

**The FORTNIGHTLY**

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

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ISRAEL GOVERNMENT ACTIONS & STATEMENTS

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* 1. Israel Signs Agreement to Construct an Embassy Building in Morocco

The charge d’affaires at Israel’s liaison office in Rabat announced the signing of an agreement on the construction of the Israeli embassy in Morocco. The contract was signed with engineers and a Moroccan construction company. The event marks a new era in which Israel and Morocco consolidate their relations. It was reported that Israel will invest $4 million to construct the embassy. The new embassy will be built in the previous location of the former liaison office of Israel in Rabat that was closed in 2000.

The agreement follows a series of high-level visits from Israeli officials to Morocco. Lately, several senior Israeli officers traveled to the North African kingdom to reiterate Israel’s determination to boost diplomatic relations with Morocco at all levels, including on the diplomatic and security fronts.

December 2022 will mark the second celebration of the reestablishment of diplomatic relations between the two countries. Since they normalized their ties in December 2020, both countries have consistently vowed to advance their “strategic cooperation” in a wide range of sectors. Opening a Moroccan embassy in Tel Aviv and an Israeli embassy in Morocco was among the core vows of the diplomatic rapprochement. In addition to advanced security and trade cooperation, the establishment of ties also resulted in the opening of direct flights between the two countries. (MWN 02.08)

ISRAEL MARKET & BUSINESS NEWS

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* 1. Rekor Systems Enables Safer Roads Through the Otonomo Platform

Columbia, Maryland's Rekor Systems and Otonomo are expanding their existing relationship with a multi-year contract supporting the mission of improving road and driver safety. Rekor, a global AI technology company that provides data-driven insights to build safer, smarter, and more efficient cities around the world, is deeply integrating the multi-layered connected vehicle data available via the Otonomo Smart Mobility Data Platform into its Roadway Monitoring and Response Platform to enhance the accuracy and granularity of the Rekor incident identification algorithm, making it possible to respond to traffic incidents faster, potentially saving lives. With the Smart Mobility Data Platform, Rekor supports customers across departments of transportation, city traffic management centers, and regional transportation centers in St. Louis, Missouri, Gothenburg, Sweden, and the broader bay area of San Francisco, California.

The Otonomo Smart Mobility Data Platform provides easy access to a range of proprietary and patented mobility data solutions that power customers' products and services—from curated, high quality, multi-layered connected vehicle data, standardized and blurred to remove identifiers; to VIN-specific data compliant with data privacy regulations; and ready-to-use insights generated with proprietary machine learning and AI.

Herzliya's [Otonomo](http://www.otonomo.io.‎) is igniting a new generation of mobility experiences and services. With Otonomo, providers in the transportation, mobility, insurance, and automotive industries are finally able to harness mobility data and insights and transform them into strategic assets and market advantages. Their partners gain access to the broadest, most diverse, range of data from connected vehicles, mobile phones, public transport, EV infrastructure, and MaaS with just one contract and one API. Vehicle and multimodal mobility data is reshaped and enriched to provide deep visibility and actionable insights and empower planning, deployment and operations. (Otonomo 03.08)

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* 1. Valley National Bancorp Invests $25 Million in Early-Stage Fintech-Oriented Israeli VC

Valley National Bancorp announced a $25 million investment in The Garage, a venture capital fund that builds and invests in early-stage startups in the fields of fintech, AI and cyber. The fund is backed by Bank Leumi, the leading bank in Israel and by BRM Group, a seasoned Israel-based family office with a proven track record that started with its initial investment in Check-Point in 1993.

Founded in 1927 and widely regarded as one of the premier regional banking organizations in the United States, Valley has made a strategic investment in The Garage to support the bank’s digital transformation efforts while enabling the rising number of Israeli Fintech startups a fast lane to the American market. Following the unique model built in Israel by The Garage with Bank Leumi, Valley intends to form a designated team in the bank which will enable The Garage’s portfolio companies quick integration into Valley’s systems.

As the principal subsidiary of Valley National Bancorp, Valley National Bank is a regional bank with approximately $54 billion in assets. Valley is committed to giving people and businesses the power to succeed. Valley operates many convenient branch locations and commercial banking offices across New Jersey, New York, Florida, Alabama, California and Illinois. (VNB 04.08)

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* 1. Talon Cyber Security Gets $100 Million in Series A Funding to Redefine Security

Talon Cyber Security announced $100 million in Series A funding, led by Evolution Equity Partners, with participation from Ballistic Ventures, CrowdStrike’s Falcon Fund, Merlin Ventures, SYN Ventures and previous investors CrowdStrike co-founder and CEO George Kurtz, Lightspeed Venture Partners, Sorenson Ventures and Team8. The funds will be used to accelerate go-to-market efforts to meet the increasing global demand for Talon’s secure enterprise browser, TalonWork, and deliver new product enhancements to continuously improve security for modern workforces.

As organizations have embraced distributed work for employees and contractors, the reliance on SaaS applications has risen, and security needs have evolved drastically. The traditional ways of enabling secure access to enterprise applications are complex, expensive, and put organizations at risk. The TalonWork browser simplifies security by allowing secure access to corporate applications and data on any device, managed or unmanaged, and on any operating system. With Talon, security teams benefit from deep visibility into browser and application activity, as well as native security features like authentication, data loss prevention and Zero Trust controls. Based on Chromium, TalonWork delivers the consistent and familiar user experiences expected by today’s workers, fostering productivity across the enterprise.

Tel Aviv's [Talon Cyber Security](https://talon-sec.com) is modernizing security programs and improving user experiences for hybrid work by delivering the first secure enterprise browser. Built on Chromium, the TalonWork browser provides customers with the consistent user experiences, deep security visibility, and control over SaaS and web applications needed to simplify security for the future of work. (TalonCyber 04.08)

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* 1. Nexar to Acquire Veniam to Leverage Vehicles as Engines of Data

Nexar has entered into an agreement to acquire Veniam, the leading provider of intelligent networking for the internet of moving things. With this acquisition, Nexar will combine vision data - captured and processed from billions of miles of driving - with Veniam's communications technology at the edge. Together, the companies will exponentially increase the reach and decrease the costs of rich mobility applications and the real time mapping of the physical world.

Vehicles are increasingly becoming engines of data and Nexar is at the forefront of data collection. The crowd-sourced images and detections collected from Nexar's popular dash cams are processed to create and continually update a real time digital twin of America's roads and cities. Many data applications are already powered by this digital twin, including applications helping to train autonomous cars for extreme driving scenarios, map out the changing road infrastructure, monitor, in real time, locations of construction zones & available street parking, identify roads in need of repair, and many more.

Veniam, based in Porto, Portugal, has served dozens of global companies with a software platform that allows devices in cars to connect with each other as well as the Internet. Veniam's technology turns the cars themselves into internet access points for other devices, creating a mesh network capable of sharing data and internet connectivity across hundreds of thousands of devices and cars. The acquisition is one of the first of a Portuguese startup by an Israeli company and represents a milestone for the Portugal tech scene, which has drawn international attention as a European startup hub.

Tel Aviv's [Nexar](https://data.getnexar.com) turns cars into vision sensors to understand the world. Its platform powers car vision connected services and apps, at scale, making new vision-based applications for better driving, powered by a crowd-sourced vision feed. Nexar's platform is already deployed across hundreds of thousands of cars, detecting parking spots, managing city safety and more. (Nexar 03.08)

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* 1. Internet para Todos Expands Services Contract with Gilat

Gilat Satellite Networks announced that Internet para Todos (IPT) in Peru is expanding its contract with Gilat, for 4G cellular backhaul services over the internet. IPT is a global collaborative between Telefónica, Meta (formerly Facebook), IDB Invest, and CAF. The initiative is bridging the digital divide in Latin America and providing internet connectivity to remote regions of Peru.

Gilat provides 4G cellular backhaul services over the internet that are being deployed at more than 100 new sites to provide coverage to rural zones through Gilat’s access network. The new multi-year contract addresses 4G connectivity to smaller villages and is expected to further grow over time.

Petah Tikva's [Gilat Satellite Networks](http://www.gilat.com) is a leading global provider of satellite-based broadband communications. With 30 years of experience, they design and manufacture cutting-edge ground segment equipment, and provide comprehensive solutions and end-to-end services, powered by their innovative technology. Delivering high value competitive solutions, their portfolio comprises of a cloud based VSAT network platform, high-speed modems, high performance on-the-move antennas and high efficiency, high power Solid State Amplifiers (SSPA) and Block Upconverters (BUC). (Gilat 04.08).

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* 1. Stratasys to Acquire Covestro’s Additive Manufacturing Materials Business

Stratasys signed a definitive agreement to acquire the additive manufacturing materials business of Covestro AG, based in Geleen, Netherlands and Elgin, Illinois. The acquisition is expected to be immediately accretive upon closing. It will include R&D facilities and activities, global development and sales teams across Europe, the U.S. and China, a portfolio of approximately 60 additive manufacturing materials, and an extensive IP portfolio comprised of hundreds of patents and patents pending. The purchase price is approximately €43 million, plus additional inventory, less certain liabilities. In addition, there is a potential earning of up to €37 million, subject to the achievement of various performance metrics.

Covestro has been a key part of Stratasys’ third-party materials ecosystem, and the acquisition will benefit customers using multiple Stratasys 3D printing platforms, including its Origin P3, Neo stereo-lithography, and H350 printers. Stratasys is already a distributor of Covestro’s Somos resins and they are already available for Neo and Origin® One 3D printers. The acquisition is expected to close during Q1/23, and the transaction is subject to the receipt of regulatory approvals and satisfaction of other customary closing conditions. The majority of employees of the acquired entity will continue to be

Rehovot's [Stratasys](http://www.stratasys.com) is leading the global shift to additive manufacturing with innovative 3D printing solutions for industries such as aerospace, automotive, consumer products and healthcare. Through smart and connected 3D printers, polymer materials, a software ecosystem, and parts on demand, Stratasys solutions deliver competitive advantages at every stage in the product value chain. (Stratasys 08.09)

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* 1. Helios & Eta Space Combine to Extract & Store Liquid Oxygen on the Moon

Helios and Eta Space are joining to solve the problem of oxygen in space. If humanity is to have a sustainable presence beyond Earth, the reusable methane-fueled rocket systems need liquid oxygen at a ratio of 1:4, so the only cost-effective solution to refueling in orbit is to create and store oxygen on the Moon and on Mars.

Helios, which is backed by the Israel Space Agency (ISA) and which recently announced funding from several venture capital firms, has developed an electrochemical reactor capable of extracting oxygen from the lunar regolith, which is made of approximately 45% oxygen. Their proprietary technology and process has proven effective and is being used terrestrially for the extraction of other elements, such as iron. Eta Space, located on the Space Coast of Florida, specializes in production, storage and transfer of cryogenic propellants.

Space Florida, the aerospace and spaceport development authority for the State of Florida, and the Israel Innovation Authority, an independent, publicly funded agency created to address the needs of the local and international innovation ecosystems, recently announced the ninth-round winners of industrial research and development funding tied to the Space Florida-Israel Innovation Partnership Program.

In October 2013, Florida and Israel established a $2 million recurring joint fund to support research, development, and commercialization of aerospace and technology projects that benefit both Israel and Florida. For this Call for Projects, five teams have been selected for this ninth round of awards. As one of the winning teams, Eta Space and Helios will leverage each other's expertise in cryogenic and chemical engineering, to develop an integrated lunar oxygen production and liquefaction plant, a critical step toward a sustainable lunar industry.

[Helios](https://www.project-helios.space) is an Israeli company founded in 2018, supported by the Israel Space Agency at the Ministry of Innovation, Science and Technology, Ministry of Energy and the Innovation Authority. The company's vision is to enable sustainable human life on Earth and beyond. Among its core technologies are systems to produce oxygen on the lunar surface and iron on Earth with zero direct carbon emissions. (Helios 09.08)

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* 1. Mesh Security Emerges from Stealth with a $4.5 Million Seed Round

Mesh Security left stealth and announced a $4.5 million seed round with the industry's first Zero Trust Posture Management (ZTPM) solution. Mesh Security makes it simple for companies to implement a comprehensive Zero Trust Architecture (ZTA) security in the cloud. Additionally, Mesh reveals a broad security risk in identity platform Okta and over 100 other vendors, allowing attackers to bypass MFA or impersonate, exposing companies' sensitive data and potential business disruption.

Mesh is the industry's first complete Zero Trust Posture Management (ZTPM) SaaS platform, a single source of truth that empowers companies to implement a unified Zero Trust Architecture on top of their existing stack. Without using agents, Mesh effortlessly and seamlessly maps a company's entire cloud XaaS estate in minutes, providing full contextual visibility and analysis of the current Zero Trust posture. The platform immediately prioritizes sensitive assets and critical risks and allows organizations to build automated processes to bridge any gaps that enable continuous security and compliance. Additionally, Mesh monitors anomalous activities in real-time and can automatically take action when assets might be under attack.

[Mesh Security](https://mesh.security/) was founded in early 2022 with a fast-growing team based in Tel Aviv. Working with its first customers, the company is expanding rapidly in the US and Europe. The seed round was led by Booster Ventures with the participation of additional investors. (Mesh Security 10.08)

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* 1. Safe-T Group Secures $4 Million in Funding to Boost Consumer Privacy Business

Safe-T Group closed a non-dilutive strategic funding agreement of up to $4,000,000 to support the further growth of its consumer privacy solutions and its customer acquisition program. Under the terms of the agreement, O.R.B. Spring will provide the Company with an upfront cash commitment of $2,000,000 with an additional $2,000,000 available subject to achievement of certain milestones. The funding, made through a series of cash installments until July 2023, will be allocated specifically towards Safe-T’s customer acquisition program for one of its consumer privacy solutions.

Herzliya's [Safe-T Group](http://www.safetgroup.com) is a global provider of cyber-security and privacy solutions to consumers and enterprises. The Company operates in three distinct segments, tailoring solutions according to specific needs. The segments include, enterprise cyber-security solutions, enterprise privacy solutions, and consumer cyber-security and privacy solutions. (Safe-T Group 10.08)

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* 1. ZIM Backs Series A Financing Round in Hoopo

ZIM Integrated Shipping Services announced completion of a Series A financing round in Hoopo Systems, a provider of cutting-edge tracking solutions for unpowered assets. ZIM invested $5.5 million in Hoopo, alongside both existing and new financial investors.

Glil Yam's [Hoopo](https://www.hoopo.tech) was founded in 2017 and is a leading provider of asset and fleet visibility solutions, working on transforming unpowered assets into connected fleets, thereby helping businesses to easily track and manage their operations, inventory, and equipment more efficiently by providing real-time data and analytics. Hoopo's solution is designed specifically for tracking and monitoring of unpowered assets by leveraging a unique, power-efficient tracking technology that creates long-lasting, highly durable and affordable tracking units that are suitable for any fleet size. Hoopo's Location Intelligence technology can be used across complex logistic operations such as transportation, aviation, waste management, and maritime. Customers using Hoopo's solutions gain improvement in asset utilization and cycle times, identify bottlenecks, optimize operations for higher efficiency, and offer elevated customer experience.

Proceeds of this investment are intended to, among others, further develop Hoopo's technology for the maritime industry, and specifically dry containers, including the use of solar energy to power the tracking devices.

Founded in Israel in 1945, [ZIM](http://www.ZIM.com) is a leading global container liner shipping company with established operations in 100+ countries serving more than 25,000 customers in over 300 global ports. ZIM leverages digital strategies and a commitment to ESG values to provide customers innovative seaborne transportation and logistics services and exceptional customer experience. (ZIM 11.08)

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* 1. Sapiens Partners with Intellagents to Expand its P&C Ecosystem

Sapiens International Corporation announced an agreement with Connecticut's Intellagents, a no-code, hybrid cloud, independent insurance marketplace platform provider. The partnership expands the Sapiens CoreSuite for P&C ecosystem and connects agents and insurers to a new digital marketplace with best-in-class insurtech solutions, data sources, AI providers and more. The new solution eliminates the costly friction of integrating legacy and modern systems and orchestrates agile and efficient performance over a single dynamic API marketplace.

The partnership grants insurers access to hundreds of data and insurtech providers and thus reducing insurance cycle times, increasing efficiency, and collaborating transparently while enhancing user experience. Intellagents' platform will integrate with Sapiens CoreSuite for P&C solution to deliver a vast data marketplace on a single adapter, thereby eliminating the need to build additional integrations for new interfaces. Sapiens CoreSuite for P&C is a customer-centric, low-code enterprise suite that empowers insurers to rapidly meet evolving business and customer needs.

Petah Tikva's [Sapiens International Corporation](http://www.sapiens.com) empowers the financial sector, with a focus on insurance, to transform and become digital, innovative and agile. Backed by more than 35 years of industry expertise, Sapiens offers a complete insurance platform, with pre-integrated, low-code solutions and a cloud-first approach that accelerates customers' digital transformation. Sapiens offers insurers across property and casualty, workers compensation and life and pension markets, the most comprehensive set of solutions, from core to complementary, including Reinsurance, Financial & Compliance, Data & Analytics, Digital and Decision Management. (Sapiens 16.08)

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* 1. Max Stock Establishes Chain of Stores in Portugal and Spain

Caesarea based [Max Stock](https://www.maxstock.co.il/en/) is executing a memorandum of understanding with a local partner in Portugal to establish a joint venture establishing a Max Stock chain of stores in Portugal and Spain. The Company's board of directors entered into the transaction with Fortera Properties. The common company in Portugal will be jointly held by the Max Stock (75%) and Fortera (25%). The chain will first operate in Portugal and may also subsequently expand to Spain, as decided upon by the parties and the board of directors of the Common Company.

The discount stores in Portugal are estimated to constitute 15%-18% of the total retail market (both food and non-food), a relatively low rate for Europe, which presents an opportunity for growth. The non-food segments in which the Company operate are estimated to be about €12 billion. Most purchases in Portugal are made offline. Portugal has a population of approximately 10 million residents. Spain presents another significant potential for expansion based on the same supply-chain, with a population of approximately 47 million residents, and with more than 100 million tourists annually.

