

**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 and Lebanon Sign Maritime Border Pact

Israel and Lebanon have signed the agreement on the maritime border between them, after the Israeli government approved the outline agreement. For Lebanon, President Aoun signed a letter approving the agreement deal at his palace in Baabda, while for Israel Prime Minister Lapid signed in Jerusalem. US envoy Amos Hochstein, who brokered the deal, was in attendance in Lebanon, and handed Aoun a letter from US President Biden. Hochstein later met with Lapid.

Delegations from the two sides handed signed copies of the agreement to US officials at the UN base at Naqoura, on the provisional Israel-Lebanon land border, and gave the coordinates of the new maritime border to UN officials. The Lebanese insisted that there should be no joint signing ceremony or joint photograph.

Under the agreement, the border between the Exclusive Economic Zones (EEZ) of Israel and Lebanon is set a Line 23, as Lebanon demanded, thus transferring 860 square kilometers to Lebanese economic control. This area contains about half of the Qana/Sidon gas prospect, leaving a small portion of it that extends beyond Line 23 in Israeli hands. Lebanon will manage production of gas from the Qana/Sidon field (assuming gas is discovered) through French company Total and its partner, Eni of Italy. Israel is due to receive royalties on account of the part of the field remaining within its EEZ (about 17%), under an agreement to be negotiated with Total.

The Ministry of National Infrastructures, Energy and Water Resources and the Ministry of Finance Accountant General are conducting the negotiations with Total on the royalty mechanism. The amount Israel will receive will be in accordance with the exploratory drilling that will begin shortly, and is expected to be anywhere between zero and $15 billion over the years.

On the basis of Line 23, some five square kilometers of Israeli territorial waters are being transferred to Lebanon. The line of the northern territorial border is the line of buoys that Israel set up after the withdrawal from the buffer zone in Lebanon in 2000. Lebanon has not recognized this line, and the agreement states that it is still in disputed territory, and that negotiations on resolving the dispute will take place later. (Globes 27.10)

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* 1. Israel to Build 8,000 New Hotel Rooms by 2023 as Tourism Keeps Rising

Israel's Ministry of Tourism has made commitments to build some 4,500 new hotel rooms this year, with another 4,000 or so next year, as travelers return to the country and the tourism industry picks up again following the aftermath of the pandemic. By contrast, just around 5,000 rooms in total came to market in the five years preceding the outbreak of COVID-19.

The ministry announced that it is working to speed up the building of new rooms (through extensions to existing hotels and the creation of new hotels) to enhance competition in the market, and ultimately to make holidaying in Israel more affordable. A number of tenders for hotel development are currently open in Ashkelon, Kiryat Shmona, Kiryat Motzkin and Katzrin. They are part of 2022 plans to add 770 rooms across the north of the country, 2,100 rooms in the South and 1,650 rooms around the Dead Sea.

Tourist numbers are not yet where they stood pre-2019 but hotel stays have been rising steadily through the year. According to the Central Bureau of Statistics (CBS), 17.1 million hotel night stays were recorded between January and September this year compared to 19.5 million over the same period in 2019. Overall, hotel occupancy so far this year is estimated at 61% compared to 70% in the first nine months of 2019. The Jerusalem market has been most affected (at 53% occupancy) while the north has been the most popular region with occupancy rates of 69%. With more travelers coming in since Israel’s skies reopened to foreign tourists in March, hotel stays could well end the year at something very close to pre-pandemic levels. (Various 28.10)

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* 1. Israel, Jordan & UAE to Expedite Water-for-Power Project

On 7 November, Israel, Jordan and the United Arab Emirates (UAE) signed a MOU to accelerate implementation of a project involving water in exchange for electricity that was agreed exactly a year ago. The MOU was signed at the 2022 United Nations Climate Change Conference (COP27) at Sharm El Sheikh. In the MOU, the parties commit to expediting the various stages of the project, which involves the construction of a huge solar energy farm in the Jordanian desert and of a desalination plant on the coast of northern Israel. They undertake to report on progress at a conference in the UAE within one year.

The MOU strengthens the link between solar energy from Jordan and desalinated water from Israel, a link that in the past Israel had sought to restrict. The signing of the MOU at this juncture is intended to give the project a push after many delays in the past year, and also as a kind of declaration of intent by the UAE and Jordan to the new government in Israel concerning the continuation of the trilateral project which expresses the substance of the Abraham Accords.

The UAE sees the electricity-for-water agreement as important, and it will be expected there that in-coming Prime Minister Netanyahu will continue with it. Egypt is also involved and sees this agreement as opening up the possibility of a similar agreement with it as well. Speaking in the Knesset on 6 November, Netanyahu stressed the need to strengthen ties with countries of the region and to expand the Abraham Accords. (Globes 07.11)

ISRAEL MARKET & BUSINESS NEWS

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* 1. Third Point Ventures Opens an Office in Tel Aviv

New York's [Third Point Ventures](https://www.thirdpoint.com/), the startup investment arm of hedge fund Third Point LLC, announced it had opened an office in Tel Aviv. This is the first office opened by Third Point Ventures outside of the US, and comes after six investment by the firm in Israeli startups since 2015.

Recently, TPV has raised dedicated capital in standalone funds that will allow the firm to redouble its efforts in Israel and actively enter investments, typically at Series A or B, in its core areas of focus: Cybersecurity, Enterprise Software, and Data Infrastructure. This expanded scale drove the decision to open the new Tel Aviv office.

