

**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 to Open Trade Mission in Morocco in 2023

On 7 September, Israeli Minister of Economy Barbivai announced her country’s plans to open a trade mission in Morocco next year. Barbivai highlighted the “tremendous” potential of Moroccan-Israeli economic cooperation during a joint economic conference aiming to boost business relations between Rabat and Tel Aviv. Barbivai stressed Israel’s ambition to increase the volume of trade with Morocco to reach or exceed $500 million, noting that the two countries have many opportunities to share in order to reach this level quickly.

This past August, the Abraham Accords Peace Institute reported that trade between the two countries amounted to $63.9 million in H1/22, marking a 1% year-on-year increase. Since the signing of the Abraham Accords in 2020, Morocco and Israel have expressed mutual interest in advancing cooperation in numerous key sectors such as education and training, defense, tourism and trade. In February, Morocco and Israel signed a trade agreement aiming to facilitate investment in Industry 4.0, agribusiness, automotive, aeronautics, renewable energies, and pharmaceutical industry as well as establishing “qualified industrial zones” in the North African country. The agreement paved the way for more future cooperation in business between the two countries.

It notably led to the signing of a partnership agreement between Morocco’s General Confederation of Enterprises (CGEM) and Israel’s Business and Employers Association (IEBO) and Federation of Chambers of Commerce in March. In particular, the agreement called for reinforcing trade, investment, and technological development in the two countries. Both Moroccan and Israeli governments, as well as public and private institutions from the two countries, have committed to reinforce a win-win partnership. This comes as the upcoming Israeli trade mission in Morocco is expected to consolidate business ties between the two countries to reach a trade volume worth $500 million. (MWN 07.09)

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* 1. IAF to Buy Four Boeing Air-Force Refueling Tankers for $927 Million

The Boeing Co., Defense, Space & Security, Seattle, Washington, has been awarded a not-to-exceed $927.5 million indefinite contract action for four KC-46A aircraft for Israel. This contract is also issued for the non-recurring engineering design and test for the Remote Vision System 2.0 and the Air Refueling Operator Station 2.0 mission equipment and installation, pre-delivery integrated logistics support, and technical publications. Work will be performed in Seattle, Washington, and is expected to be completed by 31 December 2026. This contract involves 100% Foreign Military Sales to Israel and is the result of a sole-source acquisition. Air Force Life Cycle Management Center, Wright-Patterson Air Force Base, Ohio, is the contracting activity.

Defense Minister Gantz said that the refueling aircraft that are being purchased, along with the procurement of the F-35 squadron, helicopters, submarines, and advanced munition, to enable the IDF to face security challenges near and far. The tankers would replace the decades-old, repurposed Boeing 707s that Israel now employs for mid-air refueling. (Various 02.09)

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* 1. Israel & Guatemala Sign Free Trade Agreement

Israel and Guatemala signed a free trade deal, which will include industry, food, and agriculture goods, the Israeli Economy Ministry announced on 8 September. According to the ministry, the agreement will come into effect after final ratification by the two countries. Trade between Israel and Guatemala reached $40 million in 2021, rising by 11% from 2020. While Guatemala mostly exports food and produce, Israel exports rubber, plastic, chemicals and machinery which constitutes nearly 77% of the trade between the countries. (MoE 11.09)

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* 1. Cabinet Approves National Plan to Increase and Develop Human Capital in High-Tech

On 11 September, the Government of Israel approved the plan to increase and develop human capital in high-tech, with emphasis on populations that are not currently represented in the industry. This includes a high-tech education plan for instilling technological, cognitive and digital proficiency that is necessary for integration into the 21st century labor market. The pilot plan will start this year in approximately 600 8th grade classrooms in around 120 schools and approximately 1,500 kindergartens. Next year, the service will expand to additional 8th and 9th grade classrooms while prioritizing the periphery until the plan spreads to all schools.

The government also adopted the Innovation Minister's goals of adding 4,500 personnel from the Arab sector, 2,500 from the Ultra-Orthodox sector, with at least 45% of Innovation Authority trainees being women.

The government has adopted the interim findings of the Perlmutter Report under which it has been recommended – *inter alia* – to redefine high-tech professions so as to include technology professions in traditional sectors such as banking.

The Israel-Tech Plan will locate and bring to Israel people with relevant education for high-tech work in Israel who are eligible under the Law of Return. The plan will tangibly strengthen the Israeli high-tech industry, boost links with world Jewry and serve as positive diplomacy for the State of Israel. The goal is to integrate at least 1,500 workers in 2022-2026.

The plan also seeks a 20% increase in the number of university students studying high-tech professions and a 30% increase in the number of pre-university preparatory program students studying high-tech professions. (GoI 11.09)

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* 1. Petrochemical Enterprises to Acquire Full Control of Bazan, Israel’s Largest Oil Refinery

On 6 September, Prime Minister Lapid approved a bid by Israel Petrochemical Enterprises to acquire full control of Bazan, Israel’s largest oil refinery, in the Haifa Bay in northern Israel. Government approval for the takeover was required because the oil refineries are defined as an essential industry. Lapid did not condition the sale on Bazan’s closure within a decade, despite a government decision in March to do so and pressure from Environmental Protection Minister Zandberg, lawmakers such as Blue and White’s Alon Tal and environmental groups.

A notice to the Tel Aviv Stock Exchange said that the new sole owners of Bazan had informed Lapid of their commitment to cooperate fully with the relevant authorities on implementing the government’s decision to develop the Haifa Bay, which would include setting up a team to negotiate Bazan’s closure and compensation to do so. To the disappointment of environmental groups, the March government decision included neither a detailed timetable for the closure nor a budget for the redevelopment of the area.

The shutdown vote followed years of campaigning by Haifa residents, backed by environmental activists, against a backdrop of significant air pollution and above-average incidences of cancer and respiratory disease in the city. The finance and energy ministries approved the sale on 4 September. (ToI 06.09)

ISRAEL MARKET & BUSINESS NEWS

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* 1. S2 Genomics Signs Eisenberg for Israel Distribution for the Singulator 100 System

Livermore, California's S2 Genomics has entered into a distribution agreement with Eisenberg for the promotion, sales, and support of S2’s Singulator 100 System and associated products for single-cell genomics and cell biology applications in Israel.

S2 Genomics considers Israel a thriving market for single-cell genomics and cell biology research, creating a need for improved single-cell preparation solutions. They are excited to welcome Eisenberg as a key partner as Eisenberg is a premier life sciences distributor for Israel and expanding their commercialization efforts with them represents a significant milestone for the California company.

S2 Genomics’ Singulator 100 system provides consistent isolation of single cells or nuclei from solid tissue samples, essential to producing high-quality single-cell data from difficult tissue types. The Singulator 100 system uses single-use disposable cartridges and proprietary reagents to automate tissue dissociation in a convenient workflow. In addition, the system allows users to create their own dissociation protocols, use their own reagents, and dissociate tissue at low temperature to minimize changes to cell transcriptomes. (S2 Genomics 30.08)

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* 1. Fairmatic Raises $42 Million to Redefine Commercial Auto Insurance with Data & AI

Fairmatic left stealth with a unique offering that pioneers an unconventional approach to fleet insurance — focused on enabling savings for safer fleets and improving road safety for all. Fairmatic also announced a $42 million Series A funding round led by Foundation Capital, along with Aquiline Technology Growth.

Fairmatic set out to approach risk and underwriting in an unconventional way by harnessing data and AI to introduce a more personalized insurance option that incentivizes safety with savings. While in stealth, Fairmatic tested its predictive risk model with tens of thousands of paying drivers and has achieved best-in-class underwriting results.

Tel Aviv's [Fairmatic](https://fairmatic.com/) is shaping Insurtech 2.0 by delivering the first data-driven fleet insurance that rewards safety with savings. Fairmatic's unconventional approach to fleet insurance leverages AI-powered technology in combination with troves of telematics data to create meaningful cost savings for fleets, safer roads for society and a profitable business model. Fairmatic's underwriting model has been trained and tested with over 200 billion miles of driving data to help fleets proactively manage safety issues with actionable insights. (Fairmatic 31.08)

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* 1. Gogoro, Metro Motor & Paz Group Launch Two-Wheel Battery Swapping in Israel

Taiwan's Gogoro, a global technology leader in battery swapping ecosystems that enable sustainable mobility solutions for cities, launched its industry leading battery swapping system and Smartscooters in the Tel Aviv metropolitan area. In partnership with market leaders Metro Motor and Paz Group, the companies expect to launch in other cities in Israel in the future.

Metro Motor is a top two-wheel vehicle distributor in Israel and Paz Group is a leading energy, gas and retail group in Israel. The companies are launching with 10 battery swapping locations and anticipate deploying to 35 battery swapping stations by the end of 2022 and more than 150 stations within 4 years. (Gogoro 06.09)

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* 1. Abu Dhabi Delegation Visits Tel Aviv to Explores Opportunities & Partnerships

An official delegation from Abu Dhabi visited Tel Aviv in early September, giving leading Abu Dhabi entities and Israeli companies the opportunity to explore business opportunities and drive strategic bilateral relations. Representatives of Abu Dhabi Global Market (ADGM), Mubadala, Mubadala Energy, ADNOC, Abu Dhabi Securities Exchange, The Health Authority – Abu Dhabi, Abu Dhabi Investment Office, AIQ – an Abu Dhabi-based AI and cloud computing company, Department of Culture and Tourism, Abu Dhabi Chamber, Hub71 and First Abu Dhabi Bank, were part of the delegation. During the visit, the delegation participated in a joint business forum co-organized by the Tel Aviv Stock Exchange and ADGM in collaboration with The Embassy of UAE in Israel.

ADGM and Start-up Nation Central signed a MoU, covering business partnerships and collaborations to explore opportunities for companies in their respective ecosystems as well as the opening of their commercial presence in Abu Dhabi and Israel. Another MoU signed between ADGM Academy and Avnon Group Middle East will establish a framework of cooperation and exchange of information related to the development of an ADGM Digital Asset Knowledge Hub, focusing on cybersecurity, artificial intelligence, blockchain and more to increase the literacy of cybersecurity and related areas.

The ADGM Office of Data Protection and Israeli Privacy Protection Authority also signed an agreement to facilitate mutual understanding of the legislative, procedural and information technology frameworks in their respective jurisdictions in the area of data and privacy protection. Other areas to be explored include developing and sharing best practices to assist each authority in continuously improving the efficiency and effectiveness of the delivery of their functions. (GB 07.09)

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* 1. HARMAN Acquires In-Cabin Radar Sensing Pioneer CAARESYS

Stamford, Connecticut's HARMAN International, a wholly-owned subsidiary of Samsung Electronics Co. focused on connected technologies for automotive, consumer and enterprise markets, announced the acquisition of CAARESYS, an Netanya, Israel based company founded in 2017 that develops vehicle passenger monitoring systems powered by contactless, low-emission radar. CAARESYS has successfully partnered with leading OEMs and provides a mass production solution for cabin monitoring including vital signs sensing, passenger localization and Child Presence Detection (CPD).

The in-cabin radar sensor and algorithm solution from CAARESYS will strengthen HARMAN’s automotive product offerings, building on the company’s strong consumer-centric Digital Cockpit and ADAS solutions. With CAARESYS’ contactless vital signs sensing and real-time insights from that information, HARMAN can now offer new levels of in-vehicle safety, comfort, and well-being in its growing product line.

CAARESYS technology utilizes biometrics to detect the location, health condition and state of each vehicle occupant. The non-intrusive sensing system is a small RF radar that can be integrated anywhere in a vehicle cabin. Through its sophisticated radar signaling processing algorithm, the system detects seat occupancy state and monitors passenger biometrics, including respiration rate, heart rate and heart rate variability. CAARESYS technology allows for highly accurate sensing even in the constantly fluctuating driving environment and can operate in static or driving mode. (HARMAN 06.09)

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* 1. StoreDot Ships EV Battery Cell Samples to Global Car Makers for Testing

Following the successful completion of series D funding round, StoreDot commenced shipping its production ready battery cell samples to global Electric Vehicle OEMs. It represents another significant step on StoreDot's roadmap to begin mass-producing its '100in5' battery cells during 2024, and to deliver a step-change in global EV adoption. This technology provides 100 miles of range in just 5 minutes consistently and without compromising battery's health.

Shipped in EV form factor, the 30Ah silicon-dominant anode, lithium-ion pouch cells are currently undergoing intensive real-world testing with strategic OEM partners and other automotive players. StoreDot is currently working on mass production readiness of its '100in5' cells with its long-standing manufacturing partner, EVE Energy in China, in parallel to expanding its global manufacturing footprint in other geographies.

Herzliya's [StoreDot](https://www.store-dot.com/) is the pioneer and leader of extreme fast charging (XFC) electric vehicle batteries that overcome the critical barriers to mainstream EV adoption – range and charging anxiety. The company has revolutionized the conventional Li-ion battery by designing and synthesizing proprietary organic and inorganic compounds, optimized by Artificial Intelligence algorithms, making it possible to charge an EV in under 10 minutes. (StoreDot 07.09)

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* 1. Upstream Opens a New Vehicle Security Operation Center in Michigan

Upstream Security is opening its first U.S.-based vehicle security operation center (vSOC) in Ann Arbor, Michigan, to closely surveil and mitigate emerging cyber threats and risks for its U.S.-based automotive clients. At the Michigan vSOC, Upstream is hiring and training experienced local cyber and automotive experts to operate the vSOC, offer cross-functional response and mitigate attacks in real time. The Michigan-based vSOC is expected to be fully operational by the end of the year. It adds to Upstream's growing network of automotive-specific security centers already active in Israel, and coming soon in Japan. Additional vSOC investments are expected in Europe in the near future.

Herzliya's [Upstream](https://upstream.auto/) provides a cloud-based data management platform purpose-built for connected vehicles, delivering unparalleled automotive cybersecurity detection and response (V-XDR) and data-driven applications. The Upstream Platform unlocks the value of vehicle data, empowering customers to build connected vehicle applications by transforming highly distributed vehicle data into centralized, structured, contextualized data lakes. Coupled with AutoThreat Intelligence, Upstream provides industry-leading cyber threat protection and actionable insights, seamlessly integrated into the customer's environment and Vehicle Security Operation Centers (vSOC). (Upstream Security 07.09)

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* 1. Cybord New OEM Partnership with Siemens Digital Industries Software

Cybord has signed a new Original Equipment Manufacturer (OEM) partnership with Siemens Digital Industries Software, which will now offer the Cybord AI visual analytics solution. Cybord disrupts the industry by setting a new standard in component analytics and traceability. The company delivers advanced AI and Big Data software that visually analyzes, qualifies and tracks every component and every electronic board.

The Cybord inline visual AI solution is being offered as part of Siemens' manufacturing analytics solutions for electronic manufacturers. It can be integrated as part of a Manufacturing Execution System (MES) system or as a standalone solution. The unique advantage of the Cybord inline visual AI solution is that it uses SMT machines' component imaging for visual verification and analyzes 100% of the electronic components at production before they are placed on the circuit board, without changing SMT throughput. Cybord is available to the production line operators and electronic manufacturers, providing production data analytics and verification to all stakeholders.

Tel Aviv's [Cybord](https://www.cybord.ai)`s innovative inline AI component analytics software solution for electronic manufacturing. Cybord platform enables 100% analysis of all components placed on PCBA. The solution implements AI & Big Data technology to ensure productivity, quality, counterfeit, and unique visual traceability based on evidence. (Cybord 07.09)

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* 1. Cymulate Raises $70 Million in Series D Funding for Continuous Security Testing

Cymulate announced a $70 million Series D investment led by existing investors One Peak, together with Susquehanna Growth Equity (SGE), Vertex Ventures Israel, Vertex Growth and Dell Technologies Capital. Cymulate has raised $141 million to date. The latest investment, which is among the largest for continuous security testing vendors, doubles Cymulate's funding raised to date and accelerates the Company's global expansion and pace of innovation.

Cymulate sets the industry standard for organizations to use automation to continuously validate their threat exposure and cyber posture, by testing their cloud and on premise networks against the latest threats in the wild. The Company's Extended Security Posture Management platform leverages its native offensive security technology and capabilities to widely support customers' security and business needs. The Series D funding will be used to extend Cymulate's technological capabilities and further accelerate its global growth.

Tel Aviv's [Cymulate](http://www.cymulate.com)'s 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 visualization end-to-end across the MITRE ATT&CK framework. The platform provides automated, expert and threat intelligence led risk assessments that are simple to deploy and use for organizations of all cybersecurity maturity levels. (Cymulate 06.09)

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* 1. Carbyne Raises $56 Million in Series C Funding to Modernize Emergency Contact Centers

Carbyne raised $56 million in Series C funding. Cox Enterprises and Hanaco Growth Fund co-led the latest round, joined by new investors Valor Equity Partners, General Global Capital, TalC and Sandiip Bhammer alongside existing investors including Founders Fund, FinTLV, Elsted Capital Partners and former CIA Director General David Petraeus. The company has raised $128 million to date.

The Series C funding follows a 400% increase in U.S. revenue and a 185% jump in total contract value over the past 12 months. This investment in Carbyne will allow the company to accelerate the digital transformation of mission-critical operations and government service centers primarily in the US. The investment will allow Carbyne to accelerate global expansion and continue growing its B2B business which allows corporations to increase situational awareness and collaborate more efficiently during emergencies. The opportunity to roll out secure contact center technologies for mission-critical use cases such as protecting customers and clients, extends to almost every Fortune 1000 company globally. Carbyne will also continue to invest in emerging technologies by building AI and NLP-based capabilities into its APEX platform with the support of top-tier technology partners.

Tel Aviv's [Carbyne](https://carbyne.com/en/home/) is a leading global provider of cloud-native mission-critical contact center solutions. Carbyne is one of the largest rich-data providers for emergency response centers and their technologies enable emergency contact centers and select enterprises to connect with callers, as well as connected devices via highly secure communication channels without needing to download a consumer app. With a mission to redefine emergency collaboration and connect the dots between people, enterprises, and governments, Carbyne provides a unified cloud-native solution that provides live actionable data that can lead to more efficient and transparent operations and ultimately save lives. (Carbyne 07.09)

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* 1. Tarci Secures $17 Million in Series A Financing led by Sound Ventures

Tel Aviv's Tarci (formerly Leadgence), a continuous intelligence engine that generates dynamic data on Small and Medium-Sized Businesses (SMB), has raised $17 million in Series A funding. The round was led by Sound Ventures, with participation from Liberty Mutual Strategic Ventures, Global Founders Capital and additional strategic investors.