To the best of the Company's knowledge, Europe's largest discount players have not yet entered into the Portuguese market, and the supply of discount stores in Spain is currently primarily controlled by private, non-chain, various size street stores, along with large grocery chains which also sell non-food products. (Max Stock 16.08)

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* 1. Privya Leaves Stealth With $6 Million to Tackle Data Privacy Challenges in the Cloud

Privya emerged from stealth with $6 million in funding for its data privacy code scanning platform. The seed round was led by Hyperwise Ventures, together with several angel investors. Privya identifies data protection issues and violations early in the development process. Shifting privacy left, Privya's scanner analyzes how sensitive data is handled in code, understanding which types of data are being collected and how they are being used, stored and sent to third-party services. Privya integrates into a company's CI/CD pipeline, ensuring that bad data handling practices never make it into a build, and offering developers actionable measures to fix issues. The platform constructs a full mapping of each service to give complete visibility into how an application handles personal or sensitive data.

Privya also provides a powerful and convenient privacy management wizard, making it simple to add to an ongoing project, as well as visual features like privacy management dashboards. It flags sensitive data protection vulnerabilities (for example, when personal information is written to logs) and can confirm that data is only being used and processed for the purposes agreed in company's privacy policies.

Tel Aviv's [Privya](https://privya.ai/) shifts left on privacy, so data protection can be dealt with as part of the development life cycle, preventing compliance violations. Privya's data privacy code scanning platform translates the requirements of privacy related regulations such as GDPR, CPRA, and compliance best practices into an automated architecture, ensuring privacy requirements are met at the initial point of development, so that bad privacy practices never make it into production. (Privya 09.08)

REGIONAL PRIVATE SECTOR NEWS

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* 1. Bahrain’s Faceki Raises Undisclosed Amount in Seed Round From Tenmou

[Tenmou](https://tenmou.me/), Bahrain’s first Business Angels Company, which provides both mentorship and capital to high-potential Bahraini entrepreneurs from the seed stage, announced its investment in Faceki. [Faceki](https://faceki.com/) is a Bahraini startup specializing in AI-powered Digital Identity Verification, Know-Your-Customer (KYC), Digital onboarding and Biometric Facial Authentication. Serving customers from more than 110 countries worldwide. Focusing on simplifying users’ journeys and fighting fraud to create safer, more accessible user experiences.

The platform uses AI and machine learning to power its certified liveness and anti-spoofing detection technology which help verify if the users really are who they claim to be. Protecting customers and enterprises, and reducing onboarding process time and cost by up to 95%.

Tenmou emphasizes the support and mentoring provided by its Angel shareholders, all of whom are established businessmen and successful entrepreneurs, whereas it has invested in 27 startups and created over $100 million in follow-on funding. The company stresses that the aim of this investment is to support Bahrain’s goal to be the leading digital economy in the region. (Faceki 07.08)

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* 1. ivWatch Extends Its Global Reach Signing New Distribution Partners in Middle East

Newport News, Virginia's ivWatch, an innovative IV safety company working to eliminate harm caused by infiltration and extravasation events, announced new strategic distribution partnerships with Warba Medical Supplies in Kuwait and Mustafa Sultan Science & Industry Co. in Oman.

ivWatch sensors use visible and near-infrared light to measure changes in the optical properties of the tissue near a peripheral IV insertion site. Audible and visual notifications are provided through a patient monitor when changes consistent with IV fluid leaking and pooling in the tissue adjacent to the IV site are detected.

ivWatch solutions continue to be available in more countries throughout the globe and with the addition of Kuwait and Oman, clinicians will now be able to improve their bedside decision-making with real-time IV infiltration data. Continuous IV site monitoring provides accurate and precise insights to detect infiltrations and extravasations at their earliest stages. ivWatch's proprietary algorithm detects infiltrations promptly and notifies clinicians of adverse IV therapy events often hours before they are detectable by visual or tactile examination. (ivWatch 11.08)

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* 1. KABI Acquires HR Tech Startup BLOOVO

KABI Technologies (formerly OHR), a leading HR consultancy, has announced that it has acquired Dubai's [BLOOVO](https://www.bloovo.com/), the leading AI-powered recruitment technology solutions provider, in the largest acquisition of its kind in the HR technology sector in the Middle East and North Africa. KABi, which has a capital of SAR 200 million, explained that this acquisition has contributed to the creation of a huge regional entity specialized in providing exceptional solutions that support the digital transformation of the human resources sector in the Kingdom, in line with Saudi Arabia's Vision 2030.

This acquisition will have many benefits for KABi, including controlling a larger market share in the human resources technology sector, driving the pace of business growth, improving the quality of solutions and services provided to companies and individuals, in addition to maximizing competitiveness, developing corporate governance and creating greater added value through the accumulation of partner experiences and joint services.

KABI, via BLOOVO, has won several international awards accrediting its leadership in the HR Tech domain in MENA. It has revolutionized the e-recruitment landscape by being the pioneer in embedding AI in the hiring process. BLOOVO has 5 main products; HYRDD – the market leader AI-powered Applicant Tracking System; BLOOVO Job Board with more than 2 million profiles & +3,500 companies; BKATHON – its cloud-based virtual hackathon platform; INVIEWS – its AI-powered video interviewing tool; and Algorithmus – being an AI-as-a-Service platform integrating with other recruitment systems to rank applicants against job descriptions using AI, in real time through its API.

KABI has a vision of being the pioneers of digital transformation in the HR Tech sector and being the ideal partner for creating sustainable value through its innovative solutions that ensure a positive impact. KABI is also on a mission to create and apply the best human capital practices powered by AI algorithms to efficiently improve various work environments and facilitate business processes. (KABI 08.08)

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* 1. UAE's Cartlow Acquires Melltoo

UAE-based Reverse Logistics Platform [Cartlow](https://cartlow.com/uae/en) has announced its acquisition of [Melltoo](https://www.melltoo.com/en/ae), Dubai’s platform for second-hand items. Melltoo was founded in 2014. In line with the acquisition, Melltoo customers will be automatically redirected to Cartlow’s platform, where they can shop or sell their pre-loved and never-used items. This takeover will enable Melltoo customers with multiple categories and various products.

According to the company, this acquisition will allow Cartlow to further dominate the global reverse logistics market. Cartlow will continue to enable businesses in the region with its cloud base technology offering SaaS services to major players within the reverse logistics ecosystem paving the way to the circular economy through its sustainable practices. Through its Re-commerce channel, Cartlow will continue its efforts to provide customers with amazing deals on products including; mobiles, tablets, laptop, home essentials and much more. (Cartlow 15.08)

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* 1. Convertedin Raises a $3 Million Seed Round

Egypt-based marketing operating system for E-commerce brands [Convertedin](https://www.converted.in/) has raised $3 million in a seed round led by Saudi Arabia headquartered Merak Capital with participation from 500 Global and MSAS. Convertedin is built for brands and businesses who desire a single platform to drive personalized & scalable campaigns, convert customers, achieve measurable results and grow revenue. Convertedin works with homegrown and multinational brands across Africa, the Middle East and South America.

Integrating with E-commerce platforms and ad networks, Convertedin helps drive customer engagement and conversion online and offline. Marketers can easily deploy campaigns across the web, search engine ads, social ads, SMS, and email services, while having the ability to track and attribute revenue conversion.

As part of its expansion plans, Convertedin will open its first office in South America, to be located in Rio de Janeiro. With e-commerce revenue in South America set to grow to $167.34 billion by 2025 from 244.1 million users, Convertedin is well positioned to help businesses accelerate growth and drive revenue generation. Currently available in multiple languages including Arabic and English, the company will be launching services in Portuguese soon. Convertedin will also utilize funds for further development of its platform and strategic hiring. (Convertedin 10.08)

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* 1. Sharwa Raises $2 Million Pre-Seed Funding Round to Bring Affordable Retail to All

Egyptian social commerce startup [Sharwa](https://sharwa.io/‎) the closing of its pre-seed funding round for $2,000,000. The round was co-led by NUWA Capital and Hambro Perks Oryx Fund and joined by notable angels from Kitopi and Careem Alumni. Founded earlier this year. Sharwa aims to address the gap between the large number of social media users and the low levels of ecommerce penetration.

Sharwa’s platform allows for customers to get the best prices for their daily purchases on household essentials like groceries, appliances and homeware. Where customers can club their baskets into a group order and place them to Sharwa through WhatsApp or directly on its App unlocking wholesale prices from manufacturers for next day delivery. In remote areas Sharwa utilizes community leaders to collect orders in their communities. These community leaders are previous super users of its service.

Since inception Sharwa has grown significantly, attracting tens of thousands of shoppers to its platform. The service is live in Cairo and plans to serve the rest of Egypt and process hundreds of thousands of orders in the next 12 months. The pre-seed investment will be spent on developing the technology platform and expanding the team. (Sharwa 10.08)

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* 1. Orascom Financial Holdings Sells its 56% Stake in Beltone to Chimera

Chimera Investments, the Abu-Dhabi based private investment firm, announces acquisition of a 56% stake in Egypt’s investment bank Beltone Financial. After Orascom Financial Holding (OFH) decided to sell its entire stake in Beltone Financial, Chimera has announced interest in acquiring 90% of the Egyptian investment bank and willingness to purchase up to 417.1 million shares at a value of EGP 1.485 apiece.

However, this mandatory tender offer (MTO) has expired, resulting in Chimera Investments acquiring a stake of only 56% of Beltone Financial, with the rest being publicly traded on the EGX. It is worth mentioning that after this deal, Beltone Financial’s shares on the EGX fell by 1.8% while Orascom Financial Holding gained 1.6%. (WAYA 04.08)

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* 1. In UAE’s Fertile Agritech Scene, Another Startup Blooms

Amid the UAE's active agritech environment, a new startup aims to make its mark – World of Farming (WoF), which particularly wants to address the UAE’s reliance on fodder, or livestock feed, imports. WoF plans to build a circular hydroponic fodder farming methodology – currently patent-pending – to give local farmers a more cost-effective alternative to international imports. It claims to use up to 90% less water and land compared to traditional farming methods. Their vertical farms aim to completely eliminate local farmer’s need for international import to feed their livestock. They will also enjoy the cost saving benefits while minimizing nutritional losses due to long term storage, or logistics and storage costs.

WoF’s technology will “use data to monitor and adjust farming parameters to identify the ultimate environment for optimal farm output,” he explained. They already have a first customer in the UAE and they are looking to inaugurate the circular farm soon. When it opens, the farm will have a total output of 3,000 metric tons of animal feed annually. The startup will look to secure more funding later this year, and potentially bring the technology to other countries in the region, including in Saudi Arabia.

A climate action-focused venture builder is backing WoF – Abu Dhabi-based Hatch & Boost, which is also working to grow seven portfolio startups this year in sustainable mobility, femtech and foodtech. The venture builder has its own team of designers and developers who would work in the initial development stage. Once a startup generates traction and product market fit, it partners with a co-founder to further scale the startup. (AB 16.08)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. Two Israeli Companies To Launch Renewable Energy Projects in Morocco

Israel's [Enlight Renewable Energy](https://enlightenergy.co.il/) and [NewMed Energy](https://newmedenergy.com/) signed on a cooperative agreement to jointly develop and operate energy projects in seven countries from the MENA region, including Morocco. Enlight Renewable Energy (ENLT) announced the agreement for the development, financing, construction and operation of renewable energy projects in Morocco, the UAE, Bahrain, Oman, Saudi Arabia, Egypt and Jordan. The collaboration will bring to light the great experience and expertise of the two Israeli companies in the field of energy, said the same source, adding that it aims to promote projects of mutual benefit in the countries of the region.

In separate disclosures to the Tel Aviv Stock Exchange (TASE), the two companies said that the projects will focus on several areas, including solar and wind power production and energy storage.

Established in 2008, Enlight Renewable Energy is a “global renewable energy developer and independent power producer” that generates clean energy across Israel, Europe, and the United States. Formerly named Delek Drilling, NewMed Energy is a gas and oil exploration company. After signing the US-brokered Abraham Accords in December 2022, Morocco and Israel’s relations continue to exponentially increase in various sectors, including renewable energy. (MWN 15.08)

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* 1. Eco Wave Power Starts One Wave Energy Project at Jaffa Port, Israel

Eco Wave Power Global has officially commenced test runs of its newly installed wave energy pilot project at the Port of Jaffa in Tel Aviv, Israel. The EWP-EDF One project is executed in collaboration and co-funding from EDF Renewables IL and the Israeli Energy Ministry, which recognized the Eco Wave Power technology as "Pioneering Technology."

The real-conditions testing was initiated in July 2022 with the purpose of examining the operation of the mechanical and hydraulic subsystems of the project. During the testing, the Eco Wave Power floaters were lowered to the water and tested for the very first time, resulting in a green light for the next phases of the project, which will include grid connection and testing of the overall system, to be followed by full operation. Once testing and final works are completed including the grid-connection, the Company will have an official launch of its power station.

Tel Aviv's [Eco Wave Power](http://www.ecowavepower.com) is a leading onshore wave energy technology company that developed a patented, smart and cost-efficient technology for turning ocean and sea waves into green electricity. Eco Wave Power's mission is to assist in the fight against climate change by enabling commercial power production from the ocean and sea waves. Eco Wave Power received funding from the European Union Regional Development Fund, Innovate UK and the European Commission's Horizon 2020 framework program. The Company also received the "Global Climate Action Award" from the UN. (EWPG 04.08)

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* 1. Fortlev & Brenmiller Thermal Energy Storage System for Plastic Manufacturing

Brenmiller Energy announced that it and Fortlev, the largest producer of water storage solutions in Brazil, have inaugurated a bGen Thermal Energy Storage (TES) unit at Fortlev’s production facility in Anápolis, Brazil. The bGen unit is the first TES system powered by renewable energy to be used to generate hot air for manufacturing plastic products in the world and also the first thermal energy storage system powered by renewable energy to be used for commercial operations in South America.

The 1 MWh bGen unit enables Fortlev to use renewable biomass rather than natural gas to heat the air it uses to make plastic water tanks with rotational molding machines. Substituting biomass for natural gas allows Fortlev to lower the fuel costs associated with heating this air by more than 75%. Use of the bGen unit will also lower the greenhouse gas (GHG) emissions associated with heating this air by approximately 800 metric tons per year.

Fortlev and Brenmiller Energy are in discussions to install 60 bGen units at the facility, which will enable it to avoid 48,000 metric tons of GHG emissions per year – an amount equivalent to the GHG emissions released by approximately 10,500 gasoline-powered passenger vehicles driven for one year.

Rosh HaAyin's [Brenmiller Energy](https://bren-energy.com) delivers scalable thermal energy storage solutions and services that allow customers to cost-effectively decarbonize their operations. Its patented bGen thermal storage technology enables the use of renewable energy resources, as well as waste heat, to intelligently heat crushed rocks to very high temperatures. They can then store this heat for minutes, hours, or even days before using it for industrial and power generation processes. (Brenmiller Energy 09.08)

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* 1. Renewables Account for 29% of Jordan's Electricity Generation

Jordan's electricity from renewable energy was at 2,526 MW by the end of last July, about 29% of electric power generated since the start of 2022, compared to 26% in 2021, said Minister of Energy and Mineral Resources Kharabsheh. He added that power generated from the installed renewable energy capacity topped 5.5 terawatt per hour by the end of 2021, placing Jordan third regionally in sustainable energy production. Kharabsheh noted that commercial projects contributed 1,498 MW, or 59% of total capacity, in addition to subscribers' renewable energy projects with 1,027 megawatt or 41%. The total number of net metering and transit systems reached around 52,000. (Petra 15.08)

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* 1. UAE’s Masdar to Work on Solar and Wind Power Projects in Tanzania

The Emirati renewable energy firm Masdar signed an agreement to develop renewable energy projects in Tanzania. The deal between Masdar and the Tanzania Electric Supply Company specifies they will work on two energy projects that will ultimately produce 2,000 megawatts of solar and onshore wind power.

The United Arab Emirates in investing in a variety of renewable energy and green technology projects as it seeks to diversify its economy and reduce dependence on oil. Masdar, which is owned by the Emirati sovereign wealth fund Mubadala, plays a large role in this transition. In June, Masdar agreed with Azerbaijan to develop wind and solar power projects in the Eurasian country. In May, Masdar unveiled a plant in the Emirati city of Sharjah that will convert garbage into energy.

Other Emirati companies are also pursuing renewable energy projects in Africa. In April, Dubai’s AMEA Power agreed to build two solar power facilities in Morocco. The agreement with Tanzania represents the UAE’s continued interest in improving its economic ties to countries on the African continent. In June, the Abu Dhabi Exports Office signed an agreement with the Economic Community of West African States to boost bilateral trade. Last year, the Dubai government-owned ports operator DP World pledged to invest $1.7 billion in infrastructure across Africa. (Al-Monitor 06.08)

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* 1. UAE's First Used Battery Recycling Plant to be Built in RAK for $17 Million

The UAE's first used battery recycling center will soon be built in Ras Al Khaimah, one that will recover more than half of scrap generated in the country. Royal Gulf Industries has announced that it will invest $17 million to build the state-of-the art facility in Al Ghail Industrial Zone. The center will generate 150 jobs and is slated to start operation in Q4/22.

The company is a subsidiary of Hyderabad Castings Limited and part of Nakhat Group. It looks to recycle up to 35,000 metric tonnes of used lead acid batteries every year and produce 21,500 tonnes of lead ingots and 2,400 metric tonnes of plastic granules. The materials will be largely exported to India, Japan, Korea, China and Europe and used for the manufacture of new lead acid batteries and cases. (ZAWYA 05.08)

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* 1. Egypt Gets €4 Million in EU Funds to Combat Environmental Pollution

The Egyptian government has signed a grant agreement with the European Union for €4 million in funding that will be used to finance the third phase of the Industrial Pollution Abatement Programme (EPAP). The funding agreement was signed on 7 August between the Egyptian Ministry of Environment and the European Union (EU). The grant is part of the third phase of the Industrial Pollution Abatement Programme (EPAP), which costs over $148 million. The rest of the funding comes from the European Investment Bank (EIB), the French Development Agency (AFD) and Kreditanstaltfür Wiederaufbau (KfW), the German development agency.