TPV's existing investments in the region include SentinelOne, a cybersecurity company listed on NYSE, Verbit, a company providing AI transcription and captioning solution, Next Silicon, which is aiming to increase semiconductor processing power, Trullion, which is creating business transparency by using automation software to power real-time visibility into company financials, and Forter, a software company that provides fraud prevention technology for online retailers and marketplaces. TPV also invested previously in Oryx Vision, a developer of lidar technology for autonomous vehicles. (TPV 24.10)

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* 1. Safe-T Group Secures $2 Million Funding for its Customer Acquisition Program

Safe-T Group announced that further to its announcement on 10 August 2022 regarding a strategic funding agreement entered into with O.R.B. Spring, the Company now successfully secured the ability to obtain the second part of the funding in the amount of $2,000,000, which was previously conditioned upon the Company reaching certain milestones. In total, the funding will amount to up to $4,000,000, of which $1,000,000 was already provided to the Company in August 2022, and the remaining balance of which will be made available by O.R.B. through a series of cash instalments until July 2023.

As a result of the Company’s successful performance around its consumer privacy solutions and its customer acquisition program, the Company and O.R.B. agreed to cancel and waive conditional milestones set by O.R.B. in connection with the remaining balance of the funding.

Herzliya's [Safe-T Group](http://www.safetgroup.com) is a global provider of cyber-security and privacy solutions to consumers and enterprises. The Company operates in three distinct segments: enterprise cyber-security solutions, enterprise privacy solutions, and consumer cyber-security and privacy solutions. Their cyber-security and privacy solutions for consumers provide a wide security blanket against ransomware, viruses, phishing, and other online threats, as well as a powerful, secured and encrypted connection, masking their online activity and keeping them safe from hackers. The solutions are designed for both advanced and basic users, ensuring full protection for all personal and digital information. (Safe-T Group 31.010)

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* 1. Trigo Raises $100 Million to Scale AI-Powered Frictionless Grocery Retail Platform

Trigo has raised $100 million in a new equity financing round to scale deployment of autonomous urban supermarkets across Europe and the US, enter new geographies, and develop its comprehensive store and inventory management software application suite, StoreOS. The investment was led by Singapore investment firm Temasek and 83North. New strategic investors include SAP SE, who will also help commercialize Trigo’s solution. Existing investors joined the round, including Hetz Ventures, Red Dot Capital Partners, Vertex Ventures, Viola, and supermarket giant REWE Group, one of the world’s leading retailers.

Trigo will use the funds to execute on significant deployment of stores, increase the size of stores supported to include full-sized urban supermarkets, expand into new geographies, and further develop its StoreOS offering.

Leveraging world class AI experts, Tel Aviv's [Trigo](https://www.trigoretail.com/) works closely with retailers to convert their existing stores into frictionless shopping experiences while maintaining their unique character and layout. The company's advanced retail automation platform identifies picked up shopping items with exceptional levels of accuracy, creating an entirely seamless checkout process. Trigo’s GDPR-compliant solution is built with a privacy-by-design architecture. No biometric or facial recognition data are gathered or analyzed. Powered by its proprietary 3D engine, Trigo offers grocery retailers a range of additional solutions through its StoreOS suite, including predictive inventory management, pricing optimization, security and fraud prevention, planogram compliance, and event-driven marketing. (Trigo 26.10)

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* 1. Revuze Announces $12 Million Growth Equity Investment Led by PSG

Revuze announced a $12 million strategic growth investment led by PSG, a leading growth equity firm partnering with software and technology-enabled services companies to help accelerate their growth. The round was joined by industry veterans of global market research leader NPD Group. Additional financial terms were not disclosed.

This funding will be used to help accelerate Revuze’s geographic expansion into the U.S., scale its technology, and continue to innovate and grow its solution set. Revuze’s cloud-based software uses AI-based natural language processing to gather, cleanse, analyze and provide insights on consumer sentiment, feedback and overall satisfaction. By implementing Revuze’s product set, companies can generate deep consumer insights in nearly real time that would otherwise take months to understand.

Netanya's [Revuze](https://www.revuze.it/) is a provider of real-time consumer insights and the first to build a data warehouse of ready market research answers. Revuze provides some of the biggest brands in the world with access to valuable consumer insights powered by AI-based natural language processing technology. (Revuze 03.11)

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* 1. Stratasys Makes Strategic Investment in Axial3D

Belfast, Northern Ireland's Med-tech startup Axial3D has announced the closing of a $15 million investment round led by a strategic investment of $10 million from Stratasys. This is Stratasys’ first investment in Axial3D. The two companies also will be providing a joint offering to make patient-specific 3D printing solutions for hospitals and medical device manufacturers more accessible so it becomes a mainstream healthcare solution.

Personalized 3D printed anatomic models are used for pre-surgical planning and diagnostic use to improve patient outcomes while shortening time spent in the operating room. Axial3D’s artificial intelligence-powered algorithms enable healthcare providers to segment CT and MRI scans for these models without significant investments in time, specialized skills and large upfront costs. Stratasys is a leading provider of the 3D printers, materials and software for these anatomic models. The company’s J850 Digital Anatomy 3D printer enables medical customers to create models that not only accurately represent the appearance of human tissue but are also biomechanically realistic while suturing, cutting, or inserting and deploying medical devices. A range of Stratasys printers and materials have been validated and FDA 510(k) cleared with Axial3D software to produce anatomic models for pre-operative surgical planning and diagnostic use across multiple specialties.

Rehovot's [Stratasys](https://www.stratasys.com/en/) is leading the global shift to additive manufacturing with innovative 3D printing solutions for industries such as aerospace, automotive, consumer products and healthcare. Through smart and connected 3D printers, polymer materials, a software ecosystem, and parts on demand, Stratasys solutions deliver competitive advantages at every stage in the product value chain. (Stratasys 02.11)

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* 1. ZOOZ Power Signs MoU for an Ultra-Fast Charging Station at NY's LaGuardia Airport

ZOOZ Power (formerly Chakratec) has signed a MoU for collaboration with a worldwide leading car rental services provider, which is operating thousands of car rental sites in over 100 countries. The purpose of the collaboration is to build and operate a joint pilot of EV ultra-fast charging infrastructure which will demonstrate ZOOZ Power's solution based on the ZOOZTER-100 and its ability to enable and support ultra-fast charging of electric vehicles in sites where the electric grid is power-constrained. The site that was chosen for this special project is at LaGuardia Airport in New York City, USA.

