while Jerusalem rose three places from the 18th to 15th slot. Hong Kong leads the rankings for the third consecutive year, with New York, Geneva, London and Tokyo rounding up the top five. Zurich placed seventh, followed by Shanghai, Guangzhou and Seoul, which rounded up the top-10.

The list is based on a wealth of data, including the price of commodities. Rent, public transport costs, and the strength of the local currency are also considered. The ranking focuses on the cost of living for people who immigrated to the city from another country. Turkish capital Ankara ranked 207 – the cheapest city in the ranking. (ECA 09.06)

[Back to Table of Contents](#TOC)

* 1. Israeli Tourism Recovery Continues Gradually

Some 262,700 overseas visitors came to Israel in May 2022, compared with 465,700 in May 2019, before the COVID pandemic, the Central Bureau of Statistics announced on 7 June. The number is up from April 2022 when 216,400 overseas visitors came to Israel, many of them during the Passover holiday.

In all of 2021, only 402,300 tourists visited Israel, while 887,100 tourists came in 2020 after a record year in 2019 when 4.5 million foreign tourists came to Israel. The country was closed to foreign tourists from mid-March 2020, except for visitors with special permission to enter, due to the COVID pandemic, re-opening briefly in November 2021, before closing again in December 2021 due to the spread of the Omicron variant.

Israel reopened to fully-vaccinated foreign tourists on 9 January 2022 and to all foreign tourists on 1 March. In January, 46,700 visitors entered Israel, 90,400 in February and 168,900 in March. In total, 785,000 foreign tourists entered Israel in the first five months of 2022. Meanwhile, the number of Israelis travelling abroad has almost reached pre-COVID levels. In May 2022, 1.63 million passengers passed through Ben Gurion airport, six times the number who passed through in May 2021, and not far below the 1.93 million who passed through the airport in May 2019. (CBS 07.06)

[Back to Table of Contents](#TOC)

* 1. Building Starts in Israel Reach a 30 Year High

There were 68,970 building starts in Israel between April 2021 and March 2022, the Central Bureau of Statistics announced, rising from 63,274 in 2021 and the highest figure since 1995. Despite this very high figure, building starts are still below the government's annual target of 70,000.

Between April 2021 and March 2022, 79,060 building permits were issued and overall there were 159,900 new homes under construction - an all-time record. In 2021, 76,340 building permits for new homes were issued and 150,895 homes were under construction. Between April 2021 and March 2022, 16.9% of the apartments begun or 16.9% of the total numbers, were for homes as part of government subsidized programs, up from 12,760 (20.2%) in 2021. Only 3% of the new building starts during this period were apartments for rent.

Some 33% of the new building starts between April 2021 and March 2022 were in seven cities: Tel Aviv-Yafo, Ashkelon, Jerusalem, Bat Yam, Rishon LeZion, Beit Shemesh and Netanya. Tel Aviv-Yafo led with 4,982 building starts followed by 3,679 in Ashkelon. The number of building starts in Bat Yam over this period jumped 785.8% to 3,127. (Globes 20.06)

IN DEPTH

[Back to Table of Contents](#TOC)

* 1. ISRAEL: Facts & Figures about Israel’s Karish Offshore Gas Field

Simon Henderson posted in [TWI PolicyWatch](http://www.washingtoninstitute.org) on 14 June that Israel and its energy partners have found a more efficient way to exploit smaller offshore reserves, though Western officials should temper any expectations that such developments will help ease the global energy crisis.

Amid a verbal row between Israel and Lebanon, developing the Karish natural gas field represents a way forward for exploiting smaller offshore hydrocarbon discoveries in Israel’s exclusive economic zone (EEZ). The field’s 1.75 trillion cubic feet (tcf) of reserves are much less than the estimated volumes in Israel’s two producing fields, Leviathan (35 tcf) and Tamar (7.1 tcf). But even before the recent sharp increase in gas prices, Energean, the Greek license holder for Karish, decided the best way to exploit the field was by linking its development to two other small fields in the area, Karish North and Tanin.

Key to this task is the Energean Power, a floating production storage and offloading vessel (FPSO) that took up position fifty miles off Israel’s northern coast recently and is due to start production in the third quarter of this year. The vessel will use multiple anchors in water 5,500 feet deep to maintain its position. Seabed equipment linking to the gas field below will then be connected by hoses to the FPSO. Once gas is flowing to the vessel, it will be processed onboard, cleaning it of oil products and water before it descends by other hoses to the seafloor and connects with a pipe that takes it ashore. Using a pressure control device close to the beach, it will then enter Israel’s gas grid to supply power stations. Meanwhile, the separated oil products and waste will be collected by a small tanker mooring alongside the FPSO every two weeks or so, and the separated water will be cleaned and pumped back into the sea.

In Israeli domestic political terms, the crucial advantage of the Energean Power is that it is not visible to local residents. In contrast, the production platform for the Leviathan field is visible just a few miles offshore from the hilltop resort of Zichron Yaakov south of Haifa, leading to protests - though the tall chimneys of the nearby Hadera power station have escaped such complaints. As for Tamar, its platform is located out of sight thirteen miles off the coast of Ashkelon far to the south, but its gas still needs additional processing at the Ashdod onshore terminal. In terms of potential security threats, the existing facilities for Leviathan and especially Tamar are closer to the Hamas-controlled Gaza Strip.

Another plus for the Energean Power is that it can be connected with relative ease to additional fields in the area for which Energean holds the license, without the vessel needing to change location. The Karish North field is due to come online in the second half of 2023. Energean also judges that reserves in the “Olympus” area of Block 12 slightly further south will be commercially exploitable, though its latest drilling suggested only 0.28 tcf of reserves rather than the hoped-for 0.7 tcf. By carefully phasing such exploitation, the company hopes to maintain a steady production stream and offset the decline that occurs over the usual fifteen-year lifespan of an individual field.