EPAP III includes an investment component that addresses the sources of industrial pollution and its effects on the environment. Among the consequences of industrial pollution is the destruction of aquatic biodiversity. In the land of the pharaohs, most industries dump their waste products (hydrocarbons, agricultural waste, chemicals, etc.) into waterways, particularly the Nile River.

According to Cairo, the program will also help Egyptian industry to improve its performance and comply with environmental laws and regulations, as well as reduce energy and resource consumption in order to promote sustainable development. The Egyptian government intends to accelerate the implementation of the third phase of the Industrial Pollution Control Programme, ahead of the 27th United Nations Climate Conference (COP27), which takes place in November 2022 in Egypt. (Afrik21 09.08)

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* 1. Green Infrastructure Project will Make Tangier a Sustainable City by 2033

Tangier could become a sustainable city by 2033. This is the goal of the Moroccan authorities who recently signed a framework agreement for the realization of the “Cité Mohammed VI Tanger Tech” in the Tangier-Tetouan-Al Hoceima region. The ceremony took place in the capital Rabat in the presence of the Moroccan Ministers of Industry and Commerce, Economy and Finance, and Equipment and Water.

The infrastructure of this project, which will be delivered by 2033, will cover an area of 2,167 hectares in the councils of Laaouma and Sebt Azzinate. According to the Moroccan authorities, an industrial acceleration zone (ZAI) will also be built on 947 hectares to house numerous infrastructures such as “residential, tourist and leisure complexes. Ultimately, the project will also enable the digital transformation of the city of Tangier through “cutting-edge” technologies on an area of 1,220 hectares intended for the development of a smart city.

While the investment cost of the new city of Tangier has not yet been disclosed, it is known that the project will bring in $11 billion to the coffers of the North African kingdom over a ten-year period. The implementation of this project will be supervised by the municipal authorities of the Tangier-Tetouan-Al Hoceima region with the support of several institutions such as the Société d’aménagement Tanger Tech (SATT), the multinational Bank of Africa Group, the Tangier Mediterranean Special Agency (TMSA) as well as the Chinese companies Beijing Zhonglu Urban Development Corporation, China Communications Construction Company (CCCC) and China Road and Bridge Corporation (CRBC). (Afrik21 02.08)

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* 1. Amea Power & GPM Launch Construction of a Solar Power Plant in Tangier

A new solar power plant is under construction in Morocco. The construction site was recently launched in Hjar Nahal, a municipality located in the Tangier-Tetouan-Al Hoceïma region. The facility will occupy an area of 75 hectares, and will have a capacity of 34 MWp. The project is being implemented through a partnership between the Emirati independent power producer (IPP) Amea Power and GreenPower Morocco (GPM).

The annual capacity of this solar park is estimated at 67 GWh per year, enough power to supply at least 8,000 Moroccan households. Except that this production is intended exclusively for Amendis, the company that has been providing sanitation services and drinking water and electricity distribution in Tangier since 2002. The solar power plant should enable the local subsidiary of the French group Veolia to reduce its CO2 emissions by 30,000 tons and its oil emissions by 5,000 tons per year.

The solar power plant named GPM1 is thus one of many concessions obtained by Amea Power in Morocco. The UAE-based IPP has also recently been awarded the construction of two solar photovoltaic plants with a combined capacity of 72 MWp by the Moroccan Agency for Sustainable Energy (MASEN). The parks will be built in the Souss-Massa and Fez-Meknes regions as part of the Noor PV II program. (Afrik21 02.08)

ARAB STATE DEVELOPMENTS

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* 1. Lebanon's Balance of Payments Deficit Stands at $2.57 Billion in June 2022

According to BDL’s latest monetary report, the BOP recorded a cumulative deficit of $2.57 billion in June 2022, compared to a deficit of $1.81 billion over the same period last year. Accordingly, Net Foreign Assets (NFAs) of BDL fell by $2.79B, as BDL has continued to make some intervention on FX market through the “Sayrafa” rate while the NFAs of commercial banks increased by $214M by June 2022. On a monthly basis, the BOP deficit stood at $474.1 million; as NFAs of BDL fell by $728.3 million while that of Commercial banks increased by $254.2M.

For a meaningful analysis, we examine the NFAs of commercial banks. For the month of June, it was dominated by the increase in foreign assets. On the liabilities side, Non-resident financial sector liabilities decreased by $48.5M, to reach $4.53B, while “Non-resident customers’ deposits” increased by $165M, to reach $23.83B by June 2022. On the asset side, however, “Claims on non-resident financial sector” added $40.4M to reach $3.87B. Meanwhile, the wider deficit observed in Lebanon’s Balance of Payments is mostly attributed to the recovery in importation, which has risen as Lebanese’s behavior seems to readjust slightly to the levels used to be before the crisis. The major reason driving Lebanese importation could be most likely the summer recovery which boosted the private sector and led to higher import demands that contributed to larger capital outflows and created a persistent disequilibrium in the BOP. (BDL 11.08)

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* 1. Jordanian Inflation Rises by 3.63% During First 7 Months of 2022

Jordan's Consumer Price Index (CPI) rose up 3.63% in the first 7 months of 2022 to 105.77 points against 102.06 points in the same period of last year. In its monthly report, the Department of Statistics (DoS) said inflation edged up by 5.34% in July, reaching 107.92 points compared with 102.45 points in July 2021. According to the report, the main commodity groups that contributed to the increase in the 7-month period were fuel and lighting by 19.42%, transport by 5.64%, vegetables, dried and canned legumes by 12.09%, rents by 1.18% and entertainment by 7.27%. (Petra 11.08)

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* 1. Jordan Welcomes 2.5 Million Visitors in 7 Months

More than 2.5 million people visited Jordan in the January-July period of 2022, a 220% increase over the same period in 2021. The number exceeded the 1.88 million visitors expected in the Jordan National Tourism Strategy 2021-2025. According to a monthly report by the Ministry of Tourism and Antiquities, the total number of overnight tourists increased by 206.7% during the same period.

Overnight visitors from Europe increased by 526.4%, followed by the Arabian Gulf with 404.8% and the Americas with 307.3%. In July alone, the number of visitors increased by 125.1%, reaching 587,248. The Kingdom's tourism income increased by 242.7% in H1/22, reaching $2.196 billion, according to the Central Bank of Jordan. (Petra 08.08)

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* 1. Jordan Received $1.54 Billion in Foreign Aid in January - July of 2022

The value of foreign aid to Jordan since the beginning of this year until the end of July amounted to $1.54 billion in grants and soft loans, the Ministry of Planning and International Cooperation said. Grants constituted $187.5 million of the total amount of foreign aid, while soft loans stood at a value of $1.1 billion to support Jordanian developmental projects, infrastructure and economy. Grants directed to support Jordan within its response plan to the Syrian crisis amounted to $252.5 million.

Until the end of July of this year, 70% of foreign aid volume was directed to support the implementation of development programs and projects included in the General Budget Law, while the rest of the other programs and projects are implemented by donors and funders, under the direct supervision of ministries and beneficiary institutions. The social protection sector ranked first, accounting for 45.7% of the foreign aid, followed by the economic development sector which recorded 32.7%. The employment sector ranked third with 8.7%, while the infrastructure sector constituted 7.6%, while agriculture and food security ranked last with 2.5%, the ministry added.

In 2022, the ministry succeeded in securing additional grants worth $447 million to implement the National Water Carrier Project (Aqaba-Amman desalination and water transport project), in addition to obtaining pledges of $1.4 billion in soft loans to the government. The ministry also works to mobilize necessary funding for projects of high priority, such as food security, to support Jordan’s reserves of strategic basic commodities such as wheat and barley and increase storage capacities. According to the ministry, the US grant allocated to support Jordan’s general budget will be transferred by the end of 2022. (JT 10.08)

►►Arabian Gulf

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* 1. United Arab Emirates (UAE) Construction Industry Report 2022

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

Construction industry in the United Arab Emirates (UAE) to expand by 3.8% in real terms this year, compared with an estimated growth of 4.4% in 2021. The Expo 2020 event 1 (October 2021, to 31 March 2022) provided a boost to the economy, while low base effects and pent-up demand helped to spur the industry's growth in 2021. Reflecting the 2020 downturn, however, the construction industry's output is expected to remain below 2019 levels until 2022. The publisher expects the construction industry to register an annual growth of 3.9% during the period of 2023-26.

Growth over the forecast period will be driven by the country's development agenda of strengthening industrial, transportation and energy infrastructures. The government announced plans in September last year to implement a series of developmental and economic projects aimed at accelerating the UAE's development and transforming it into a comprehensive hub in all sectors as part of the Project of the 50, with the goal of attracting $149.8 billion in foreign direct investment (FDI) over the next nine years.

In terms of railway development, the government announced the new $13.6 billion UAE Railway Programme in December 2021, which is an integrated strategy for the country's railway sector over the next several decades, with an estimated economic impact of $54.5 billion. The UAE became the first country in the Gulf Cooperation Council (GCC) area to pledge to carbon neutrality, establishing a goal of achieving net-zero carbon emissions by 2050.

The government intends to invest $163.4 billion on renewable energy over the next three decades to meet this goal. The government's aim to raise solar PV capacity from 2.1GWp in 2020 to 8.5GWp in 2025 will also help the energy and utilities sector's output throughout the projection period. (R&M 05.08)

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* 1. Abu Dhabi’s Non-Oil Foreign Trade Amounts to Dhs124 Billion in First Half

The total value of Abu Dhabi’s non-oil foreign trade amounted to about Dhs124 billion during H1/22 with a growth rate of 12%, recorded in the same period of 2020. According to the Abu Dhabi Media Office, exports during the first six months of this year increased to 26%, at a value of Dhs49 billion, with re-export activities increasing 6% at a value of Dhs23 billion. Imports increased to 4%, recording a total value of about Dhs51 billion. The value of the trade in commodities from normal metals and their products increased to Dhs24 billion, at a growth rate of 22%.

The trade in sound and image machinery and broadcasting equipment and their accessories recorded a growth during this period with 23%, while the trade in pearls, gemstones, precious metals and their products increased 40% at a value of Dhs17.2 billion.

Saudi Arabia had the largest of total value of shares traded compared to the countries, where the trade increased to Dhs28 billion, with a growth rate of 3%, followed by Switzerland with a total value of Dhs 9.5billion with a rate of growth of 260%. The US was next, recording Dhs 9.3billion with a growth rate of 21%, followed by China with Dhs 5.95billion with a growth rate of 9%, and Kuwait at Dhs 5.8billion with a growth rate of 13% compared to the same period last year. (GB 12.08)

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* 1. Oman Posts $2 Billion Surplus in First Half Based on n High Oil & Gas

Oman recorded a budget surplus of OMR784 million ($2 billion) in the first half, driven by higher sales for oil and natural gas. Revenue rose more than 54% in the second quarter to about OMR6.7 billion, while total spending increased by 8.6% to OMR5.9 billion, according to the country’s finance ministry. Crude oil revenue stood at OMR3.19 billion, while the equivalent figure for gas was OMR1.73 billion.

Oman has implemented a series of reforms to balance its budget and lower its debt, including the introduction of value-added tax last year. It plans to use the windfall from surging oil prices to trim its public debt and boost spending on certain projects. The nation also plans to “repurchase some sovereign bonds, repay high-cost loans and issue local sukuk for trading on the stock exchange” to cut its debt, it added in the statement. Oil’s surge on the back of the crisis in Ukraine has pushed crude above the break-even level for almost all the Middle East’s producers, raising the prospect of significant budget surpluses for even the weakest economies if prices remain high. (Bloomberg 08.08)

►►North Africa

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* 1. Egypt Gets a New Ruling Cabinet

On 14 August, there were 13 new faces in the Egyptian cabinet after the House of Representatives approved a cabinet shuffle in an emergency session called by President El Sisi. El Sisi changed his new public enterprises minister as the government put together a radical privatization program. Cairo Glass Chairman Mahmoud Esmat has been named the new public enterprises minister, replacing Hisham Tawfik, who had held the portfolio since 2018. The ministry in recent weeks has become central to the Madbouly government’s economic development plans as the crisis triggered by the war in Ukraine has accelerated the need for more investment. The ministry is at the forefront (alongside the ministries of planning and finance) of the government’s ambitious privatization plans, by which it hopes to attract $40 billion in fresh investment over the next four years.

New ministers were also chosen for the trade and industry and tourism portfolios: Both ministries have been on the front lines of dealing with the fallout from the Ukraine war and now hold portfolios that will be key to helping shore up our foreign currency flows. The tourism portfolio is recovering from the exit earlier this year of Ukrainian and Russian visitors; restoring it to its strong, post-pandemic trajectory is a top priority for the state as it looks to restore the industry’s position as one of the nation’s chief FX generators — and a key driver of job creation. The Trade Ministry places greater emphasis on import substitution industrialization, and overseeing new import restrictions that have been deployed as one of the chief policy tools to shore up the country’s supply of hard currency.

The changes were made in consultation with Prime Minister Madbouly, El Sisi said in a brief statement in which he thanked outgoing ministers for their service. The moves are aimed at “developing the government’s performance in some key issues … to contribute to preserving the state’s interests and capabilities,” the president added.

There are now two fewer women in cabinet than there were this time last year. Six of the 32 members of Madbouly’s cabinet (19%) are female MPs, down from eight (25%) last year. (Enterprise 14.08)

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* 1. Egypt Seeks to Reduce Imports and Promote Local Production

As Cairo works to slash imports and shore up local industry, Egypt’s exports were on the rise in H1/22. Egypt’s non-oil exports increased 20% y-o-y by value to $19.35 billion in H1/022, according to the General Organization for Export and Import Control. The data indicates that Egypt's non-oil exports also rose quarter-on-quarter. Exports hit $9.14 billion in Q1/22, meaning that the second quarter of the year saw exports of $10.26 billion-worth of non-oil goods — a 12.3% q-o-q increase. Chemical and fertilizer exports, constituted 22% of the export revenues during the first six months of the year. Egypt exported some $4.34 billion of chemical and fertilizer products in H1/22, rising 35% y-o-y.

Emirati fertilizer company CFC Group is building a new $400 million complex in Qena to produce fertilizers, animal feed and phosphoric acid, under the new joint industrial partnership between Egypt, the UAE, Jordan and Bahrain. All but a fifth of the complex’s output will be exported, with priority given to partnership nations, which should substantially increase exports when production begins in Q1/25. A push towards “greener” fertilizers — by relying on green hydrogen to produce green ammonia — could also give our fertilizer exports a push by catering to European countries with ambitious emissions reduction targets to meet, we noted previously.

Building materials constituted 19% of the total export revenues for the period, rising 20% y-o-y, standing at $3.69 billion. The next largest contributor to our export revenues was the food industry, which accounted for $2.15 billion (11%) of export revenues, up 4% y-o-y. Engineering industries and agricultural crop exports each accounted for 10% of Egypt’s total non-oil exports. Engineering industries saw a 27% y-o-y increase, with H1/22 revenues at $1.89 billion, while agricultural crop exports stood at $1.9 billion (up 10% y-o-y). Ready-made garments exports also increased 42% y-o-y, standing at $1.29 billion, accounting for 7% of Egypt’s total non-oil exports. The government aims to introduce facilities to increase the export of agricultural products such as dates, dried fruits, and dried onions.

Other exports included printing and packaging, which reached $615 million (up 37% y-o-y, 3% contribution); medical exports at $471 million (up 36% y-o-y, 2% contribution); textiles at $555 million (up 30% y-o-y, 3% contribution); upholstery at $325 million (up 6% y-o-y, 2% contribution); and leather products at $52 million (up 24% y-o-y, constituting 0.3% of exports). Exports of handicrafts and furniture were on the decline. The two sectors each made up 1% of total exports in 1H 2022, with furniture exports standing at $117 million, down 20% y-o-y. Handicraft exports fell 11% y-o-y, recording $124 million.

The overall increase in export revenues comes as Egypt has been moving ahead with its push to cut imports while simultaneously boosting exports. Earlier this year, the government earmarked nine priority investment industries to start the push towards localizing manufacturing, in line with the state’s ambitious plan to raise exports to $100 billion a year by 2025. Wood and furniture, engineering, food and agriculture, chemicals, textiles, pharma and medical, printing and packaging, building materials and metallurgical industries. Some 141 product categories fall under these nine investment areas, amounting to $17 billion and accounting for 23% of Egypt’s 2019 import bill.

Finance Minister Maait stressed the importance of focusing more on attracting foreign direct investment and encouraging export growth, as opposed to portfolio flows, to support the economy. The Finance Ministry is increasing allocations for its export subsidy program in the FY2022-23 budget to EGP 6 billion, up from EGP 4.2 billion in the FY2021-22 budget. (Enterprise 14.08)

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* 1. Egypt to Begin Electricity Rationing

Egypt will begin cutting back on electricity consumption nationwide in a bid to redirect more natural gas towards exports, thus netting additional inflows of foreign currency, Prime Minister Moustafa Madbouly announced. The government hopes to export around 15% of the gas that is currently allocated to the nation’s power stations.

Madbouly said Egypt should expect darker streets and public squares, electricity rationing at sports facilities and government buildings, and limits on A/Cs in malls. Hotels will also be asked to rein in their consumption by reducing lighting at weddings, while sports fixtures could be rescheduled to daylight hours to cut energy use at stadiums. The cabinet is planning to announce a basket of measures to restrict public electricity consumption following a cabinet meeting tomorrow.