Tarci has developed a breakthrough proprietary continuous intelligence engine that constantly collects and analyzes the huge magnitude of small business signals to create accurate, actionable insights already used by commercial teams at Fortune 200 companies focused on SMBs. The company's enterprise partners cite its Continuous Intelligence as the driver behind a 6X increase in customer LTV and a 15% reduction in CAC. Sales teams using Tarci have significantly seen conversion increase by an average of 2X. The fund raising comes after a breakout year for Tarci. The company will use the funding to continue its aggressive growth and plans to continue hiring for its globally distributed team.

[Tarci](https://www.tarci.io)'s continuous intelligence engine regularly collects, analyzes, and translates billions of signals from diversified sources, turning big data into actionable insights. The company's dynamic data already drives the increased efficiency and productivity of customer-facing teams at Fortune 200 companies, including leading financial institutions, insurance companies, and enterprises that sell to small and mid-size businesses. (Tarci 07.09)

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* 1. Alo Yoga Clothes Brand to Launch in Israel

Sports clothes brand Alo Yoga is officially being launched in Israel. Fashion group 911 Fashion has obtained the Israeli franchise for the brand and will open two stores in 2023 in central positions in Tel Aviv: one in the TLV mall, and the second as a store within a store at its Story flagship store in Dizengoff Square. The investment in the two stores is some $1 million. Negotiations are in progress on additional locations.

The decision to launch in Israel is part of the brand’s international growth strategy, which calls for penetrating new territories outside the US and the launch of varied collections from sports clothes to athleisure wear. The brand was founded in Los Angeles in 2007 and is one of the fastest growing active-wear brands in the world. The brand is also popular in Israel, but up to now, Israelis have bought its clothes overseas or online. The premium lifestyle brand Alo Yoga is known for innovative design, for the fabrics that it develops, and for being environmentally friendly and conscientious about workers’ rights.

The 911 Fashion group was founded in 2001 and it represents several brands with environmental and social responsibility agendas. Among the brands are Nudie Jeans, Herschel, Veja, Scotch & Soda, and Vagabond. The company has 23 stores, and it also operates online. (Globes 11.09)

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* 1. Zynga Completes Acquisition of Mobile Growth Platform Storemaven

Zynga, a wholly-owned publishing label of Take-Two Interactive Software, and a global leader in interactive entertainment, completed the acquisition of Storemaven. Expanding Zynga’s existing operations in Israel, the Storemaven team will combine its innovative mobile technologies with Zynga’s expansive global portfolio and Chartboost’s advertising platform. Financial terms were not disclosed.

Founded in Tel Aviv in 2015, [Storemaven](https://www.storemaven.com) creates innovative mobile growth and ASO technologies. The company revolutionized the way category-leading mobile companies and game developers optimize their creatives, conduct growth experiments, and measure performance. With this acquisition, Zynga aims to enhance its usage and investment in state-of-the-art growth technologies, augment its leadership position in reaching mass audiences, and further its mission to connect the world through games. (Zynga 12.09)

REGIONAL PRIVATE SECTOR NEWS

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* 1. Jordan’s liwwa Raises $18.5 Million in a Pre-Series B Financing Round

Jordan's liwwa closed an $18.5 million Pre-Series B round of equity and debt. Founded in 2015, liwwa employs technology across its operations to provide tailored financial solutions. It also owns and operates the liwwa Investment Platform, a peer-to-peer platform that enables retail investors to finance liwwa loans and earn returns.

The round included $4.5 million in equity investment led by existing investors, DASH Ventures, Dutch Entrepreneurial Development Bank FMO, Edgo, and Bank al Etihad, in addition to German Development Finance Institution DEG approving an investment of $790,000. The round also included debt contributions from a network of local banks and international development finance institutions; Bank al Etihad increased its debt financing agreement by $5 million, whereas an additional $8.5 million debt facility was raised from the Capital Bank of Jordan under the NASIRA agreement, Jordan Kuwait Bank and Triodos Bank extended a $1.1 million and a $2.2 million finance facility respectively, and Triple Jump approved a $500,000 loan. liwwa will be utilizing the funds for its growth and expansion plans.

Amman's [liwwa](https://liwwa.com/) is the first peer-to-peer (P2P) lending platform in the MENA region. They connect small and medium businesses who need capital with fixed-income investors. Investors earn 10-15% returns while small businesses get access to much needed financing. (liwwa 09.09)

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* 1. Dine Brands International Plans to Open IHOP Restaurants in Qatar

Glendale, California's Dine Brands International announced plans to open four new IHOP restaurants in Qatar, with the first location scheduled to open at the Gulf Mall in Doha in the coming months through an agreement with established IHOP Franchisee Mohamed Makawi. This partnership follows the success of their IHOP opening in Cairo, one of ten new international IHOP locations opened this year, and a recently announced partnership in the western Kingdom of Saudi Arabia. Qatar will represent their fourth market in the Middle East.

Dine Brands Global, through its subsidiaries, franchises restaurants under both the Applebee's Neighborhood Grill + Bar and IHOP brands. With approximately 3,400 restaurants combined in 16 countries and approximately 350 franchisees, Dine Brands is one of the largest full-service restaurant companies in the world. (Dine Brands 08.09)

* 1. Phosphorus Partners with CyberKnight to Expand xIoT Security to the Middle East

Nashville, Tennessee's Phosphorus, the leading provider of advanced and full-scope security for the extended Internet of Things (xIoT), announced a new distributor partnership for the Middle East and Africa (MEA) with CyberKnight, a leading cybersecurity value-added distributor for the region, in preparation for the official opening of the Phosphorus MEA office in Dubai in January 2023. The new partnership will see the two companies jointly delivering a new generation of xIoT security solutions for the MEA market.

With the CyberKnight partnership, Phosphorus will significantly expand its global presence in the MEA region, providing a critical xIoT security technology to these fast-growing markets. Phosphorus’s Enterprise xIoT Security Platform is the world’s first and only security technology capable of delivering attack surface management, hardening and remediation, and extended detect and response to the full range of IoT, OT, and network-connected devices—spanning both new and legacy devices.

CyberKnight Technologies is a cybersecurity focused value-added-distributor (VAD) covering the Middle East with on-the-ground presence in all key regional markets. Their ZTX (Zero Trust Security) methodology, based on the Forrester framework, incorporates emerging and market-leading cybersecurity solutions that protect the entire attack surface, by leveraging AI, threat intelligence and collective defense. CyberKnight helps security and risk teams at enterprise and government customers simplify breach detection, prevention, and incident response, while addressing regulatory compliance. (Phosphorus 30.08)

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* 1. Jordan’s Sowt Acquires UAE’s Finyal

Jordan’s Sowt has acquired UAE’s Finyal, marking a push forward for Sowt’s content, audience and commercial opportunities. Launched in 2016, Sowt means ‘voice’ or ‘sound’ in Arabic. The acquisition was financed by Media Development Investment Fund (MDIF) and Sowt Media.

Finyal Media has produced Arabic podcast fiction and branded content. According to the companies, Finial’s podcasts will support Sowt’s push for audience growth, commercial opportunities, and creative content. The financier of the acquisition, MDIF, invests in independent media around the world providing news, information, and debate.

[Sowt](https://www.sowt.com/en) is a regional podcast network with a large portfolio of shows and audience. Sowt means ‘voice’ or ‘sound’ in Arabic. Through a combination of high-quality, narrative-driven and audience centered events, Sowt is a fast growing regional independent podcast network based in Amman, Jordan. Since its launch in 2016, Sowt has produced nearly 20 shows, some of which were produced independently and others through co-productions with other media outlets. (Sowt 12.09)

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* 1. UAE’s Pure Health to Invest Half a Billion Dollars in a US Healthcare Company

Alpha Dhabi Holding subsidiary, Pure Health, the largest integrated healthcare platform of the UAE, has entered into a definitive purchase agreement to acquire a minority equity investment in Ardent Health Services (Ardent), a leading U.S. healthcare provider based in Nashville, Tennessee, for a total investment of $500 million. The investment is subject to customary closing conditions and will be finalized after receipt of all necessary U.S. regulatory approvals.

Ardent is the fourth largest privately held acute care hospital operator in the U.S., with 30 hospitals and more than 200 sites of care across six states, and approximately 26,000 employees. Pure Health would achieve a minority equity investment by purchasing an interest in Ardent from Equity Group Investments (EGI), a Chicago-based private investment firm and majority owner of Ardent. As part of its investment, Pure Health would receive board observer rights but would not have a seat on Ardent’s board of directors. The investment does not include plans for either the expansion of Ardent’s physical footprint or collaboration between Ardent and Pure Health in the delivery of care. (Pure Health 02.09)

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* 1. el-dokan Raises $550,000 in a Pre-Seed Financing Round

Egypt's [el-dokan](https://el-dokan.com/), has closed a $550,000 pre-seed financing round, led by a cluster of local and regional investors including EFG EV, Flat6Labs, 500 Global and Hala Ventures. Launched in late 2020 and based in Cairo, el-dokan primarily targets large retailers and chain stores seeking to expand their E-commerce market share, increase sales, and operation automation. The startup provides E-commerce APIs for large- and medium-sized retailers as well as startups, enabling them to build highly customized and personalized E-commerce stores.

Utilizing "headless e-commerce technology”, el-dokan offers a technology infrastructure through which tech teams can develop customizable E-commerce with the flexibility to help businesses respond faster to changing business needs and keep up with the rapid changes in E-commerce. Ahmed Maher, co-founder, and CEO of el-dokan, said the key reason behind the company's ability to earn the trust of investors and close its pre-seed round is the fact that el-dokan is among the very select few companies that focus on building advanced software using cutting-edge technologies such as headless, composable e-commerce architecture. The startup also targets software companies and developers that work directly with enterprises looking to build their e-commerce stores with the available API endpoints. (el-dokan 06.09)

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* 1. CarLogik Raises $272,000 in a Pre-Seed Financing Round

[CarLogik](https://www.carlogik.com/), a Dubai-based AutoTech startup raised AED 1 million, which amounts to $270,000, in a pre-seed round funded by angel investors. Launched in March 2022, the startup is on a mission to simplify and streamline the aftermarket auto service industry. The startup will use the newly acquired funding to expand the startup’s footprint throughout the UAE, enhance its product line-up, and utilize data-driven marketing to grow its customer base.

CarLogik’s team is working toward educating customers and changing their perceptions of how the auto repair industry operates while establishing a trustworthy brand name in the UAE. CarLogik.com is an auto repair and service marketplace serving both sides of the industry – car owners and auto repair workshops. (WAYA 05.09)

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* 1. UM6P Ventures Invests in De Novo Dairy, Africa's First Alternative Dairy Startup

On 7 September, Casablanca's [UM6P Ventures](https://um6pventures.com/) completed an investment in South Africa's De Novo Dairy, a company that produces animal-free dairy products that provides the same sensory experience and nutrition as their traditional dairy counterparts. De Novo Dairy's solution will aim to cost-effectively produce premium proteins that are animal-free, sustainable and nature identical. Their proteins will replicate mammalian immuno-proteins in both function and nutrition using their uniquely designed yeast strain to express these selected proteins.

De Novo Dairy specializes in the production of milk proteins using precision fermentation of yeast strains. This allows them to extract essential cruelty-free milk proteins that are typically very scarce and difficult to obtain. The proteins developed by De Novo Dairy can be used within a wide range of products to improve and boost human nutrition. The startup is also targeting a wide range of industries including food, health, sports nutrition, and baby formula.

As part of the Venture Builder support system provided by UM6P Ventures, De Novo Dairy will benefit from both capital funding and scientific support. They will be connected to a large network of investors including VC funds, acceleration partners, biotech corporations and agtech scale-up entities throughout Morocco and worldwide. In preparation for growth and expansion in the triangle park North Carolina region, UM6P Ventures will assist in the launch of a De Novo Dairy subsidiary there. (UM6P Ventures 07.09)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. Kuwait Readies Itself for EVs

Kuwait has finished preparing the executive regulations for electric vehicle (EV) charging stations, the country’s Electricity, Water and Renewable Energy Minister Al Moussa told state media outlet Kuna. The regulations will lay out zones and facilities where EV charging stations will be placed. These include government and commercial buildings. Details on the regulations are scarce and the statement does not note when the new document will be issued.

The Electricity, Water and Renewable Energy Ministry has been looking into setting up infrastructure — including charging networks — to encourage widespread EV adoption in Kuwait for several years. Kuwait’s Electricity Ministry had formed a committee back in June to begin working on the regulations.

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* 1. Qatar to Tap Global Hydrogen Market with $1 Billion Plant

Qatar plans to build a $1 billion plant to make blue ammonia, a fuel that can be converted into hydrogen by countries looking to reduce their carbon emissions. While nascent, the worldwide market for ammonia is expected to grow as it can be shipped and converted into hydrogen, which is considered a clean fuel because it doesn’t produce carbon dioxide. Ammonia can also be burned to produce electricity or used as a fertilizer.

QatarEnergy signed agreements with Industries Qatar and its subsidiary, Qatar Fertiliser Co., to develop a so-called blue ammonia plant that will be able to produce as much as 1.2 million tons a year. Germany’s ThyssenKrupp and Consolidated Contractors Co. in Greece have been awarded a contract for the plant dubbed ‘Ammonia-7,’ QatarEnergy said.

About 1.5 million tons of carbon dioxide will be captured and sequestered from the ammonia-making process per year once the blue ammonia plant starts operating in Q1/26. Qatar aims to develop its carbon capture and storage facilities so that it can sequester as much as 11 million tons of carbon dioxide a year by 2035. (GB 01.09)

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* 1. Alfanar to Build a Green Hydrogen Plant in Egypt

The Riyadh-based electrical construction firm Alfanar signed the memorandum of understanding with Egypt’s General Authority of the Suez Canal Economic Zone, Sovereign Fund, Electricity Transmission Company and New and Renewable Energy Authority. The memo stipulates that the entities will develop a green hydrogen facility in Ain Sokhna, which is south of Suez. The $3.5 billion project aims to produce 500,000 tons of green ammonia from 100,000 tons of green hydrogen per year.

Egypt is seeking to boost its renewable energy capabilities. To this end, the country is seeking investment from Israel as well as from Gulf states. Saudi Arabia in particular is helping Egypt develop its renewable energy sector. In June, the two countries signed a green hydrogen development deal. The same month, Saudi Arabia’s ACWA Power agreed to develop a wind project in the country.

Egypt has relatively little oil compared to its allies in the Gulf. It does not experience chronic electricity outages like other parts of the region. However, the country of 100 million has major power needs and has suffered from power cuts in recent years.

Recently there have been several other energy-related developments in Egypt. Earlier in August Cairo announced a plan to reduce electricity consumption with the goal of freeing up natural gas for exports. A Russian company is also working on building Egypt’s first nuclear power plant. Saudi Arabia also secured more funding this month for its electricity interconnection plan with Egypt. (Alfanar 31.08)

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* 1. Egypt Intensifies Green Initiatives Ahead of COP27

Egypt has recently launched a series of environmental campaigns and initiatives as part of its preparations for the 2022 United Nations Climate Change Conference (COP27), which it will host in Sharm el-Sheikh on 7 November. In August, the Central Administration for the Protection of Nature, affiliated with the Ministry of Environment, launched a campaign dubbed “Blue Lagoon,” which aims to raise awareness of the importance of nature reserves and their role in preserving the natural resources and biodiversity, and of the danger of plastic bags on sea animals. On 7 August, the Egyptian government also announced an initiative to plant 100 million trees. The “Green Lung” initiative aims to double the per capita share of green spaces, improve air quality, reduce greenhouse gas emissions, benefit the economy, improve the citizens’ public health and generate economic returns, by planting a variety of trees, including fruit trees such as olives, woody trees and ornamental trees.

On 31 July, the Ministry of Environment launched another campaign to restore the environment back to its pristine state. The campaign is designed to raise awareness of climate change-related issues in Egyptian society, and encourage people of all age groups to actively participate in protecting the environment from the effects of climate change and underscore their responsibility and important role in this issue.

The campaigns announced recently all come as part of the “Go Green” initiative launched on 29 December 2019, under the patronage of President Abdel Fattah al-Sisi. The three-year initiative aims to educate citizens about the importance of preserving the environment and natural resources. (Al-Monitor 06.09)

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* 1. Egypt Could Receive Some $1.3 Billion in Funding from the EBRD for the Environment

The European Bank for Reconstruction and Development (EBRD) is ready to provide as much as $1.3 billion in funding to support clean energy projects in Egypt, EBRD President Renaud-Basso said on 7 September. Renaud-Basso pledged to invest $1 billion in renewable energy projects and provide a further $200-300 million to fund the energy pillar of the government’s Nexus on Water, Food and Energy (NWFE) program. The announcement came following the EBRD president's meeting with Egypt’s International Cooperation Minister Al Mashat, on the sidelines of the Egypt-International Cooperation Forum (Egypt-ICF) in the new administrative capital.

The EBRD will also provide $300 million in funding to Egypt to help it decommission 5 ‎GW of gas-fired power plants from 2023. The money will be spent on stabilizing the ‎country’s electricity grid, adding battery storage, upgrading local supply chains for renewables ‎and retraining workers.‎

As well, the EBRD is providing a €10 million loan to ‎Egypt's Abou Ghaly Motors to fund the purchase of 250 electric vehicles for its taxi ‎fleet. Around €3 million of that funding will come from the UK’s ‎Foreign, Commonwealth and Development Office. The company will use the money to electrify ‎its London Cab fleet, which are used to provide taxi services as well as airport transfers. (Enterprise 08.09)

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* 1. Egypt Enlists Australian Company to Help Develop Green Hydrogen Project

Egyptian President al-Sisi met with an Australian green energy company recently to discuss a ‎green hydrogen project. Fortescue Future Industries discussed a potential 9.2GW green ‎hydrogen project in Egypt with Sisi during the meeting, the company said in a statement ‎Saturday. Last month, Fortescue signed a Memorandum of Understanding with Egypt on ‎exploring green hydrogen opportunities.‎

Egypt is investing more in green technology and renewable energy ahead of the United Nations ‎Climate Change Conference (COP27), which will take place in Sharm el-Sheikh in November. ‎These investments include funding for green hydrogen projects. Most recently, a Saudi ‎company agreed last month to build a green hydrogen facility in Egypt. (Al-Monitor 12.09)‎

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* 1. Seven Types of Plastic Packaging Now Banned from Production in Tunisia

While plastic pollution is in full swing in Tunisia, several companies specializing in the production of plastic bags have been shut down due to a new government decision. Since 1 September 2022, seven categories of plastic packaging are banned from production in the North African country. These are single-use plastic bags, primary packaging with a thickness of more than 15 microns, oxodegradable or oxofragmentable plastic bags, as well as bags labelled “biodegradable bag” which tests and analyses show do not meet the biodegradation requirements.