At many car rental sites, substantial grid constraints inhibit or delay the installation of ultra-fast EV charging infrastructure. Thus, this pilot is part of the car rental service provider's efforts to seek solutions for these challenges, enabling to accelerate the implementation of its strategy to provide EV rental services. The goal is to have the pilot site operational during Q2/23 for a period of 12 months. Based on successful pilot, the parties will discuss a roadmap and agreement for a long-term cooperation, using ZOOZ Power's products in additional sites.

Lod's [ZOOZ](http://www.zoozpower.com) is a leading supplier of Flywheel-based Power Boosting solutions enabling ultra-green, ultra-fast electric vehicle charging anywhere. ZOOZ pioneers its unique flywheel-based power boosting technology, enabling unlimited high-power charge & discharge cycles with a lifespan of more than 15 years, thus providing minimal total cost of ownership for ultra-fast EV charging infrastructure. As their product is based on kinetic energy storage in flywheels, it is neither toxic, nor based on rare earth materials, making it intrinsically green. (ZOOZ Power 03.11)

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* 1. Port Raises $7 Million to Build an Internal Developer Portal

Port has raised $7 million in seed funding for its comprehensive builder-based internal developer portal. The seed round was led by TLV Partners. Using Port, a platform engineering team can give developers a single unified portal where they can access, check, review, understand and modify all their infrastructure resources and components.

The complexity of modern cloud-based software and infrastructure has made even routine developer and DevOps tasks confusing and cumbersome. Something as simple as adding a cloud resource like an S3 bucket to a micro-service might require a developer to access multiple different platforms, vendors and clouds, causing frustrating delays and context switches that disrupt the workflow. Even answering simple questions about service maturity, dependencies, ownership or on-call is difficult.

Port allows platform engineering teams to create a portal that provides a product-like user experience for developers, abstracting away environments, cloud resources and devops processes. The portal features a comprehensive software catalog that categorizes all of a company's resources by type so that all microservices, cloud resources, environments, etc. can be quickly located and searched. Devops and platform engineers can enable self-service capabilities so developers can create, delete, provision and modify resources with just a couple of clicks inside Port's user interface. Any automated DevOps task can be added as a self-service action in Port.

Tel Aviv's [Port](https://www.getport.io/) is a builder-based developer portal, designed to be flexible to match every organization's infrastructure and allowing companies to build the developer experience that best fits their needs. Port pulls from different CI/CD systems, Github repositories, Kubenetes, etc., and is API-first to digest data from any source. Port is free to use for the first ten developers in an organization. To support this strategy, Port will be investing in its engineering and marketing efforts to attract users to the free offering. (Port 03.11)

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* 1. First Israeli 7-Eleven Store to Open Next Month

Last year Electra Consumer Products announced that it had signed a 20 year franchise agreement with the US-based international convenience store chain 7-Eleven to operate the brand in Israel, with an option to extend the agreement for a further 50 years. The initial launch date for the first store was reportedly to match the company's name, in other words - the 7th of November. However, several sources told "Globes" that the first 7-Eleven Israeli store will open on Tel Aviv's Dizengoff Street on 15 December.

Under the agreement with 7-Eleven, Electra Consumer Products will open 400 branded stores in Israel, 300 of them through franchisees. In a presentation to investors in May, Electra Consumer Products said that it would open 200 7-Eleven stores in Israel by 2025, some of them in gas stations. Electra Consumer Products plans investing NIS 100 million in the stores over the next three years. The stores will offer 1,000 private brand Select 7 consumer products as well as fresh food. (Globes 02.11)

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* 1. Apiiro Raises $100 Million in a Series B Funding Round

Apiiro announced a significant Series B round of $100 million led by General Catalyst with participation by Greylock and Kleiner Perkins. The new funding will be used to accelerate the business and advance the company’s mission to empower developers and application security engineers to proactively fix risks before releasing to the cloud with all the context they need in a single solution.

With more companies shifting to agile development and adopting CI/CD practices to release code to the cloud on a daily basis, there is an exponential increase in the number of changes. This creates a massive market opportunity to help CISOs and CIOs effectively and contextually identify, prioritize and eliminate risks in their code and development environments to prevent application and software supply chain threats using one solution. There are several isolated and unrelated findings hiding across code, configurations, open source packages and cloud infrastructure that when pulled together with relevant context, creates a “risk story” that is exploitable by attackers. Apiiro’s Risk Graph technology connects these infinite factors with actionable context to offer a completely new way for developers and security teams to fix risks.

Tel Aviv's [Apiiro](https://apiiro.com/%E2%80%8E) has introduced a completely new approach to application security in the cloud by providing complete visibility into code bases, assessing risks from design to code to cloud and proactively fixing actual risks that attackers can exploit before releasing to the cloud. This enables Fortune 500 companies to reduce operational costs and risks at scale with seamless deployment by connecting to their source control managers via API. (Apiiro 06.11)

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* 1. Energean Finds Gas in Zeus Well West of Karish

Energean, which recently began producing gas from the Karish reservoir offshore from northern Israel, has announced a commercial gas discovery of 13 bcm (billion cubic meters) in the Zeus-01 exploration well, west of Karish. The well is in Block 12, and the Stena IceMax drilling rig has moved to block 23 to drill the Hercules structure, the final well in Energean's 2022 drilling campaign.