External pressures triggered by the war in Ukraine and rising interest rates in developed markets have squeezed foreign-currency liquidity in the banking system and caused the country’s FX reserves to fall 20% since March. Surging commodity prices have added billions of USD to the country’s import bill and volatility in the financial markets has seen $20 billion in portfolio flows exit the country this year, putting pressure on the EGP which has slipped almost 22% since March.

Egyptian LNG is in increasingly high demand in Europe as the continent frantically tries to find replacements for Russian natural gas, which before the war provided around 40% of its gas consumption. European leaders are particularly concerned about looking in additional supply contracts ahead of winter, when demand for natural gas spikes. Egypt signed a landmark agreement with the EU and Israel earlier this year to increase exports to Europe, and while it remains unknown how the three partners plan to raise capacity or who will finance the necessary infrastructure, Egypt has been in talks with foreign investors about providing capital for new LNG terminals and pipelines. (Ent 10.08)

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* 1. Egypt's Non-Oil Business Activity Continues to Fall in July

Activity in Egypt’s non-oil private sector continued to contract at a rapid pace in July as high inflation weighed on demand and output, according to the S&P Global purchasing managers’ index. Business activity fell at a slightly slower pace during the month amid signs of softening inflation, though the reading was one of the weakest since the pandemic hit the economy in Q2/20. The index rose to 46.4 last month, up from a two-year low of 45.2 in June, marking the biggest increase in the index in just over a year, though still below the 50.0 threshold that separates growth from contraction. This is the 20th consecutive month that activity in Egypt’s private sector has declined.

July’s PMI signaled “a softer decline in the health of the non-oil economy. Some 29% of companies reported rising input costs during the month, down from 45% in June, suggesting that the recent cooling of commodity prices is having an impact on business costs.

Headline inflation has risen to three-year highs this year as global headwinds spurred by the conflict in Ukraine and the pandemic have hit home, putting pressure on the EGP and causing food, energy and raw materials prices to surge. Inflation slowed for the first time in seven months in June, though analysts expect it to pick up again in the coming months.

Businesses continued to pass higher input costs onto consumers in July, hiking prices at the second-quickest rate in four years, according to the survey. This had knock-on effects on demand that saw output and new orders fall for another month, albeit at slower rates than in June when they hit their lowest levels since Q2/20. Confidence fell to one of its weakest levels on record after rising to a five-month high in June. Only 13% of companies forecast output growth over the coming year. (Ent 04.08)

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* 1. Egyptian Unemployment Rates Hold Steady in Second Quarter

Egypt’s unemployment rate remained constant at 7.2% in Q2/22 from last quarter, according to CAPMAS. The jobless rate is down by 0.1% in comparison with the corresponding quarter last year. The jobless rate has been more or less steady since the summer of 2020, after retreating from a two-year high in Q2/20 caused by the partial lockdown of the economy during COVID.

Egypt's official unemployment rate only includes people who are looking for work. The labor force participation rate — which counts everyone aged 15-64 either in work or actively looking for work — recorded 42.6%, down 0.2% from last quarter. The figure is up from 41.9% in the same quarter of 2021.

The number of jobless 15-29 year-olds accounted for 61.3% of all jobless people, down from 63.0% in Q1 — marking the second consecutive quarter of decline in youth unemployment recently peaking at 64.3% in Q4/21. The jobless rate among women was down 0.2% q-o-q to 17.5%, while the rate among men rose 0.1% to 5%. The unemployment rate is consistently higher among women than men. Employment rates remained steady in July, breaking an eight-month streak of job losses. (Enterprise 16.08)

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* 1. Egypt Hoping for Russia-Ukraine Grain Agreement

Egypt is pinning high hopes on the Russian-Ukrainian deal sponsored by Turkey and the UN to unblock Ukraine’s Black Sea grain exports, following nearly five months of fighting that halted exports. Cairo hopes the landmark deal would allow it to resume its wheat imports, especially the shipments held up in Ukrainian ports.

Egypt's wheat imports cover nearly 62% of the country's total wheat needs; about 85% of these imports come from both Russia and Ukraine, according to a document sent by the Egyptian government to the World Bank in May, in a bid to obtain financing of $500 million aimed at managing Egypt’s needs for imported wheat in light of the ongoing repercussions of the Russian war in Ukraine on global markets. The financing was approved by the World Bank in late June. Egypt’s state grain buyer, known as the General Authority for Supply Commodities, signed a contract at the end of June with France, Romania, Russia and Bulgaria to buy 815,000 tons of wheat, in the largest such purchase since 2012.

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

On 21 June, the Egyptian parliament approved an increase of subsidies of food commodities, including bread, in the state’s general budget for fiscal year 2023 to reach $4.7 billion, with an increase of about $150 million compared to FY2022. (Al-Monitor 07.08)

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* 1. Egypt’s Migrant Numbers Have Grown by Nearly 50% Over the Past Three Years

Egypt is home to some 9 million migrants, most of whom fled from conflict in their home countries, according to an International Organization for Migration (IOM) report. That figure indicates that migrants comprise some 8.7% of the Egyptian population and shows that the number of migrants living in Egypt has gone up 43% from the organization’s previous survey in 2019, which saw the number of migrants living in the country at the time at 6.3 million. Of these, only 3% of that 9million figure are registered UNHCR refugees and asylum seekers.

Sudanese migrants constitute the majority of this demographic, with 4 million people of Sudanese origin living in Egypt. Syrians living in Egypt are about 1.5 million strong, while Yemenis and Libyans residing here are about 1 million each. Collectively, citizens from these four countries make up 80% of the migrant population in Egypt.

Some 36% of migrants are in Egypt seeking work, while 26% are here for higher education, combined that’s about two-thirds of the entire migrant population, the report finds. Some 16% are seeking asylum and those looking for medical care and marriages make up 10% of the overall group. Some 60% of migrants living in Egypt have been residing there for over 10 years and 6% have been there for at least 15 — which the IOM considers to be an indication of being “well integrated,” into Egyptian society. Overall, 94% of migrants coming through Egypt spend less than 15 years living in the country. (Ent 11.08)

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* 1. Morocco’s Automotive Exports Reach 5-Year High of $5.1 Billion in June

Morocco’s automotive exports reached $5.13 billion in H1/22, reaching the highest level in five years. Morocco’s Foreign Exchange Office reported that the figure represents an increase of 30.1% compared to the same period a year earlier. Recent statistics from the Association of Vehicle Importers in Morocco reported a decrease in the sales of new cars in the North African country. Compared to the same period last year, the association said the sales of new cars saw a decrease of 11.3% as of July 2022.

The automotive industry is one of the key sectors that contribute to Morocco’s growing economy. The automotive sector could contribute as much as 24% to Morocco’s GDP by 2022. According to the statistics, total exports stood at $20.89 billion versus $14.8 billion a year earlier, an increase of 41.2%.

The increase concerns all sectors, including phosphates and derivatives, as well as the automotive sector, agriculture, agri-food, textiles and leather. Morocco’s phosphate and derivatives sales reached over $5.6 billion at the end of June. The number represents an increase of 84.3% compared to the same period in 2021. Exports of the agriculture and agri-food sector reached $4.48 billion in the same period, an increase of 24.8% compared to 2021. Textile and leather exports also increased by 32.4% in the first half of 2022, the foreign exchange office said in its monthly report. (MWN 04.08)

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* 1. Morocco to Allocate $2.9 Billion to Subsidize Staple Commodities in 2023

Morocco’s government is to mobilize $2.9 billion in FY2023 to subsidize staple food and energy commodities to preserve the national purchasing power. The figure marks a substantial increase from the $1.7 billion the government had allocated for the same purpose in FY2021. In addition to subsidizing basic food and energy commodities, the funds are meant to mitigate the effect of this year’s severe drought on the national economy, as well as support Morocco’s tourism and logistics sector.

The government’s priorities are towards maintaining social peace is central to the government’s agenda moving forward. It says that the government would continue to reinforce social dialogue with labor unions and key players in the economy to improve working conditions for Moroccan workers. Also on the government’s priority list in the coming fiscal year is the need to improve territorial justice. To achieve territorial justice, the government would continue to decentralize the economy and public service, paving the way for a region-based, socio-economic development model. (MWN 10.08)

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* 1. Morocco’s Exports Rebound in the First Half of 2022

With an increase of $6.1 billion, the value of Moroccan exports climbed significantly in H1/22, compared to the same period the previous year, when $20.9 billion of goods were delivered to the international market. Although this marks a 41.2% growth rate within a year, the country’s exports have decreased in volume, by 2.5 million tons compared to the same time last year, which is currently standing at 14.3 million tons, according to the latest data collected by Morocco’s Exchange Office.

Exchange Office statistics said semi-finished products account for the majority of Moroccan exports, contributing to $6.1 billion, a $2.5 billion increase over the same period last year. Morocco’s primary exports comprise of natural and chemical fertilizers ($3.3 billion), phosphoric acids ($1.2 billion) and electronic components ($297 million). With a total value of $5.7 billion, finished consumer products are Morocco’s second largest exporting sector. Passenger cars alone contribute $2.4 billion in consumer goods exports.

According to the exchange office’s data, finished industrial equipment goods, mostly wires, cables, and conductors for power, round out the total with $3.3 billion in exports. An increase of $633 million compared to the first half of 2021. Food products come in fourth place, with exports totaling $3.3 billion in the first six months of the year. This includes $698 million in crustaceans, mollusks and shellfish, $508 million in fresh tomatoes and nearly $386 million in dried fruit. (MWN 11.08)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkish Inflation Rate Rises to 79.6%, Lagging Unofficial Data by Record Margin

Turkey’s consumer price index edged up to 79.6% in July, the highest level in emerging markets and industrialized economies. Inflation accelerated from 78.6% in June, the Turkish Statistical Institute said; the official figure was lower than the average expectations of economists, who predicted a rate of just over 80%.

Inflation in Turkey has surged to the highest levels since the 1990s after the central bank cut interest rates late last year and refused to hike them since. Rising prices and lack of confidence in government policy has led to a sharp sell-off in the lira. Major central banks around the world have tightened monetary policy to deal with accelerating price increases.

Most Turks are suffering a slump in their standard of living as prices surge. Many have lost confidence in official data, according to opinion polls. The difference between the official figures and the numbers provided by other sources has widened markedly in recent months. Producer price inflation in Turkey accelerated to an annual 144.6% from 138.3%. (Ahval 03.08)

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* 1. Turkish Imports Surge in July, Dwarfing Increase in Exports

Turkey’s foreign trade deficit widened in July as imports surged, growing more than three times faster than exports, preliminary government data showed. Imports increased by an annual 40.8% to $29.1 billion last month. Exports rose 13.4% to $18.6 billion. The trade deficit widened to $10.6 billion in July from $4.33 billion a year ago.

Turkey imports nearly all of the oil and natural gas it consumes, meaning a jump in global prices has led to a much higher energy import bill. The central bank has also cut interest rates, which stand at 14% versus inflation of almost 80%, encouraging Turks to borrow to finance purchases of imported goods and raw materials.

The trade deficit for July was the second largest on record after the deficit for May, which was $22 million larger. The June deficit was $8.17 billion. The trade gap for the first seven months of the year was $62 billion compared with $25.5 billion for the same period of last year. (Ahval 04.08)

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* 1. Survey Finds Some 70% of Turkey Struggling to Pay for Food

Over 53% of people in Turkey are unable to meet their daily expenses, with 69.3% struggling to pay for food, according to a survey by Istanbul-based Yöneylem Social Research Centre. A total of 60.5% of those surveyed said they were struggling to pay their utility bills, with 2,400 participants across 27 provinces as finding.

Turkey is grappling with a 24-year high inflation rate of 79.6%, according to official data in July, as the lira continues to weaken and global commodity and energy prices push costs higher, pinching consumers' wallets. The country’s current crisis started when President Erdoğan forced the central bank to go through with a series of interest rate cuts last year that he said were part of his "new economic model," resulting in the lira losing 44% of its value. The currency has lost around 25% of its value this year.

Some 69% of those surveyed by Yöneylem said their income had decreased against runaway inflation and 65% said their financial difficulties had their financial difficulties had sparked depression. A total of 66.9% of participants said the country’s economic crisis and the lack of production were the most important problems facing Turkey. Another 28% listed the country’s greatest problems as inflation, high cost of living and financial difficulties (28.1%), the survey found.

In response to the question on who is responsible for the current state of the Turkish economy, 50.5% answered with “Turkish President Erdoğan,” while 15.1 listed “finance minister’’ and “economic bureaucracy.” In late June a group of researchers put inflation in Turkey at 160%, double the official rate. The soaring cost of living poses a threat to Erdoğan, who must call presidential and parliamentary elections for June 2023 at the latest. (Ahval 11.08)

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* 1. Cyprus Records Record Inflation as Prices Keep Rising

Inflation in Cyprus has broken every record as it increased by 10.9% year on year in July, driven by hikes in electricity and fuel, according to the Statistical Services. The highest inflation rate in Cyprus was 10.8% in December 1981. In July, electricity prices rose 61.7% and fuel 44.1%, according to CyStat’s latest data.

For July, the Consumer Price Index (CPI) increased by 1.39 units and reached 113.63 units compared to 112.24 units in June. During the seven months, January – July, the CPI increased by 8.2% compared with the same period last year. The largest changes when compared to the index of July 2021 was recorded in electricity (61.7%) and petroleum products (44.1%). Electricity costs increased by 16.7% in July compared to the previous month.

Compared to July 2021, largest price changes were seen in the categories of housing, water, electricity, gas, and other fuels (29.2%) and transport (25.3%). Clothing and footwear recorded the largest reduction in the CPI compared to the previous month, as prices went down 10.2%. For January – July 2022, compared to the same seven months last year, the inflation rate reached 8.23%, with the largest changes recorded in housing, water, electricity, gas and other fuels (20.1%) and transport (18.7%). (FM 05.08)

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* 1. Cyprus' Tourist Arrivals to Reach 75% of 2019 Record

Tourist arrivals will reach 70%-75% of the levels welcomed in 2019 when a record 3.97 million visitors came, the Association of Cyprus Tourist Enterprises (ACTE) estimates. They said hotel occupancy for July and August is around 70%-90%, with higher occupancy levels recorded in Paphos. Nevertheless, the situation is highly volatile; therefore predictions are risky.

Based on arrivals recorded so far, reaching 1.2 million in June, down by 25% from 2019, Cyprus airports expect total passenger traffic of 8.7 million for 2022. It is 78% of 2019 passenger traffic, a forecast of 70%-75% of 2019 arrivals may be indicative for this year. For July and August, the average occupancy of hotel units is estimated to range between 70%-90%.

Most hotel guests are tourists from the UK, Israel, Germany, Poland, Scandinavia, Greece, France and Austria. Many Cypriots have chosen to spend their holidays on the island this summer due to the increased air ticket prices and the problems with flight delays and cancellations at international airports. (FM 08.08)

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* 1. EU to Stop Greek Budget Watch in Formal End to Major Crisis

The European Union’s budget watchdog announced that it was ending years of surveillance of Greek government spending. The move marks a formal end to a major crisis that threatened to see Greece ejected from the euro single currency group, imposed severe hardship on its citizens and roiled global financial markets.

Greece was granted billions of euros in three successive bailouts after 2010, when Athens lost access to international bond markets after admitting it had misreported key financial data. Greece’s debt ballooned to about 180% of Gross Domestic Product. Two of the financial bailouts ultimately failed to improve things enough, although creditors in the euro group demanded — and received — deep economic reforms that hammered citizens with austerity policies, including repeated tax hikes and pension cuts. Poverty and unemployment skyrocketed, and at one point about a quarter of the workforce was jobless.

In 2015, the leftist prime minister at the time, Alexis Tsipras, put his country’s membership of the euro area and, ultimately, the EU on the line by calling a referendum on whether Athens should accept the terms imposed on it by creditors, led by Germany. Voters rejected the terms, but the government then proceeded to impose draconian creditor-demanded conditions anyway.

The Greek financial crisis was a major test for the EU and provided proof, if any were needed, that bailing out a bigger economy, like debt-ridden Italy, would probably exceed the means that even a united Europe can muster. Ending the enhanced surveillance that the economy was under reinforces Greece’s position in international markets, boosts the country’s development and ability to attract investments and grants greater freedom in the management of fiscal policy, within the regulations applying to all EU members.

Although Greece has returned to international bond markets, its credit rating remains below investment grade, which raises its borrowing costs and precludes many potential investors from buying Greek bonds. The government in Athens says it hopes to regain investment grade by next year. (eKathimerini 10.08)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. Entrepreneurship Program Gives Bedouin Businesswomen a Boost

A community center in Rahat – Israel's largest Bedouin town – is helping women set up their own businesses. Funded by the government's budget allocated to the country's Arab sector, the Women's Empowerment Program is giving women in the Arab town the opportunity to achieve independence. Some 60% of women in the Arab sector are unemployed, something Rahat is working to change for those who aspire to succeed.

The program is divided into two categories – women who have businesses and want to market their brands; and women who want to work in social entrepreneurship. About 30 event centers are hosting 20 meetings per week, during which participants are learning the basics of the business world, but also the laws of the market and of competition. At the end of the program, the participants will present their projects to a panel, which will select the three most useful products or services for Rahat. The three "winners" will then be given special funding for their initiatives.

The ideas of the participants range from design to event organization, sports and cooking classes, clothing companies and digital marketing. Rahat, in the Negev desert, is home to approximately 77,000 people. (Various 11.08)

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* 1. Three Israeli Universities Rise in Prestigious Global Rankings

Three Israeli universities made it into the list of 2022’s top 100 academic institutions by the prestigious Shanghai Ranking of World Universities, published on 15 August and all improved their positions over the previous year. The Hebrew University of Jerusalem was ranked 77th globally, its best ranking since 2015 (when it placed 67th). It jumped up 13 places since 2021. The institution ranked 17th globally in mathematics and communication, and 30th in law.

The Technion–Israel Institute of Technology ranked 83rd, climbing 11 spots since 2021. It was its best score since 2018, when it came in at 77. The Weizmann Institute of Science was also at 83rd, improving nine spots on 2021. It was the institution’s best score since the rankings were introduced in 2003.