The new measure also concerns plastic bags whose chemical composition contains a total concentration of heavy metals in excess of 100 ppm (multifilament polypropylene), packaging intended to come into contact with and plastic bags that do not bear the marking affixed by their producers and importers.

Through this initiative, the Tunisian government wants to put an end to plastic pollution, particularly in tourist areas, especially beaches. In July 2022, the country banned swimming on the beaches of Rades, Ezzahra and Hammam-Lif, located in the southern suburbs of the capital Tunis. This decision followed an investigation by the Tunisian Ministry of Health which qualified 21 beaches as “beaches unsuitable for bathing”. In addition to preserving terrestrial and aquatic biodiversity, the ban on plastic bag production will save Tunisia money. According to a report by the World Wildlife Fund (WWF) published in 2019, about 20 million euros are lost each year in the fight against plastic pollution. (Afrik21 05.09)

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* 1. Faced with Coastal Erosion, the World Bank Supports Morocco's Climate Resilience

With 42% of Morocco's coastal potential threatened by erosion, the World Bank is launching the Resilience and Integrated Disaster Risk Management Program with the Moroccan government. The initiative will improve the living conditions of the population through climate investments in several sectors affected by climate change. The coastal erosion affects particularly effects Tangier, where it could lead to the loss of 99% of the port infrastructure and 63% of the industrial zone of this tourist city by 2030.

High risks of flooding due to rising sea levels have been observed in the lagoon of Nador, the coastal city of Essaouira, the Moulouya River and its delta, as well as in the low coastal plains of Oued Nekkor and Oued Laou. The initiative, which will run until 31 December 2023, aims to strengthen early warning systems and national hydro-meteorological monitoring, as well as the development of smart agriculture and water resources.

At the same time, the Kingdom’s newly established Directorate of Natural Risk Management will draw on the financial and technical support of the World Bank to introduce university courses specializing in climate risk and to improve data collection methods on carbon dioxide emissions. In addition, the Bretton Woods institution also plans to increase investment in meteorological stations. Projects will focus on sectors most affected by the effects of climate change, with agroforestry and tourism as priorities. (Afrik21 01.09)

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* 1. Morocco’s $18 Billion Renewables Export Hub

Morocco’s ambitions to become a global leader in renewable energy got a major shot in the arm back in 2021, when it announced plans to generate a whopping 10.5 GW of solar and wind energy from just one project and on-site battery storage by 2030 — far outstripping regional rival Egypt’s Benban solar park’s 1.8 GW.

The Xlinks project boasts a total size of 1.5 million m2 — 200,000 m2 of solar arrays alone. The project will also include a 20 GWh lithium-ion battery storage facility. The project aims to export 3.6 GW of electricity to the UK through four sub-sea cables stretching 3.8k km — potentially the world’s longest undersea electric cable connection. When completed, the project is expected to supply 8% of the UK’s electricity needs. The project is expected to cost $18 billion. As of May, Xlinks had raised an investment of undisclosed size from UK-based energy supplier Octopus Energy Group and was in talks to for additional funding.

Morocco’s Noor Ouarzazate solar power complex is among the world’s largest concentrated solar power facilities and currently has 510 MW capacity from its three separate, co-located power stations: Noor I (160 MW), Noor II (200 MW), and Noor III (150 MW). A 72 MW fourth station, Noor IV, is also planned.

Noor I and II use one kind of concentrated solar power (CSP) technology, and Noor III uses another, while Noor IV will make use of photovoltaic (PV) cells. CSP — which uses steam generated from heated water to produce electricity — requires collector and generator systems, and is more expensive and water-intensive than PV. These days, it’s most widely used in hot countries like Spain and Israel. By contrast, PV — which produces electricity directly — is the most widely used solar tech in the US and Europe, as PV cells have become very inexpensive. (Enterprise 31.08)

ARAB STATE DEVELOPMENTS

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* 1. Lebanon's Balance of Payments Deficit Stands at $2.78 Billion in July 2022

According to BDL’s latest monetary report, the BOP recorded a cumulative deficit of $2.78 billion by July 2022, compared to a deficit of $1.77 billion over the same period last year. Accordingly, Net Foreign Assets (NFAs) of BDL fell by $3.01 billion, as BDL has continued to make some intervention on FX market through the “Sayrafa” rate while the NFAs of commercial banks increased by $227 million by July 2022.

On a monthly basis, the BOP deficit stood at $207.7M; as NFAs of BDL fell by $220.7M while that of Commercial banks increased by $13M. For a meaningful analysis, we examine the NFAs of commercial banks. For the month of July, it was dominated by the decrease in foreign liabilities and foreign assets. On the liabilities side, “Non-resident financial sector liabilities” decreased by $71.77M, to reach $4.35B, while “Non-resident customers’ deposits” declined by $155.64M, to reach $23.68B by July 2022. On the asset side, however, “Claims on non-resident financial sector” dropped by $46.52M to reach $3.82 billion; and “claims on non-resident customers” decreased by $123.4M to $2.42 billion.

Without doubt, persistent disequilibrium in the balance of payment for Lebanon is a major concern for the country’s economy as well as additional burden for the national exchange rate, but what is shocking is a wider deficit observed all over the months of 2022 comparing to year 2021. After the notable reduction in 2021, the BoP in 2022 is reflecting the adaptation of the Lebanese people towards the ongoing crisis as consumer’s behavior seems to readjust to the ongoing crisis, in addition to the higher international commodities prices. (BDL 06.09)

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* 1. Jordan's Inflation Rises by 3.85% in 8 months

Jordan's Consumer Price Index (CPI) rose by 3.85% during the past eight months, reaching 106.07 points against 102.14 in the same period of last year, according to the Department of Statistics (DoS). The biggest drivers of the increase were transportation, rents, vegetables and pulses, and fuels and lighting, which each contributed 20.97%, 5.8%, 10.15% and 8.14%, respectively.

On a monthly level, the report indicated that the CPI in August 2022 inched up by 5.36% to 108.18 points against 102.68 in August of last year. The fuel and lighting sector constituted 31.59% of the monthly increase, followed by culture and entertainment with 14.2%, health with 6.97%, transportation with 6.89%, and rents with 4.48%, figures showed. (Petra 11.09)

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* 1. Jordan Receives JD82 Million in Foreign Aid in 2022's First Half

Jordan received JD81.7 million in foreign aid in the first half of 2022, up from JD77 million in the same period the year before. This represents an increase of approximately JD4.6 million, or 5.9%, according to figures published by the Ministry of Finance.

The total revenue of the central government from January to June was JD4.1 billion, an increase of JD313 million, or 8.3%, compared to JD3.785 billion in the same period of the previous year. Total government spending during the six-month period was approximately JD4.950 billion, against JD4.620 billion during the same period the previous year, indicating a 7.1% increase of JD328.8 million. The rise in total expenditures was driven by an increase in current expenditures of JD176.4 million, or 4.2%, and an increase in capital expenditures of approximately JD152.4 million, or 39.5%.

The figures indicate that the post-foreign aid budget deficit for the first half of 2022 will be approximately JD847.4 million, compared to JD831.7 million for the same period in the previous year. According to the ministry, the pre-foreign aid budget deficit has increased to JD929 million from JD908.8 million during the same period last year. (Petra 11.09)

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* 1. Jordan's Trade Deficit with EU Countries at JD1.2 Billion in 6 Months

Jordan's trade balance deficit with the European Union (EU) stood at JD1.206 billion in the January-June period of 2022 against JD1.226 in the same reporting period of 2021, according to the Department of Statistics (DoS). The statistics showed that national exports to the bloc's countries soared by 103.2% to reach some JD174 million in 2022's first half, compared to JD86 million in 2021.

Imports from the EU member states edged up by 5.2% in the same period, amounting to JD1.380 billion against 1.312 last year. According to the figures, Romania was the main EU destination of Jordanian exports while German's was the Kingdom's top European supplier. (Petra 12.09/)

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* 1. Jordan's Education Ministry to Establish 100 New Schools Annually Over 10 Years

The Jordanian Ministry of Education has said that its strategic plan for the next 10 years will work on establishing 100 schools per year. According to the Director of the International Buildings and Projects Department at the Ministry of Education, the strategic plan aims to solve the problem of overcrowding in classrooms around the Kingdom, and to do away with rented buildings. The plan is in line with a vision to provide the best educational environment for students, especially after the pandemic, as the plan was put in 2019 but was disrupted due to the pandemic.

In 2022, the number of students who transferred from private to public schools increased to 250,000 students, and the ministry’s strategy was to establish 60 new schools annually. Building new schools within the strategic plan will cost approximately $700 million, which will be allocated from loans and grants from Saudi Arabia, Kuwait, USAID, the German Development Bank (KfW), Royal initiatives, the private sector and from the national budget, Samamah noted.

The partnership with the private sector project will design and manage the building of 15 schools for 20 years, while USAID’s grant will build 30 schools which will be established for the inclusion of persons with disabilities in terms of space, number of floors and stairs, bathrooms and much more. (JT 10.09)

►►Arabian Gulf

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* 1. Qatar Issues First Digital Payment Licenses to Fintech Providers

Qatar’s Central Bank granted the first-ever digital license payments in the country to Ooredoo Money and Vodafone Qatar’s iPay. The Qatari Central Bank hopes to oversee all companies providing digital payment services in an effort to contribute to the development of the financial technology sector.

Ooredoo is a Qatari telecommunications giant. The company’s Money Wallet is a digital payment system. Vodafone, based in the UK, is also a telecom company. Vodafone Qatar’s iPay likewise provides digital payment services.

The fintech sector is growing throughout the Gulf as many countries in the region work to diversify economically and rely less on oil and gas. For example, in May, several fintech companies decided to join Abu Dhabi’s Hub71 startup community. Several Turkish fintech companies also met with Qatari investors in February in order to attract Qatari investment in the sector. (Al-Monitor 30.08)

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* 1. UAE Cabinet Approves New Law Regulating Public-Private Sector Partnerships

The UAE cabinet approved the issuance of a federal law, regulating partnerships between the country’s federal authorities and its private sector. The law aims at organizing partnership between both sectors, encouraging the private sector to participate in development and strategic projects and increasing investment in projects of economic and social significance. It also aims to bolster the competitiveness of projects in the local, regional and global markets.

The cabinet also approved the temporary licensing of the first electric cargo aircraft in the region. The Council of Ministers approved the temporary license for the first cargo plane in the region that operates entirely on clean electric energy and without any emissions.

The country’s tourism sector recorded a 12% rise in its contribution to the national economy in the first half of 2022. The number of hotel guests establishments increased by 42% to total 12 million, compared to 6.2% before COVID-19 pandemic. The total revenues of the sector exceeded Dhs19billion, during the first half of 2022. Dubai International (DXB) welcome recorded 27.884 million passengers in the first half of the year, just 1.2 million shy of the airport’s total annual traffic last year. (GB 12.09)

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* 1. UAE Garners $5 Billion as in Tourist Revenues

The United Arab Emirates' tourism revenues surpassed $5 billion in the first half of this year, officials said, with a strong performance expected this winter when neighboring Qatar hosts soccer's World Cup. Hotel occupancy was up more than 40% on COVID-hit 2021, UAE prime minister and Dubai ruler Sheikh Mohammed bin Rashid Al Maktoum said. The UAE's tourism sector's revenues surpassed 19 billion dirhams ($5.2 billion) in the first half of 2022. The total number of hotel guests reached 12 million, achieving 42% growth, and we expect a strong tourism performance in this winter season.

As an established holiday destination, Dubai is expecting to host large numbers of soccer fans during the World Cup in November and December due to a scarcity of accommodation in tiny Qatar. Dubai is one of the Gulf cities operating daily shuttle flights to and from Qatar during the World Cup, allowing fans to stay outside the wealthy state and still attend games. The UAE's economic growth in 2022 has exceeded 22% and foreign trade is more than $272 billion, compared to $229 billion pre-pandemic. (AFP 11.09)

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* 1. Saudi GDP Quarterly Growth Rate Reaches a 10 Year High

The Saudi General Authority for Statistics said that GDP increased 12.2% in the second quarter, compared to the same period last year. GDP also increased 2.2% from the first to the second quarter this year. The yearly increase was the biggest since 2011.

The General Authority of Statistics offered an assessment, attributing the high growth to a high increase in oil activities. Oil and gas accounted for 38.7% of GDP during the second quarter of the year, according to the authority. Oil prices have been historically high this year, in part due to the market disruption resulting from the Russian invasion of Ukraine. Saudi Arabia also recently pushed the Organization of the Petroleum Exporting Countries (OPEC), as well as Russia, to cut production for October.

The OPEC+ alliance had been boosting production throughout the summer, but Saudi Arabia was concerned about recent price decreases. Saudi Arabia may also be looking to stick it to Washington over the possibility of resurrecting the Iran nuclear deal, which Saudi opposes. US President Biden wants Saudi Arabia to increase production due to high prices in the United States.

Saudi Arabia’s annual GDP was 3.2% in 2021, according to The World Bank. Saudi Arabia’s non-oil activities increased 8.2% from Q2/22 to the same period last year. Government services activities also accounted for 13.9% of GDP during the second quarter. Saudi Arabia is seeking to reduce its dependence on oil per the Vision 2030 initiative. Saudi entities are investing in an array of sectors to this end, including major US companies, professional golf, video games, green technology and more. (Al-Monitor 07.09)

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* 1. Egypt's Inflation Hits Highest Level Since November 2018

Egypt's inflation accelerated in August to reach a near-four-year high on the back of higher food and beverage prices, according to figures from CAPMAS. Urban consumer prices grew at a 14.6% y-o-y clip, compared with 13.6% in July, marking the highest recorded figure since November 2018 as the cost of living continued to rise on the back of the war in Ukraine and the weakening EGP.

Food and beverage prices — the biggest component of the basket used to measure inflation — rose 23.1% y-o-y in August, up from 22.4% the month prior. Transportation costs also rose 17.9% y-o-y, while housing, electricity, water, and fuel costs rose 5.6% y-o-y.

However, urban inflation rose 0.9% m-o-m in August — a slower pace from July when it rose 1.3%. Core inflation — which strips out volatile items such as food and fuel — climbed 16.7% from a year earlier, up from 15.6% in July, according to central bank data.

Analysts and economists widely expect the EGP to weaken further against the USD in the coming weeks and months as the government tries to seal an agreement with the IMF for an emergency loan. The IMF is likely to want to see increased exchange rate flexibility before signing off on a new program. The currency has fallen 22.7% against the greenback since March. (Enterprise 11.09)

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* 1. Egypt’s Non-Oil Private Sector Contracts at a Slower Pace in August

Activity in Egypt’s non-oil private sector contracted at a slower pace in August on a relative easing of inflationary pressures, according to S&P Global's latest purchasing managers’ index. Output and new orders inched higher for the second consecutive month from June's lows as clients’ spending constraints began to relax. The index rose to 47.6 last month, up from 46.4 in July — its highest reading since February, though still well below the 50.0 threshold that separates growth from contraction. This is the 21st consecutive month that the gauge suggests activity in Egypt’s private sector has declined.

Input costs rose at a slower pace in August, although raw material supplies continue to be impacted by pressure on the EGP and import restrictions aimed at keeping foreign currency in the country. Input purchase levels dropped for the eighth successive month as companies curb their spending due to weak sales.

Businesses continued to see a drop in client demand, though new orders decreased at the softest rate since April, leading to a slower fall in output. End prices for products and services continued to record “solid” rises in August, though also at a much slower rate.

Inflation in the wider economy reached a three-year high of 13.6% y-o-y in July — largely on the back of higher food and fuel prices. That said, global commodities markets have on the whole been cooling as the immediate impacts of war in Ukraine subside, which could explain the relative easing of cost increases in the private sector in August compared with July. Most analysts are expecting the reprieve to be short-lived, predicting inflation to continue rising through the rest of the year as underlying pressures remain high. (Enterprise 06.09)

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* 1. Suez Canal Sees Record Monthly Revenues in August

Revenues at the Suez Canal hit an all-time high of $744.8 million in August, the Suez Canal Authority announced on 8 September. This is 32% higher than August 2021. The large revenues came due to record tonnage and a record number of vessels transiting the canal. More than 2,120 ships transited the canal during the month, up 13% y-o-y. Tonnage increased 16% from August last year to 127.8 million tons.

Suez Canal revenues hit a record high of $7 billion in FY 2021-2022 thanks to a global surge in oil prices and freight rates, as well as the crisis in Ukraine making the canal more attractive than other routes. (SCE 11.09)

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* 1. Cairo's Latest Tourism Targets are Ambitious

The Egyptian government wants to more than triple annual tourism revenues over the next three years, Prime Minister Madbouly said in a televised statement. Speaking during a tour of the COP27 venue in Sharm El Sheikh, the prime minister said the government is aiming to increase revenues to $30 billion a year, up from almost $9 billion last year (and $11-12 billion currently, he said), as it tries to help the sector recover from years of disruption.

Tourism, a vital source of foreign currency for Egypt, brought in $8.9 billion in revenues in 2021, according to central bank figures. This is more than double that of 2020 when the COVID-19 pandemic caused revenues to plunge almost 70%, but still well below the record high of $13 billion in 2019.

The ambitious target suggests that the government doesn’t see current (read: Russian-Ukrainian crisis) or future geopolitical crises having a huge impact on the sector. The Finance Ministry earlier this year came out with an optimistic forecast for the first half of 2022 that suggested the market would move quickly past the loss of Ukrainian and Russian visitors, which before the war accounted for more than 30% of all tourist arrivals. Recent balance of payments figures showed that revenues fell 21% q-o-q in 1Q 2022, with the central bank saying that the sector had been negatively impacted by the crisis.

Egypt has been working overtime to attract visitors from other European markets to drive inbound traffic, with efforts also including luring tourists from little-tapped markets in Latin America and other markets, including the Gulf. In response to the war, the government launched an international promotional campaign — dubbed #FollowTheSun — in mid-March to better exploit profitable tourist markets in Europe and the US. It also widened the number of people eligible to obtain a visa on arrival or a pre-arrival electronic visa under efforts to back the key sector. (Enterprise 12.09)

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* 1. Egypt's Customs Exchange Rate Raised to a Record High

Egypt's Customs Authority has raised the USD customs exchange rate to EGP 19.31 from EGP 18.65 in June, effective on 8 September. This brings the customs USD in line with the official exchange rate, which saw the EGP slip to 19.31 against the greenback on 7 September from 19.29. The currency has now fallen 22.4% since the devaluation in March.