Energean is now analyzing the results and data obtained in the Zeus drilling. In addition, Energean has announced an upgrade to the estimate of the amount of natural gas discovered in the Athena well in April this year. Energean's reserve auditor, DeGolyer & MacNaughton, has certified contingent resources of 11.75 bcm in the Athena discovery, an increase of 3.75 bcm on the company's 8 bcm preliminary estimate. This increase follows post well studies of data collected during the drilling process. A month ago, Energean announced a gas find in the Hermes well in the more southerly Block 31.

Energean has so far discovered several medium-size gas reservoirs in Israeli waters amounting to over 100 bcm in total. This quantity could enable it to divert gas in excess of Israeli local consumption to exports. The amount of gas in the Karish and Tanin reservoirs is 75 bcm. (Energean 07.11)

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* 1. Autonomous Vehicle Developer Carteav Closes $6.5 Million in Capital Funding

Rishon LeZion's [Carteav](https://carteav.com/), a leader in autonomous low-speed vehicles for transporting people and goods, closed an equity investment funding of $6.5 million. Investors include Zohar Zisapel, a leader in automotive industry investments and chairman of the company, and Mobilion Ventures, the early-stage venture capital fund that invests in smart mobility. Carteav will use this infusion of capital to expand its product development initiatives and deepen its presence in the US.

Carteav delivers a revolutionary safe, autonomous, complete end-to-end solution. In addition to self-driving low-speed vehicles, Carteav also provides a comprehensive site management solution – including an advanced algorithm for smart fleet scheduling and smart fleet charging, a unique mapping system that learns the parameters of managed areas in under 24 hours and a reservation app with a feature-rich dashboard. The result is more efficient transportation, significantly lower acquisition and user costs for customers, and a key differentiating factor for organizations deploying the solution.

Carteav has run a successful ALSV pilot program in Israel as it prepares to bring its offerings to the US market. Carteav plans to participate in CES in January 2023 and at the 2023 PGA Show as it builds momentum in becoming the global leader for autonomous transportation in managed areas, such as retirement communities, hospitals, factories, universities, colleges, golf courses, residential apartments, and other applications. (Carteav 07.11)

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* 1. Goodyear & Drive TLV Join to Explore Mobility Solutions with Israeli Startups

To help expand its footprint into the Israeli mobility ecosystem, The Goodyear Tire & Rubber Company is teaming up with Drive TLV. Since 2017, Drive TLV has supported more than 50 mobility-focused startups through its FastLane commercialization program along with access to advanced prototyping labs and shared workplaces that encourage networking and collaboration. Drive also connects startups with its corporate partners to help both parties develop viable market-ready solutions. Drive will help facilitate collaboration opportunities focused on advanced mobility solutions between Goodyear and their network of startups. Drive will also connect Goodyear Ventures, the company's venture capital fund, with potential investment opportunities in Drive's startup network.

With experience enabling mobility for nearly 125 years, Goodyear will share its expertise and leverage its core assets to support startups that are a strategic fit with the company.

[Drive TLV](https://www.drivetlv.com/) is a unique innovation hub focused on smart mobility. Drive leverages its in-depth knowledge of the Israeli hi-tech ecosystem to handpick the most promising smart mobility startups and enhance their business with strategic guidance. On the other end, Drive forms and maintains strong partnerships with industry-leading global mobility enterprises. Finally, Drive creates perfect matches between its startups and their industry leading partners, generating value for both. (Goodyear Tire 08.11)

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* 1. Veriti Emerges from Stealth and Announces Over $18 Million in Funding

Veriti emerged from stealth with $18.5 million in total funding. The funding consists of a $12 million round led by global software investor Insight Partners, which followed a $6.5 million round led by NFX and AMITI. The new funding will help the company scale to meet its growing customer base and further enhance its Unified Security Posture Management platform functionality.

Founded in 2021 by unit 8200 veterans and ex-Check Point executives, Tel Aviv's [Veriti](http://www.veriti.ai) amplifies security teams' efforts to reduce risk and maximize their organization's security posture. To do this, Veriti provides a consolidated security platform that proactively and continually identifies and remediates security gaps and misconfigurations across the entire infrastructure while ensuring business uptime.

To develop its solution, Veriti conducted extensive research and listened to hundreds of CISOs and IT directors from a wide array of industries talk about the challenges of maintaining their security posture. The end product is a cutting-edge security platform that provides holistic visibility, proactive monitoring, and contextual, actionable insights. Veriti's unique platform integrates with the entire security stack and consistently evaluates the organization's risk posture by analyzing security configurations, logs, sensor telemetries, and threat intelligence feeds. (Veriti 08.11)

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* 1. Wib Raises $16 Million to Accelerate Growth & Tackle Rising API Security Problem

Wib announced a $16 million investment led by Koch Disruptive Technologies (KDT), the growth and venture arm of Koch Industries, with participation from Kmehin Ventures, Venture Israel, Techstars and existing investors. The investment will be used to enhance Wib's pioneering holistic API security platform and accelerate international growth as it expands operations across the Americas, UK and EMEA.

Wib's holistic API security platform is the only solution to provide complete visibility across the entire API landscape, from code to production, helping unify software developers, cyber defenders and CIOs around a single holistic view of their complete API domain. By delivering rigorous real-time inspection, management, and control at every stage of the API lifecycle, Wib can automate inventory and API change management; identify rogue, zombie and shadow APIs and analyze business risk and impact, helping organizations to reduce and harden their API attack surface.

Tel Aviv's [Wib](https://wib.com/) is pioneering a new era in API security with its industry first holistic API security platform. Providing continuous and complete visibility and control across the entire API ecosystem, Wib enables developers to code with confidence and security teams to secure with surety. (Wib 08.11)

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* 1. Gadfin to Supply Drones for Aerial Medical Transportation

Rehovot's [Gadfin Aero-Logistics Systems](https://www.gadfin.com/) secured a contract with Israel’s biggest medical GPO & logistics company – SAREL, for sending supplies from its advanced medical logistic center, to gradually connect all the major hospitals in Israel, in a radius of up to 200 km, under a long-term exclusive partnership agreement.