Tel Aviv University came in at the 151-200 range (the system does not give individual rankings beyond 100). It was followed by Bar-Ilan University in the 301-400 range, Ben-Gurion University of the Negev in the 401-500 bracket, and the University of Haifa ranked globally in the 501-600 range.

The Technion, which has consistently ranked as a leading science institution globally over the past decade, ranked 22nd globally for aerospace engineering, dipping six spots since last year; 49th in automation and control, dipping three spots, and made it to the 75-51 bracket in chemistry and transportation science and technology. (Various 15.08)

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* 1. Tel Aviv University Launches Scholarship Program for Foreign Athletes

Tel Aviv University (TAU) announced on 14 August the launch of a new scholarship program for international student-athletes, the first of its kind at an Israeli university. The first recipients of the International Sports Scholarship Fund will arrive on campus the next academic year, according to TAU’s press-release. The Sports Scholarship Fund will provide full degree support for talented athletes between the ages of 17-30, each year. International applicants of all nationalities are eligible. Scholarship recipients will have the opportunity to study or research in any of TAU International’s nearly two dozen English-taught programs and train at the university's world-class academic and sports facilities.

In return the students will have to participate in elite Israeli sports, including competing for the Jewish State in international competitions. The scholarships are available for athletes in all sports in which Israel’s national teams compete. Scholarship recipients will be selected by a committee of representatives from Tel Aviv University International, as well as by Israeli sports professionals, including those affiliated with the competitive sports association at TAU’s Sports Center. (i24NEWS 14.08)

ISRAEL LIFE SCIENCE NEWS

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* 1. MediWound Gets U.S. FDA Acceptance of Biologics License Application for NexoBrid

MediWound announced that the U.S. FDA accepted for review its recently re-submitted Biologics License Application (BLA) for NexoBrid for eschar removal (debridement) in adults with deep partial-thickness and/or full-thickness thermal burns. The FDA assigned a Prescription Drug User Fee Act (PDUFA) target date of 1 January 2023.

NexoBrid (concentrate of proteolytic enzymes enriched in bromelain) is a topically administered biological product that enzymatically removes nonviable burn tissue, or eschar, in patients with deep partial and full-thickness thermal burns within four hours of application without harming viable tissue. NexoBrid is approved in the EU and other international markets and has been designated as an orphan biologic drug in the US, EU and other international markets. Vericel holds an exclusive license for North American commercial rights to NexoBrid. The pivotal Phase 3 U.S. clinical study (DETECT) of NexoBrid in adult patients with deep partial-and full-thickness thermal burns up to 30% of total body surface area met its primary endpoint of complete eschar removal compared to gel vehicle as well as all secondary endpoints compared to standard of care (SOC), including shorter time to eschar removal, a lower incidence of surgical eschar removal and lower blood loss during eschar removal.

Yavne's [MediWound](http://www.mediwound.com) is a biopharmaceutical company that develops, manufactures, and commercializes novel, cost effective, bio-therapeutic solutions for tissue repair and regeneration. Their strategy leverages our enzymatic technology platform, focused on next-generation bioactive therapies for burn care, wound care and tissue repair. (MediWound 03.08)

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* 1. Variscite’s System on Module is the Leading Choice for Medical Devices

Variscite announced increasing traction with medical device companies needing highly trusted hardware and software designed for longevity. Variscite has become a premier provider in this space by satisfying stringent healthcare industry requirements and objectives while overcoming supply chain challenges that have plagued the industry.

With an industry sensitive to quality, reliability and long-term longevity, medical device companies require hardware and software capable of operating in the field without issue for years, while meeting FDA certification requirements. Variscite ensures the highest quality standards thanks to its in-house manufacturing that allows full control over the production and QA process. The entire Variscite production process is performed in its fully ISO 13485, 9001 and 14001 certified facilities, satisfying international customer and regulatory requirements for medical use.

Accelerating the efficiency of manufacturing processes and R&D while enjoying lower costs can be addressed with industry-proven SoMs. Variscite’s customers can focus on developing their products, leaving the hardware and software infrastructures and maintenance to Variscite’s experts. The typical long lifecycle of medical devices, makes a long-term commitment for both the hardware and software a critical requirement. Variscite offers 15 years of longevity commitment for its products which can be further extended by utilizing SoMs from the company’s Pin2Pin product families.

Lod's [Variscite](https://www.variscite.com) is a worldwide leading System on Module provider, setting the bar for embedded solutions since 2003 with high-quality modules. The company provides the broadest ARM-based SoM portfolio in the embedded market with a wide range of configuration options that cover an entire embedded product and application range; from entry-level to high-performance solutions. (Variscite 09.08)

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* 1. Israeli Researchers Develop Nanotechnology to Fight Cancer

Bar-Ilan University researchers have developed a new technology that enables the use of nanoparticles to assist the body's immune system to fight cancer. According to the research, the nanoparticles are used to eliminate obstacles in the malignant tumor's environment that impede the normal activity of natural killer cells (a special sub-type of white blood cells called lymphocytes).

Natural killer cells, or NK cells, can produce a potent immune response in the vicinity of the tumor, known as the tumor microenvironment. Still, despite their great promise, several obstacles make it difficult for researchers and physicians to utilize killer cells for immunotherapy, including the need to manipulate them by means of molecular/genetic engineering outside the body in order to enhance their therapeutic efficacy against cancer. Moreover, no clinical study performed to date has demonstrated the superiority of NK-cell-based treatments in patients with advanced cancer. The reason is due to the fact that the tumor microenvironment usually activates inhibitory mechanisms that suppress the activity of NK cells.

To overcome these obstacles, Bar-Ilan researchers developed a mechanism to incorporate lipid-based nanoparticles into the NK cells. The procedure "packs" RNA molecules in a lipid envelope, and once penetrated, they interfere with the expression of the gene responsible for inactivating the NK cells. The nanoparticles target the killer cells inside the patient's body, are incorporated into them and by means of a biochemical reaction enable them to fulfill their task – namely, reducing the tumor mass. The significance of this innovation is that this novel nanotechnology mechanism can prove to be very efficient in applying already established medical approaches based on NK cells, as well as other treatments.

The idea to develop nanoparticles is derived from the fact that they eliminate the need to purify and isolate patients' cells outside the body as in the strategies currently used for treating blood cancers, such as chimeric antigen receptor (CAR)-NK or CAR-T. The nanoparticles are administered to the patient, and they can independently identify the specific target cell while in the body, penetrate it and alter its behavior according to their contents. In this research, the nanoparticles specifically identify the NK cells, thanks to the antibody attached to their surface. The NK cells target the nanoparticles, engulf them and the material enclosed therein is released inside the cell, enabling the natural killer cells to perform their task. (ILH 11.08)

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* 1. Xinteza Unveils Disruptive Non-Cannabaceae Source for Cannabinoid Biosynthesis

Xinteza API has expanded its IP portfolio with a breakthrough discovery of a novel, non-cannabis plant-derived production system, which is capable of highly efficient and flawless end-to-end cannabinoid synthesis. The company's IP portfolio is based on a license signed with Yeda, the commercial arm of the Weizmann Institute of Science. Unlike Cannabis Sativa, which only produces cannabinoids in its female flowering parts, the novel expression system contains cannabinoid enzymatic machinery throughout its entire botanical tissue mass, and thus has the potential to yield a higher active-ingredient-to-biomass ratio than cannabis plants.

Biosynthesis technologies have the potential to revolutionize cultivation-and-extraction-based production methods of cannabinoid compounds for CPG and pharma. However, the development of these long-awaited cannabinoid biosynthesis processes has been slowed down and challenged by several enzymatic and genetic modification-related bottlenecks arising from the introduction of cannabis genes into microorganism-based fermentation systems. The discovery of a non-Cannabaceae cannabinoid-producing botanical expression system has the potential to solve and mitigate some of these problems by initiating a novel toolkit of genes and enzymatic machinery. By utilizing this new toolkit, Xinteza aims to design novel pathways for cannabinoid biosynthesis, in order to achieve higher yields and efficiencies, better consistency, purity, and cost effectiveness.

Tel Aviv's [Xinteza API](https://xinteza.com) is engaged in the research and discovery of a wide array of new genes and ultra-novel genetic pathways for the biosynthesis of cannabinoids and psychoactive ingredients, and the development of their bio-production methods. Xinteza holds an exclusive license for both cannabinoids and psychoactives from the Weizmann Institute of Science. Founded in 2019 and led by a team of experienced entrepreneurs, Xinteza's strategic partners include industry players such as IM Cannabis. (Xinteza 11.08)

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* 1. Israeli Technology Turns Avocado Pits Into Beauty Aids

Avocado face masks are nothing new, but now Israeli startup [AvoMed](https://avo-med.com/) has patented what it describes as an eco-friendly process of extracting the bioactive poly-hydroxylated fatty alcohols (PFA) compound from avocado pits for use as a skin treatment. Compounds found in the avocado tree, from root to fruit, are used to treat different health conditions in humans. Now, they have been demonstrated to be effective in alleviating skin problems, including sun damage. Solar damage, also called photoaging, derive from exposure to UV rays, creating wrinkles, spots, visible blood vessels, and uneven skin tone. Aesthetics aside, some of this damage can increase the risk of pre-cancerous legions.

AvoMed developed a line of PFA-based cosmetics that addresses an audience of women and men seeking to nourish and treat their skin using natural products. The company's technology is based on research from the Technion-Institute of Technology; the Weizmann Institute and Hadassah Medical Center; as well as Skin Axis Labs in the US. Avocado pits are considered food industry waste, leftovers in factories that produce guacamole, avocado oil, and other products. Moreover, avocado pits must be disposed of carefully, because if left to decompose organically, they pollute soil. This process is expensive and time-consuming. AvoMed reports that its extraction process is clean and eco-friendly and that the leftover waste can be used as highly nutritional animal feed. (ILH 12.08)

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* 1. New Israeli Technology can Detect Heart Problems with a Simple Breath Test

A rapid breath test using electronic nose (eNose) technology developed at the Technion University in Haifa, northern Israel, was shown to be effective in verifying the diagnosis of atherosclerosis - a disease affecting the arteries - in patients. The artificial nose uses sensitive, submicroscopic sensors, called nanoparticles, capable of detecting tiny molecular changes in the patient's blood. The test can identify disease biomarkers and screen high-risk groups for specific diseases, as well as monitor treatments in people with that disease. The technology has already detected a variety of diseases, including certain types of cancer.

The study used eNose technology, which was developed in the Wolfson School of Chemical Engineering. Its effectiveness was verified in the diagnosis of obstructive atherosclerosis, cancer and other diseases. According to the results of the first part of the study, models were built comparing three degrees of severity of the disease of atherosclerosis - its absence, the presence of the non-obstructive type, and the presence of the obstructive type. In the second phase of the study, the models were used to examine the ability to discriminate between the three atherosclerotic conditions in 25 additional patients.

The study showed for the first time that the breath test was able to correctly distinguish patients with normal arteries from patients with atherosclerosis - with a sensitivity of 69% and a specificity of 67%. This was encouraging initial data regarding the diagnostic capability and accuracy of the system. (i24NEWS 11.08)

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* 1. Short Wave Pharma Signs Clinical Trial Agreement with the Sheba Research Fund

Short Wave Pharma signed a Clinical Trial Agreement with the Sheba Fund for Health Services and Research and the Sheba Medical Center Department for Eating Disorders. Under the Agreement, Shortwave will be the exclusive commercial partner in an investigator-initiated, open-label, phase II study of the safety and feasibility of psilocybin-assisted psychotherapy for the treatment of anorexia nervosa. The trial, the first of its kind in Israel, recently obtained approval from the Israeli Ministry of Health and is preparing for participant recruitment.

In recognition of its financial support for the trial, the company will gain access to the trial's data as well as a first right of refusal to commercialize any intellectual property generated from the Trial. The parties agree to cooperate in the future, and to positively consider a follow-on study by the Fund and the Center using the Company's psilocybin-based formulation and buccal film delivery system. Shortwave's patent-pending psilocybin-based formulation is designed to affect several receptors which play a part in anorexia nervosa through an expanded mechanism of action, and its proprietary buccal method of administration directly addresses metabolism related challenges and eliminates patient burden in this vulnerable population. Together, they constitute a cost-efficient approach for treating this complex condition.

Ramat HaSharon's [Short Wave Pharma](https://www.shortwave-pharma.com/) is a biopharmaceutical company developing novel formulations of psilocybin and additional APIs, as well as customized delivery methods, to effect significant additional benefits for patients suffering from mental health disorders, neurodegenerative diseases, chronic pain, and potentially all other medical conditions where psilocybin is known to have a positive effect. (Short Wave Pharma 15.08)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Seraphic Launches Enterprise-Grade Solution that Works Across Any Browser

Seraphic Security launched from stealth, after two years of development, to deliver a unique browser security solution for enterprises. The solution works across any browser (including Chrome, Edge, Safari, Firefox, etc.) and any device (both managed and unmanaged, on premise and off-premise), ensuring safe browsing and enforcement of corporate policies across public sites and corporate applications, both SaaS and internal.

Seraphic is a light browser agent that operates within the browser, only during the session, with no impact on performance. Seraphic is the only solution providing robust protection against zero-days and unpatched n-days. Seraphic also provides effective and unique anti-phishing capabilities and comprehensive protection against clickjacking, XSS, HTML smuggling and all other web-based attacks. Seraphic delivers a fine-grained platform for governance and policy enforcement across all organization applications, including data leak prevention (copy, paste, print, file download and upload policy), user action monitoring and control, and prevention of credential reuse. The company’s vast array of use-cases enables employees and third-party contractors to access applications from anywhere on any device using safe browsing and enforcing Zero Trust, end-to-end, from browser to SaaS applications.

Tel Aviv's [Seraphic Security](http://www.seraphicsecurity.com) offers a unique security solution introducing enterprise-grade browser security on any browser on any device, protecting both the employees and the enterprise assets all while providing security teams with advanced governance and policy enforcement. Seraphic’s solution is easy to deploy, has no impact on performance, leaves user experience untouched and is fully compatible across all browsers, all operating systems and all devices (including Android and iOS mobile devices). (Seraphic Security 04.08)

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* 1. Canonic Security Launches AppTotal API to Streamline App-Vetting for Security Teams

Canonic Security announced the launch of the AppTotal API. Connected to AppTotal – the industry's first independent and continuously updated index of SaaS add-ons and integrations – the new API layer enables security teams to automate and integrate Canonic App Access & Vulnerability Intelligence within their workflows as well as existing app vetting and governance processes. The result is increased productivity where employees can connect the apps they want to IT systems, without worrying about security.

AppTotal Community, Canonic Security's community offering, lets users submit one app at a time. With AppTotal API, security engineers, service providers and partners such as MDRs, MSSPs and security testing providers, get programmatic access to drive their own workflows, enabling improved efficiency and efficacy. AppTotal API can be used to enrich SaaS non-human identity information with context, threat intelligence and potential attack paths. It can also be used to build custom app-vetting orchestration such as a Slack or Teams bot or drive a case management-based workflow through integration with Jira.

Tel Aviv's [Canonic Security](https://www.canonic.security/‎) provides a SaaS Application Security platform that continuously profiles native apps and integrations, identifies suspicious or out-of-policy behavior and automatically reduces the risks involved with third-party access. (Canonic Security 04.08)

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* 1. Seemplicity & Checkmarx Partner to Streamline the Discover-to-Remediation Lifecycle

Seemplicity has partnered with Checkmarx. The partnership will see the Checkmarx One Platform integrated within Seemplicity's Productivity Platform, allowing joint customers to simplify the entire find-to-fix lifecycle and ultimately accelerate the time to remediation of vulnerabilities found throughout the software development lifecycle (SDLC).

The integration brings security findings discovered by Checkmarx into Seemplicity's platform that provides a unified picture and workspace for risks posed to the organization. Seemplicity's deduplication, prioritization and workflow capabilities combined with Checkmarx' context-aware correlation engine empower organizations with both the visibility and operational efficiency required to successfully drive risk down at scale. The joint solution is deployed by both managed security service providers (MSSP) as well as security teams within large enterprises.

Ramat Gan's [Checkmarx](https://checkmarx.com) is constantly pushing the boundaries of Application Security Testing to make security seamless and simple for the world's developers while giving CISOs the confidence and control they need. As the AppSec testing leader, we provide the industry's most comprehensive solutions, giving development and security teams unparalleled accuracy, coverage, visibility, and guidance to reduce risk across all components of modern software—including proprietary code, open source, APIs, and infrastructure as code. Founded in 2020, Tel Aviv's [Seemplicity](http://www.seemplicity.io) is revolutionizing the way security teams drive and scale risk reduction efforts across organizations by orchestrating, automating and consolidating all remediation activities into one workspace. As the first productivity workflow platform created for modern security teams, Seemplicity transforms the remediation process into a streamlined and collaborative effort that can easily be utilized by developers, DevOps, and IT across the organization, helping them achieve complete operational resilience and establish a truly scalable security program. (Seemplicity 04.08)

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* 1. Infinidat’s InfiniBox SSA II Receives Award at the Flash Memory Summit

Infinidat announced that the InfiniBox SSA II received a Best of Show Award at the Flash Memory Summit 2022. As the next generation solid state array in the company’s broad portfolio of enterprise storage and cyber resilient solutions, the InfiniBox SSA II was recognized as “Most Innovative Hyperscaler Implementation,” demonstrating that the InfiniBox SSA II meets the most stringent requirements of the hyperscaler, Cloud Service Provider (CSP), Managed Service Provider (MSP), and Managed Hosting Provider (MHP) customer base. The InfiniBox SSA II stands as the industry’s fastest all-flash storage array with unprecedented low latency and unmatched cyber resilience.