In total, the Energean Power can handle 8 billion cubic meters (bcm) of gas per year. Setting aside the sometimes-confusing mix of metric and U.S. units of measurement represented by such figures, this amount will help meet Israel’s expanding demand for energy. For example, desalination alone consumes 10% of the country’s electricity. Eventually, surplus gas will be available for export, with Egypt as the first customer - though the purchase terms for Karish and Tanin do not permit Energean to export from those two fields.

**The Lebanese Angle**

Energean’s planning seems unaffected by Lebanon’s expanding claims for its EEZ, which encroaches on the Karish field. When tugboats moved the Energean Power into position, Hezbollah issued threats and U.S. special envoy Amos Hochstein quickly visited Beirut to calm tempers.

From Israel’s point of view, Karish is firmly in its EEZ. Moreover, dealing with threats against its gas installations is nothing new - the Leviathan platform is in range of both missiles from Lebanon and rockets from Gaza. Israel’s main answer to this problem is deterrence, the implication being that any action or immediate threat against such installations would be dealt with either preemptively or through massive retaliation.

**Israel and European Energy Demand**

The volumes achievable from Karish and similar gas fields are significant for Israel but not in global terms. For comparison, Leviathan produces about 12 bcm per year and Tamar less than 10 bcm, while Europe’s annual demand for gas was around 400 bcm even before the Ukraine crisis, with Russia supplying more than 40% of that amount. Clearly, increased Israeli exports would have minimal impact on this imbalance.

Nevertheless, planners are considering ways to increase Israeli production. Leviathan volumes can grow, albeit with a commensurate increase in the size of its controversial offshore platform. Israel may also be able to export gas more widely than its current arrangements: by pipeline to Jordan (where 80% of electricity is produced by Israeli gas) and Egypt (whose apparently insatiable domestic energy market is not sufficiently fed by the country’s 75 tcf of gas reserves and estimated annual production of 65 bcm).

Currently, any exports further afield would need to be funneled via one of Egypt’s liquefied natural gas plants on the Nile Delta coast. Israel may eventually be able to use a floating LNG platform off its own coast to load specially built tankers with Leviathan gas, though rough seas in winter could make this approach infeasible. Another consideration is a potential pipeline to Cyprus, where an LNG vessel moored in port could supply the island’s modest domestic market while still leaving most of the Israeli product available for export further abroad. A proposal for a seabed line to take Israeli gas to Greece is effectively dead after the U.S. government signaled that the plan was logistically and commercially impractical.

Meanwhile, Israel, Egypt and the European Union are expected to sign a memorandum of understanding on increasing gas exports, though it is difficult to see what immediate practical effect this will have. Israel’s Ministry of Energy will also open another round of bidding for licenses to explore in its EEZ. The degree of interest shown in this round will indicate how international energy companies currently regard the attractiveness of Israeli prospects.

*Simon Henderson is the Baker Fellow and director of the Bernstein Program on Gulf and Energy Policy at The Washington Institute.*  (TWI 14.06)

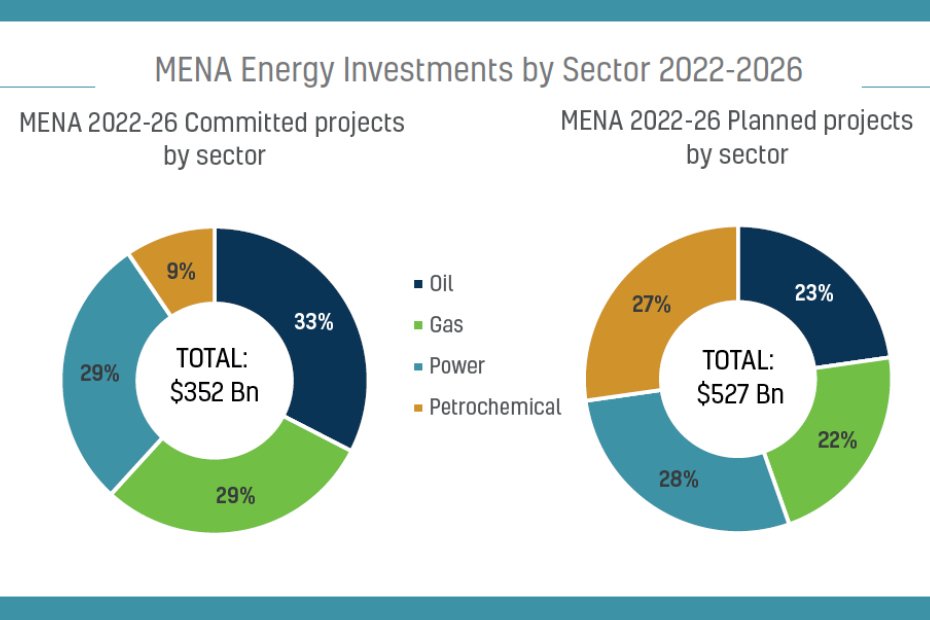
[Back to Table of Contents](#TOC)

* 1. MIDDLE EAST: Energy Investments in MENA to Reach $879 Billion in 5 Years

Gulf Business ‎reported on 15 June that the Saudi Arabia -based Arab Petroleum Investments Corporation (APICORP), has ‎published its MENA Energy Investment Outlook 2022-2026. ‎ According to the report, the total planned and committed investments in the MENA ‎region are expected to increase by 9% to exceed $879 billion over the next five years – a ‎‎$74 billion increase from the $805 billion estimate in last year’s five-year outlook.‎