Cairo re-introduced the monthly customs exchange rate in March after the central bank allowed the EGP to fall 16% against the greenback. The rate was set at EGP 16.00 for imports of basic commodities and materials used for manufacturing. The hike will put more pressure on importers already struggling with high inflation and import restrictions that require them to use costly letters of credit (L/Cs) to get goods into the country. (Enterprise 09.09)

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* 1. Egypt Believes a Flexible Exchange Rate Is Definitely Good for Its Economy

Egyptian Planning Minister El Said has become the first government official to make a public statement saying cabinet supports allowing the EGP to move more freely against the US dollar. Her remarks come after weeks of speculation that new central bank governor Hassan Abdalla will allow the currency to depreciate further against the USD to help secure an assistance package from the IMF, attract foreign capital and break an import logjam.

The key question now is will the floatation be sudden or gradual? With more EGX flexibility now seeming all but inevitable, market watchers are asking whether the pound will slide against the greenback at a slow pace or whether it will become a 2016-style shock devaluation. Either way, most market watchers are forecasting a double-digit depreciation by the end of the year, with BNP Paribas forecasting the currency to settle at EGP 23-24 to the USD. One USD is currently changing hands at USD 19.29, with the pound having slipped more than 20% since the devaluation in March. (Enterprise 07.09)

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* 1. Egypt to Issue Bonds in the Yuan - China’s Currency

Al-Monitor reported on 29 August that Egypt has decided to issue bond’s denominated in China’s currency, the yuan. Egyptian Finance Maait announced that Egypt will issue $1.5 and $2 billion’s worth of the yuan-denominated bonds. In general, the US dollar is the world’s reserve currency, and is widely used in the Middle East, including for bond issuances. However, as China rises as an economic power, the yuan is chipping away at the dollar’s dominance — at least to a small extent. In April, Israel’s central bank added the yuan to its foreign currency reserves. Saudi Arabia has also been considering using the yuan instead of the dollar for oil sales to China.

The bonds also have importance in regard to Egypt’s economic situation. Egypt’s foreign currency reserves have fallen dramatically this summer, in part due to the fallout from the Russian invasion of Ukraine. The war has disrupted Egypt’s imports, particularly of wheat. The Egyptian government is currently working to reduce its budget deficit. The Ministry of Finance also said it plans to issue Egyptian pound-denominated bonds worth $600 million.

The yuan bonds have been in the works for some time. Maait announced his intention to issue bonds in yuan back in May alongside the Chinese ambassador in Cairo. Egypt’s ally the United Arab Emirates (UAE) started issuing bonds for the first time last year, opting to use US dollars. This year, the UAE began issuing bonds in their own currency, the dirham. (Al-Monitor 29.08)

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* 1. Rising Energy Costs Push Morocco’s Trade Deficit to New Heights

After showing timid signs of recovery in 2021, Morocco’s external trade deficit is reaching its highest level in more than five years. At the end of July 2022, the country’s trade deficit climbed to a staggering MAD 63.9 ($6 billion), according to recent data from Morocco’s Exchange Office.

Accordingly, the country now imports 53.5% more than its exports over the course of the first seven months of 2022, up from 48.7% reported a month earlier. Rising energy prices continue to weigh down on Morocco’s trade deficit, as the county imports close to 90% of its energy needs. The country’s energy bill has “more than doubled” at the end of July 2022. Over the first seven months of 2022, while the volume of energy imports rose by a moderate 9.4%, the cost of energy imports totaled a sweeping MAD 88.1 billion ($8.2 billion), up from MAD 38.7 billion ($3.6 billion).

In addition to the dramatic rise in the cost of energy imports, the country’s ammonia import costs - a key ingredient in the manufacturing of fertilizers - has reached new heights, as the cost of ammonia rose by almost fourfold since last year. Ammonia imports went from MAD 3.4 billion ($320 million) in July 2021 to more than MAD 12 billion ($1.1 billion) a year later.

Coupled with rising energy prices, the rise in grain imports on the backdrop of a sub-optimal agriculture season has equally taken its toll on the country’s foreign trade balance, as the bill of wheat imports almost doubled at the end of July. Wheat exports stood at MAD 17.1 billion ($1.6 billion) at the end of July 2022, up from MAD 8.6 billion ($810 million) a year earlier. (MWN 02.09)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkey's Inflation Accelerates Beyond 80% After Shock Rate Cut

Turkey’s official consumer price inflation rate edged up to 80.2% last month, extending the highest level since 1998, after the central bank unexpectedly cut interest rates. Inflation accelerated from 79.6% in July, driven by transport costs and the price of food and household goods, the Turkish Statistical Institute said.

Turkish President Erdoğan is prioritizing economic growth over the battle against inflation ahead of presidential and parliamentary elections scheduled for June next year. Last month, the central bank, acting on government orders, shocked investors by cutting the benchmark interest rate to 13% from 14%.

Turkey's annual inflation was expected to climb to 81.2% last month, according to the median estimate in a Reuters poll. Producer price inflation slowed to 143.8% from 144.6% in July, the institute said. So-called core consumer price inflation advanced to 66.1% from 61.7% in July. The measure excludes more volatile items such as energy, food, beverages, tobacco and gold.

Many Turks and economists doubt the accuracy of official inflation data, pointing to alternative calculations that are at much higher levels and a slew of senior-level firings at the statistical institute. Inflation for Istanbul accelerated to 99.9% in August from 91.1% in July, the city's chamber of commerce said last week. The gap between that measure and official inflation is at the widest on record. The lira was trading virtually unchanged at 18.22 per dollar after the inflation data was published. (Ahval 05.09)

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* 1. Turkish Central Bank Increases Holdings of Dollars to Record Level

Turkey’s central bank has increased its holdings of dollars to a record at a time when it is seeking to defend the lira against a sell-off. The increase is the outcome of foreign currency purchases by state energy company Botas from local financial institutions. The company has been buying dollars in the spot market to finance Turkey’s expanding import bill and some of that cash is ending up with the central bank. Botas has mandated a local broker to carry out the transactions.

The central bank spent about $18 billion to meet the foreign exchange needs of state-owned firms in the first half of the year. The biggest recipient was Botas. The amount of physical dollar bills parked with the central bank rose to $7 billion on 19 August, an increase of $2.5 billion compared with the start of June. It was not clear why Botas chose to collect the money from local institutions and deposit it with the central bank. The people declined to say which broker had been hired to perform the transactions.

Turkey’s gross foreign currency reserves, including gold, have risen to $112.2 billion as of 19 August from $100.3 billion three months earlier. The central bank has spent tens of billions of dollars of its reserves this year through cross-currency swaps and other methods to defend the lira, which has lost more than a quarter of its value against the dollar since 1 January. The lira dropped by 44% in 2021. The spending means the bank's net reserves have fallen into negative territory. (Ahval 02.09)

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* 1. Turkish Exports Hit All-Time High for the 8th Consecutive Month

Türkiye’s exports in August hit an all-time monthly high yet again, as the country achieved its annual target even before the year-end. Foreign sales jumped 13.1% year-over-year last month to $21.3 billion. Imports rose at a much faster pace, jumping 40.7% to $32.6 billion, state data showed. Exporters have managed to achieve record sales in each of the last 12 months.

The trade deficit surged by nearly 162% to a record $11.3 billion in August, the data showed, as surging energy import costs continue to widen the shortfall. The deficit in the first eight months jumped by 146.4% to $73.4 billion. Energy imports constituted some 27% of the total imports last month.

Deteriorating global conditions, exacerbated by the war in Ukraine, have raised concerns for the rest of the year. Russia’s invasion of its neighbor has sent global commodity prices soaring, endangering Türkiye’s economic program that aims to tackle high inflation with a current account surplus. Sales rose more than 18.3% year-over-year from January through August to $165.67 billion, while imports jumped 40.7% to $239.13 billion, the data showed. Exports had ended 2021 at $225.4 billion, a figure that government and economists expected to reach $250 billion this year. The 12-month rolling exports topped $250 billion as of last month. ((Daily Sabah 02.09)

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* 1. Cyprus' Unemployment Level Falls to 14,960

Cyprus unemployed decreased by 1,320 people in August, dropping by 8.1% compared to 12 months ago, data released on 6 September showed. But registered unemployment figures for July alone indicate a slight increase, compared to July 2021, according to the Statistical Service. Jobless registered at District Labour Offices in August reached 14,961 persons.

Based on the seasonally adjusted data that show the trend of unemployment, the number of registered unemployed for August increased to 14,641 from 14,318 in July. In comparison with August 2021, a decrease of 1,320 persons or 8.1%, was recorded. It is attributed mainly to the sectors of trade, which was down by 656 persons, accommodation, and food service activities, which decreased by 547 and manufacturing by -110. Transportation and storage noted a decrease of 109, and construction was down by 102 persons. Unemployment among newcomers to the labor market also decreased by 201 people. (FM 05.09)

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* 1. Greek Inflation Eases to 11.4% in August

Greek inflation remained at a double-digit rate for a fifth consecutive month, slipping to 11.4% in August compared to 11.6% in July, with the price increases in natural gas – more than three times that of last August – and food – even the most basic, such as bread, milk, oil and meat – to set the tone. However, the threat of natural gas supply disruptions, which will raise the prices of other energy products as well, is far from gone for the coming winter. At the same time food inflation, 13.2% in August from 13% in July, continues to squeeze households, mainly the most vulnerable.

According to the data the Hellenic Statistical Authority (ELSTAT), the consumer price index increased in August by 11.4% on an annual basis, while compared to July 2022 it decreased by 0.3%. The growth in the price of natural gas by 261.3% compared to August 2021 is remarkable, while in electricity the increase was 38.5%. The above hikes arise after taking into account the subsidies on the electricity and natural gas bills. Fuel also recorded a smaller increase compared to previous months, at 21.5%, as a result of the slight de-escalation in the price of oil.

In any case, food is at the peak of price increases, with no signs of a price de-escalation in the near future. In August price increases were recorded on an annual basis for bread by 18.5%, for dairy products by 18%, for olive oil by 25.5%, for meat by 17.1%, for vegetables by 7.9%, for coffee by 12.5 %, and for sugar by 6.3%. Monthly hikes were 2.5% for dairy products and by 3.9% for cold cuts. (ELSTAT 10.09)

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* 1. Greece to Repay Eurozone Bailout Loans Early for the First Time

Greece will repay ahead of schedule €2.7 billion of loans owed to Eurozone countries under the first bailout it received during its decade-long debt crisis, finance ministry officials said. Greece, the euro zone’s most indebted country, emerged from its third international bailout in 2018 and since then it has relied solely on bond markets to cover its borrowing needs. This will be the first time it has repaid its Eurozone bailout debt ahead of schedule. Doing so is part of its rebound strategy, though, as it wants to improve its debt sustainability.

The Eurozone and the IMF together lent the country more than €260 billion during the crisis, which broke out in late 2009, in exchange for tough austerity measures in Greece. Athens paid off the IMF, which provided it with €28 billion between 2010 and 2014, in April, two years ahead of schedule and plans a similar strategy with euro zone bailout loans. Eurozone countries provided Greece with €53 billion in bilateral Greek Loan Facility (GLF) loans during its first bailout, with maturities spreading to 2041. With the planned payment Greece will have paid back a total of €8 billion. (eKathimerini 08.09)

GENERAL NEWS AND INTEREST

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* 1. Moroccan & Israeli Universities Launch First Student Exchange Program

Morocco’s Mohammed VI Polytechnic University (UM6P) and Israel’s Ben-Gurion University are launching the first exchange program between the two countries. Ben-Gurion University is hosting four Moroccan university students for a summer semester. The Moroccan students are enrolled in the university’s data science and health system programs.

The collaboration between UM6P and Ben-Gurion University comes two years after Morocco and Israel officially normalized their relationship and resumed diplomatic ties. In December 2020, Morocco and Israel signed the US-brokered Abraham Accords, paving the way for future emerging collaborations.

Since the signing of the Abraham Accords, economic relations between the two countries have remarkably improved. Trade between Morocco and Israel almost doubled between 2020 and 2021, going from $70 million to $130 million. (MWN 30.08)

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* 1. In First, Prime Minister Lapid Speaks at LGBTQ Event

Prime Minister Lapid spoke recently at an event celebrating the 20th anniversary of the creation of Israeli Gay Youth, a nonprofit that advocates for the rights of LGBTQ youth. His presence at this event, held at the Israeli Opera House in Tel Aviv, marks the first time a prime minister has taken part in a pro-LGBTQ event. In his speech, Lapid emphasized his support for equal rights for the LGBTQ community.

Lapid also pledged to fight violence and discrimination against LGBTQ people in Israel. Lapid expressed the existence of a pro-LGBTQ “silent majority” and stressed that extremists must not be allowed to dominate the political conversation.

The Bennett-Lapid government was responsible for a number of achievements for the LGBT community. Many of these achievements are in the field of health, as led by Health Minister Nitzan Horowitz. Horowitz, who led the left-wing Meretz party, was the first openly gay party leader in Israel’s history. In his tenure, the ministry has eased the process of gender transition, banned conversion therapy, reversed the ban on gay men donating blood, and permitted surrogacy for same-sex couples.

Since the current government also includes parties opposed to LGBTQ rights, such as the Islamist Ra’am party, the Bennett-Lapid government did not take steps to legislate equal rights in the field of civil marriage or equal rights to adopt children. In the current framework, LGBTQ couples are allowed to adopt, but heterosexual couples are prioritized. (Davar 05.09)

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* 1. Petition to Replace French in Morocco Trends Online

An online petition entitled “Yes to linguistic justice in Morocco and No to French,” which is seeking to move away from French as a main language of education and conducting business, has reignited the discussion about the need for Moroccan institutions - especially schools and universities - to ditch French as their main foreign language. The petition’s text says that teaching children in French at an early age is “akin to the final nail in the coffin of the current and future generations, condemning them to guaranteed failure.”

According to the organizer of the petition, who goes by Abdenasser B., students are being effectively forced to learn a language that limits their opportunities in a world where other languages are increasingly dominating over French. He also argued that adopting French is a sign of an abandonment of the country’s history and traditions. The petition calls for increased adoption of Arabic in official government uses and documents, as well as in education. “The usage of French as a language for education is a sign of disrespect for the country’s direction, values, constitution, and language,” says the text of the petition.

The petition has so far garnered more than 5,500 signatures within a week of its creation, approaching its goal of 7,500 before being presented to relevant authorities. The hashtag, #NoToFrench, has also been widely used on social media to support the campaign, adding to a conversation that has been ongoing for years about the status of French in Morocco.

As English continues to be the world’s dominant language for business dealings and international education, Moroccans have been hoping for Morocco to move away from French after decades of Francophonie. The petition also coincides with brewing diplomatic tensions between Paris and Rabat over France’s decision to significantly slash the number of visas issued to Moroccans, as well as the France government’s recent visit by President Macron to Algeria. Morocco has recently been active in diversifying its relations, increasing cooperation with American and other non-French speaking partners. This has prompted many Moroccan citizens and commentators to take the view that it is only a matter of time before English effectively replaces French in the country. (MWN 30.08)

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* 1. Morocco to Reinforce English Learning Amid Tensions with France

Morocco’s Minister of National Education, Pre-School and Sports Benmoussa announced on 7 September that his ministry plans to increase the number of English teachers this academic year in an advance toward the roll out of English teaching within middle schools. Benmoussa added that his ministry considers creating platforms that can help students master the English language.

Morocco's efforts to advance English teaching coincide with the country's growing diplomatic tensions with France over visa rejection issues and lack of French support over the Moroccan status of Western Sahara. The North African country now has less than 9,000 English teachers employed across 2,200 schools in the country, but the minister insisted the number will considerably go up in the coming semesters and years.

Benmoussa’s announcement comes as many Moroccans call for ditching French and replacing it with English as the main foreign language in Moroccan schools to prepare young Moroccans for one of the requirements of the ever-competitive global economy.

In April, Morocco’s Minister of Higher Education Miraoui presented the “National Plan to Accelerate the Transformation of the Ecosystem.” The education plan called for improving language learning, promoting digital technology, and enhancing skills required in the job market. English learning was at the center of the plan, with Moroccan universities having announced plans to require students to receive a minimum B1 level --lower intermediate level-- in the IELTS or TOEFL qualifications to receive their undergraduate diploma. However, recent studies have confirmed Morocco’s low aptitude in the English language, showing Moroccan schools’ unreadiness to entirely shift to English teaching. (MWN 07.09)

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* 1. Eight Million Students Return to School in Morocco

Morocco’s Ministry of Education has announced that eight million students returned to classes from primary to high school institutions across the country on 5 September. The ministry said that public education institutions welcomed a total of 6.9 million students, noting that around 290,000 teachers have been mobilized at over 11,000 schools to supervise the students in the 2022-2023 school year, including 7,000 in rural areas. The number of educators includes around 15,000 new teachers.

Primary education facilities across Morocco are home to about 115,000 teachers, while 68,000 are in charge of secondary schools and approximately 70,000 more teachers will be placed in high schools across the country. Morocco’s education sector is expected to create more employment opportunities to hire around 20,000 additional teachers this October.

The number of students in the first year of primary school in public schools has reached 771,000 and over 26,000 classes have been set up in the public education sector, including 18,000 in rural areas to make preschool education mandatory to the general public. As part of its actions to tackle school the issue of dropouts, the ministry announced new plans for upgrading the quality of canteen services in schools which will be spread out across the region.

This academic year marked the opening of 54 new boarding schools, bringing the number of these institutions to 1,033 boarding schools (+5.5%), said the ministry, indicating that about 234,667 students are occupying the boarding schools, representing an increase of 12%. (MWN 06.09)

ISRAEL LIFE SCIENCE NEWS

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* 1. ICL Launches Groundbreaking Biodegradable Coated Fertilizer Technology

ICL ushered in a new era for controlled release urea with the launch of eqo.x, a groundbreaking rapidly biodegradable release technology designed for open field agriculture. This innovative solution is achieved through a coating, which will help farmers maximize agricultural crop performance while also limiting environmental impact, by reducing nutrient loss and by increasing nutrient use efficiency (NUE) up to 80%. The release technology also allows for increased or similar yields with reduced fertilizer rates, can help reduce the number and amount of nitrogen applications, and provides consistent and predictable nutrient release.

Importantly, eqo.x release technology is the first offering in the market to provide a controlled release fertilizer (CRF) coating for urea, which biodegrades more rapidly and was specifically designed to meet future European fertilizer standards set to go into effect in 2026. The new technology will be applied to ICL’s CRF products for agricultural crops, including its Agromaster and Agrocote brands, and will help achieve a reduction in nutrient losses. This achievement is a key tool of both the European Farm to Fork strategy and the EU Soil Strategy for 2030, which aim to reduce nutrient loss by at least 50% by 2030.