Launched in April 2022, the InfiniBox SSA II continues to raise the bar in enterprise storage performance, utilizing 100% solid state technology for persistent storage, which, when coupled with Neural Cache and the company’s software advancements with autonomous automation, takes groundbreaking performance to the next level. The new InfiniBox SSA II delivers lower latency than any other comparable enterprise storage platform in the industry, delivering an unprecedented 35 microseconds of latency.

Herzliya's [Infinidat](http://www.infinidat.com) helps enterprises and service providers empower their data-driven competitive advantage at scale. Infinidat’s software defined storage architecture delivers microsecond latency, 100% availability, and scalability with a significantly lower total cost of ownership than competing storage technologies. (Infinidat 04.08)

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* 1. Get SAT Introduces Two New FULLY Electronic KU ESA Solutions for Aviation

Get SAT introduced its two newest electronically steerable antennas (ESA), the LESA Aero Ku and the Sling Blade KU Land Maritime (LM). Designed from the ground up for Multi-Orbit/Multi-Constellation operations. These Ku ESA designs use Get SAT's breakthrough 2D fully electronically steered antenna (ESA) system for SATCOM-on-the-move connectivity. Get SAT's ESA systems are a fully integrated, all in one terminal that are scalable in size and performance to fit various application in the air, on land or at sea.

LESA Aero Ku is a small, compact solution that will support all ranges of airborne platforms sizes to include wide body aircraft, executive aviation, and rotary wing operations, basically any in-flight connectivity. Sling Blade Ku LM is Get SAT's latest design for use with land and maritime on the move platforms with the most stringent of environmental requirements. The Sling Blade Ku LM will provide a fully integrated package including modems.

Get SAT's two new ESA designs have a number of key features: both have 2D beam steering, are full-duplex, and conduct handover between satellites in <800ms, in addition to multi beam operation. Designed with no moving parts, no calibration is required therefore providing long-term reliability and lower maintenance costs. They are optimized for mobile connectivity, have a short acquisition time, and excel in high dynamic tracking in harsh environments.

Rehovot's [Get SAT](http://www.getsat.com) is the leading provider of Micronized Satellite Terminals. The InterFlat is the latest breakthrough in antenna panel technology, providing the world's highest efficiency performance in the smallest package. Combining the InterFlat with our state-of-the-art control and tracking mechanism, creates the most powerful and fully contained satellite terminal system. The InterFlat is a leap forward in capability and SWaP, enabling us to provide truly portable, full duplex, wide-band satellite communications services. (Get SAT 07.08)

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* 1. Aquarius Engines Signs Five-Year R&D Contract with the U.S. Army

Yakum's [Aquarius Engines](https://www.aquariusengines.com) signed a research and development deal with the United States Army via the US Army Combat Capabilities Development Command (DEVCOM) in March 2020, which has now been extended by an additional five years until July 2027. Aquarius Engines invented, developed, and manufacture lightweight super-efficient linear engines based on the company's proprietary technology that can operate on a range of alternative fuels, including hydrogen, methanol, ethanol-E85 and LPG. Under the new terms, the US Army Combat Capabilities Development Command (DEVCOM) will continue to test the Aquarius Engines technology and products at US government facilities.

The 22 lbs. Aquarius Engine was invented in 2014 and is designed to be used as an onboard power generator in a vehicle or as a stand-alone electricity generator. Unlike most conventional engines that are made of hundreds of parts, the Aquarius Engine has just twenty components and one moving part. The lightweight streamlined design makes it inexpensive and highly efficient with minimal need for maintenance, compared to traditional engines.

Aquarius Engines is initially targeting the global telecom market (in collaboration with Nokia and other leading companies in the field) – to provide backup energy for communication towers, based with the Aquarius Engines generator, which runs on a variety of fuels such as: hydrogen, ethanol E85, methanol, LPG. In the future, Aquarius Engines plans to make moves into the worlds of automotive, marine, and aviation and across the defense industry. (Aquarius Engines 09.08)

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* 1. Pentera Launches Attack-Based Validation for Exposed Credentials

Pentera announced Credential Exposure, a new module on the Pentera platform for testing stolen and compromised credentials against the complete enterprise attack surface. The Pentera platform combines real-world leaked credential data with its active validation engine to challenge both internal and external attack surfaces. The platform leverages these hashed or clear text credentials in millions of attack vectors, and provides actionable credential exposure mitigation steps such as password reset, or hardening users' MFA policies and limiting privileges at risk in near real-time.

Petah Tikva's [Pentera](http://www.pentera.io) is the category leader for Automated Security Validation, allowing every organization to test with ease the integrity of all cybersecurity layers, unfolding true, current security exposures at any moment, at any scale. Thousands of security professionals and service providers around the world use Pentera to guide remediation and close security gaps before they are exploited. (Pentera 09.08)

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* 1. Browzwear Update Elevates True-to-Life 3D Garment Visualizations

Browzwear announced powerful new capabilities in the newest update to the company’s VStitcher and Lotta platforms. The latest release, version 2022.1, includes software integrations supporting faster creation of photo-realistic visualizations as well as features proving greater assurance that fabric representations in 3D share the physics of those in real life. With the confidence that 3D garments are true digital twins of physical items, brands and manufacturers can leverage them at every step from concept to commerce, eliminating waste, reducing errors and speeding time to market.

By incorporating UE, Browzwear will considerably accelerate the process of creating even more realistic visualizations and, at the same time, reduce the amount of computing power required. With the increased clarity of garment details and the addition of accurate shadows on still images, turntables and animations, the 3D visualizations will serve as accurate digital twins suitable for showcasing and merchandising, opening new opportunities for fashion businesses to operate more efficiently and sustainably using 3D.

Founded in 1999, Hod HaSharon's [Browzwear](http://www.browzwear.com) is a pioneer of 3D digital solutions for the fashion industry, driving seamless processes from concept to commerce. For designers, Browzwear accelerates collection development, opening limitless opportunities to create iterations of styles. For technical designers and pattern makers, Browzwear rapidly fits graded garments to any body model with accurate, true-motion material replication. For manufacturers, Browzwear’s Tech Pack delivers everything needed to produce physical garments perfectly the first time, and at every step from design to production. (Browzwear 09.08)

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* 1. DustPhotonics & MaxLinear Announce New Silicon Photonics Integrated Solution

DustPhotonics and Carlsbad, California's MaxLinear, a leading semiconductor company for communication applications, announced that they have partnered to demonstrate a silicon photonics chipset with integrated lasers directly driven from a DSP without the use of any external driver chip, providing exceptional total system performance.

The MaxLinear Keystone DSP (Digital Signal Processor) and DustPhotonics Carmel Silicon Photonics chip were shown together to support direct-drive operation, which reduces the overall cost and power dissipation of optical transceivers for data communication. This combined solution is ideal for applications such as 400Gb/s and 800Gb/s pluggable modules and on-board optics. The DustPhotonics chip includes an integrated DFB (Distributed-feedback) laser and DustPhotonics revolutionary Low Loss Laser Coupling technology (L3C), achieving a very efficient coupling of light into the Photonic Integrated Circuit (PIC). This unique technology enables the use of 1 laser for every 4 channels.

Modi'in's [DustPhotonics](http://www.dustphotonics.com) develops silicon photonics chips (PICs) and technology for optical communications. Our PIC product powers 400Gb/s and 800Gb/s transceiver solutions, and our unique Low Loss Laser Coupling (L3C) Technology offers improvements in performance, power consumption and cost. All products and technologies utilize standard components, processes and manufacturing to enable the quality and scale required for high volume manufacturing. (DustPhotonics 10.08)

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* 1. Kissterra Upgrades Insurance Marketing OS

Kissterra has upgraded its Dedicated Marketing OS. The upgrade includes an improved dashboard for granular targeting as well as an enhanced user interface, enabling insurance marketers to more easily access Kissterra's actionable insights, increasing efficiency and saving time. The upgrade coincides with the announcement that the company has achieved "centaur" status with ARR of $100 million, making it one of only 150 private cloud centaurs in the world.

The Kissterra Dedicated Marketing OS enables insurance carriers to target and customize their marketing efforts. The Marketing OS allows insurance companies to optimize all their digital marketing campaigns on one easy-to-use platform and access a data-driven management system of their entire marketing lifecycle from lead generation to acquisition and beyond. Kissterra's AI-powered marketing OS provides insurers with total visibility into the acquisition process, identifying the right customers at the right price in full correlation to their expected LTV. This creates the opportunity to increase marketing and distribution efforts while remaining profitable, increasingly important as insurers struggle to increase profitability without raising rates for consumers.

Founded in 2015, Tel Aviv's [Kissterra](https://kissterra.com/‎) is the world's first insurance marketing operating system providing insurance companies with an end-to-end, cloud-based solution for their marketing and distribution needs. The company's AI-powered marketing management platform empowers insurance companies to optimize all their digital marketing campaigns on one easy-to-use platform and access a data-driven management system of their entire marketing lifecycle from lead generation to acquisition and beyond. (Kissterra 10.08)

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* 1. Cymulate Proactive Cybersecurity Exposure Management with Advanced Analytics

Tel Aviv's [Cymulate](http://www.cymulate.com) announced the expansion of its Extended Security Posture Management (XSPM) Platform to include advanced insights and analytics capabilities. As businesses struggle to manage attack surfaces and validate security controls, these new data-driven capabilities significantly improve risk visibility and deliver actionable insights for reducing remediation time. Businesses also now gain enhanced levels of granularity for setting and tracking cybersecurity performance metrics and KPIs, which are required for improving cyber resilience.

Cymulate's platform, the industry's gold standard for continuous threat exposure management (CTEM) programs, provides customers with an efficient way to validate their cybersecurity posture continuously and on-demand. Proven to reduce operational drain and cost, Cymulate automatically tests networks, applications, and endpoint security against the latest threats in the wild. Plus, its native, offensive security technology and capabilities accelerate response time by dynamically assessing and responding to security posture risks.

The Cymulate SaaS-based Extended Security Posture Management (XSPM) provides security professionals with the ability to continuously challenge, validate and optimize their on-premises and cloud cyber-security posture with end-to-end visualization across the MITRE ATT&CK framework. The platform provides automated, expert, and threat intelligence-led risk assessments that are simple to deploy, and easy for organizations of all cybersecurity maturity levels to use. It also provides an open framework for creating and automating red and purple teaming by generating tailored penetration scenarios and advanced attack campaigns for their unique environments and security policies. (Cymulate 10.08)

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* 1. hofer powertrain & VisIC EV Performance Enable Improvements in GaN Power Electronics

Nuertingen, Germany's hofer powertrain lays the foundation for the next generation of electric vehicle drivetrains. hofer powertrain opts for the most future-proof chip technologies and realizes new multilevel power electronics with the latest Gallium Nitride Chip Technology D3GaN (Direct Drive D-Mode), provided by the leader in gallium nitride (GaN) technology for the automotive field, VisIC Technologies. The new solution's efficiency and power density exceed silicon-based technology's capabilities – recent tests are proving successful.

Gallium nitride semiconductors are the key to efficiency improvements, increasing electrified vehicles' driving range and lifetime. hofer powertrain and VisIC Technologies aim to develop gallium nitride-based power inverters for electric vehicles, achieving the breakthrough of gallium nitride technology for 800V battery systems in the automotive industry. Based on the guiding principle "develop fast and learn fast," the company focuses on reality-based development secured by successful customer projects, which allow early benchmarking. It accelerates the design and testing processes and helps to ensure rapid further development. The system is about to undergo a series of tests in real-world conditions and is believed to exceed expectations, leading to the higher efficiency of the entire automotive powertrain.

Ness Ziona's [VisIC Technologies](http://www.visic-tech.com) is a world leader in GaN electronics for EV applications, focused on high-power automotive solutions. Its efficient and scalable products are based on deep technological knowledge of gallium-nitride and decades of experience. VisIC is committed to providing a step function improvement in size and cost of energy conversion systems and is dedicated to high-quality customer support at all development phases. (VisIC 11.08)

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* 1. Granulate to Launch a Free Solution for Autonomous Kubernetes Cost Optimization

Granulate announced the upcoming launch of its latest free cost-reduction solution, gMaestro, a continuous workload and pod rightsizing tool for Kubernetes cost optimization. Granulate's gMaestro provides DevOps, SREs, and FinOps teams full visibility into their K8s clusters allowing them to eliminate over-provisioning and reduce costs by up to 60%.

gMaestro, which can be installed with a single line of code, provides visibility into inefficiencies within Kubernetes clusters. Users can automatically apply HPA, CPU, and Memory request changes that can be employed to save up to 60%. The fully autonomous capability will be generally available next month, enabling all gMaestro users to implement the recommendations with a click of a button. gMaestro is CSP agnostic and runs on all of the major CSPs including GCP, Azure, AWS, as well as OpenShift and K8s, and complies with the highest security standards with SOC2, ISO, HIPAA, and GDPR certifications.

Tel Aviv's [Granulate](https://granulate.io/) optimizes OS and runtime resource management, resulting in improved performance metrics and reduced compute costs. The technology is fully autonomous, optimizing workloads without requiring engineering and development resources or code changes. Granulate's solution provides AI-driven infrastructure and workload optimization for any computing environment, empowering businesses to reduce cloud, on-prem and hybrid infrastructure expenses by up to 63% and attain a 5X increase in throughput. (Granulate 11.08)

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* 1. Sense-secure Launches the World's First Carbon Monoxide NANO Sensor Sticker

Ramat Gan's [Sense-secure](https://www.sense-secure.com/) has partnered with General Electric Research, USA, to develop the world's first carbon monoxide Nano Sensor Sticker called, Sense-PRO 1. Sense-PRO 1 is a smart, wireless, CO sensor sticker that can operate without any power source. This one-of-a-kind sensor sticker is 0.1mm thick and 22mm in diameter, making it extremely smartphone friendly. Users can attach the sensor to the back of their smartphones and convert them into the most advanced Carbon monoxide detector and analyzer.

Sense-PRO 1 is a multi-purpose smart device that offers various professional applications. It can convert any ordinary smartphone into six advanced safety devices that can be accessed with just one-click (no training required), provides a simple and easy-to-understand solution with professional decipherment and diagnosis. Voice alert and subtitle feature is also available, making it user-friendly for both tech and non-tech geeks.

Sense-PRO 1 is considered revolutionary in terms of performance and features. It displays zero false alarms with 100% selectivity, an extensive sensing range with high accuracy, sensitivity and resolution. Sense-PRO 1 is a durable device that can last up to ten years. The device works using non-invasive gas detection technology, communicating with the smartphone via NFC. It can measure the CO levels in the air at a distance of eight inches around the sensor in any direction, unlike commercial devices requiring the gas enter to the sensor chamber. (Sense-secure 11.08)

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* 1. REE Automotive Debuts P7-B, an Electric Class 3 Box Truck

REE Automotive announced P7-B, a class 3 box truck built on a P7 cab chassis, following intensive customer evaluations at REE’s UK Engineering Center. The new P7-B is part of a fleet of vehicles available to prospective customers to evaluate, test and experience the unique agility, performance, and design enabled by REE’s novel REEcorner x-by-wire technology.

To date, evaluations by prospective customers including global delivery, logistics, and e-commerce companies have been positive and encouraging. The prospective customers, to date, experienced firsthand the low step-in height designed for faster delivery times as well as reduced energy consumption due to better aerodynamics and highly efficient power management system of the P7 chassis architecture. Customers also experienced the agility and maneuverability afforded by REE’s all-wheel drive and all-wheel steer for unparalleled vehicle control, leading to better handling and safety in adverse conditions. The driver-focused cabin is designed for optimal ergonomics and human-machine interface for maximum driver comfort, safety, and productivity. The P7-B aims to reduce total cost of ownership (TCO) to help facilitate fleets’ transition to EVs.

Glil Yam's [REE Automotive](http://www.ree.auto) is an automotive technology company that allows companies to build any size or shape of electric vehicle on their modular platforms. With complete design freedom, vehicles powered by REE are equipped with the revolutionary REEcorner, which packs critical vehicle components (steering, braking, suspension, powertrain and control) into a single compact module positioned between the chassis and the wheel, enabling REE to build the industry’s flattest EV platforms with more room for passengers, cargo and batteries. (REE Automotive 11.08)

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* 1. Perion Wins Silver Stevie Award in Artificial Intelligence Category

Perion Network announced that its SORT technology is the winner of a Silver Stevie Award in the artificial intelligence and machine learning solution category in the 19th Annual International Business Awards. SORT was recognized as a sweeping solution that doesn’t merely operate without cookies, but guarantees total anonymity by virtue of the fact that it doesn’t collect or store any user data, but instead processes a range of data signals to create a predictive model for user responsiveness to any advertising category. The International Business Awards are the world’s premier business awards program.

In Perion’s Stevie submission, it was noted that SORT both protects privacy and outperforms cookies, a phenomenon that has been validated in multiple comparative tests. More than 150 global brands, including the State of Georgia Tourism, Beyond Meat and Stop & Shop, use SORT and let users know they can safely click by featuring the SORT Shield on ad units. SORT is the only cookieless solution that enables advertisers to reach their audience at the exact moment they are most receptive to seeing an ad. SORT uses proprietary machine learning to predict consumer mindset in real-time based solely on multiple data signals, giving brands access to browsers and devices.

Tel Aviv's [Perion Network](http://www.perion.com) is a global advertising technology company whose synergistic solutions are delivered across the three primary channels of digital advertising – ad search, social media and display, including video and CTV advertising. These channels are brought together by Perion’s intelligent HUB, which integrates Perion’s business assets from both sides of the open Web, providing significant benefits to brands and publishers. (Perion Network 15.08)

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* 1. Temperley London to Implement MySize's MySizeID Apparel Sizing Tech

MySize entered an agreement with Temperley London, a luxury British fashion brand, to license its MySizeID apparel sizing solution. Temperley London is famed for bohemian, feminine and effortless styles that speak to British heritage, with each piece crafted to celebrate the wearer. MySizeID will support Temperley London's customers generate highly accurate measurements of their body to select the optimal Termperley London size through an app on their mobile phone. MySizeID syncs the customer's measurement data to the brand's sizing chart and only presents items for purchase that match their measurements to ensure a correct fit.