‎The report notes that the Russia-Ukraine crisis has led to contrasting impacts on the ‎region’s energy landscape, with net-energy exporters spearheading the increase in ‎project expenditure thanks to the windfall of oil and gas revenues caused by the spike in ‎prices driven by the war.‎ However, global geopolitical volatility and macro headwinds are not curtailing oil, gas, ‎power and petrochemicals investment growth in MENA for the upcoming five years.‎

In the GCC, committed projects comprise around 45% of total energy investments – ‎‎50% higher than the MENA-wide average of 30%. For net-energy importers in the ‎North Africa and Levant regions, their relative vulnerability to geopolitical risks ‎stemming from the war compounded by the economic strains of inflation and debt ‎burdens are beginning to show and impact energy investments.‎

Courtesy: APICORP

**Highlights of the Report**

**Blue and green hydrogen:** APICORP’s analysis shows that right across the region, blue ‎and green hydrogen will dominate the emerging hydrogen markets in the near term. The ‎report forecasts that hydrogen markets will start scaling up as the market foundations ‎are established, and for the MENA region – GCC and North Africa specifically – the ‎focus will be on exporting low-carbon hydrogen to demand centers in Europe and SE ‎Asia via ammonia shipments.‎

**Energy Diversification:** Energy diversification is at the top of the agenda, with several ‎MENA countries integrating renewables in their generation mix as part of a shared ‎policy objective to diversify the power mix with low-cost, low-carbon energy sources ‎and bolster power supply security.‎

For hydrocarbon net-importing countries with robust renewables potential, the aim is to ‎reduce dependence on conventional fuel imports and integrate low-cost renewables into ‎domestic grids. Over the coming years, the priority for hydrocarbon net exporters is to ‎free up export volumes of conventional fuels to maximize revenues at healthy price ‎environments to fund socioeconomic development and support the decarbonization ‎initiatives of their respective net-zero targets.‎

Although few MENA countries have already pledged their net-zero targets (the UAE by ‎‎2050 and Saudi Arabia and Bahrain by 2060), electrification via renewable energy ‎sources will be a key driver to reach those targets. However, due to the intermittency of ‎renewable energy sources and the lack of utility-scale grid storage solutions to date, ‎conventional fuels and nuclear will remain essential in the power supply mix.‎

**Renewables policy targets:** The MENA region is expected to add 5.6 GW of installed ‎capacity from renewables in 2022, nearly double the 3GW which came online in 2021. ‎ By 2026, the region is expected to add 33GW by installed capacity of renewables, with ‎around 26 GW as utility and distributed solar PV.‎

Leading the charge of meeting renewables policy targets in MENA are Morocco and ‎Jordan. The two countries have achieved their short-term policy targets, with Morocco ‎reaching almost 40% of its installed capacity from renewable energy in 2021 and Jordan ‎reaching nearly 20%. Other countries such as Saudi Arabia, UAE, Egypt, and ‎Oman have relatively low renewable energy generation, but the share is expected to ‎witness a significant increase with several planned and committed large-capacity ‎projects in the pipeline.‎

‎**Power generation mix:** The report states that of the energy vectors constituting the ‎power mix in MENA, natural gas – which is already a dominant fuel for power ‎generation – is expected to grow to maintain a power generation share of around 70-‎‎75% across MENA by 2024. Another positive sustainability signal oil-fired power, ‎which is expected to drop from 24% of total generation to around 20% by 2024.‎

In Saudi Arabia, gas-fired generation is projected to rise in the upcoming five years, ‎while oil-fired power output is expected to drop over the same period, whereby the ‎share of oil-fired generation in the power mix is projected to drop to less than 30% in ‎‎2022 from an estimated 32% in 2021. In the UAE, natural gas constitutes around 90% of ‎the power generation mix and is expected to drop to less than 60% in the next five years ‎as the country diversifies its supply mix with nuclear and renewables.‎

Nuclear power generation in MENA remains relatively modest, comprising 3% of the ‎total generation mix in 2021, led by the UAE. Egypt’s first planned nuclear power plant ‎‎– the 4.8 GW ‘El Dabaa’ facility – is expected to come online in 2026. Saudi Arabia and ‎Jordan also announced their intent to add nuclear energy to their power mix during this ‎decade.‎

**Regulations, equity, financial markets and the private sector:** APICORP’s analysis ‎points out that oil and gas companies are facing tighter financing conditions and ‎addressing evolving regulatory frameworks while trying to contribute to socio-‎economic development and the provision of affordable energy. Consequently, MENA ‎governments continue to shoulder the main portion of hydrocarbon investments going ‎forward to ensure the security of supply.‎

MENA equity markets in 2021 witnessed the return to healthy deal flow volumes in ‎both conventional and renewable energy, given the region’s dual approach to the energy ‎transition. It is expected that the strong regional privatization drive will continue in ‎‎2022, with increased PPPs and IPOs unlocking value from world-class hydrocarbon ‎assets while targeting synergies through PPPs.‎

MENA green and sustainability bonds issued in 2021 more than tripled compared to ‎‎2020 to $18.64 billion. The last year also witnessed the birth of MENA’s first voluntary ‎carbon trading scheme by the Saudi Stock Exchange (Tadawul), paving the way for the ‎development of a formal carbon market for trading credits and offsets.‎

Under the recent net-zero pledges of the UAE, KSA and Bahrain, carbon markets are ‎expected to flourish in the region as hydrocarbon, petrochemical and heavy industry ‎producers will need carbon trading platforms to offset part of their emissions especially ‎in the hard-to-abate industries.‎ (GB 15.06)

[Back to Table of Contents](#TOC)

* 1. MIDDLE EAST: Comparing Education Markets in Egypt, KSA & UAE and Their Outlooks

[Enterprise](https://enterprise.press/) posted on 20 June that although their demographics and geographic distribution vary, Egypt, Saudi Arabia and the UAE have similar education market dynamics. All three markets have similar distributions of private and public schooling — and all three are expected to see more investments as the market grows to accommodate new students and increase the quality of education for existing ones.