Tel Aviv's [ICL Group](http://www.icl-group.com) is a leading global specialty minerals company, which also benefits from commodity upside. The company creates impactful solutions for humanity's sustainability challenges in the global food, agriculture and industrial markets. ICL leverages its unique bromine, potash and phosphate resources, its passionate team of talented employees, and its strong focus on R&D and technological innovation, to drive growth across its end markets. (ICL 01.09)

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* 1. Aleph Farms Joins AIM for Climate as Newest Innovation Sprint Partner

Aleph Farms has been officially recognized by the Agriculture Innovation Mission for Climate (AIM for Climate) as an Innovation Sprint Partner. As part of this innovation sprint, $40 million is being invested in cellular agriculture R&D over the next five years through Aleph Farms with the support of L Catterton, Strauss Group, VisVires New Protein, CPT Capital, Synthesis Capital, Food Tank and Christensen Global. Aleph Farms will introduce its products into global markets as soon as regulatory processes conclude and approvals are finalized.

The US and the UAE, alongside 39 other countries and over 180 non-governmental partners, officially launched the AIM for Climate initiative at the 26th United Nations Climate Change Conference of Parties (also known as COP26) in Glasgow, Scotland in 2021. The initiative galvanizes support and investments for innovation geared towards climate-smart agriculture and food systems, enabling solutions where global hunger and the climate crisis intersect. Of AIM for Climate’s four focal areas for innovation sprints in 2022, cellular agriculture addresses two in particular: methane reduction and emerging technologies in agriculture.

Because meat represents only one-third of a cow slaughtered for conventional beef, Aleph Farms intends to continue expanding its product line to replace the whole cow. The company, the first to have grown steaks directly from non-genetically engineered animal cells, has also developed slaughter-free collagen, which has numerous applications across an array of multi-billion dollar industries.

Rehovot's [Aleph Farms](http://www.aleph-farms.com) grows cultivated beef steaks from cells that are isolated from a living cow and not immortalized or genetically modified, avoiding slaughter and achieving reduced environmental impact. The company was co-founded in 2017 by Didier Toubia, The Kitchen Hub by Strauss Group, and Professor Shulamit Levenberg of the Technion - Israel Institute of Technology. Its vision is to ensure unconditional nutrition for anyone, anytime, anywhere. (Aleph Farms 30.08)

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* 1. Ibex & Medipath Sign Multi-Year Expansion of AI for Cancer Diagnosis Across France

Ibex Medical Analytics and Medipath, the largest network of private pathology labs in France, announced a new agreement to expand the deployment of Artificial Intelligence (AI) to additional labs in the Medipath network. The deployment includes new AI-powered tools for diagnosing multiple tissue types and will support Medipath pathologists with improved diagnostic accuracy and efficiency.

Medipath, which provides pathology services to more than 250 hospitals and clinics across France, is a network of 115 pathologists and more than 580 employees, spread across 30 sites.

The Galen suite of solutions from Ibex supports pathologists in a variety of tasks during the diagnosis of breast, prostate, and gastric biopsies and helps improve the accuracy of cancer diagnosis, reduce turnaround time, boost productivity and improve user experience for pathologists. It is the most widely deployed AI technology in pathology and used as part of everyday clinical practice at laboratories, hospitals and health systems worldwide. Galen demonstrated outstanding outcomes across multiple clinical studies performed on various tissue types and diagnostic workflows.

Tel Aviv's [Ibex](http://www.ibex-ai.com) pioneers AI-powered cancer diagnostics in pathology. They empower physicians to provide every patient with an accurate, timely and personalized cancer diagnosis by developing clinical-grade AI algorithms and digital workflows that help detect and grade cancer in biopsies. Their Galen platform is the first-ever AI-powered integrated diagnostics solution in pathology and used in routine clinical practice worldwide, supporting pathologists and providers in improving the quality and accuracy of diagnosis, implementing comprehensive quality control, reducing turnaround times and boosting productivity with more efficient workflows. (Ibex Medical Analytics 02.09)

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* 1. Insightec Announces Financing up to $200 Million to Fund Continued Growth

Insightec signed a credit facility for up to $200 million with affiliates of existing shareholders Perceptive Advisors and Community Fund. The financing has provided Insightec with $100 million at closing, with an additional $100 million of financing potentially available in tranches through 2024. The credit facility is interest-only for five years and matures on August 31, 2027.

This financing allows Insightec to invest in driving adoption of incisionless neurosurgery to treat patients with Essential Tremor and Parkinson's disease, while continuing to advance innovation and clinical trials for expanded applications of the company's technology in neuro-oncology and other neurological conditions. Perella Weinberg Partners acted as the company's financial advisor in connection with the credit facility.

Haifa's [Insightec](http://www.insightec.com) is a global healthcare company creating the next generation of patient care by realizing the therapeutic power of acoustic energy. The company's Exablate Neuro platform focuses sound waves, safely guided by MRI, to provide tremor treatment to patients with medication-refractory Essential Tremor and Parkinson's disease. (Insightec 01.09)

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* 1. Ibex Reports Excellent Outcomes for AI-supported Diagnosis of Breast Cancer

Ibex Medical Analytics announced outstanding outcomes for the Galen Breast solution in diagnosing multiple cancer types and further expansion of its AI portfolio for breast cancer diagnosis. The CE-Marked AI solution is generally available as Ibex partners with laboratories, hospitals and health systems across Europe to deploy Galen Breast into their routine workflow, supporting improved quality and efficiency in the diagnosis of breast biopsies.

Galen is Ibex's integrated diagnostics platform supporting pathologists in the diagnosis of breast, prostate, and gastric biopsies. Galen is the most widely deployed AI technology in pathology, and laboratories, hospitals and health systems worldwide already use it as part of their everyday practice. The combination of a skilled pathologist together with the accuracy, speed and objectivity provided by Artificial Intelligence has the potential to improve the quality of diagnosis, user experience, operational efficiency and ultimately patient outcomes.

Galen Breast demonstrated excellent outcomes in a blinded, multi-site clinical study that study evaluated the performance of pathologists who used Ibex AI for diagnosing breast biopsies and compared them to pathologists who used only a microscope across multiple types of breast cancer including invasive and in-situ carcinoma as well as rare subtypes, such as metaplastic, mucinous, and other types of breast cancer. The study results showed very high accuracy and utility of Galen Breast across multiple scanning and staining platforms, and established its potential for improving the quality of diagnosis, compared to using a microscope alone.

Tel Aviv's [Ibex](http://www.ibex-ai.com) pioneers AI-powered cancer diagnostics in pathology. They empower physicians to provide every patient with an accurate, timely and personalized cancer diagnosis by developing clinical-grade AI algorithms and digital workflows that help detect and grade cancer in biopsies. (Ibex 01.09)

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* 1. Israeli Scientists Develop New Method to Eradicate Deadly Brain Tumors

A study conducted at Tel Aviv University revealed a new method that effectively eradicates glioblastoma, one of the deadliest types of brain cancer. Israeli researchers developed this method based on their discovery that two mechanisms in the brain support tumor growth and survival, both of which are controlled by cells called astrocytes. Without them, the tumor cells die, so by eliminating astrocytes the scientists managed to “starve” cancer of energy sources.

According to the scientists, this breakthrough is groundbreaking because there is no effective treatment for glioblastoma, which is an extremely aggressive and invasive brain cancer. The tumor cells are highly resistant to all known therapies and patient life expectancy has not increased significantly in the last 50 years. These findings provide a promising basis for the development of effective medications for treating glioblastoma and other types of brain tumors, the researchers said.

As tools to eliminate the astrocytes surrounding the tumor are currently available only in animal models, but not in humans, the main challenge for scientists now is to develop drugs that target the specific processes in the astrocytes, which promote tumor growth. (i24 01.09)

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* 1. Azura Ophthalmics to Evaluate AZR-MD-001 for Improved Vision for Contact Lenses

Azura Ophthalmics has been awarded a grant from CUREator, Australia’s national biomedical incubator managed by Brandon BioCatalyst. The grant will support Azura’s two-stage study evaluating the safety, tolerability and efficacy of the company’s lead clinical candidate, AZR-MD-001, in patients with contact lens discomfort (CLD) who show evidence of Meibomian gland dysfunction (MGD).

Azura evaluated AZR-MD-001 ointment (1.0%) as a potential treatment for CLD in an early pilot study: SOVS2019-070 (the ECLIPTIC study). Significant improvements over baseline were observed in meibum gland secretion score (MGS) and number of meibomian glands yielding liquid secretion (MGYLS) following treatment with AZR-MD-001 for 3 months. The significant impact of AZR-MD-001 on visual function observed across the studies is hypothesized to be the result of increasing meibum release and/or production. Increasing meibum release and/or production strengthens the lipid layer of the tear film which in turn should increase the stability of the precorneal tear film. Since the precorneal tear film is the first major refractive surface in the eye, this should stabilize visual quality and could explain the observed improvements in vision-related patient-reported outcomes.

Azura’s lead clinical-stage drug candidate, AZR-MD-001, is a topical ointment that has been developed to yield properties ideal for ophthalmic use. The formulation is applied to the lower lid margin twice a week before bedtime.

Tel Aviv's [Azura Ophthalmics](http://www.azuraophthalmics.com) is utilizing our deep understanding of ocular surface diseases and drug development to deliver a new therapeutic class of Ophthalmic Keratolytics. Our differentiated approach combines ophthalmologic and dermatologic solutions to exploit the unique properties of keratolytics to treat the root cause of numerous underserved ocular indications. (Azura 07.09)

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* 1. Inspira Technologies Performed HYLA Blood Sensor In-Vivo Study

Inspira Technologies announced the completion of an animal study that was conducted at Lahav C.R.O (contract research organization) by leading intensive care unit, or ICU, and respiratory specialists, who are members of Inspira's Scientific Advisory Board. The completion of the animal study is an additional important step toward initiating human studies using the HYLA blood sensor.

During an animal study, the HYLA blood sensor performed measurements of blood parameters with results being compared to numerous blood samples taken and analyzed using a routine blood gas analyzer, which is considered the standard of care used by hospitals today. The HYLA blood sensor is a non-invasive device, designed to provide continuous real-time measurements, overcoming the disadvantages of standard blood gas analysis machines that require blood to be drawn and cannot provide a continuous display of data indicating the patient's condition in real-time. These important characteristics of the HYLA blood sensor may be vital in providing immediate alerts of sudden changes in a patient's condition and may reduce risks, complications, and costs.

Ra'anana's [Inspira Technologies](https://inspirao2.com) is an innovative medical technology company in the respiratory treatment arena. The Company has developed a breakthrough Augmented Respiration Technology (Inspira ART), designed to rebalance patient oxygen saturation levels. This technology potentially allows patients to remain awake during treatment while minimizing the need for highly invasive, risky and costly mechanical ventilation systems that require intubation and medically induced coma. (Inspira Technologies 07.09)

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* 1. Taranis Raises $40 Million Series D to Advance Crop Intelligence

Taranis has raised $40 million in Series D funding. The round was led by Inven Capital, a European climate tech fund, with participation from new investors Seraphim Space Investment Trust (SSIT) and Farglory Group, and strong backing from existing investors: Vertex Growth, Viola Ventures, Vertex Ventures Israel, La Maison Partners, Hitachi Ventures, K3 Ventures, UMC Capital, OurCrowd, Micron Ventures, iAngels Ventures, Presidio Ventures (Sumitomo), Cavallo Ventures (Wilbur Ellis), Finistere Ventures and Eyal Gura. This latest round brings Taranis' total funding to $100 million.

Taranis' crop intelligence platform uniquely leverages leaf-level imagery and is powered by cutting-edge machine learning, trained by the industry's largest crop dataset containing over 200 million AI-data points. In the most recent growing season, Taranis delivered millions of actionable insights to ag advisors and growers, empowering decision making, simplifying crop management, and improving their bottom line.

Tel Aviv's [Taranis](http://www.taranis.ag) is the world's leading AI-powered crop intelligence platform, 100% focused on helping ag advisors demonstrate value to their growers and build better relationships through full-service, leaf-level data capture that allows them to accelerate decision making, simplify management, and improve their bottom line. Since starting in 2015, Taranis has worked with the world's top agricultural retailers and crop protection companies. (Taranis 07.09)

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* 1. BioBetter Funding to Relieve Cultivated Meat's Bottleneck Using Tobacco Plants

BioBetter has secured $10 million in its A –round funding. The round was led by Jerusalem Venture Partners (JVP), with additional investment from Milk and Honey Investments, and the Israeli Innovation Authority (IIA). This significant injection of capital will be instrumental in accelerating cell-cultured meat closer to its ambitions for broad scale production.

BioBetter harnesses the inherent advantages of tobacco plants as bioreactors for creating the growth factors necessary for the cellular development of cultivated meat. This landmark botanical development could significantly reduce the cost of cultured meat and help rapidly advance its commercialization. The start-up is on a mission to relieve one of the biggest bottlenecks in this emerging industry: the steep costs and limited availability of growth factors that play a critical role in multiplying cultured meat cells.

BioBetter has pioneered a unique protein manufacturing platform for producing growth factors (GFs) using tobacco plants (Nicotiana tabacum) as natural, self-sustaining, animal-free bioreactors. The field-grown tobacco plants offer a new, sustainable, efficient, and flexible response to the market need for more competitively priced GFs, specifically insulin, transferrin and FGF2. These compounds are necessary to make cultivated meat commercially viable.

Kiryat Shemona's BioBetter pioneers novel protein expression platforms to address the fast-growing demand for complex recombinant proteins. The new technology will alleviate one of the biggest bottlenecks in advancing cultured meat to mass production. (BioBetter 07.09)

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* 1. Steakholder Foods' Omakase Beef Morsels, a Marbled 3D-Printed Beef Cut

Steakholder Foods (formerly MeaTech 3D) introduced Omakase Beef Morsels, a revolutionary, richly marbled structured meat product developed using a unique 3D-printing process. Inspired by the marbling standard of Wagyu beef, Omakase Beef Morsels are an innovative culinary achievement elegantly designed as a meat lover's delicacy for premium dining experiences.

The product is made up of multiple layers of muscle and fat tissue, which have been differentiated from bovine stem cells, and showcases the technology's unprecedented control and flexibility. Each layer is printed separately using two different bio-inks – one for muscle and one for fat. The layers can be printed in a variety of muscle/fat sequences which affects the juiciness and marbling of the cut. Steakholder Foods' technology can print the product with any shape, width and marbling ratio and even exceed the marbling precision reminiscent of the Wagyu beef standard. It can also provide unprecedented product consistency at scale.

Rehovot's [Steakholder Foods](https://steakholderfoods.com) is an international deep-tech food company at the forefront of the cultured meat revolution. The company initiated activities in 2019 and is listed on the Nasdaq Capital Market under the ticker "STKH" (formally MITC). Steakholder Foods maintains facilities in Rehovot, Israel and Antwerp, Belgium and has recently expanded activities to the US. (Steakholder Foods 07.09)

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* 1. Lunaphore & Nucleai Partner to Provide AI-Powered Spatial Biology Analysis

Lunaphore, a Swiss life sciences company developing technology to enable spatial biology in every laboratory, and Nucleai announced a collaboration to accelerate the discovery of novel biomarkers and drug targets using the latest spatial imaging and machine learning technologies.

Lunaphore’s novel COMET technology unlocks the power of immunofluorescence spatial biology with a robust and user-friendly system, permitting the use of any non-conjugated antibodies and enabling the wide adoption of spatial biology in laboratories. Nucleai has built a platform that makes spatial analysis scalable and operational, enabling the next generation of actionable insights from massive pathology data sets that have not been analyzed to their fullest potential and could provide significant value to pharmaceutical companies and diagnostic labs. The partnership will utilize Lunaphore’s innovative COMET platform for hyperplex staining and imaging with Nucleai’s cutting-edge AI spatial models to derive new insights from tissue biopsies, including novel drug targets, mechanisms of action, and biomarkers to advance the field of precision medicine. The combined solutions will provide laboratories with an integrated end-to-end spatial biology workflow from automated, hyperplex sequential immunofluorescence staining and imaging to AI-enabled, state-of-the-art image processing, and data analytics. As part of the partnership, the companies also plan to develop predictive and prognostic spatial biomarker assays.

Tel Aviv's [Nucleai](http://www.nucleai.ai) is an AI-powered spatial biology company with a mission to transform drug development and clinical treatment decisions by unlocking the power of pathology data. Nucleai provides pharmaceutical companies, Contract Research Organizations and diagnostics laboratories with a state-of-the-art AI platform to improve clinical trials and clinical decision-making. (Lunaphore 08.09)

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* 1. Scopio Labs Launches First Digital Application for Bone Marrow Aspirate Imaging

Scopio Labs announced the launch of the Full-Field Bone Marrow Aspirate (FF-BMA) Application. This platform is the first to enable a complete digital workflow for bone marrow aspirate scanning and analysis. Scopio's high resolution Full-Field imaging and AI-driven Decision Support System brings a much-desired digital transformation to hematopathology. With embedded remote analysis capabilities over a secure hospital network, the application provides the ability to review the aspirate from any location, in the lab or from remote sites, eliminating the need for a manual microscope to perform a BMA review.

Until now, standard bone marrow aspirate review was conducted manually via microscopic analysis of cells, with guidelines recommending review of at least 500 cells per sample. Scopio's Full-Field imaging provides hematologists with a digital copy of the slide at 100X magnification while the AI-powered Decision Support System analyzes thousands of cells throughout the sample. Lab experts are then provided with a comprehensive analysis of various characteristics of the sample, including a 500-cell differential that correctly represents the distribution of thousands of cells across the sample. As such, Scopio overcomes the limitations of manual microscopy and review, which no other morphology solution has done previously.

Tel Aviv's [Scopio Labs](https://scopiolabs.com/%E2%80%8E) is transforming cell morphology analysis, offering a suite of fully digital applications and platforms that enhance clinical workflows. By assisting lab experts with faster, earlier, and accurate detection and diagnosis of disease, Scopio expedites patients' access to life-saving treatments. The company's combination of high-resolution imaging and an AI-powered decision support system makes the diagnostic process more efficient and consistent across the continuum of care. (Scopio Labs 08.09)

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* 1. Xinteza Novel Enzyme to Solve Major Bottlenecks in Cannabinoid Biosynthesis

Xinteza API announced the discovery of a new catalytic enzyme, capable of solving one of the major bottlenecks that has so far limited the design of sustainable and cost-efficient cannabinoid biosynthesis production systems, in breakthrough research led by Prof. Aharoni at the Weizmann Institute of Science.