This will make Israel the first western country in the world to have an automatic, on-demand, medical delivery aerial grid. This contract will allow SAREL to have a constant supply of medical equipment, medicines, vaccines, blood, serum, lab samples and more, using a star model all across Israel, at less than one hour from the call. The first operational delivery line will be the longest drone delivery line in the world, stretching up to 100 km radius. The project is based on Gadfin’s unique patented technology, which enables fly up to a 250 km distance (125 km radius without swapping batteries and hydrogen tank). This is accomplished by using hydrogen fuel cell technology, special patented wing folding mechanism, and state-of-the-art safety design to meet the most demanding regulation standards. The project will reach up to 60 deliveries a day (up to 21,000 deliveries a year) within three years from now, using 18 Gadfin Spirit One Air-vehicles, under a service contract with Gadfin.

Gadfin’s Spirit One air-vehicle is designed to carry inside its cargo bay a standard cooled medical supply package. It can fly in heavy rain, and under winds reaching up to 30 km\h. The Spirit One is equipped with an independent automatic emergency parachute system that keeps it safe at any scenario. (Gadfin 07.11)

REGIONAL PRIVATE SECTOR NEWS

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* 1. UAE’s Lune Raises $850,000 in a Pre-Seed Round

Dubai based [Lune](https://www.lunedata.io/) raised $850,000 in its Pre-Seed round backed by Dubai Future District Fund (DFDF), Flat6Labs and several angel investors. The start-up is aiming to transform raw customer transaction data into powerful insights for banks, neo-banks, and other financial organizations. The platform provides teenagers with a free digital banking app and prepaid card to manage their money effectively while offering parental control over children’s transactions. Parents can use the Cashee app to transfer money to their children, manage chores and set flexible controls on how much they can spend. The investment will pave the way for Cashee to expand in Saudi Arabia. The partnership aims to develop the first banking application of its kind in Saudi Arabia that promotes the financial culture among Saudi youth in a way that will encourage savings and financial literacy. (Lune 27.10)

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* 1. Curtiss-Wright to Provide Critical Airbase Safety Arresting Systems to the UAE

Davidson, North Carolina's Curtiss-Wright Corporation has been selected by Global Air Navigation Services (GANS), a leading specialized provider of Air Navigation services, Engineering & Technical services, and consultancy in the field of Air Navigation, to provide aircraft arresting systems to the United Arab Emirates Ministry of Defense. Under the contract, valued at approximately $19 million, Curtiss-Wright will provide specialized arresting systems supporting both tailhook and non-tailhook equipped aircraft.

Curtiss-Wright is performing the work within its EMS division in the Naval & Power segment. The products covered by this agreement will be shipped to GANS from the Curtiss-Wright Engineered Arresting Systems - ESCO facility in Aston, PA, including components from the Curtiss-Wright Arresting Systems facility in Merpins, France.

Following the recent acquisition of the aerospace arresting systems business, Curtiss-Wright’s diverse arresting systems product portfolio includes energy absorbers, retractable hook cable systems, net-stanchion systems and mobile systems to support aircraft carrier and fixed land-based arresting systems. In addition, their aftermarket business supports a strong, global installed base of more than 5,000 systems worldwide. (Curtiss-Wright 02.11)

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* 1. NEOM Invests $ 175 Million in Volocopter to Accelerate Electric Urban Air Mobility

NEOM, the smart and sustainable regional development in northwest Saudi Arabia, announced a $175 million Series E investment in Volocopter, the pioneer of Urban Air Mobility. The land of the future giga-project will take a significant equity stake in the company as part of its strategic engagement with the global eVTOL industry, positioning it as a leader in future mobility solutions.

This deal will expand NEOM's strategic partnership with Volocopter to progress an advanced air mobility industry in Saudi Arabia, in line with NEOM's cutting-edge strategy for its mobility sector. It builds on the NEOM-Volocopter joint venture launched in December 2021, which will operate electric air taxi services in NEOM to connect various regions including THE LINE, OXAGON and TROJENA.

NEOM's unique regional development provides a global living lab for advancing and embedding electric urban air mobility in a multi-modal sustainable transport system. Being built from the ground up, NEOM offers the ideal environment for trialing cutting-edge electric mobility solutions on land, in the air and at sea. In addition to NEOM, Volocopter has launched partnerships and offers its services in global cities that include Paris, Singapore and Rome, as well as in China. In close collaboration with Saudi Arabia's General Authority of Civil Aviation (GACA), NEOM and Volocopter are implementing a national test bed for Saudi Arabia to enable the integration of eVTOLs with zero-emission future urban mobility. Electric air taxis are a key component of NEOM's mission to implement a truly sustainable and seamlessly connected multi-modal mobility system powered by 100% renewable energy. Overall, NEOM will invest in eVTOL fleets, operations and infrastructure to localize industry innovation. (NEOM 02.11)

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* 1. Merced Launches Saudi Arabia's First Private Investment Fund for Sustainability

Merced announced the launch of its sustainability fund, with a fund size of $100 million, to be the first to establish a non-governmental investment fund specialized in sustainability technologies and applications. The establishment of the fund follows the Saudi Kingdom's commitment to sustainability through its Vision 2030 and $1.5 trillion investment strategy as well as its booming economic growth and development. Saudi Arabia's economy continues to outperform almost all other countries (including the G20) and there is a high level of interest in global companies coming to Saudi Arabia to establish businesses and meet this growing demand.