**By the (student) numbers:** As the Arab world’s most populated country, Egypt has the largest student population among the three countries, with an estimated 23 million K-12 students in 2020. Greater Cairo houses around 20% of the total K-12 students (or 4.6 million), according to a report by Colliers. This is a massive number that is more than double the 9.1 million K-12 students Colliers says were in Saudi Arabia as of 2019.

**State investments in public education:** Egypt has earmarked nearly 26.8% of its EGP2.1 trillion budget for FY2022-2023 to the education sector, with the EGP 555.6 million to go towards plugging teacher and classroom shortages and developing school infrastructure. Meanwhile, Saudi Arabia is putting aside 19.4% of its SAR 955 billion budget for FY2022 for education, which is a smaller percentage of its overall spending plan but a larger monetary figure than at approximately EGP 922.4 billion. In the UAE, the government is spending 16.27% of the total budget — AED 9.6 billion (ca. EGP 48.9 billion) — to public and university education programs.

**Private schools are growing their share of the region’s education market in Egypt:**  In Egypt, private schools accounted for only 10.6% of the total student population in 2020. However, private sector student enrolment rates hit a compound annual growth rate (CAGR) of 6.3% versus 3.6% in the public sector, which Colliers notes indicates “a growing preference towards private schools.” Meanwhile, in Greater Cairo, the private sector represented 29% of total student enrolment.

**The GCC:** The trend holds true as well in Saudi, where less than 20% of all schools are private, and only 6% of all schools are internationally branded. On the other side of the spectrum, UAE started its expansion of the private sector in education long ago, with 73% of schools in the Emirates being owned by private players as of 2017.

**Ultimately, both public and private schooling are expected to grow further to accommodate rising populations:** Egypt’s population growth by 2030 is expected to increase the demand for additional school seats by 11 million nationwide with 2.3 million in Greater Cairo, based on Colliers projections. Out of the total seats, 2.1 million are expected to be delivered by the private sector nationwide with 1 million in Greater Cairo. Saudi’s population is expected to grow to 44.9 million by 2030 compared to 33.4 million in 2019, with Colliers estimating that the kingdom will need an additional 1.1 to 2.1 million student seats by 2030. While a similar comparison wasn’t available for the UAE, Dubai alone will need 370,000 private schools by 2030, compared to 290,000 in 2018, according to Colliers estimates.

**Private sector growth is being primed by reductions in foreign ownership limits:** The Egyptian government in late 2019 imposed a 20% cap on foreign ownership of both private and international schools but later allowed all K-12 schools to formally apply for exemptions to the ownership cap if needed. The UAE also eased its investment process for schools and other sectors last year. Early to the party, Saudi Arabia fully lifted its foreign ownership limitations back in 2017 to allow investors from abroad to own 100% of K-12 schools. The move was effective, with Colliers writing the "education sector has become one of Saudi Arabia’s leading investment sectors with many regional, international investors, and operators actively planning or entering the K12 market.”

**But affordability is key to making sure the private sector can attract enough students:** The issue of affordability was flagged as a major obstacle to increasing demand for private education by Colliers a few years back as well as the more recent analysis on Saudi that we’ve cited above. In Egypt, while the amount of households that can afford upper-middle or high-priced schooling is expected to grow, the vast majority of schools will need to continue to serve middle-income households and below. In 2020, around 97% of schools nationwide were affordable for middle-income, low-middle, economic, and low-cost households. If the private sector will expand its education offerings, it will need to incorporate these households into its pricing strategy.

**Rolling out new curricula could also make them stand out:** As of 2020, Egypt’s most prevalent curriculum among top private school in Greater Cairo is the British System at 31%, followed by the International Baccalaureate (29%), American (26%), Canadian (7%) and French, German and other systems contributing the final 7%. Almost 35% of these schools offer more than one curriculum, Colliers notes. (Ent 20.06)

[Back to Table of Contents](#TOC)

* 1. OMAN: IMF Staff Concludes Staff Visit to Oman

A staff team from the International Monetary Fund (IMF) visited Muscat, Oman, during 5-12 June to discuss economic developments, the outlook, and the country’s policy priorities. At the conclusion of the mission, the IMF issued the following statement:

“The authorities undertook substantial vaccination efforts and policy actions to mitigate the fallout from the COVID-19 pandemic and foster the recovery. Nearly all persons 12 years and older had been at least partially vaccinated and about 90% were fully vaccinated as of end-May 2022. With declining infections, all COVID-19 related restrictions have been removed. Targeted fiscal, monetary and financial measures provided relief to households, firms and banks.

“The economy is strengthening and inflation has been contained so far. Real GDP grew by 3% in 2021, largely driven by the buoyant hydrocarbon sector. The economy is projected to grow by about 4.5% in 2022, benefiting from increased hydrocarbon production and continued recovery of non-hydrocarbon activities. Inflation turned positive to 1.5% in 2021 and is projected to increase to 3.7% in 2022, given rebounding economic activity and rising global inflationary pressures. There are limited direct trade or financial links to Russia and Ukraine.