This newly discovered gene pool includes a novel prenyl-transferase enzyme, featuring superior kinetics and improved flexibility in introduction into micro-organism-based expression systems. The prenylation stage in cannabinoid biosynthesis is the last and major step in the formation of CBGA, the "mother" molecule of most other known cannabinoids such as THCA, CBDA and CBCA, however the original enzyme used by the Cannabis Sativa plant loses a substantial amount of its activity when introduced into yeast and bacteria expression systems. Several alternative genes have been suggested over the years by various research groups to bypass this prenylation roadblock, but mostly suffered from severe usability deficiencies, such as impaired chemical kinetics or freedom-to-operate issues.

The new prenyl-transferase enzyme PT-X introduced by Xinteza elegantly solves this severe bottleneck by offering improved catalytic activity, in the range of 5-fold better than the original Cannabis Sativa enzyme, as well as high compatibility for introduction into micro-organism-based cannabinoid biosynthesis industrial production systems.

Founded in 2019, Tel Aviv's [Xinteza API](http://www.xinteza.com) is engaged in the discovery and development of a wide array of new genes and ultra-novel genetic pathways for the biosynthesis of cannabinoids and psychoactive ingredients, as well as their bio-production methods. Xinteza operates through an exclusive license for both cannabinoids and psychedelics from the Weizmann Institute of Science and is diligently building an unprecedented portfolio of dozens of related IP assets and patents. (Xinteza API 08.09)

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* 1. Israeli-US Research Uses Retina to Identify Alzheimer's Disease

Israeli and American researchers have developed a method to detect Alzheimer's disease by looking for beta-amyloid plaques and abnormal proteins in the retina of the eye. The research was just published in the latest issue of the Israel Medical Association's Hebrew language journal HaRefuah.

Researchers of the Samson Assuta Ashdod Hospital in Ashdod and Ben-Gurion University of the Negev, along with Wolfson Medical Center in Holon and Sackler Medical School at Tel Aviv University, and Cedars-Sinai Medical Center in Los Angeles, California.

Retinal photoreceptors absorb light and transfer data to the retinal ganglion cell layer. Because the retina is connected to the brain, it appears that changes in this part of the eye reflect disease processes in the brain, the authors wrote, including the development of Alzheimer's disease. Beta-amyloid plaques have been found in the retinas of people who died of Alzheimer's disease during autopsies.

For the study, 10 patients with Alzheimer's disease and six healthy controls were asked to swallow turmeric, a deep yellow spice that attaches to beta-amyloid plaques. A few days later, their retinas were examined. The yellow spice was found to bind to the retinal cells of patients with Alzheimer's disease and not those of healthy patients. (Ynet 12.09)

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* 1. Run:ai Announces the first Hybrid Cloud Software Solution to Orchestrate AI Workloads

Run:ai announced that their Atlas Platform is the first to support hybrid cloud and multi-cloud AI Infrastructure. Run:ai's centralized monitoring and control panel provides a unified and consistent user experience to manage resources running on different locations including on-prem and in the cloud. With Run:ai, organizations can easily take advantage of adopting a multi-cloud strategy avoiding unplanned downtime, boosting compute availability, and controlling costs.

Run:ai's Atlas now provides a unified user experience through full abstraction so researchers can keep using each cloud provider's managed Kubernetes platform and leverage the best of every CSP's offering. Researchers can keep using their framework of choice and favorite development tools. Run:ai's Control Plane is a single pane of glass, with centralized & multi-tenant management of resources, utilization, health and performance across any aspect of the AI pipeline, no matter where the workloads are run. Run:ai also removes GPU configuration limitations, allowing teams to split GPUs into fractions for smaller inference workloads.

Tel Aviv's [Run:ai](http://www.run.ai)'s Atlas Platform brings cloud-like simplicity to AI resource management - providing researchers with on-demand access to pooled resources for any AI workload. An innovative cloud-native operating system - which includes a workload-aware scheduler and an abstraction layer - helps IT simplify AI implementation, increase team productivity and gain full utilization of expensive GPUs. (Run:ai 31.08)

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* 1. Israeli Electric Car Charging System to Roll Out in Europe & US

An Israeli company that developed a fast electric vehicle (EV) charging system based on kinetic inertia technology recently won its first commercial contracts in Europe, the United States and Israel. Developed by Lod's [Zooz Power](https://www.zoozpower.com/), the system uses grid energy to spin eight wheels 17,000 times per minute. The process converts electrical energy into kinetic energy.

When a vehicle comes to recharge, the wheels’ rotation is slowed down to transform this kinetic energy back into electrical energy and inject it into the vehicle's battery at such an intensity that the battery is fully recharged in about 15 minutes. Boaz Weizer, CEO of Zooz Power, compared the intensity of the recharge to that of a toilet flush that quickly releases a large amount of water.

By using physics rather than chemistry, kinetic charging avoids environmental issues such as heavy water use and pollution associated with lithium mining. According to a sustainability analyst, the carbon footprint of this system produces 23 times less carbon dioxide emissions than a lithium battery.

Zooz Power aims to provide fast EV charging in areas where the power grid is not yet strong enough. Five Zooster-100 units will be installed at five commercial and leisure sites in Germany. Currently, Zooz Power is at an advanced stage of European patent registration and hopes to begin deployment in Germany by the end of the year. (I24 01.09)

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* 1. Lexicala Launches New Multilingual Solutions for the Language Industry

Lexicala has launched new multilingual lexical data solutions for the Language Technology industry and academic research. The solutions feature expert parallel corpora, domain classification, morphology, text annotation, and other premium cross-lingual resources for natural language processing (NLP) tasks.

Lexicala's methodologies and datasets enable infinite ways of extracting components and applying them for machine translation, spellchecking, speech recognition, semantic technologies, knowledge management, language learning and online dictionaries. Lexicala offers services for all languages, including translation, classification, annotation, alignment, and other NLP applications. Its parallel corpora have recently been integrated by one of Asia's top information technology conglomerates into its Neural Machine Translation systems. As part of the agreement, Lexicala provided over 250,000 sentence pairs to train machine learning models and improve the translation engines' performance.

Tel Aviv's [Lexicala](https://lexicala.com) provides expert resources for machine translation and other NLP applications, offering multilingual lexical data solutions for 50 languages. Lexicala is a trade name of K Dictionaries, a global leader in creating cross-lingual data resources, established in 1993. Lexicala's expert parallel corpora resources contain millions of sentences across more than 20 languages, including low-resourced combinations. (Lexicala 05.09)

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* 1. Shield Expands Its Behavioral Analysis Capabilities with Additional Languages

Shield announced its end-to-end communication compliance platform now has the unique ability to surveil and precisely decipher context, dialects, semantics and jargon in Spanish and Chinese, among many other business-driving languages including the most commonly used languages and dialects. Through its advanced Artificial Intelligence (AI), Sematic Analysis and mixed-language Natural Language Processing (NLP) technology, Shield is able to alert, in a full linguistic context, for market abuse, risk, compliance concerns and more, across all communication channels, including voice, and even in the most challenging scenarios such as multiple languages being used within the same conversation.

Global banks and businesses rely on numerous digital channels, like Zoom voice/video or WhatsApp messages, to communicate across borders. Existing solutions, however, aren’t capable of properly alerting for various risks when different dialects of the same language are used due to the low accuracy of the models in understanding these regional difference and accents. Shield, in contrast, drastically increases the accuracy of transcription and market abuse detection through its multi-language models, whilst reducing operational inefficiencies of false positives.

Ramat Gan's [Shield](https://www.shieldfc.com/%E2%80%8E) is an advanced end-to-end workplace intelligence platform that allows organizations of any size to mitigate risks, escape the dead-end legacy archive, improve operational efficiency and reduce compliance costs. Shield redefines the way institutions manage and mitigate communications compliance risks by applying advanced AI, NLP, and visualization capabilities. (Shield 06.09)

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* 1. Airovation & ASUS to Expand Air Purification Solutions in Taiwan and Greater China

Ness Ziona's [Airovation Technologies](https://airovation-tech.com/) and ASUSTek Computer, the Taiwan-based world leader in computer hardware and consumer electronics' applications and markets, signed a Memorandum of Understanding for the megacorporation to explore utilizing Airovation's air purification technology in the development, manufacturing and sale of products and solutions in Taiwan and Greater China.

Airovation's air purification technology prevents the negative impacts of CO2 on the environment, while simultaneously improving people's productivity and wellbeing. The company's patented solutions include its "Air-O" device, which treats CO2, VOCs, airborne viruses and bacteria, deploying unique sensing ability and cloud processing to customize the personal indoor environment and ensure wellbeing and productivity; and "Airosphera" device, which uses multi-sensors to measure and reflect environmental conditions for infants as well as their own bodily conditions, and treats the air to improve infants' wellbeing indoors and outdoors.

Developed over a decade of research at the Hebrew University of Jerusalem, the company's core innovation is the in-situ generation of Superoxide Radical, the most powerful oxidizer in nature. The patented technology is capable of purifying indoor air spaces by oxidizing dangerous microbiological threats such as viruses and bacteria, while converting harmful gasses into clean air. (Airovation 06.09)

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* 1. ThetaRay AI Tech to Monitor African Payments for ARCA

Hod HaSharon's ThetaRay, a leading provider of AI-powered transaction monitoring technology, announced that ARCA, a premier African payment services provider, will implement ThetaRay’s advanced SONAR SaaS anti-money laundering (AML) and sanctions list screening solution for transactions on its open AI-based platform.

ARCA is the first Nigerian fintech to adopt ThetaRay’s advanced SONAR solution, industry renowned for its ability to detect the very first signs of sophisticated financial crime. ARCA provides advanced digital payments for an open banking ecosystem, helping expand innovative and inclusive financial services throughout Africa. SONAR is based on an advanced form of AI that makes better decisions with no bias or thresholds. It enables fintechs and banks to implement a risk-based approach to effectively identify truly suspicious activity and create a full picture of customer identities, including across complex, cross-border transaction paths.

[ThetaRay](http://www.thetaray.com)'s AI-powered SONAR transaction monitoring solution, based on AI intuition, allows banks and fintechs to expand their business opportunities and grow revenues through trusted and reliable cross-border payments. The groundbreaking solution also improves customer satisfaction, reduces compliance costs, and increases risk coverage. ThetaRay’s technology is the only SaaS offering that analyzes SWIFT traffic, risk indicators and client/payer/payee data to detect anomalies indicating money laundering activity across complex, cross-border transaction paths in a single unified platform. (ThetaRay 08.09)

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* 1. D-Fend Solutions & Liteye Systems Integrate Counter-UAS Systems

D-Fend Solutions and Colorado-based Liteye Systems, a technology provider and integrator of C-UAS systems, announced a system integration between EnforceAir and SHIELD for a Multi-Domain Defense System called SHIELD-Cyber. This collaboration will enable the Liteye SHIELD system to use the radio frequency cyber detection and defeat capabilities of EnforceAir, D-Fend Solutions' flagship product, to improve detection and broaden the operator response to all C-UAS threats.

With the integration of SHIELD and EnforceAir, Liteye Systems and D-Fend Solutions will offer an enhanced multilayered systems solution to address today's complex drone threats from both RF control and RF silent waypoint navigation. The combined capability of SHIELD-Cyber will provide an in-depth defense mechanism with a coordinated response according to scenario and security considerations specific to each protected asset or area of concern.

The SHIELD-Cyber system uses EnforceAir's radio frequency detection in conjunction with radar detection, track, and ID to positively identify the targeted drones. EnforceAir provides information about the drone type, protocol, and frequency to classify the threat. This information will then assist SHIELD operators to determine which frequencies to jam, for mitigation purposes. The integrated solution provides a stronger countermeasure against the drone threat while allowing for a safer outcome for troops, personnel, and infrastructure.

Ra'anana's [D-Fend Solutions](https://d-fendsolutions.com/) is the leading counter-drone, cyber-takeover technology provider, enabling full control, safety and continuity during rogue drone incidents across complex and sensitive environments, to overcome both current and emerging drone threats. With hundreds of deployments worldwide, EnforceAir, the company's flagship offering, focuses on the most dangerous drone threats in the military, public safety, airport, prison, major event and critical infrastructure environments. EnforceAir autonomously executes RF, cyber-takeovers of rogue drones for a safe landing and outcome, ensuring the smooth flow of communications, commerce, transportation and everyday life. (D-Fend Solutions 08.09)

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* 1. Skilldora Partners with D-ID to Launch first e-Learning platform Using AI Instructors in US

Fort Mill, South Carolina's Skilldora, an Ed-Tech startup known for its modernized app-based eLearning community, announced a partnership with D-ID using its Creative Reality technology to deliver courses exclusively by AI Instructors, also referred to as digitally created humans.

Skilldora’s mission is to use the power of AI to deliver a new world of eLearning and is pleased to be the first online-learning platform in the U.S. to be a front-runner in pioneering the use of all AI Instructors on its platform, as a nod to the future of eLearning. Set up as a free-to-download membership site, with an in-app, pay-per-course, a la carte model, Skilldora is designed to appeal to the modern learner, offering advanced engagement functionality, collaborative learning features such as its ‘learn with friends capabilities,’ allowing for real time sharing and invites, social learning groups, community news feeds, etc.

Tel Aviv's [D-ID](http://www.D-ID.com) is a Creative Reality company specializing in patented video reenactment technology using AI and deep learning. D-ID's products range from animating still photos, to facilitating high-quality video productions and creating viral user experiences. With funding from tier 1 VCs, D-ID aims to radically disrupt the time, hassle and costs involved in video production, allowing for the creation of highly personalized media using AI, specifically in e-learning, corporate training, marcoms, AI assistants, history and the Metaverse. (Skilldora 08.09)

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* 1. BreezoMeter’s Newest Offering Bets Big on Clean Air

BreezoMeter released its new Cleanest Route product. Companies can now transform data about the environmental factors that influence the air their customers are breathing–such as wildfires, pollen and pollution–into route recommendations. These recommendations are delivered to product users through digital navigation systems and in-app experiences so they can choose the cleanest route to their destination.

Using BreezoMeter’s Cleanest Route, companies can provide users and consumers with navigation recommendations based on BreezoMeter’s environmental data to avoid the day-to-day impacts of poor air quality on their health and wellbeing. This introduces a new way for consumers to take control of their health by making the most informed decisions at any given moment while *en route* to a destination, in response to constantly shifting environmental & air quality conditions, as well as their specific illnesses and sensitivities. The technology is available to brands via API, so they can embed it directly into their products (e.g., smart mobility app, in-car navigation system) and provide consumers with route recommendations in real-time.

Haifa's [BreezoMeter](https://www.breezometer.com/) improves the health and safety for billions of people worldwide, by providing accurate and actionable environmental data and insights. The company transforms live environmental intelligence into actionable insights and delivers them to consumers through mobile apps, smart home IoT devices, cars and other connected experiences. Brands like Apple, Volvo, Johnson & Johnson and L'Oréal rely on BreezoMeter to provide real-time air quality data to their customers, so they can make informed decisions about when to go outside, how to best protect themselves, which travel routes to take, and even where to live. (BreezoMeter 08.09)

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* 1. Riverside Announces New Video Capture Workflow and 25 FPS Support

Tel Aviv's [Riverside](http://www.riverside.fm), the leading remote recording platform, today unveiled a series of new features allowing users to easily export content from its video capture tool to Adobe Premiere Pro as well as capturing in 25FPS, a standard for broadcasters in Europe. Riverside users may now export separate tracks from the platform to one timeline in Premiere via an XML file. In addition, Riverside added the ability to add markers in real time to recordings, highlighting important moments, so they easily show up later when editing in Premiere. In addition, Riverside is now part of the Adobe Video, Audio & Motion Partner Program, a relationship aimed at improving the user experience for mutual clients.

Since coming out of stealth in late 2020, Riverside has captured the hearts of the creative community and won the backing of prominent investors like Alexis Ohanian and Oren Zeev. The biggest U.S. media companies - The New York Times, Verizon Media, iHeartMedia - use Riverside to create some of the world's best-known content, and it is used extensively by enterprises to create content for learning and development, virtual events, and more. Riverside is built on the AWS Cloud and recently joined its ISV Accelerate program. (Riverside 09.09)

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* 1. Shell Chooses Driivz’s EV Charging & Smart Energy Management Platform

Driivz announced that Shell has selected the Driivz EV charging and smart energy management platform to help accelerate the build out of new charging locations in more than 10 European countries, supporting Shell’s ambition to operate over 500,000 charge points globally by 2025 and 2,500,000 by 2030.

Initially, Shell will deploy Driivz’s EV charge point operations management software as the framework for new installations in Austria and France, leveraging the platform’s scalability to expand to other European markets. The Driivz platform is hardware-agnostic and supports many charger types and standards, providing Shell with a solution that is future-ready and backwards-compatible for all OCPP protocols, and capable of roaming with other EV charging networks. The Driivz solution will integrate with Shell’s driver-facing “Shell Recharge” app. Driivz’s smart energy management software and proprietary interface for EV fleet management complement Shell’s support for commercial and fleet customers in decarbonizing and electrifying their fleets.

Hod HaSharon's [Driivz](http://www.driivz.com), a wholly owned subsidiary of Vontier, is a leading global software supplier to EV operators and service providers, accelerating the plug-in EV industry's dynamic and continuous transformation. The company's intelligent, cloud-based platform spans EV charging operations, energy management, advanced billing capabilities and driver self-service tools. (Driivz 12.09)

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* 1. Cervello Wins at the Railway Technology Excellence Awards

Cervello was named a winner at this year’s Railway Technology Excellence Awards. The company was ranked a leading solution provider in the railway industry, recognized under the category of Business Expansion in Technology following a series of important company announcements. The prestigious award has been granted to those who have “utilized technology to optimize travel time, provide cybersecurity solutions and create stable systems solutions.”

The recognition comes on the heels of Cervello achieving two industry firsts: being granted the first-ever US patent covering Artificial Intelligence (AI) based cyber-protection for railways, and becoming the first known company to provide a full-scale, cross-country cybersecurity protection plan for the entire railway command and controls network of a national railway line, Swiss Federal Railways (SBB).

Tel Aviv's [Cervello](https://cervello.security/) is a rail cybersecurity solution empowering rail digitalization by securing the industry’s critical operational networks and infrastructure from cyber threats. The company provides comprehensive security through in-depth visibility, non-intrusive Zero Trust monitoring and detection, and a customized incident response playbook with risk prioritization and threat intelligence. It has become the most trusted solution among world-leading rail organizations and continues to pioneer the space with its state-of-the-art technology. Rail operators and infrastructure managers can now operate safely and reliably while still prioritizing business continuity and service availability. (Cervello 13.09)

ISRAEL ECONOMIC STATISTICS

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* 1. Israeli Startups Raised $1.1 Billion in August

Israeli startups raised $1.1 billion in August 2022, according to press releases seen by [Globes](https://en.globes.co.il/en/news/). The figure may be more as some companies prefer to remain in stealth and sometimes do not publicize the investments they have received.