The focus of the fund will be mainly on food/agriculture and quality of life sectors (tourism, mobility, energy, education, healthcare). The fund is perfectly positioned to bring foreign investment into the Kingdom and provide the support necessary to grow a new generation of SMEs to build upon programs like Vision 2030. The Merced Sustainability Fund leverages the unique entrepreneurial and private industry expertise of its team (including NASA, NEOM, Red Sea, AMAALA, Jahez, etc.) to source high-growth companies globally for investment and lead the next generation of private investment into Saudi Arabia to support governmental programs using private venture capital to help build a layer of SMEs that typically generate 60-90% of jobs and GDP.

Riyadh's [Merced](https://mercedvc.com/) is a venture capital firm located in Saudi Arabia created by two of the largest family offices in Saudi Arabia whose current investments generate more than $1B annually in traditional industries like agriculture, real estate, and hospitality. Merced's mission is to extend that success by launching investment funds focused on the next generation of industries, including sustainability, fintech, tourism, pre-seed, and other high-tech sectors that can benefit from unique market opportunities in Saudi Arabia and the MENA region. (Merced 25.10)

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* 1. Thatek Raises $532,000 in a Seed Funding Round

Saudi Arabia's [Thatek](https://thatek.com/), a self-development platform, raised SAR 2 million, which is worth some $532,000, through the Emkan Alarabiya crowdfunding platform, in a seed investment round. The company plans to launch a new product to measure leadership skills in the coming months, targeting employees of companies, institutions, and individuals wishing to build their leadership skills.

Thatek will enable the customer to conduct a comprehensive measure of leadership skills, display the result of his test immediately, and will accurately determine the level of his leadership skills to obtain specialized educational content. As well as obtaining a special development plan fit with his personality, and the possibility of measuring his level of improvement after the, and all this will be done within the application automatically, without any human intervention. (WAYA 24.10)

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* 1. Egypt’s Seqoon Raises $500,000 in a pre-Seed Round

Cairo's [Seqoon](https://www.seqoon.com/), a real estate co-ownership startup, raised $500,000 in a pre-seed round through Banque Misr’s pilot program to support innovative startups in Egypt. The round saw participation from several notable angel investors as well. Seqoon is using this capital to grow its team and has now launched in El Gouna as its first co-ownership destination.

The Banque Misr program aims to support fintech startups by providing subject matter sponsors from within Banque Misr, in addition to providing startups with international subject matter experts for guidance and mentorship in the upcoming accelerated ventures. Seqoon offers a new take on real estate ownership by empowering people to own shares of a vacation home while enjoying the full perks of real estate

Seqoon intends to expand into other Red Sea destinations, such as Dahab, as well as the Mediterranean North Coast by 2023. Seqoon’s makes co-ownership feasible through its legal model powered by law firms Zaki Hashem & Partners, and Shehata & Partners. (WAYA 24.10)

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* 1. Egypt's Money Fellows Raises $31 Million in a Series B Round

Cairo's [Money Fellows](https://moneyfellows.com/) has secured $31 million in its Series B round led by CommerzVentures, Middle East Venture Partners (MEVP), and Arzan Venture Capital. Invenfin, National Investment Company (NIC), and, existing investors such as Partech, Sawari Ventures, 4DX, and P1Ventures also participated in the round.

Money Fellows is a mobile-based platform that digitizes money circles or Rotating Savings and Credit Associations (ROSCAs), widely known as “Gameya” in Egypt and other Arab countries. Users can effectively manage and plan their financial obligations and achieve their financial goals through the platform. The startup offers a secure and convenient alternative to traditional finance that is more social, culturally favorable, affordable, and incentivizing.

According to the company, the market in Asia and Africa is largely untapped and ripe for disruption with 2.4 billion people globally using money circles through traditional channels. The round will allow Money Fellows to accelerate its exponential growth by diversifying its portfolio of services and expanding its product offerings across the B2C & B2B segments, as well as its geographical expansion across Africa and Asia. (Money Fellows 31.10)

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* 1. KarmSolar Secures $2.4 Million in Funding from QNB ALAHLI

Leading Egyptian solar energy company and multi-utility enterprise [KarmSolar](https://www.karmsolar.com/) has secured EGP47 million in funding for the first financed solar Power Purchase Agreement (PPA) battery storage system in Egypt, from Qatar National Bank ALAHLI, with advisory led by Ezdaher Financial Advisory, an Egypt-based debt advisory firm. This comes as part of a Phase 2 expansion of KarmSolar’s existing solar microgrid solution for the Cairo 3A poultry farm facility in the Bahareya Oasis in Giza, Egypt.

Phase 2 of the project consists of the addition of the battery storage system, supplied by global solar tech manufacturer Sungrow, as well as an expansion of the existing solar station’s capacity. This upgrade has managed to increase the percentage of energy consumption generated through solar significantly, thereby increasing the project’s PV share to 50%. With industry averages tending to be around 30%, this project is considered to be a state-of-the-art renewable energy project and innovation.

KarmSolar has substituted a large portion of Cairo 3A’s needs with solar energy and is continuing the decarbonization efforts to supply Cairo 3A’s consumption with the maximum amount of renewable energy possible. This is consistent with the COP27 commitment to reduce decarbonization and increase reliance on renewable energy.