“Higher oil prices and fiscal consolidation have improved fiscal and external positions. The fiscal balance is expected to improve to a surplus of 5.5% of GDP in 2022, with surpluses persisting over the medium term owing to higher oil prices and continued consolidation under the authorities’ Medium-Term Fiscal Plan (MTFP). Alongside, central government debt is expected to decline substantially from about 63% of GDP in 2021 to 45% of GDP in 2022. Buoyed by oil exports, the current account balance is projected to improve to a surplus of 6.8% of GDP in 2022. International reserves held at the CBO increased to $19.7 billion (5.2 months of prospective imports) in 2021.

“The banking system has weathered the recent shocks relatively well, supported by substantial capital and liquidity buffers and the Central Bank of Oman’s continued efforts in strengthening regulatory and supervisory frameworks.

“However, uncertainties and downside risks continue to cloud the outlook. Downside risks stem particularly from uncertainty about the war in Ukraine and its impact on the global economy, a renewed flare-up of COVID-19 infections, tighter-than-expected global financial conditions, increased inflationary pressures from higher global food and energy prices, more persistent disruption in global supply chains and pressures to spend the hydrocarbon windfall. Upside risks to the outlook could come from higher-than-expected hydrocarbon windfall and accelerated implementation of structural reforms under Vision 2040. In this context the IMF team welcomes the authorities’ continued strong commitment to fiscal consolidation, under the MTFP, and structural reforms to reinforce fiscal and external sustainability. (IMF 16.06)

[Back to Table of Contents](#TOC)

* 1. EGYPT: Egypt Looks to India for Wheat to Make Up Losses from Ukraine War

Rasha Mahmoud noted on 12 June in [Al-Monitor](https://www.al-monitor.com) that Egypt is currently in talks with India over a deal to import 500,000 tons of Indian wheat in exchange for Egyptian exports of fertilizers and other products, the country’s Minister of Supply and Internal Trade Ali al-Moselhi revealed to Bloomberg on 3 June. Moselhi said that he discussed the potential swap deal with the Indian ambassador to Egypt on the sidelines of the annual meetings of the Islamic Development Bank held in Sharm el-Sheikh in June. Bloomberg quoted Moselhi as saying that he met the Indian ambassador “to discuss the potential swap agreement to secure 500,000 tons of wheat, through various shipments.” The potential Egyptian-Indian deal comes amid a global wheat supply shortage sparked by the Russian invasion of Ukraine after Russian forces closed Ukrainian seaports.

Ahmed Kamal el-Attar, head of Egypt’s agency for import and export regulation, spoke to Al-Monitor about the soaring prices of wheat in the global market. He said, “The price of wheat in international markets has risen by more than 5% due to the rise in wheat futures on the Chicago Board of Trade by as much as 5.4% to $10.95 per bushel, up from of $10.45, with forecasts of lower cereal production for 2022 and 2023, according to a report by the US Department of Agriculture.”

Attar added, "Wheat prices have jumped by 40% so far this year due to several factors, most notably the war between Russia and Ukraine, both major global producers of wheat. The conflict has disrupted current grain exports as well as the cultivation of next year's crop. Consequently, the global wheat shortage will not be limited to this year. The other reason is bad weather conditions and severe heat waves that damaged crops in the United States and India.”

Attar noted that to ease the growing shortage in food supplies, Egypt agreed to buy 500,000 tons of wheat from India through a swap deal for Egyptian products such as fertilizers. He said, “The potential deal will see 500,000 tons of wheat shipped to Egypt from India, which does not usually export much of its production, despite being one of the largest wheat producers in the world.” Attar said that Egypt’s strategic reserves of wheat are sufficient for four months. After purchasing the local crops for the current season, the Egyptian wheat reserves will meet the country's needs until the end of 2022, according to cabinet statements.

On a related note, Attar explained that just days ago, Egypt barred the entry of an Indian wheat shipment of 55,000 tons originally intended for Turkey. He added that the Turkish quarantine authorities had flagged the consignment over phytosanitary concerns. The consignment carrier diverted to Egypt, but the Egyptian Central Administration of Plant Quarantine refused to receive it as it did not comply with Egyptian agricultural quarantine requirements.

He explained that the Egyptian Central Administration of Plant Quarantine examines shipments from India and other countries before they are exported. “A committee from the administration travels to the country of origin and examines the consignment to make sure it is free of pests or diseases. The committee also monitors its storage at warehouses and silos and supervises the shipping and loading process.” Attar added that Egypt only accepts wheat from areas of India known to be free of certain plant diseases.

Nader Nour el-Din, former assistant to the Egyptian foreign minister, told Al-Monitor that Egypt and Morocco are one of the world’s biggest wheat consumers, adding, “India is interested in opening up to a large market like Egypt," but the "exported wheat must not be afflicted with diseases or insects. No shipment is allowed to enter Egypt until it's verified to meet all specifications.''

The Jordanian public broadcaster Al-Mamlaka revealed 2 June that Jordan has signed a deal with the UAE and Egypt to plant wheat, barley and corn in Jordan. Minister of Industry, Trade and Supply Youssef Shamali was quoted as saying that work will begin soon to prepare for the cultivation of the three crops in Jordan and that the deal will be financed through Emirati investments.

According to Shamali, the three countries also reached another agreement under which the UAE will provide gas to Jordan, while Egypt will supply Jordan with ammonia for use in the manufacture of fertilizers by the Arab Potash Company and the Jordan Phosphate Mines Company. Surplus fertilizers will be exported. (Al-Monitor 12.06)

[Back to Table of Contents](#TOC)

* 1. TUNISIA: Tunisia’s Political Tensions Continue to Hamper Reform

On 30 May, [Fitch Ratings](http://www.fitchratings.com/) said it believes that Tunisia’s government and the influential Tunisian General Labour Union (UGTT) could forge a consensus on a set of economic reforms that could unlock IMF funding and support the country’s external financing position, but tensions over the future institutional setup are hampering an agreement. This increases risks to our base case of Tunisia entering an IMF program by end-3Q22.