Airport City's [MySize](http://www.mysizeid.com) is an omnichannel e-commerce platform and provider of AI-driven measurement solutions to drive revenue growth and reduce costs for its business clients. MySize has developed a unique measurement technology based on sophisticated algorithms and cutting-edge technology with broad applications, including the apparel, e-commerce, DIY, shipping and parcel delivery industries. This proprietary measurement technology is driven by several algorithms that are able to calculate and record measurements in a variety of novel ways. (MySize 15.08)

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* 1. ASTERRA's PolSAR Technology Uses AI for Eco-Friendly Exploration of Lithium

ASTERRA announced a patent filing on advancements in using PolSAR-based technology for lithium exploration that will greatly accelerate the identification of lithium (LI) deposits. The patent was based on extensive field testing for validation. The expansion to mining is a natural progression of our ability to use AI analytics to monitor soil moisture underground

ASTERRA's complex artificial intelligence (AI) and machine learning (ML) algorithms extract the signal of lithium concentration underground from satellite based PolSAR data and can pinpoint locations containing high lithium. This technology creates a way to find lithium before investing in costly exploration with intensive labor, and where it may result in environmental destruction and civil conflicts.

ASTERRA's satellite based PolSAR technology is already proven as a solution to find underwater leaks in the water utility industry (winning the AWWA Innovation Award in 2021), and also provides soil moisture data to mining operations. Because it provides intelligence regardless of weather conditions, time of day, and penetrates the ground and obstructions including pavement, trees and soil, it is an efficient solution for underground monitoring.

Kfar Saba's [ASTERRA](https://asterra.io) (formerly Utilis) provides geospatial data-driven platform solutions for water utilities, government agencies, and the greater infrastructure industry in the areas of roads, rails, dams and mines. ASTERRA products and services use Polarimetric Synthetic Aperture Radar (PolSAR) data from satellites and turn this data into large-scale decision support tools. The company's proprietary algorithms and highly educated scientists and engineers are the keys to their mission, to become humanity's eyes on the Earth. (ASTERRA 15.08)

ISRAEL ECONOMIC STATISTICS

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* 1. Israel's July Inflation Rate Above Expectations

Israel's Consumer Price Index (CPI) rose 1.1% in July, the Central Bureau of Statistics announced on 15 August, far above the economists' expectations of between 0.5% and 0.7%. Inflation remains at its highest level in Israel for well over a decade. Inflation over the past 12 months is now 5.2%, well above the Bank of Israel's annual target range for inflation of between 1% and 3%.

Among the prominent rises in prices in July was fresh fruit, which rose 8.5%, transport (3.3%) and housing costs (1.2%). Clothing and footwear prices fell 4% in July. Housing prices rose 2% in May-June compared with April-May and have risen 17.8% over the past 12 months, up from 15.9% last month. In May-June compared with April-May, housing prices in Jerusalem rose 3%, in the north 2.6%, Haifa (2.3%), Tel Aviv (2%), central Israel (1.7%), and the South (1%). (CBS 15.08)

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* 1. Israel's Forex Reserves Rise as Shekel Strengthens

The Bank of Israel announced that foreign exchange reserves at the end of July 2022 stood at $197.841 billion, an increase of $4.031 billion from their level at the end of the previous month. The level of the reserves relative to GDP was 39.5%. The increase was the result of a revaluation, as the shekel appreciated during July, which increased the reserves by roughly $4.51 billion. The increase was partly offset by private sector transfers of $208 million and government transfers to abroad totaling $280 million. This was the sixth consecutive month that the Bank of Israel made no foreign currency purchases, as was its practice last year, in order to moderate the then strengthening of the shekel.

In H1/22, the Israeli currency weakened sharply but in July the shekel strengthened 5.1% against the basket of the world's major currencies, and gained 2.8% against the dollar and 5.4% against the euro. Despite the widening interest rate gap the shekel continues to gain against the dollar and the Bank of Israel set the shekel 0.448% lower at NIS 3.335/$ - the strongest the shekel has been against the dollar in over two months.

Last year the Bank of Israel purchased $35 billion in foreign currency to help exporters, by moderating the strengthening of the shekel. For much of the year, the Bank of Israel bought an average of $5 billion in foreign currency per month. But with the shekel weakening in 2022, the Bank of Israel bought only $356 million in foreign currency in January 2022, after buying $739 million in December 2021. The foreign exchange reserves reached a record $213 billion in December 2021. (BoI 07.08)

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* 1. Average Salary in Israel Falls Sharply in April

The average gross monthly salary in Israel fell to NIS 11,753 in May from NIS 12,026 in April, the Central Bureau of Statistics reported. The sharp fall may be due to more people into the workforce with low salaries who were furloughed during the COVID pandemic as well as the slowdown in the tech sector. The number of job vacancies in April rose by 1.1%, compared with April. However the average gross salary in Israel in April 2022 was 4.2% higher than in April 2021, when it was NIS 11,280. But taking into account inflation, net salaries in April 2022 remained virtually unchanged at NIS 10,565, compared with NIS 10,570 in April 2021.

Having fallen between March and April 2022, the average gross monthly salary in the tech sector fell again by a further 3% in May to NIS 26,878 from NIS 27,700 in April. Nevertheless, the average salary in Israel's tech sector in May 2022 was still up 8.3% from NIS 24,826 in May 2021. The tech sector accounts for 9.7% of Israel's salaried workforce. In total, there were 3.941 million salaried employees in Israel in May 2022, up 10.1% from 3.58 million in May 2021. (CBS 04.08)

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* 1. Israel's Tourism Recovery Gains Momentum

Some 260,400 visitors entered Israel in July 2022 including 10,500 who left the country on the same day, the Central Bureau of Statistics reported. This figure is down 32% from the record number of 345,600 visitors in 2019, before the COVID pandemic, but far above the 50,000 visitors in July 2021, when strict limitations were in force on the entry of non-Israeli passport holders to Israel.

Restrictions on the entry of foreign tourists into Israel were only fully removed in March. The Ministry of Tourism expects the number of visitors to Israel in 2022 to be in the 2.2 million to 2.5 million range, well below the 2019 record of 4.55 million.

The number of Israelis traveling abroad is also continuing to increase. In July, 1,007,300 Israelis traveled abroad, down slightly from the record 1,138,100 in July 2019. Some 80,000 passengers are passing through the airport each day (flying out and returning) on 450 international flights. With heavy congestion at the airport, passengers are recommended to check-in online and travel with just cabin baggage. (Various 08.08)

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* 1. Israel's Fiscal Surplus Climbs to 0.6%

Israel's fiscal surplus for the 12 months ending July 2022 was NIS 9.7 billion, or 0.6% of GDP, the Ministry of Finance Accountant General reported. The figure has risen from 0.4% in the 12 months ending June 2022, which was the first time since 2007 that Israel had ended 12 months with a cumulative fiscal surplus, rather than a cumulative deficit.

The fiscal surplus in July was NIS 2.6 billion and since the start of 2022 the fiscal surplus amounts to NIS 34.4 billion. With the exception of June when there was a fiscal deficit, there has been a surplus in every other month in 2022, with state revenues exceeding state expenditure. In the 12 months ending July 2021, Israel had a fiscal deficit of NIS 44 billion. The main reason for the surplus this year was a 21.7% rise in tax collection between January and June 2022 while expenditure fell due to the end of COVID-related payouts. Since the start of 2022, state revenues have totaled NIS 281 billion, while state expenditure has been NIS 246 billion, down 10.7% from the corresponding period of 2021.

One area in which there has been a fall in state revenues has been from fuel excise, which has been temporarily cut by Minister of Finance Liberman. Revenues from fuel excise in July 2022 was NIS 1.9 billion (before subtracting diesel refund arrangements), down 6% from July 2021. Excise tax was cut by NIS 0.50 per liter in April and was cut a further NIS 0.50 to NIS 1 this month. (MoF 08.08)

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* 1. Israeli Patent Applications Increase by 18.5% in 2021

Data from the Israel Patent Office shows an increase of 18.5% in patent applications in 2021. The Patent Office, a division of the Justice Ministry, said that overall, 9,616 applications to register intellectual property rights in Israel were filed in 2021, compared to 8,123 in 2020. The agency further noted that while 2020 saw the coronavirus pandemic impact such applications, the data shows that this field as well had recovered throughout 2021. According to the Israel Patent Office, the increase in patent applications was observed across all disciplines, but while in 2020, there was an increase in patent applications by both foreign and Israeli inventors, in 2021 there was a decrease in patent submissions by Israeli applicants and an increase in applications by foreign applicants. (IHL 10.08)

IN DEPTH

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* 1. OMAN: Oman’s Economic Success is Driven by Accountability as Much as Oil

Jonathan Campbell-James posted in [TWI PolicyWatch](http://www.washingtoninstitute.org) on 11 August that by pushing the government to make more efficient use of higher hydrocarbon prices and a budget surplus of $2 billion, the sultan has helped reduce anxiety about the stability of Oman.

When Sultan Haitham bin Tariq al-Said came to power in January 2020 upon the death of his cousin Sultan Qaboos, Oman’s foremost problem was a looming fiscal crisis spurred by over-dependence on oil and natural gas revenues, compounded by the collapse in prices during the COVID-19 pandemic. With the period of mourning barely over, Omani crude futures plummeted to $30 per barrel four months later—a price that threatened to halve the country’s projected oil revenues for the entire year, widen its fiscal deficit, and double its national debt. Oman was already suffering from low credit ratings because of previous budget deficits, so financing this debt in the short term presented challenges. The situation also brought public unrest to a simmer.

Although many of these structural problems persist today, the tide appears to have turned. In previous crises, the country had often been rescued from imminent financial disaster by a global price recovery and the extraordinary ability of Petroleum Development Oman to squeeze just a bit more oil from its complex geology. This time, however, the political leadership deserves credit as well.

**Emphasis on Accountability**

Sultan Haitham’s early business career was problematic, but he appears to have learned the right lessons since then, as shown by his emphasis on nurturing Oman’s diversification away from oil and gas. Under his watch, long-stalled laws regarding foreign capital investment, bankruptcy and public-private partnership have been introduced, along with changes to employment and visa regulations intended to attract foreign direct investment. This was a key aim of the latest Five-Year Development Plan (2021-25) and the Oman Vision 2040 strategic plan, over which Haitham had early influence. The government’s increasingly active program for fostering a friendly business environment has also included the creation of testing and quality standards and e-commerce platforms.

Besides Haitham’s personal example of frugality during the fiscal crisis, the key difference today is that officials are being held more accountable for the effort and results they show when implementing these initiatives. The sultan’s business style, coupled with the additional constitutional tools he has given himself to strengthen managerial oversight, suggests that he is intent on making sure executives stick to the plan and meet targets. Changing investor sentiment will take time to become evident given that metrics are still disturbed by COVID. Yet the 19% increase in foreign direct investment in the first quarter of 2022 and the huge rise in non-oil exports in 2021 are encouraging, as is the decision to send key Omani officials to a major investment event in London last month (Commerce Minister Qais al-Yousef and Abdulsalam al-Murshidi, president of the new Oman Investment Authority). This event also witnessed enthusiastic attendance from multinational companies that have delivered complex, collaborative projects in Oman before and seek to do so again.

In keeping with the focus on delivery and efficiency, Haitham has consolidated and refashioned the Council of Ministers. The government now has nineteen ministries, down from twenty-six, while seventeen of the council’s twenty-four members have been appointed since 2020. The newcomers are a mix of talent brought in from the elected assembly and outside government, all of them proven civil servants. The royal family still holds seven cabinet positions, with Haitham’s brother Shihab bin Tariq - former commander of the navy - bolstering the palace’s oversight of the armed forces. Similarly, Muscat has rationalized state-owned enterprises and sovereign wealth investment funds into five sectors under the Oman Investment Authority, which should help improve delivery and avoid duplicating efforts. A new cohort of managers and non-executive directors has been introduced in order to reduce conflicts of interest and broaden commercial experience.

Given this sharpened focus, Oman is able to meet targets it all too often missed in the past. For example, the government introduced a value-added tax in April 2021 after years of prevarication. Despite being set at a low rate of 5%, the VAT raised a modest $780 million in 2021 and is projected to generate $1.3 billion in 2022.

Meanwhile, a significant rebalancing of the budget appears to be underway, cushioned by rising oil prices. The government’s medium-term fiscal plan—which boils down to holding expenditures steady, reducing the national debt, and building non-oil and gas revenues—is currently ahead of schedule. According to Fitch Ratings, Oman's public debt for the first quarter of 2022 came in at roughly $48 billion compared to $54 billion for the same quarter last year, which brought the ratio of public debt to GDP down from 67.3% to 47.5%.

Of course, this does not mean the government has given up on the energy sector. It is making a major push to develop new energy resources, including a development agreement for a green hydrogen-based ammonia production facility in Salalah. Other partners are exploring green hydrogen projects using Duqm as a hub, while solar power is being developed for production purposes at several oil and gas fields.

The fossil fuel exploration program is still quite active as well. Oman has reactivated its interest in the West Bukha oil and gas field it shares with Iran near the Strait of Hormuz. Before he stepped down as oil minister in June, Mohammed al-Rumhi estimated that overall oil and condensate production was likely to be 10% higher annually until 2025 due to new discoveries outpacing depletions. He also noted that Oman still had thirteen years’ worth of oil to pump at current outflows.

**Domestic Freedoms, Foreign Policy**

Another boon to foreign investor sentiment was Muscat’s decision to enhance the Basic Law, which has reinforced both the rule of law and the rights of citizens to participate in public affairs. Although more structural work still needs to be done, the country is edging toward a constitutional monarchy. These legal changes prompted public debate about the extent of protections for freedom of expression, oft spoken of by Haitham and backed up by his willingness to invite political exiles and dynastic rivals to return home (e.g., the former sultan of Zanzibar; the family of the last imam of Nizwa).

On foreign policy, Haitham appears to have enhanced relations across the board, particularly with Britain and Saudi Arabia. British officials initially feared that his ascension might diminish the warmth of the historical relationship, but such concerns have been dispelled. The sultan has been spending his summer vacation in London this year, staying there even during the Gulf Cooperation Council summit in Jeddah attended by President Biden. Moreover, his son Theyazin—the heir-presumptive and a serving minister—completed officer training at the Royal Military Academy Sandhurst.

Elsewhere, Oman has continued its prominent facilitating role in renegotiating the Iran nuclear deal and securing the ceasefire in Yemen. Warm relations with partners—based on trust and history rather than just transactional value—are paying dividends across the portfolio of government business.

When Qaboos died without a direct heir amid reports that his secret choice of successor was written on a piece of paper in an envelope, concern about the country’s political stability was widespread. Today, however, the process is settled—Oman’s security apparatus ensured a smooth succession in 2020, the system is now clearly set out in the Basic Law, and Theyazin is being prepared for his future, in part by strengthening his relationship with the military, the section of Haitham’s portfolio that was perhaps the weakest.

*Jonathan Campbell-James served in Lebanon, Saudi Arabia, and Oman with the British Army’s Intelligence Corps, and finally as Deputy C2 at Headquarters Multinational Force-Iraq in Baghdad. He then worked for financial firms in Dubai and Riyadh, and now runs his own Gulf-focused political risk and due diligence consultancy.* (TWI 11.08)

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* 1. EGYPT: Saudi Arabia’s NEOM Project to Bring Huge Investments to Egypt

Ahmed Gomaa noted on 4 August in [Al-Monitor](https://www.al-monitor.com) that Saudi Arabia’s Crown Prince Mohammed bin Salman recently revealed his country’s plan to pump huge investments into Egypt to complete the Saudi NEOM project, including in the Sharm el-Sheikh tourist area on the Red Sea coast.

NEOM is a new Saudi city currently being built in the Tabuk province in northwestern Saudi Arabia, east of Egypt. The city, which will extend along the Red Sea coast, is set to become a hub for smart city technologies and serve as a tourist destination. At a conference announcing his flagship megaproject on 26 July, Prince Mohammed said, “We’re going to create huge investments in Egypt,” without giving further details about those investments.

In October 2017, the powerful crown prince launched the NEOM project, located in the far northwest of Saudi Arabia, as part of his country's plan to end its dependence on oil revenues and diversify its sources of income. The project will turn 50 Red Sea islands into luxury resorts. It will also include seven cities and tourism projects, while Egypt will focus on developing the existing resort cities of Sharm el-Sheikh and Hurghada, a Saudi official told Reuters back in 2018.

Analysts and political and economic experts who spoke to Al-Monitor believe Mohammed's announcement of Saudi investments in Egypt within the framework of the NEOM project consecrated the political and strategic rapprochement between Cairo and Riyadh. The two countries have been preparing for this project for a few years, and bilateral agreements in this respect have already been signed, with high hopes that revived tourism in Saudi Arabia would boost tourism in Egypt’s Sharm el-Sheikh and Hurghada.

Saudi Arabia and Egypt signed a series of investment agreements in March 2018 and set up a $10 billion joint fund to develop about 1,000 square kilometers of Egyptian lands in southern Sinai, to be part of the NEOM project. The two countries also signed an environmental agreement to protect the marine environment and reduce pollution to preserve coral reefs and beaches, and agreed on binding controls to prevent visual pollution.

Tarek Fahmy, a professor of political science at Cairo University, told Al-Monitor, “The NEOM project and the announcement of Saudi investments are a promising investment opportunity for Egypt.” He added, “The announcement of the Saudi crown prince at this time reflects the great strides made by the kingdom of Saudi Arabia in achieving its Vision 2030. Bin Salman had rolled out this vision in 2016 with the aim of bringing his country into a post-oil stage by diversifying sources of national income through projects including in the tourism and infrastructure fields.” “Large investments are expected in Egypt with the support of the Saudi Public Investment Fund. The NEOM megaproject will be a golden investment opportunity not only for Saudi investors but also for Egyptian and international investors,” Fahmy said.