In Phase 1, KarmSolar signed a PPA agreement with Cairo 3A in 2020 to establish an on-site off-grid solar station to supply electricity to the poultry farm using a hybrid microgrid of PV solar and diesel generators. The original on-site solar PV station covers 30% of Cairo 3A’s energy needs using renewable energy. (KarmSolar 23.10)

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* 1. Foodtech Startup Brotinni Closed $600,000 Seed Round

Egypt's online butcher [Brotinni](https://www.facebook.com/Brotinni/) raised $600,000 in a seed round, led by Innlife Investments. Founded in 2020, the startup sells fresh meat and poultry as well as frozen ready-to-cook products for home delivery. The company recently inaugurated its first fulfillment warehouse, piloting the dark store / kitchen concept for the meat industry. The funding will go towards “enhancing the startup's technology with regards to the vacuum seal bags it uses and increasing the size of its fleet to ensure fast shipping and same-day delivery

Brotinni currently operates in Greater Cairo, and has plans to open more “dark butchers” to serve customers in other parts of the country. Brotinni’s products are available across a number of online grocery stores and will soon be available via its website and app, which is set to go live by the end of November. (Brotinni 07.11)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. COP27 Opens in Egypt

The 2022 United Nations Climate Change Conference, COP27, began on 7 November in Sharm el-Sheikh, Egypt. Day one of the conference featured round tables on food security and climate financing. The second and final day of COP27 will include discussions on water security, communities that are particularly vulnerable to climate change and investment in green hydrogen.

The focus on green hydrogen is not surprising. Green hydrogen is an energy source created by separating hydrogen from oxygen in water in a process powered by renewable energy. Egypt plans to announce a new green hydrogen strategy at COP27, and the sector is already taking off in the country. In August, the Saudi company Alfanar signed a deal to build a green hydrogen plant near the Suez Canal. A month later, Egyptian President al-Sisi met with an Australian green energy firm to discuss building a large green hydrogen facility in Egypt.

On the finance round table, the current levels of financing for climate-related projects are insufficient to meet the goals of the Paris Agreement. Climate finance flows surpassed $850 billion in 2018, but need to increase another 200-400% to meet the target of $1.6-$3.7 trillion per year. This amount is “necessary to transition to a net-zero-emission and resilient economy by 2050,” according to the UN. Food security is also a growing issue in the Middle East, particularly due to increasing desertification.

Egypt is seeking to improve its image and environmental record by hosting COP27 and will also present a sustainable fashion project at the conference. The fashion industry is notorious for its harmful impact on the environment. (Al Monitor 07.11)

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* 1. Israel’s Only Glass Company Will Get Raw Materials from its Own CO2 Emissions

On 31 October, Ness Ziona's [Airovation Technologies](https://www.airovation-tech.com/) announced that it has signed a MoU with Phoenicia, the country’s only glass manufacturer, to install technology that transforms carbon dioxide emissions from the plant into minerals that can be used in the glass production process.

Following more than a decade of research at Jerusalem’s Hebrew University of Jerusalem, Airovation Technologies has developed a way to capture sodium carbonate from carbon dioxide at the point where the latter is emitted. Sodium carbonate, also known as soda ash, is a key component of glass-making. Extracting it from CO2 is done by a patented chemical invention that uses Superoxide Radical, the most powerful oxidizer in nature. Airovation is also working on extracting other products from carbon dioxide that can be sold in Israel for use in the food, animal feed and fertilizer industries.

The new MOU with Phoenicia, which is located in the southern town of Yeruham, will see Airovation run a two-phase scale-up process, eventually leading to the first fully commercial unit. This will reduce Phoenicia’s global warming carbon emissions, contribute to a circular economy, and reduce the company’s dependence on soda ash imports. Phoenicia built a natural gas power plant which is expected to start working within two months, he said, and installed a facility a decade ago to prevent the emissions of polluting nitrogen oxides and particulate matter. (Airovation 31.10)

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* 1. Green Financing for Jordan’s SMEs from the EBRD, EU and GCF

The European Bank for Reconstruction and Development (EBRD) and the Green Climate Fund (GCF) are providing a $10 million loan to Jordan’s Cairo Amman Bank (CAB) to on-lend to SMEs working on climate change adaptation and mitigation tech and services. The $10 million package — of which $2.5 million is being co-financed by the GCF — will also include a technical cooperation package funded by the EBRD, EU, and GCF to provide support on tech usage to integrate climate change adaptation and mitigation. It will also advise on where and how to direct investment. The EU will also provide unspecified investment incentives, the statement says.

This is the third loan provided to Jordan by the EBRD, EU and GCF under the Green Economy Financing Facility. It’s the first facility being provided to CAB under the GCF-GEFF Regional Framework in Jordan, the statement notes. This is part of a raft of recent regional loans for on-lending to climate-focused SMEs. The EBRD signed an agreement with Jordan’s Bank al Etihad to provide a $10 million GEFF, with $500,000 of co-financing from the GCF in August this year. Morocco’s Bank of Africa – BMCE Group recently secured €13 million in loans to use for on-lending to SMEs, with €9.75 million of this funding coming from the EBRD and €3.25 million from the GCF, and the EU providing a separate €1.43 million grant. Last year, the EBRD greenlit a $25 million loan to the National Bank of Kuwait Egypt in April, a $50 million loan to QNB AlAhli in June, and a $100 million facility to Egypt’s Banque Misr in November. (Enterprise 01.11)

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* 1. UAE & US Partner to Catalyze $100 Billion in Clean Technologies

UAE President Al Nahyan witnessed the signing of a comprehensive strategic partnership between the UAE and the US to accelerate the energy transition, advance shared climate goals and strengthen global energy security. The signing ceremony took place at ADIPEC, a global platform that brings together leaders and pioneers of the global energy sector to discuss energy security and ensure adequate and sustainable supply of energy at appropriate costs.

The UAE-US Partnership for Accelerating Clean Energy (PACE), which will catalyze $100 billion in financing and other support in addition to deploying 100 GW of clean energy in the US, UAE and emerging economies around the world by 2035. At the event, the UAE and the US reaffirmed their shared commitment to enhancing climate ambition and climate action, in line with their net zero 2050 goals.