The UGTT’s announcement on 23 May that it would not participate in a national dialogue proposed by the president to support political reforms, and that it would hold a national public-sector strike has highlighted differences of vision over the reform process. A constitutional commission has also been set up to advance the reforms, and a referendum on a new constitution is expected to take place in July, with parliamentary elections in late 2022.

Four groups were asked to join the dialogue: the UGTT, the Tunisian Union of Industry, Trade and Handicrafts (UTICA, an employers’ body), the Tunisian League of Human Rights and the National Bar Association. These were the organizations involved in talks to reduce political tensions in 2013. Political parties were not invited to participate.

The IMF said in 2021 that Tunisia's debt would become unsustainable unless a strong and credible reform program is adopted with broad support. Despite rising financial and political risks, we still expect Tunisia to present a credible reform plan to the IMF, with significant official creditor funding being disbursed by the end of the year. In a no-reform scenario, Tunisia may ultimately be deemed to require a Paris Club debt treatment before becoming eligible for additional IMF funding, with implications for private-sector creditors.

Union buy-in would strengthen the credibility of an economic reform program and substantially increase the likelihood of an IMF funding arrangement, in our view. President Kais Saied remains popular, but passing political and economic reforms without the UGTT’s backing would be challenging. We believe the union will make its backing for economic reforms conditional on its influential political role being preserved under the new institutional order. Nonetheless, there is a risk that reforms may not be agreed in time to secure an IMF program before external liquidity strains become severe, even if the UGTT does eventually back them.

Recent disbursements, from the World Bank, EU and Afreximbank, have mitigated the near-term impact on Tunisia’s external position of stronger current-account outflows caused by higher global prices for commodities, such as oil and wheat, due to the war in Ukraine. We expect the country to post a current-account deficit of 8.4% of GDP in 2022 (up from 6.3% in 2021).

Higher import prices have also added to inflation pressures and raised the government’s subsidy bill. Partly as a result, we expect the fiscal deficit to widen to 8.5% of GDP in 2022, from 7.8% in 2021. The central bank increased its key policy interest rate by 75bp in May to 7%, which could help to cool demand, but Tunisia is unlikely to draw much in the way of international private investment inflows, given the economic challenges facing the country.

Fitch downgraded Tunisia’s rating to ‘CCC’ from ‘B-’ in March 2022, owing to heightened fiscal and external liquidity risks after further delays in agreeing a new IMF deal following political changes in July 2021 that saw the president suspend parliament and dismiss the prime minister. In the absence of an IMF deal, which is necessary for access to most official creditors’ budget support, we would expect Tunisia’s international reserves to gradually erode (from $8.4 billion at end-April 2022) and the dinar to depreciate. (Fitch 30.05)

[Back to Table of Contents](#TOC)

* 1. MOROCCO: Banks’ Net Income Recovers but Global Contagion a Risk

[Fitch Ratings](http://www.fitchratings.com/) observed on 15 June that Moroccan banks’ profitability continued to recover in Q1/22, with aggregate net income for the seven largest banks reaching pre-pandemic levels, boosted by lower-loan impairment charges (LICs). We expect the positive trend to continue, but it could be slowed as adverse global economic conditions feed through to the local economy and put pressure on asset quality.

Aggregate net income for the seven banks increased 21% y-o-y in Q1/22. The improvement was driven by a 21% y-o-y decrease in LICs, which continued to fall from the high levels of 2020–2021 when the banks front-loaded sizeable provisions to offset pandemic-related risks. We believe the lowering LICs reflect a stabilization in asset quality. The sector’s non-performing loans (NPL) ratio was 8.7% at end-March 2022, broadly unchanged from end-2021, and absolute NPL growth slowed to 1.4% in 4M22.

However, annualized LICs in Q1/22 were still 44% above the 2019 level, reflecting operating environment risks and cautious provisioning under an uncertain economic outlook. The ratio of LICs to pre-impairment operating profit for the seven banks decreased to 32% in Q1/22 (2021: 40%), which is low compared to many sub-Saharan African markets – but still well above the 2019 ratio of 24%.

LICs normalizing towards 2019 levels will depend on the pace and extent of Morocco’s economic recovery. We expect LICs to continue falling but to remain above historical averages in 2022 due to weaker economic growth. Fitch forecasts real GDP growth of just 1.1% in 2022 (2021: 7.4%), increasing to 3% in 2023. However, weaker-than-expected growth in the Eurozone (Morocco’s main trading partner) or sustained high energy and food prices could pose risks to the forecast.

The banks’ return on average equity improved to 8.6% in Q1/22 (2021: 8.1%). We expect it to improve further by end-2022 but to remain below the 2019 level of 9.9%, with still-high LICs holding back a stronger recovery. This may lead some of the banks to expand their business across Africa in pursuit of higher profitability.

The banks’ aggregate net interest income increased by 0.6% in Q1/22, reflecting lower interest rates and limited loan growth. The average lending rate fell to 4.3%, the lowest for several years, but banks still managed to achieve positive operating jaws, on average, despite an average 5% y-o-y increase in operating expenses driven by higher staff costs.

We expect lending rates to increase in 2022–2023 due to increasing credit risk and inflationary pressures. Morocco’s central bank could increase its policy rate in 2022 as real interest rates have been negative since October 2021. A rate rise could be triggered by the increase in the ECB’s policy rate planned for July 2022, or by further increases later in 2022, given that the Moroccan dirham is pegged to a currency basket weighted 60% to the euro and 40% to the US dollar.