Israeli privately-held tech companies raised a record $25.6 billion in 2021, according to IVC, more than double 2020's figure of $10 billion, which was itself a record. Israeli startups raised $10.9 billion in the first half of 2022, according to IVC, so although well of the pace of last year's record, startups have already raised more than all of 2020. Israeli startups have raised $12.7 billion in the first eight months of 2022.

In August, the major financing rounds that were completed were led by cloud based networking software company DriveNets, which raised $262 million. Short-term property rental company Guesty raised $170 million, human resources platform HiBob raised $150 million, security browser developer Talon Cybersecurity raised $100 million, and data center storage company Pliops raised $100 million. (Globes 01.09)

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* 1. Israel Posts a NIS 9.8 Billion Twelve-Month Fiscal Surplus

According to the estimate by the Accountant General in the Ministry of Finance published on 8 September, state revenues for the period January-August 2022 totaled NIS 315.7 billion, 19.1% more than in the corresponding period of 2021. State expenditure meanwhile fell by 9.1%, because of the ending of aid given during the COVID-19 pandemic. Excluding the COVID-19 aid, government expenditure rose 3.8% in January-August 2022 in comparison with January-August 2021. In 2021, there was a substantial transfer to the old pension funds, and excluding this, total government expenditure rose by 5.5% between the two periods.

According to the Accountant General’s estimate, Israel had a fiscal surplus of NIS 9.8 billion, or 0.6% of GDP, for the twelve months to the end of August 2022. Servicing the national debt, which amounts to over NIS 1 trillion, will cost some NIS 34 billion in 2022. NIS 700 million was paid into Israel’s sovereign wealth fund from profits on gas production in August this year, following NIS 1.1 billion paid into the fund in June. 92% of the planned spending on aid because of the COVID-19 pandemic has been executed. Altogether, aid amounted to NIS 178.5 billion between 2020 and 2022. In August itself, there was a fiscal deficit of NIS 1 billion. (Globes 08.09)

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* 1. Israeli Natural Gas Revenues Boom

The Israeli government is seeing record income from natural gas sale royalties. Data released recently by the Royalties Department at the Ministry of Energy shows that in the first half of 2022, a significant jump of about 48% was recorded in the total royalties collected from natural gas. Between January and June 2022, royalties reached NIS 824 million (roughly $250 million), compared to about NIS 557 million ($165 million) during the first half of 2021.

This increase comes thanks to record production of natural gas from the Leviathan and Tamar reservoirs, which amounted to 10.85 billion cubic meters (BCM), compared to production of 8.9 BCM in the first half of 2021, an increase of 21.9%; 6.26 BCM have been directed for the domestic market and 4.59 BCM for export. In addition to the production increase, the dollar exchange rate hike has also contributed to a significant increase in Israel's total royalties.

According to the Ministry of Energy, royalties collected from the Leviathan reservoir, Israel's largest natural gas reservoir, amounted to NIS 453 million ($137 million) and production reached 5.62 BCM, a 27.5% jump compared to the same period last year. The volume of exports constituted about 68% of total production from the Leviathan reservoir, while the value of royalties originating from exports constituted 77.4% of the total royalties. (Al-Monitor 12.09)

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* 1. Israel Celebrates Record-Breaking Tourism Entry Numbers from the United States

The Israel Ministry of Tourism announced new record-breaking tourist arrivals from the United States visiting Israel in the months of July and August. The country welcomed 78,000 total travelers from the United States in July 2022, a 4% increase from 2019, and 71,000 total travelers from the US in August 2022, a 13% increase from 2019. Not far behind the United States, Canada is also on track to exceed its tourist arrivals in Israel, reaching 7,200 visitors in July 2022 and 6,000 in August.

In 2019, Israel welcomed more than 4.6 million global tourists, 969,600 of them coming from the United States, and since its official reopening to all travelers regardless of vaccination status in May of this year, the country has already seen more than 600,400 US travelers.

The Israel Ministry of Tourism (IMOT) is Israel's national tourism agency responsible for planning and implementing marketing and promotional initiatives to position Israel as a preferred travel destination. IMOT aims to increase tourism traffic to contribute to Israel's economy, and to enhance and diversify the visiting experience. IMOT works to promote Israel's impressive assortment of historical, cultural, culinary and religious attractions – each the perfect blend of tradition and modernity. (IMOT' 08.09)

IN DEPTH

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* 1. MIDDLE EAST: The Abraham Accords, Two Years On

Meir Ben-Shabbat and David Aaronson posted in INSS Insight on 15 August that two years after the historic Abraham Accords were signed, the relations between Israel and the four states have flowered. At the same time, the potential of these relations is far from realized, the challenges remain and Jerusalem should commit itself to strengthen the Accords – and even to expand them.

13 August 2022 marked the second anniversary of the historic announcement of the Abraham Accords, following many weeks of rushed, clandestine diplomatic efforts. Then US President Donald Trump, United Arab Emirates (UAE) Crown Prince Mohammed bin Zayed and then-Israeli Prime Minister Benjamin Netanyahu held a widely covered telephone conversation that culminated in a joint announcement of a decision to launch political relations between Israel and UAE and the beginning of a new road toward normalization between the peoples and nations. This established an important milestone in the most significant political process in the region in the past 25 years – the Abraham Accords. These accords, named for the common forefather of three religions, signaled the beginning of a new era. What followed was like a dream: within four months after the announcement, Israel signed diplomatic agreements with four countries. It was a refreshing and promising beacon of light shining through the heavy and dismal cloud of the COVID-19 pandemic – a ray of hope, optimism and renaissance.

In the two years since then, Israel has opened diplomatic representative offices in each of the Abraham Accords countries: UAE, Bahrain, Sudan and Morocco. Direct air routes and flights operate between Israel and Abu Dhabi, Dubai, Manama, Casablanca and Marrakesh. Ministers and leading figures from all the countries have conducted reciprocal official visits and have signed cooperation agreements in a wide range of areas. In addition, businesspeople have mapped opportunities and formulated joint models, and dozens of civilian initiatives have also been launched. Cooperative economic ventures and commercial agreements have generated a dramatic increase in trade figures with the Abraham Accords countries, including direct investments between countries. The demand for Hebrew language studies has increased. UAE and Moroccan students have registered for courses and advanced academic programs in academic institutions and research institutes in Israel. The visa exemption agreement between Israel and UAE and the electronic visa track for Israelis seeking to visit Bahrain and Morocco have made flights by Israelis to these destinations much easier than flights to New York or Washington.

Moreover, the security ties between Israel and the Abraham Accords countries have been tightened and expanded. The visits by the IDF Chief of Staff and the joint maneuvers were conducted in the public spotlight and covered extensively in the local media. The agreements on partnership in defense against drones and missiles under American leadership inspire great optimism in countries in the region, in view of the anxiety concerning these threats. The defense industries in Israel have stepped up their ties and agreements in this context.

The Abraham Accords have weathered and overcome the political and security obstacles generated in the current reality. The leaders of the Arab countries who signed agreements with Israel have adhered to the containment policy that they adopted regarding the clashes in the Gaza Strip – Operation Guardian of the Walls in May 2021 and recently during Operation Breaking Dawn – and in Judea and Samaria, despite efforts by Islamic groups to incite popular unrest over the Temple Mount.

President Biden's administration endorsed the Abraham Accords, although they were created under different auspices. To a certain extent, the Accords gave the administration a platform and a channel for allaying criticism of its policy on the issue of Iran and in the Middle East. President Biden helped institutionalize the Negev Forum, which convened for the first time in Sde Boker in March 2022 with the participation of the foreign ministers of the Abraham Accords countries and is scheduled to convene annually. The administration also advanced opening Saudi skies to Israeli flights as a gesture and signal toward continuation of the positive trend. The change in the US stance toward Mohammed bin Salman and the return of Qatar and Turkey to the pragmatic camp of Saudi Arabia, UAE, Bahrain and Egypt opens new opportunities in the region.

Progress is systematic and rapid, and the overall picture is optimistic and promising. At the same time, there is still a long way to go before the potential of the Accords is fully realized.

There is much attainable potential in the following civilian spheres:

**Opening a land trade route through (or from) Israel to the Gulf states:** The dozens of daily direct flights boost trade and facilitate delivery of goods between Israel and the Abraham Accords countries, but to a limited extent. Air shipping is expensive and unsuitable for products that are too large or heavy. The boycott laws formerly enforced against Israel UAE and Bahrain prevented the delivery of shipments via Israel. For years, European countries were forced to send their land exports to the Gulf via Turkey, Lebanon or the Suez Canal. Now that following the Abraham Accords the boycott laws have been repealed, the way has been opened for an efficient and cheaper land trade route – from Israel to the Gulf. It will yield economic benefits both to countries in the region and European countries, which can also utilize it for importing and exporting vehicles. The demand for traffic in land-based trade, which is already rising, will mandate the expansion of infrastructure at the Jordan River/Sheikh Hussein Border Crossing. This is an essential step for furthering trade between the Abraham Accords countries and is also likely to contribute to the global economy.

**Promotion of regional projects:** Regional projects with the participation of Egypt, Israel and the Gulf states can solve some of the fundamental problems of the Gaza Strip in infrastructure and economics, without increasing the security risks for Israel.

**Energy, food and water:** The war in Ukraine forces the Western world, first and foremost the European countries, to find additional sources of energy and food. The Gulf states, especially following the rapprochement between the United States and Saudi Arabia, and the "acceptance" of Mohammed bin Salman, can be part of the solution for the oil shortage. For its part, Israel is a potential exporter of natural gas. The gas supply and shipping agreements can ensure solutions for Europe in these critical areas.

**The food crisis:** Israel's know-how and experience as a leader in high-protein meat alternatives has major potential. Similarly, alternative sources of wheat can be created in African countries, among them Sudan, with technological and agricultural know-how from Israel, UAE and Morocco.

**Water recycling and desalination:** As a world leader in both water recycling and desalination and atmospheric water generator (AWG) technology, Israel can provide quick practical solutions to the water shortage problem and the challenges of managing the water economies in the Abraham Accords countries, as well as in European and African countries.

**Digital health and medicine:** The COVID-19 pandemic has highlighted the importance of cooperation between the world's countries in lifesaving ventures. Israel has proven itself as a power in both public health and medical technology. The public health challenges, including the risk of future pandemics, and the opportunities provided in the AI realm, encourage cooperative ventures and extended ties on all levels between government health systems, hospitals and clinics, and between research institutes and bio-tech companies, which will be able to promote projects and initiatives for saving lives, improving the quality of life, and preventing global health crises.

**Education and culture:** Educational and cultural initiatives must be deepened and expanded, in order to strengthen fundamental concepts that support peace and weaken separatist views and extremist Islamic ideas. It is important to teach values of tolerance, freedom of religion, and coexistence in all spheres: art, sports, cinema, and more. This is the basis for peace between individuals and peoples, not just between countries and governments.

**Interpersonal relations:** Governments come and go, but their peoples remain. It is therefore essential to build popular support for normalization with Israel among the population in each of the Abraham Accords countries, including the establishment of a basis of religious and popular legitimacy for relations with the Jewish state. Morocco is the natural country to begin this (or more precisely, to continue it), given the King's traditional attitude toward Jewish culture and the Jewish community. It is also important that Muslim Arabs from the Abraham Accords countries feel welcome in Israel and sense that they can benefit from the free society and sound interfaith relations.

**Strengthening and expanding the peace circle:** It is important to invite Sudan and Chad (whose place among the Abraham Accords countries has been unjustly neglected) to take part in every forum and work group in the Abraham Accords framework. It is important that these two countries also enjoy the fruits of peace and their decision to normalize their relations with Israel; otherwise, negative momentum may emerge. The same is true of Kosovo, a European country with a Muslim majority, which has formed official ties with Israel, and has opened an embassy in Jerusalem. Substantial measures should be taken to foster relations and ensure that countries do not withdraw from the agreements. When every country in the Abraham Accords framework sees a return and profit on its investment, this will enable the agreements to take stronger root, and will encourage additional countries to climb aboard the peace train.

Making peace is not easy. Signing the agreements is ceremonial, uplifting and full of joy and optimism. As with marriage, however, the ceremony is only the beginning. The main task is in the succeeding days and years. Building a life together means that it cannot be taken for granted. Investment, initiative, creativity, and constant renewal are needed. Every success strengthens trust and partnership, and justifies the choice made. The shared experiences add feeling and infuse new energy into the process.

Despite the fluctuations and political struggles, the Abraham Accords remain a matter of consensus, not only because of their advantages in security, economics, and technology, but also because above all, they highlight the vision and express the hope of true peace and a better future. (INSS 15.08)

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* 1. ISRAEL: Investment in Israeli Food Tech Doubles

Doron Peskin reported in [Al-Monitor](https://www.al-monitor.com) on 2 September that the Israeli food-tech industry continues to expand. At present, Israel is ranked second in the world in the number of cultivated-meat companies after the United States and third in the number of investors in the alternative protein field.

A recent report by Israel's Good Food Institute showed that investments in Israeli food-tech startup companies reached $320 million in the first six months of 2022, a 160% jump compared to the same period in 2021. On a global scale, investment in the sector between January and June 2022 reached $1.75 billion, with Israeli companies attracting some 18% of investments worldwide. The report indicated that during the first half of 2022, Israeli plant-based food companies attracted $161 million in investments, 22% of the total global investments in this field. Israeli fermentation-derived protein companies attracted $152 million — 38% of the world global investment and second only to the United States.

Plant-based steak developer Redefine Meat stands first in investments in Israeli food tech with $135 million, followed by the fermentation-derived dairy producer Remilk with $130 million. Jerusalem-based Mermade Foods is the first company in the world to grow scallops in a lab. CEO Daniel Einhorn told Al-Monitor that the company raised $3.3 million in a “tough period” for the global market. He explained that originally Mermade Foods, which was launched in 2021, targeted an investment of $2.5 million, but the oversubscription of roughly 30% shows investors' faith in the unique technology developed by this startup.

Einhorn explained that growing food in a lab is a costly process due to the high prices of the fresh ingredients the cells are fed. Mermade Foods, which plans to start commercial production in three years, developed a method to upcycle the waste produced by the cells through using microalgae and then reuse it to feed the cells. This patent-protected method is destined to cut production costs significantly.

On the choice to focus on scallops, Einhorn said that there is huge market potential worth $8 billion globally for this product. He added that his startup aims at “saving the world from climate catastrophe” claiming that the fishing industry and aquaculture are more harmful to our planet rather that the meat industry. Einhorn emphasized that the company's product will be “cleaner” and healthier compared to “regular” seafood since it will not include chemicals, antibiotics, microplastics or mercury.

Several well-established Israeli companies and funds are also involved in the growing food-tech industry. The most prominent one is the Tnuva Group, Israel's biggest food manufacturer and leading dairy producer. Earlier this year, Tnuva announced the establishment of a new investment fund called Tnuva NEXT for investing in food-tech startups. Tnuva is also a partner in the Fresh Start Food-tech incubator located in Kiryat Shmona. Opened in 2020, Fresh Start took part in the incubator program set up by Israel's Innovation Authority. Within two years, it completed investments in 10 food-tech start-ups, among them ProFuse, which operates in the field of cultured meat, and BlueTree, which developed technology to lower the sugar content of fruit juice.

Speaking with Al-Monitor, Tnuva's Chief Innovation Officer Shai Cohen disclosed that since its inception 18 months ago Tnuva Ventures, the group's corporate venture capital fund, has completed investments worth $10 million. Tnuva, said Cohen, invests in different aspects of the industry including research and development and production. He described Israel as a global food-tech powerhouse, especially in the alternative protein domain. Cohen explained that one of the reasons for Israel's success is its high-tech ecosystem, which includes a strong biotech industry, a strong agrochemical industry and a significant medical industry.

This leadership is evident in the numbers. Cohen revealed that there are currently roughly 340 Israeli food-tech companies and an average of 42 companies are established each year. Tnuva predicts that within a decade, 15% of the global meat and chicken market will be based on alternative protein and that by 2030 the world market for alternative protein will reach a value of $300 billion. Another major trend that Tnuva predicts is interest in products with a hybrid content of plant protein and protein produced through fermentation.

Israeli food-tech entrepreneurs highlight the importance of the industry in confronting food insecurity, especially in the Middle East and North Africa, region which is mostly desert and has been experiencing rapid population growth.