The Public Investment Fund is the main investor in NEOM. The project's first phase is scheduled to be completed in 2025. Fahmy added, “There is Egyptian-Saudi coordination at the highest level regarding the execution of the NEOM project, especially after that the two countries established a joint fund of $10 billion to develop lands on an area of 1,000 square kilometers in the south Sinai region. This confirms the convergence of visions and views between the two countries and strengthens their strategic and national rapprochement.”

At a meeting with representatives of the media in Sharm el-Sheikh on the sidelines of the World Youth Forum in late 2017, Egyptian President Abdel Fattah al-Sisi praised the NEOM project, saying that infrastructure in Sinai is being developed in support of tourist projects. Sisi asserted that Sinai’s infrastructure would be ready for future projects. In August 2018, Sisi made a first-of-its-kind visit by a head of state to the city of NEOM and met Saudi King Salman Bin Abdul-Aziz Al Saud there.

Ali al-Idrissi, a professor of economics at the Culture and Science City in Cairo and member of the Egyptian Society for Political Economy Statistics and Legislation, told Al-Monitor, “The NEOM project was announced in 2017 but faced many challenges including the coronavirus pandemic and most recently the war on Ukraine and its impact on global markets.” He explained that “the announcement of new milestones in the project and investments into Egypt reflects a great confidence in the Egyptian economy despite the state of uncertainty for the global economy. These investments are in the interest of both Egypt and Saudi Arabia. The Red Sea region, whether from the Saudi or Egyptian side, will attract a lot of investments when the initial public offering of NEOM is launched in 2024.”

In his recent conference, Mohammed said his country is planning an initial public offering of the kingdom’s $500 billion megaproject NEOM as soon as 2024. Ahmed al-Khadem, a tourism expert and former head of the Egyptian Tourism Authority, told Al-Monitor, “Numerous tourism development projects have been developed in the Sharm el-Sheikh tourist area in the last period, but many more new tourist attractions can be established to offer more distinguished tourism services."

Khadem pointed out that “the tourism development plan in Egypt is mainly based on establishing integrated tourist centers. The next stage will consist of leveraging Saudi investments in making Sharm el-Sheikh more attractive to tourists, which will reflect positively on the country’s national income, given that tourism is the main source of national income for Egypt.” Tourism revenues in Egypt in 2021 exceeded $13 billion, recovering to pre-pandemic levels, Egyptian Deputy Minister of Tourism and Antiquities Ghada Shalaby told Reuters earlier this year.

Khadem indicated that Saudi Arabia wants to diversify its investments and is not satisfied with oil revenues only, and Egypt offers a safe investment environment. “The NEOM project confirms the economic and strategic cooperation between the two countries,” he said. Idrissi concurred, saying, “Saudi Arabia is looking to diversify its sources of income and to break its economic dependence on oil, thus its focus on the tourism and investment sector. The UAE has been the first Gulf country to follow this approach. Meanwhile, any huge development project in the Red Sea area will be beneficial for Egypt and its Red Sea cities, especially Sharm el-Sheikh.” (Al-Monitor 04.08)

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* 1. EGYPT: Egypt to Plant 100 Million Trees & Stop Using Plastic Bags Ahead of COP27

[Al Monitor](https://www.al-monitor.com) reported on 15 August that Egypt announced a series of initiatives aimed at addressing climate change, in the midst of its preparations to host the 2022 United Nations Climate Change Conference (COP27) in Sharm el-Sheikh in November. On 7 August, the Egyptian government announced an initiative to plant 100 million trees in every governorate.

During a cabinet meeting on 7 August, Prime Minister Mustafa Madbouly said, “The initiative begins with an extensive afforestation campaign on both sides of highways, as we aim to increase the green lung in Egyptian cities.” On 10 August, Madbouly instructed governors to start implementing the initiative to plant 100 million trees on both sides of the main axes and streets that have been recently upgraded and developed, provided that each new road project includes planting the center island or the sides of the roads with the appropriate trees, in coordination with the officials of the Ministry of Agriculture in choosing the appropriate tree species. He also ordered building a central park in major cities to “provide a green lung in large areas for citizens in these cities.”

Egyptian Minister of Environment Yasmine Fouad said during the meeting, “This initiative aims to double the per capita share of green spaces throughout Egypt, improve air quality, reduce greenhouse gases, improve the health of citizens and absorb pollutants and fumes.” Fouad continued, “The economic return of this initiative is having fruitful trees such as olives or woody trees that can produce wood.” The Egyptian government has not set a timetable for the end of the initiative to plant 100 million trees.

During the Cabinet meeting, Fouad and Madbouly also reviewed the details of the national strategy to reduce the use of single-use plastic bags. “The strategy aims to reduce the negative impact of excessive consumption of plastic bags on health, the environment, the economy and society, by reducing the consumption of plastic bags to 100 bags per person per year by 2025, and 50 bags per person per year by 2030,” Fouad explained.

Hussein Abaza, adviser for sustainable development at the Ministry of Environment, told Al-Monitor, “Egypt has recently launched several climate-related initiatives such as planting 100 million trees.” He explained, “The government is going for more green investments in all sectors, such as the monorail project or the electric train, and is pumping more investments in the green hydrogen and water desalination sectors using renewable energy, all of which go in line with addressing climate change.”

Abaza pointed to the importance of the initiative to plant 100 million trees, as trees absorb carbon dioxide, which helps in improving the atmosphere, reducing harmful emissions and lowering temperatures, all of which are important in the framework of addressing climate change.

Samir Tantawi, director of the climate change project at the United Nations Development Program, told Al-Monitor, “This initiative helps reduce greenhouse gases, as trees worldwide absorb about 16 billion metric tons of carbon dioxide annually, and produce oxygen. They also give an aesthetic appearance to the area in which they are grown and help purify the air from lingering dust.” He said, “It is important to choose the appropriate types of trees for this initiative, whether they are ornamental, fruit or woody trees. Trees cannot be randomly planted, according to a study on the needed quantities of water for planting these trees.”

Hisham Issa, environmental expert and former head of the Central Administration for Climate Change at the Ministry of Environment, told Al-Monitor, “Single-use plastic bags cause great damage to the environment, whether they turn into waste on land or end up in the sea and harm marine wealth and aquatic life. They affect tourism, especially since many tourists come to Egypt's resorts to enjoy marine life.” He noted, “Egypt is one of the countries most affected by climate change, especially with the recent rise in temperatures that we were not accustomed to, not to mention the extreme weather events and the heavy rainfall in winter. Egypt was not prepared for such negative effects on the climate.” (Al-Monitor 15.08)

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* 1. TURKEY: Russia Offers Erdogan Economic Lifeline

Fehim Tastekin noted on 10 August in [Al-Monitor](https://www.al-monitor.com) that the economic outcomes of the recent Turkish-Russian summit and a string of financial moves by the Russian builder of a nuclear power plant in Turkey have come as fresh signs that Turkey is becoming a safe harbor for sanctions-hit Russian capital. For some observers, the moves amount also to a financial lifeline for Turkish President Erdogan as he grapples with economic turmoil ahead of crucial elections next year.

Money transfers by Rosatom, the state-owned Russian company building Turkey’s first nuclear power plant in Akkuyu; a deal allowing Turkey to pay in rubles for some of its Russian gas imports; and moves to expand the use of the Russian Mir payment system in Turkey are all seen as the pieces of an integrated effort between Ankara and Moscow.

According to experts monitoring Russian capital movements, flows to Turkey have increased since Russia’s invasion of Ukraine in February and the ensuing Western sanctions targeting the Russian economy. Many Russian companies have come to import goods from Europe via Turkey. The Turkish experience in trading in rubles, which dates back to the 1990s, when Turkey emerged as a hub of “suitcase trade” for Russians, facilitates mutual dealings.

In the first of a string of remarkable developments, Rosatom terminated the contract of its Turkish partner IC Ictas on 26 July and began wiring dollars to its subsidiary building the nuclear power plant in southern Turkey, formally known as Akkuyu Nuclear JSC. An initial transfer of about $5 billion was to be followed shortly with two similar sums, Bloomberg reported. A source close to the banking sector, however, told Al-Monitor that the initial transfer, made via Turkey’s public bank Ziraat, was of some $2.6 billion.

On 28 July, Rosatom said it was seeking a credit line of $6.1 billion to finance the construction of the plant, including plans to put some of the money in Turkish sovereign bonds or bank deposits and then use them to buy equipment for the project. The company reportedly plans to use its subsidiary Atomenergoprom as the guarantor for the loan and pledge some Turkish dollar bonds to secure the credit line.

Then, Erdogan met with Russian President Putin in Sochi on 5 August. The two sides signed an economic cooperation memorandum, including monetary arrangements, and agreed that Turkey would pay partially in rubles for Russian gas. That fell short of Erdogan’s desire to use both national currencies in bilateral trade. Al-Monitor has learned that Erdogan — faced with a foreign-currency crunch that keeps weakening the Turkish lira — proposed the deferral of gas payments or paying with treasury bonds, but Putin agreed only to partial ruble payments to alleviate his woes.

According to Erdogan, Turkey has made “very serious progress” in adopting the Russian payment system Mir — a relief for Russian tourists after Visa and Mastercard halted their services in Russia. Five Turkish banks are involved in the effort, he said after the talks in Sochi, where the two countries’ central bank governors also met. According to Turkey’s finance minister, 15% of enterprises in Turkey were using Mir as of April.

All those developments raise a number of poignant questions. Are Rosatom’s moves really turning Turkey into a safe haven for Russian capital? Are they the sign of efforts to circumvent sanctions? Could that trigger secondary sanctions against Turkey? Is Turkey’s ruble stock enough to cover the partial gas payments?

Ugur Gurses, a former Turkish central banker, sees the Rosatom-Akkuyu-dollar bonds triangle as a scheme to open parking room for Russian funds in Turkey. The recent increase in the central bank’s foreign and gold reserves — $108.1 billion on 4 August from $98.9 billion on 26 July — has to do with Russian money flowing to Turkey, he told Al-Monitor.

According to the economist, “They are using the nuclear power plant project to park money in Turkey. The cancellation of IC Ictas’ contract was probably a prelude to opening the way for that. Transferring funds, then putting them in the Turkish treasury’s dollar bonds and then the talk of using those bonds as a guarantee to creditors are all pieces of this scheme.”

For Gurses, the moves are designed to keep banks away from the danger of sanctions, putting the onus on the Treasury instead. “Clearly, they see the sanctioning of the Treasury as highly unlikely. And I agree with that,” he said.

In other words, the nuclear power plant project is seen as the facade of a money-moving operation in which Russian funds are transferred by the way of Rosatom’s purchase of Turkish bonds instead of direct bank transfers.

Yet Gurses was doubtful if such a scheme could be sustainable and if the use of the ruble could reach the desired level. He predicted that the fear of secondary sanctions would deter Turkish companies and banks from dealing with Russians and the sums accumulated through the Mir payment system would be limited, thus Turkey would hardly reduce the pressure of its $38 billion trade gap with Russia. Things would have been much different had Russia accepted payments in Turkish liras — a prospect precluded by Turkey’s runaway inflation and battered currency, he said.

Aydin Sezer, a former trade attaché at Turkey’s embassy in Moscow, believes Turkey is becoming a base for Russian business people. Rosatom’s call for credit bids is a major sign of an upcoming Russian capital flow to Turkey, he told Al-Monitor. “Akkuyu is just a front here. Rosatom, as a public company, has given the cue and others are likely to follow.” Sezer noted that only some Russian banks had been barred from the international payment system Swift, which would facilitate things, and underscored the potential role of Turkish banks with branches in Russia, especially the state-owned Ziraat.

The latest bilateral deals are a two-way “financial cooperation operation,” according to Sezer. “Erdogan is the one who needs it the most. Putin has not turned him down and is [doing] him a favor,” he said. “In return, Turkey — by not heeding the embargoes — is helping the movement of capital, offering an important function as a bridge for goods to flow to Russia. It’s a win-win situation — a bit more advantageous to Turkey.”

Noting that Turkey had so far failed to cough up the funds to live up to its 49% stake in Akkuyu Nuclear JSC, Sezer said, “The Russians have been asking Turkey for capital for 12 years. Now Russia is meeting those needs itself. This is a big gesture.”

Yet the prospect of a government change next year might bear on the future of the project. According to Sezer, “Putin might make other gestures such as agreeing to defer gas payments or accepting payments in bonds to help Erdogan win in 2023.”

As for the ruble stock, Turkey is unlikely to face trouble, Sezer opined, noting an “incredible” inflow of rubles since the eruption of the Ukraine crisis. “That’s not an amount that could be explained with Mir or tourism revenues,” he said. “There is, of course, the suitcase trade, with people coming and buying goods with rubles. Beyond that, however, big Russian importers have begun to use Turkey as a base for operations in Western countries, and that’s why Turkey’s foreign trade volume has been growing. They bring in goods to Turkey using foreign currencies and then export them to Russia via their companies there, using rubles.”

Such dealings would ensure the continued inflow of rubles as long as the sanctions persist, Sezer said, adding that Turkish business people operating in Russia also received payments in rubles, albeit partially.

Gas payments in rubles will help Turkey reduce its foreign-currency demand, and the ruble stock will facilitate those payments, Sezer said. “How much of the gas will be paid for in rubles is not that important. Paying in rubles opens a new avenue beyond its material benefit — an avenue setting a precedent for bargaining other deals,” he added. The opening of that avenue reinforces the argument that Erdogan’s re-election in 2023 has become important for Moscow amid widespread concerns in Turkey over growing dependency on Russia. (Al-Monitor 10.08)

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* 1. TURKEY: Turkey’s Current Account Gap Widens, With No Respite in Sight for the Lira

On 11 August, Mustafa Sonmez observed in [Al-Monitor](https://www.al-monitor.com) that the Turkish lira is likely to tumble further in the coming months as the country’s current account gap threatens to grow beyond $40 billion by the end of the year. Turkey’s current account deficit widened to $32.4 billion in the first half of the year, Central Bank data showed, as financing the gap is becoming harder and no respite appears in sight for the battered Turkish lira.

The current account registered a deficit of nearly $3.5 billion in June, bringing the cumulative gap to $32.4 billion in the first six months of the year, according to the data. The widening gap points to Turkey’s worsening trade imbalance as a result of a global surge in energy and commodity prices, coupled with the continued slump of the lira. Facing crucial elections in June 2023, President Erdogan has bet on a strategy promoting growth at the expense of inflation hitting near 80%. Growth means ample imports for Turkey’s economy, which relies heavily on foreign inputs, chief among them energy.

The country’s imports were worth nearly $30 billion in June, a 40% increase from the same month last year. Its monthly energy import bills have reached $7 billion to $8 billion with the surge of global prices. As of June, the 12 month net energy imports were worth some $70.6 billion. The shortfall in trade has grown despite a rebound in tourism revenues this year. While the number of foreign tourists increased, their average spending per capita was relatively low — less than $750.

Pushing up imports was also a stockpiling trend among entrepreneurs worried about the country’s economic prospects. The cost of imported inputs has kept increasing amid the slump of the lira. Doubtful of the government’s ability to stabilize the currency, many economic actors have come to stock up on imported raw materials, semi-products, machinery and equipment to avoid even higher costs down the road. While energy prices have begun to relatively ease and the global economic slowdown is pushing commodity prices down, Turkey’s imports appear unlikely to slow in the remainder of the year.

Financing the current account deficit is becoming harder as the country struggles to attract foreign capital. Foreign direct investments in Turkey have badly plunged, though real estate purchases by foreigners, which figure in the same category, brought in $3.5 billion in the first half of the year and are likely to reach $7 billion by the end of the year. Similarly, foreign portfolio investments have not only not increased but keep posting net outflows. The remaining means are bank deposits, currency swaps and sometimes loans, the costs of which have grown exorbitant amid the sharp uptick in the country’s risk premium. In sum, the inflow of foreign funds, on which Turkey pins hope to cover its current account deficit, was limited to $2.6 billion in the first half of the year.

Thus, the gap was financed mainly with foreign reserves and foreign currency inflows of unknown origin, classified as “net errors and omissions” in the balance of payments. The data indicate that $12.3 billion in foreign reserves were used for that purpose in the first half of the year, in addition to $17.5 billion coming from unknown sources. The latter are believed to be mostly individuals and companies bringing in foreign currency from assets they hold abroad.

The growing role of the unidentified inflows — they appear to have covered 54% of the gap — is reminiscent of the crisis-hit year 2018, when such inflows amounted to $23 billion as Turkey posted a current account deficit of $22 billion and saw an outflow of $11 billion in foreign funds. The current trend suggests they could reach $20 billion to $25 billion this year, underscoring a transparency problem in the Turkish economy.

The current account deficit is estimated to have further widened in July. Trade Ministry statistics show imports dropped to $29.1 billion last month under the impact of easing global energy prices, yet exports also dropped — to $18.5 billion — amid contracting European markets, resulting in a foreign trade deficit of $10.6 billion. Tourism revenues — at their strongest at this time of the year — would help ease the current account gap, but it is still likely to have reached some $4 billion in July. That would bring it to about $36.5 billion in the first seven months.

The gap could well grow beyond $40 billion by the end of the year should Erdogan persist on encouraging growth. Covering the gap with foreign reserves and inflows of unknown origin is hardly a sustainable prospect. So the lira remains under threat of tumbling further against foreign currencies in the coming months.

Exacerbating Turkey’s hard currency needs is a $182.3 external debt maturing in the next 12 months. Some 19% of that debt belongs to the public sector, 16.1% to the central bank and 65% to the private sector. All those factors boil down to a continued high foreign currency demand and thus an unyielding pressure on the lira. The price of the dollar averaged 17.9 liras in the first week of August, a 6.5% increase from the first week of July. The weakening of the lira bears directly on consumer prices. The more the currency slumps, the more the runaway inflation threatens to rise — and so does the electorate’s anger with the government. (Al-Monitor 11.08)

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