Moroccan banks will benefit as higher interest rates feed into lending rates. About 30% of domestic loans mature within 12 months, with repricing likely to be at higher rates, while funding costs should not increase significantly as the banks are largely funded by low-cost ‘current account and savings account’ deposits (84% of sector deposits at end-2021). However, subdued loan growth and competition between banks could limit the benefits of higher interest rates. We expect lending growth of 3%–4% in 2022 (2021: 2.8%), mainly driven by short-term working capital facilities to meet demand from corporates due to higher inflation and commodity prices. (Fitch 15.06)

[Back to Table of Contents](#TOC)

* 1. TURKEY: Turkey’s Growing Current Account Gap Exacerbates Lira Weakness

[Al-Monitor](https://www.al-monitor.com) observed on 13 June that Turkey’s current account registered a $2.7 billion deficit in April and the gap reached $21.1 billion in the first four months of the year, according to central bank data, reflecting the growing side effects of President Erdogan’s focus on promoting growth despite runaway inflation. Turkey, many observers fear, might face a formidable tangle of risks by the end of the year should Ankara’s policy remain unchanged and continue to produce similar current account gaps in the coming months.

The widening deficit stems mainly from growing imports, including an energy bill that has swelled to up to $8 billion per month amid global price increases atop the severe depreciation of the Turkish lira. In April, Turkey’s exports were worth some $23 billion, in addition to a net revenue of $1.5 billion from tourism and other hard-currency service revenues, the total of which fell short of covering the $28 billion imports.

As in previous months, the imports were driven not only by the growth momentum but also stockpiling by economic actors mistrustful and apprehensive of Ankara’s economic policies. Wary of the government’s continued failure to stop the fall of the lira as well as rising global commodity prices, many enterprises have been reportedly stocking up on imported raw materials, semi-products, machinery and equipment to avoid even higher costs down the road.

According to Trade Ministry data, imports increased 41% from the previous month to reach nearly $30 billion in May, while exports stood at only $19 billion, resulting in a foreign trade deficit of some $11 billion last month. Judging by those leading indicators, the current account deficit is likely to have widened to about $30 billion in the first five months of the year.

Despite growing inflationary risks, Erdogan has pursued a growth-oriented economic policy since 2018 and pushed the fight against inflation to the backburner. Armed with sweeping powers since Turkey transitioned to an executive presidency system in 2018, he is now focused on the next presidential and parliamentary polls, due in June 2023 at the latest, and believes that a growing economy is the best way to maintain popular support.

Yet foreign direct and portfolio investments have declined in Turkey since 2018, depriving the country of crucial funds to finance its chronic current account gaps while the economy grows. The government’s obstinate promotion of growth has stoked imports and thus the demand for foreign exchange, adding to the weakness of the lira. The foreign exchange demand has been fueled also by short-term external debt liabilities as well as a flight from the lira at home to shield savings from the inflation storm.

In 2019 and the pandemic-hit 2020, Turkey’s growth rate remained below 2% before jumping to a whopping 11% in 2021. The growth momentum has continued, with gross domestic product (GDP) expanding 7.3% in the first quarter of the year. Much of that growth was driven by pent-up demand after the lifting of pandemic restrictions and then a rush to buy and stoke up on goods before the galloping inflation erodes further the value of the lira. While the wheels of the economy have continued to turn, the cost of imports required to sustain production has grown. As a result, the country’s current account deficit — or foreign exchange deficit — has widened, most notably since the last quarter of 2021. The 12-month cumulative deficit reached about $26 billion in April.

A deficit of such a size would have been a lesser worry had Turkey attracted ample foreign investments as it did in earlier years under Erdogan. In 2011, for instance, the current account deficit hit a record $74 billion, amounting to 9% of GDP, but Turkey was able to finance it thanks to the inflow of foreign funds, with the lira losing only about 11% of its value against the dollar that year.

Foreign investments have slowed since 2013 under the impact of global financial trends, coupled with Turkey’s deepening economic fragilities. As a result, the financing of the current account deficit now comes at the expense of sharp depreciations of the lira. Only $5 billion in foreign funds helped cover the $21.1 billion gap in the first four months of the year, while the country burned through $4.4 billion in dollar reserves. There was also an inflow of $11.7 billion in foreign exchange of unknown sources, which appear in the “net error and deficit” section of the balance of payments. The lira, meanwhile, lost 8% of its value versus the dollar from January to April despite all of Ankara’s interventions to prop it up, using borrowed foreign exchange.

Atop the growing current account gap, the country is burdened with $181 billion external debt repayments in the next 12 months — another factor pushing the demand for and prices of foreign exchange up.

Since the currency turmoil in December, the locals’ rush for hard currency has receded and the demand now stems mainly from importation and external debt liabilities. The lira, which traded in the region of 15 versus the dollar in May, plunged past 17 in early June. The price of the dollar reaching 18 liras before long would not be a surprise. The gravest consequence of rising foreign exchange prices is their immediate impact on production costs via imports, chief among them energy imports. Turkey’s annual consumer inflation soared to 73.5% in May, threatening to top 100% in the coming months.

In a fresh bid to make lira savings more attractive, the Treasury and Finance Ministry announced a new type of domestic bonds for retail investors, indexed to the revenues of the state airport and coastal safety authorities. The bonds, presented also as a measure to tackle inflation, quickly led to disappointment given their prospective yields. The combined budget revenues from the airport and coastal safety authorities are projected at 874 million ($50.6 million) liras this year. Accordingly, the bonds will have a three-month yield of 5.3% and an annual yield of 23% per a ministry statement. Such rates are unlikely to attract much interest at a time when consumer inflation is headed for a three-digit figure. (Al-Monitor 13.06)

[Back to Table of Contents](#TOC)

* 1. TURKEY: Turkey Struggles With its Name Rebrand

On 16 June, [Al-Monitor](https://www.al-monitor.com) observed the issues surrounding Turkey's recent name re-brand.