Naftaly Moser is a regional business consultant in high-tech development with 20 years of experience. He believes that the Israeli food-tech industry can cement cooperation between Israel and its Arab neighbors. Speaking to Al-Monitor, Moser noted that certain parts of the MENA region are already facing food shortages. It was no wonder, he said, that the Negev Forum, established earlier this year with the participation of four Arab countries — Morocco, Egypt, Bahrain and the United Arab Emirates — together with Israel and the United States decided to form a committee on food insecurity. "Arab countries are obviously aware of Israel’s expertise in this domain. Solving world insecurity altogether might not be attainable, but easing food insecurity in our region could certainly be reached only through cooperation," he argued. (Al-Monitor 02.09)

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* 1. GCC: Why is GCC Inflation So Low? ‎

On 8 September, Omar Al-Ubaydli posted in the [Arab Gulf States Institute in Washington (AGSIW)](https://agsiw.org/) that consumer prices have risen much less in the Arabian Gulf states than in the United Kingdom ‎and United States largely because of the idiosyncrasies of GCC economies. ‎

The second half of the 20th century saw rising inflation across the world as economies ‎experienced a postwar boom, and governments struggled to repay wartime debts. In the ‎‎1970s, twin oil price shocks added to the inflationary challenges faced by Western ‎policymakers.‎

Consequently, academic economists dedicated a large volume of their research to the ‎issue of inflation, and by the early 1980s, they had a sound understanding of inflation’s ‎causes and countermeasures. Rigorous control of the money supply, inflation targeting, ‎and central bank independence proliferated across advanced economies, and by the late ‎‎1990s, consumer price inflation was firmly under control in all countries where ‎governments had the requisite political will.‎

By 2022, almost 40 years after the inflationary peaks experienced in the United ‎States, the ghost of consumer price inflation had risen from its grave and new highs of ‎over 9% were registered. With rising global food and energy prices playing an ‎important role, no country has been spared the wrath of inflation, compelling United ‎Nations Secretary-General Antonio Guterres to demand global action to aid low-income ‎households struggling to make ends meet.‎

Due in part to their large dependence on food imports, the Gulf Cooperation Council ‎countries have also experienced rising consumer prices (around 4%) but to a ‎considerably lesser degree than in advanced economies, such as those of the United ‎Kingdom and United States. The idiosyncrasies of the GCC economies account for a ‎significant portion of these divergent experiences, notably their status as energy ‎exporters rather than importers and the abundance of migrant workers in their labor ‎markets.‎

Moreover, the presence of a fixed exchange rate with the U.S. dollar in five of the six ‎GCC countries (and a quasi-peg in the case of the sixth – Kuwait), combined with the ‎absence of a political election cycle, mean that monetary policy in the GCC tends to be ‎more technocratic than in countries such as the United States, further contributing to ‎price stability.‎

Combating inflation has traditionally been a primary goal of governments, as the most ‎salient cost of inflation is that it undermines consumers’ real living standards, as their ‎purchasing power diminishes. However, in the long run, an arguably bigger cost is the ‎loss of trust in the monetary and financial system, especially in the case of volatile and ‎unpredictable inflation. The faith that investors and consumers have in the value of their ‎purchases is critical to the functioning of modern economies and countries with ‎governments that have mismanaged their monetary systems and lost people’s trust, like ‎Venezuela and Zimbabwe, are doomed to low living standards until they correct course. ‎ That is why understanding inflation is so important, including appreciating the reasons ‎for the GCC’s relative success thus far.‎

**The Inflation Data**

**Data Availability**

To benchmark the GCC inflation data, it is compared to that of the U.K. and United ‎States, since they are experiencing some of the highest inflation rates in the Western ‎world and also because of their importance (especially the United States) to the global ‎economy. Moreover, the GCC currencies are pegged to the U.S. dollar (except Kuwait’s, ‎which is pegged to a basket that is heavily affected by the U.S. dollar), and so the ‎United States is the natural benchmark for their inflation.‎

While countries with advanced economies, such as the U.K. and United States, publish ‎monthly consumer price inflation data promptly and reliably, the GCC countries vary in ‎the availability and frequency of such data. Bahrain, Qatar and Saudi Arabia provide ‎the highest volume of data. Oman also provides good quality data, albeit with a larger ‎lag. In the United Arab Emirates, Dubai publishes inflation data promptly, but data at ‎the level of the federation is harder to come by. Finding data for Kuwait is much more ‎challenging, possibly due to the coronavirus pandemic.‎

Consequently, data presented and analyzed here is from Bahrain, Oman (where ‎available), Qatar, Saudi Arabia and the Emirate of Dubai (serving as a proxy for the ‎UAE). Moreover, due to data limitations, the GCC inflation rate presented here is based ‎on a simple (unweighted) average of the inflation rate in the four countries and Dubai. ‎ Fortunately, the intra-GCC variation in inflation is small compared to the differences ‎between the GCC countries and countries such as the United States, and so the precise ‎weighting method used in calculating a GCC average has no substantive effect on the ‎subsequent qualitative analysis of GCC inflation.‎

**Headline Inflation**



Annual consumer price inflation data from 2019-22 for the GCC countries compared to ‎the U.K. and United States reveals several noteworthy phenomena. First, at every point ‎in time, GCC consumer price inflation is significantly lower than that in the U.K. and ‎United States. In the pre-coronavirus period (2019), GCC prices were essentially flat, ‎while those in the U.K. and United States were rising at a rate of approximately 2%. By ‎June 2022, the U.K. and United States were experiencing inflation rates of around 8%, ‎compared to 4% in the GCC.‎

Notably, given the fixed exchange rate between the GCC countries’ currencies and the ‎U.S. dollar, consumer price inflation in the six states would generally be expected to ‎move broadly in tandem with U.S. inflation. The appearance of a divergence between ‎the United States and GCC is therefore surprising and merits further analysis.‎

Second, while GCC inflation exhibits an upward trend throughout the period, at no point ‎does it leave the range that central banks typically target, which is usually below 5% (some central banks have tighter targets, but that is the exception rather than the rule). ‎In contrast, throughout 2022, the U.K. and United States have experienced supernormal ‎levels of consumer price inflation.‎

Third, consumer price inflation gathers momentum in the U.K. and United States in ‎‎2021, and this has been attributed to a series of economy-level factors. A leading factor ‎is coronavirus-related disruptions to supply chains, including the physical shipping of ‎intermediate goods and products, and decreased supplies of key inputs, such as energy ‎and microprocessors. In certain cases, the Ukraine war has exacerbated these stresses, ‎but they existed well in advance of the conflict and will continue regardless of the war’s ‎development. This class of inflation harkens back to the commodity-price-induced ‎inflation of the 1970s.‎

Further, the pandemic has generated significant labor supply shortages in advanced ‎economies. Some people have withdrawn semi-permanently out of disenchantment ‎regarding general working conditions or because child-care challenges have made ‎staying at home preferable to a regular job combined with outsourced child care. This ‎has generated considerable wage inflation, which producers then pass on to consumers ‎in the form of higher retail prices.‎

Beyond these supply-side factors, in the United States, fiscal and monetary stimulus has ‎enriched consumers, and the coronavirus pandemic has led to pent-up demand, which ‎was suddenly unleashed when vaccine rollouts permitted the resumption of ‎conventional economic activity. This demand-led price inflation is similar to what has ‎happened with stock market and real estate bubbles.‎

In addition to these aggregate phenomena generating inflation, some sector-specific factors ‎have played a role, too. Sectoral data can also help explain the divergent inflationary ‎experiences of the GCC countries compared to that of the United States.‎

Food and energy have experienced high rates of inflation and have significant weight in ‎household budgets, so this has had a dramatic impact for consumers. In June 2022, the ‎inflation rate for food was 10.4% and for energy was 41.6%, inflicting pain on ‎Americans at the grocery store and fuel pump. However, food’s weight in the basket (13.4%) is much higher than that of energy (8.7%), including gasoline (4.8%).‎

Within the food category, dairy products (13.5% in June 2022) and oils and fats (19.5%) ‎have both made large contributions to inflation. Vegetable oils have been rising sharply ‎due to supply chain disruptions caused by the Ukraine war, widespread droughts and ‎competition with biofuels.‎

Energy, on the other hand, was rising well in advance of the Ukraine war, due to the ‎inability of oil supply to keep up with demand. The oil price collapse in 2014 led to a ‎sharp decline in oil investments, reinforced by anti-fossil fuel rhetoric adopted by ‎Western governments. The result has been supply growing much more slowly than in ‎the past, and so when demand for energy and oil rebounded in 2021, production could ‎not expand to meet the demand.‎

***Inflation at the Sectoral Level***



Looking at Bahrain’s consumer price inflation for the same sectors from June 2021 to ‎June 2022, the general patterns are broadly in line with the U.S. experience, though ‎there are some salient differences. Bahrain is representative of the experiences of ‎Oman, Qatar and the UAE; Saudi Arabia has experienced a considerably lower inflation ‎rate than its GCC neighbors and is considered separately.‎



First, despite headline food inflation being broadly comparable, fish and seafood inflation is considerably lower in Bahrain than in the United States. For example, in the second half of 2021, fish and seafood inflation in Bahrain was negative, in contrast to being solidly in the range of 5% to 10% in the United States. Bahrain’s fish and seafood inflation is a lot more volatile too, but that likely reflects Bahrain’s small size, which means higher exposure to local shocks to seafood production.

Second, energy inflation is essentially absent in Bahrain (and the GCC more generally), as opposed to being a major driver of it (on the supply side) in the United States’ case.

Third, restaurant and hotel inflation starts a lot lower in Bahrain (where it is essentially zero) than in the United States before overtaking the United States at the start of 2022. Much of this merely reflects the 5% increase in the value-added tax that went into effect in January. Once this is deducted, inflation in this sector is generally lower in Bahrain (and the GCC more generally) than in the United States. In Saudi Arabia, the data paints a picture of very mild inflation in all sectors with two exceptions: milk, milk products, and eggs; and oils and fats.

There is a small spike in the middle of 2021, and this reflects the move to raise the value-added tax from 5% to 15%, but thereafter prices are extremely stable.

### https://i0.wp.com/agsiw.org/wp-content/uploads/2022/09/GCC_Saudi.png?resize=2076%2C1219&ssl=1

**Explanations for the GCC-U.S. Inflationary Divergence**

**Structural Economic Factors**

The first set of factors that account for the moderation of GCC inflation are structural ‎economic factors. As reflected in the energy sector price data, when seeking to maintain ‎price stability, a key advantage that the GCC economies have over Western ones is their ‎fundamentally different system for pricing fuel and electricity. Prices for both ‎commodities are typically subsidized to an extent that they have nominally fixed prices. ‎For example, Bahrain fixes the price of regular octane gasoline to approximately $0.37 per ‎liter, and Qatari citizens are provided electricity free of charge.‎

In the case of exceptions, such as gasoline prices in the UAE, which are allowed to vary ‎competitively in response to variations in global oil prices, the variation remains ‎considerably below what is seen in the U.K. and other countries. This is because the UAE ‎does not impose green-motivated heavy excise duties on gasoline; in the U.K., such taxes ‎exacerbate the price turbulence stemming from global markets.‎

The GCC countries also benefited from the mildness of the 2021-22 winter season, which ‎limited electricity demand. In contrast, many Western countries experience peak ‎electricity consumption from December to February as they heat their homes and ‎businesses.‎

A second structural economic factor that works in the GCC countries’ favor is the ‎openness of their labor markets to migrant workers. Expatriates account for over 75% of ‎the labor force in most of the GCC countries, and the small population of the Gulf states ‎compared to source countries, such as India and Pakistan, means that there is effectively ‎an inexhaustible supply of labor at the prevailing wage. This has allowed GCC businesses ‎to avoid the need to bid wages up – and hence raise their prices.‎

As an illustration, restaurants in the United States have been hit particularly hard by a ‎lack of willing servers at the historically acceptable wage. In countries such as Oman and ‎the UAE, restauranteurs have access to a virtually inexhaustible supply of Indian and ‎Filipino servers whose services can be procured without the need for a wage rise.‎

***Political Factors***

Political and policy-related factors also play an important role in explaining the moderation of ‎GCC inflation. First is the absence of a U.S.-style fiscal stimulus. While the pandemic-induced ‎full and quasi-lockdowns in the GCC countries have resulted in pent up demand for consumer ‎goods, the initial rise in purchasing power has not been as large as in the United States due to ‎the absence of cash handouts to households.‎

Beyond this transient policy difference between the GCC countries and the United States, the ‎absence of a traditional political cycle in the Gulf affords the six states the opportunity to select ‎a more technocratic inflation strategy. In contrast, the Federal Reserve has always been prone ‎to political pressure.‎

This famously occurred under President Richard Nixon in the 1970s, when he coerced the Fed ‎into about of loose monetary policy to stimulate the economy ahead of elections, resulting in ‎surging inflation months later. Many experts believe that the Fed had been reluctant to control ‎inflation by raising interest rates because of the adverse consequences such a move might ‎have on the Democrats’ electrical prospects during the November 2022 midterm elections. By ‎early 2022, once polls indicated that inflation had become one of the electorate’s chief concerns, ‎the Fed changed course and initiated a sequence of sharp interest rate increases, but this came ‎too late to halt the inflation that Americans experienced during the third quarter of 2022.‎

In the GCC, meanwhile, inflation has always been a comparatively depoliticized issue, allowing ‎monetary policy to be run by technocrats unaffected by the peaks and troughs of an electoral ‎cycle.‎

**Insulated From Inflation, for Now …‎**

For the GCC countries as well as the U.K. and United States, decades of sound monetary policy ‎transformed consumer price inflation from a government priority to a theoretical source of ‎curiosity that many young people had never experienced. Since 2021, there has been rising ‎inflation in both sets of economies and the situation became so serious in the United States that ‎the Fed adopted a highly aggressive sequence of interest rate increases.‎

However, the GCC countries have thus far been able to avert the need for such emergency ‎measures, owing to the persistence of moderate levels of inflation. They owe this partially to the ‎benefits of a depoliticized and technocratic monetary policy, unlike in the United States, where ‎policy is responsive to political pressure induced by the electoral cycle.‎

Beyond these political factors, the distinct structure of the GCC economies has also played a ‎role. Fixed fuel and electricity prices have blunted the impact of rising global energy prices, ‎while an abundance of migrant workers has prevented the emergence of labor supply crunches. ‎ Rising global food prices and coronavirus pandemic-induced supply chain disruptions have ‎generated some degree of consumer price inflation, but by the end of the third quarter of 2022, ‎inflation remained under control, and economics students in the Gulf studying inflation would still ‎have to rely on their textbooks rather than their own personal experience to understand the ‎topic.‎

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* 1. OMAN: Oman’s Economy Surges With Higher Oil Prices & Fiscal Reform

Hassan Jivraj posted on 1 September in [Al-Monitor](https://www.al-monitor.com) that Oman’s economy has enjoyed a strong first half to 2022 and the outlook for the rest of this year and 2023 is positive. The sultanate’s public finances have significantly improved compared to a year ago, largely thanks to higher oil and gas revenues but also to the country’s fiscal policies and discipline over the last few years.

Oman recorded a fiscal surplus of 784 million Omani rials ($2 billion) in H1/22 compared to a deficit of 1.1 billion rials ($2.9 billion) in the same period last year. Total revenues increased by 54.2% and public spending expanded to 8.6% compared to a year ago. The larger public revenue was thanks to a significant increase in gas revenue, which increased by 137.8% compared to the same period in 2021.

Dominic Pratt, country analyst for the Economist Intelligence Unit (EIU), adds that the non-oil economy has benefitted from an uptick in activity as the country recovers from the COVID-19 pandemic. “Meanwhile, a number of sectors including transport and manufacturing have benefitted from growing capital investment, supported by rising government revenues,” he told Al-Monitor. This trajectory is forecast to continue into the second half of 2022, with real GDP growth for the year forecast at over 5%. In 2023, oil prices will remain high but begin to decline gradually, prompting a deceleration of export-led growth.”

**Sovereign Debt Profile**

In addition to the surplus and rising revenues, Oman is working to reduce its external debt as part of its Medium-Term Fiscal Plan (MTFP 2020-2024) to balance its books. The IMF forecasts that Oman’s debt-to-GDP will decline to around 45% this year compared to 63% in 2021 and around 81% in 2020. To support its medium-term fiscal plan, Oman conducted a liability management exercise that involved the buyback of sovereign bonds for less than nominal value, the prepayment of high-cost loans and the issuance of government sukuk (Islamic bonds) on the Muscat Stock Exchange at preferable rates.

Toby Iles, head of Middle East and Africa Sovereign Ratings at Fitch Ratings, notes that the Omani government used part of the oil revenue windfall to buy back $700 million in bonds maturing across 2025-2032 pre-pay the remainder of the pre-export financing facility taken out in 2017 ($1.3 billion) and repay a maturing $3.6 billion loan from China.

These improvements in financials have led rating agencies to raise Oman’s credit rating. The most recent was Fitch Ratings, which upgraded the sultanate’s credit rating from BB- to BB on 15 August. Fitch cited an improvement in Oman’s fiscal metrics as well as the easing of external financing pressure and ongoing efforts to reform public finances. The Fitch upgrade follows a similar upgrade by S&P Global Ratings in April that took Oman to BB- from B+ citing similar rationale.

“An improving credit trajectory on the back of higher oil prices is fantastic, and [that] the government appears committed to rebuilding their balance sheet after a period of considerable stress is commendable. However, there is significant work that still needs to be done to diversify their economy away from oil,” a fixed-income portfolio manager in Dubai told Al-Monitor.

Oman's sovereign bonds are not as vulnerable as other high-yield emerging-market bond issuers, as can be seen in the prices of its dollar-denominated bonds, according to Abdul Kadir Hussain, head of Fixed Income Asset Management at Dubai-based Arqaam Capital. “The country is fully funded for 2022 and the funding needs for 2023 also appear manageable,” he told Al-Monitor. “However, some parts of the Oman [bond] curve now trade tighter than Sharjah (which is higher rated), for instance, and so it appears that there is limited capital appreciation potential in Omani bonds. However, they continue to offer attractive carry with the short end trading in the low-mid 5% yield and the long end in the mid 7% range.”

Similarly, Angad Rajpal, head of Fixed Income at Emirates NBD Asset Management, said Oman has been an improving story not only in absolute terms but also when compared to others like Nigeria and Ghana that have struggled to take advantage of higher oil prices. “Compared to those high-beta oil exporters, Oman clearly stands out as it has not only managed to capture higher oil prices to boost revenues but also managed to contain expenditure, lower debt and address near-term refinancing risks,” he said.

**Improving the Business Environment**

Oman is introducing and updating laws as well as improving efficiencies of government-related entities through consolidation and investment. These measures are intended to improve the business environment as well as attract foreign direct investment (FDI). For example, in August, the Ministry of Heritage and Tourism updated its regulations introduced in November 2021 with regard to construction of hotel establishments. The regulation seeks to maintain standards and empower tourism development across the country.

Asad Qayyum, managing partner at local Omani law firm MAQ Legal, said that the legislative reforms introduced by the government over the last two years are another big reason for the economic upturn in Oman. “From reorganizing the cabinet and ministries to improving administrative efficiencies and introducing new laws, these have all had a positive impact on FDI in Oman,” he said. “The legislative reforms include introduction of VAT [and] rehauling the companies law and foreign investment law, which now allow for foreigners to own up to 100% of Omani companies. The government has also introduced real estate reform to attract FDI in this sector to help with diversification plans.”

**Challenges Ahead**

Despite increased revenues and economic improvements, Oman faces some formidable economic challenges ahead. Fitch’s Iles highlights that the key challenges are finding the right balance between growth, economic diversification and job creation on one hand and fiscal reform and deleveraging of state-owned enterprises on the other.

Similar to other Gulf economic visions, the sultanate’s Vision 2040 sets out national priorities that include economic diversification, developing the private sector, job creation and maintaining economic and fiscal sustainability.

Omani authorities are keen to develop sectors including logistics, manufacturing, technology, gas, food and tourism. For example, Oman’s Ministry of Heritage and Tourism hopes that the tourism sector will account for around 5% of the country’s GDP by 2030 and 10% by 2040. Initial signs of foreign investment are encouraging. The sultanate has so far managed to attract $4.4 billion in investments into the tourism sector, Oman News Agency reported, citing Minister of Heritage and Tourism Salim Al Mahrouqi. “Tourism targeted at both the affluent and the mid-market segment is a massive, relatively untapped resource that offers significant economic diversification,” said the fixed-income portfolio manager in Dubai. (Al-Monitor 01.09)

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