“You mean Türkiye, right?” Turkish Foreign Minister Mevlut Cavusoglu playfully corrected a journalist who asked him whether “Turkey” would lift its veto from the NATO accession of Sweden and Finland. “Yes, of course,” replied the journalist, momentarily taken aback. “Should I repeat the question?”

Ever since the United Nations officially recognized the name change of Turkey to “Türkiye” (with an umlaut on the u) in the beginning of June, such moments of confusion and correction are common. Visiting dignitaries and others, such as NATO Secretary General Jens Stoltenberg obligingly refer to Türkiye in their opening speeches, only to fall back on the familiar Turkey as they spontaneously reply to questions. Even Cavusoglu, who lobbied fervently for the name change requested by President Erdogan, slips once in a while. After all, the country has been called Turkey for 10 decades, ever since its foundation in 1923.

Locally, the reactions to the name change vary. For many Turks, it's just another distraction invented by Erdogan to draw attention from the worsening economy. After all, they have been calling the country Türkiye, with little worry for what others called it. Others will be quite glad to travel abroad from Türkiye rather than from a country that shares its name with a bird many people eat at Christmas and Thanksgiving.

One of the unexpected advocates of the change is Orhan Pamuk, the winner of the 2006 Nobel Literature Prize. “Now, after this decision, when English speakers say Türkiye, they will not think about that bird that is eaten at Christmas. I’m very happy about that,” the author, whose characters often carry elaborate names that foreshadow their future or describe their character, told Financial Times.

The brunt of the name-change recognition efforts have fallen to the Turkish Foreign Ministry, which has notified the United Nations, NATO, the World Trade Organization and the European Union. Cavusoglu wrote to UN Secretary General Antonio Guterres that the government of the Republic of Türkiye will use “Türkiye” to replace several variations including “Turkey,” “Turkei” and “Turquie” that have been used in the past to refer to the country. A spokesperson for the UN said that the move was not for the UN to accept or reject. "Countries are free to choose the way they want to be named. It doesn't happen every day but it's not unusual,” said Stephane Dujarric.

Once the UN recognized the change, Turkey’s national broadcaster and the semi-official Anadolu Agency dutifully reported progress on this or that international organization’s first document bearing the name Türkiye instead of Turkey. Embassies in Ankara are gently transitioning to Türkiye, integrating the u with umlaut into their official correspondence. The Netherlands, which dropped Holland three years ago, was among the first to do so, as was the United Kingdom.

The Foreign Ministry’s own website, on the other hand, remains a strange hybrid: While titles of ministers, recent press releases and some of the most-used pages have transitioned to the new name, some of others, including one on Ankara’s relations with the European Union, are locked in old-speak.

The change started with a midnight decree on 4 December 2021, bearing the signature of President Erdogan, clarifying that the rebrand was to "preserve and glorify the culture and values of our nation." It read, "The phrase Türkiye represents and expresses the culture, civilization and values of the Turkish nation in the best way."

Erdogan’s request was not new. In the 1990s, some Turkish exporters tried to standardize the "Made in Türkiye” brand on exported goods, but there was no unity nor endorsement from other state organs. In 2020, the Turkish Exporters Assembly tried again, but, again, implementation remained spotty. After last December's decree, Fahrettin Altun, Erdogan’s communication tsar, lauded the decision within minutes. “Another valuable step has been taken to strengthen the Turkish brand," he tweeted.

Ironically, one of the first notable official documents in which the "strengthened new brand” was used was the country’s opinion on the infamous Kavala case. On 19 January, the Council of Europe received an explanation of why the human rights activist and philanthropist Osman Kavala was kept behind bars as the pan-European rights body prepared to launch a disciplinary process against the country.

Meanwhile, Turkey’s English-language broadcaster TRT explained that the country, which rose from the ashes of war-defeated Ottoman Empire after a three-year war of independence, called itself Türkiye in 1923: “Type Turkey into Google, and you will get a muddled set of images, articles, and dictionary definitions that conflate the country with Meleagris — otherwise known as the turkey, a large bird native to North America — which is famous for being served on Christmas menus or Thanksgiving dinners. … Flip through the Cambridge Dictionary and turkey is defined as something that fails badly or a stupid or silly person." Turkey’s tourism sector, one of the pillars of the name change, immediately changed its English-language content.

But Erdogan’s insistence on stamping "Türkiye" all over the country’s valuable assets may have gotten out of hand, even for him. Speaking at a ceremony marking the launch of the new communication satellite, Erdogan said that the country’s national carrier, Turkish Airlines, will be branded as Türkiye Hava Yollari (“hava yollari” means “airlines” in Turkish and is quite a task to pronounce for any non-Turkish speaker, who will doubtlessly go on calling it with its abbreviation, THY). “Turkey no longer exists. It is Türkiye,” he said, adding that the THY fleet, among the top 10 largest airlines in the world, would be repainted with the new name.

Erdogan changed his mind again in the face of criticism, saying the airline will be called internationally by its Turkish name “Türk Hava Yolları,” leading to a tweet that it was a virtue to turn back from a mistake. “One can only hope that Erdogan would practice this newfound virtue on the horrible economic management and the travesty of the political system he forced on us.” (Al-Monitor 16.06)

**\*\* - 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 \***