Looking ahead to November's COP27 in Egypt and to COP28 in the UAE next year, both countries will work together to advance their shared view that the fastest and most reliable pathway to achieve net zero will require accelerating investment in clean energy technology and resources. Both countries recognized that a rapid, sustainable and well-managed energy transition is critical to successful climate action, as well as to enhancing global energy security and affordability. (WAM 01.11)

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* 1. Aramco to Set Up a $1.5 Billion Sustainability Fund

Saudi Arabian Oil Company (Aramco) has announced it will set up a $1.5 billion sustainability fund to invest in technology that supports a stable and inclusive energy transition. Unveiled at the sixth edition of the Future Investment Initiative, the fund is among the largest sustainability-focused venture capital funds globally. Managed by Aramco Ventures, the venture capital arm of Aramco, the fund plans to invest in technologies that support the company’s announced net-zero 2050 ambition in its wholly-owned operational assets, as well as the development of new lower-carbon fuels.

Its initial focus areas will include carbon capture and storage, greenhouse gas emissions, energy efficiency, nature-based climate solutions, digital sustainability, hydrogen, ammonia and synthetic fuels. The fund will target investments globally. In addition, Aramco’s wholly-owned subsidiary Aramco Trading Company has participated in the first voluntary carbon credits auction organized by the Public Investment Fund (PIF). It follows the signing of a memorandum of understanding between Aramco and PIF earlier this year, to participate in a regional voluntary carbon market to be launched in Saudi Arabia in 2023.

In June, the company also announced a set of interim targets that it aims to achieve by 2035, which are intended to reduce or mitigate net Scope 1 and Scope 2 GHG emissions across its wholly-owned operated assets by more than 50 million metric tonnes of CO2 annually when compared to the business-as-usual forecast. (Aramco 27.10)

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* 1. Egypt's First Climate-Related Fatwa Prohibits Environmentally Harmful Practices

Egypt’s Dar al-Ifta, which is responsible for issuing religious edicts (fatwas), recently approved the first fatwa charter for the fight against climate change based on Islamic law (Sharia) principles. The move came as part of Dar al-Ifta’s contribution to the implementation of sustainable development goals, resolution of climate change problems and raising awareness of the danger of climate change from a religious perspective. The charter was launched on 8 October, during Dar al-Ifta’s seventh international conference titled “Fatwa and Sustainable Development Goals,” ahead of the United Nations climate change conference (COP27) that will be held in Sharm el-Sheikh in November.

The charter includes several fatwas to be implemented in accordance with Islamic law, including prohibiting the use of hazardous materials and waste, excessive energy consumption, encroachment on agricultural land, the use of pesticides and compound chemicals without respecting the terms of use and dumping waste into the oceans. The charter also defined some environmentally harmful actions that are banned based on religious principles, including the hunt and killing of birds, wild animals and marine creatures, as well as cutting or destroying plants and open waste burning. The charter is tantamount to an agreement among the world’s top muftis to prohibit what has been proven harmful to the environment and to strive to confront the repercussions of climate change and take part in helping those affected.

Dar al-Ifta’s fatwa charter is important because it is the first international document that promotes the criminalization and prohibition of environmentally harmful practices based on Islamic law, particularly those that are very common in Egyptian society such as encroachment on agricultural lands, pollution of water sources and waste burning. Societal awareness may be boosted with the adoption of a religious discourse that prohibits these practices. (Al-Monitor 26.10)

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* 1. Egypt’s Cabinet Approves Green Hydrogen & Energy Project MoUs

The Egyptian Cabinet has approved several memoranda of understanding (MoUs) on green hydrogen and energy projects. One of the MoUs is mainly about technical cooperation between Egypt and France to develop green hydrogen projects. The MoU was signed in May 2022, stating that France will pay €500,000 as a non-refundable grant through the French Development Agency (AFD).

According to the MoU, the two sides will cooperate in providing technical aid in building capabilities among the members of the National Hydrogen Committee. Also, the Cabinet approved other MoUs, which will be signed between Egypt and Saudi Arabia in November 2022. These MoUs aim to develop and upgrade power and renewable energy projects in addition to green hydrogen investments at the Suez Canal Economic Zone. (Various 31.10)

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* 1. Engie Begins Work on a 500 MW Wind Farm in Ras Ghareb, Egypt

A consortium of independent power producer (IPP) Engie, Orascom Construction, Toyota Tsusho Corporation and Eurus Energy is laying the foundation stone for a 500 MW wind farm in the Gulf of Suez in Egypt. The project is being implemented under a public-private partnership (PPP). The project, which is now entering the construction phase, involves the installation of wind turbines in Ras Ghareb with a total capacity of 500 MW. It is the largest wind farm under construction in the Gulf of Suez in Egypt.

The project is being implemented under a Build-Own-Operate (BOO) contract, a form of public-private partnership (PPP) involving the French independent power producer (IPP) Engie, the Japanese Eurus Energy, the Egyptian company Orascom Construction and the Japanese investor Toyota Tsusho Corporation. The park is being built in the wake of a first successful project in the Gulf of Suez by the same consortium. The 262.5 MW park was inaugurated at the end of 2019.

The plant is now operated by Red Sea Wind Energy. The special purpose company is also responsible for the construction and will operate the future 500 MW wind farm. Orascom, which has a 25% stake in the project, estimates that construction will take 30 months. The electricity generated will be sold to the state-owned Egyptian Electricity Transmission Company (EETC) under a 20-year power purchase agreement (PPA). (Afrik21 03.11)

ARAB STATE DEVELOPMENTS

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* 1. Lebanon Sees 26th Consecutive Month of Triple-Digit Inflation in September

According to the Central Administration of Statistics (CAS), Lebanon’s monthly inflation rate jumped from 144.12% in September 2021 to register higher levels of 162.47% in September 2022. The cost of Housing and utilities, inclusive of water, electricity, gas and other fuels (grasping 28.4% of the CPI) added a yearly 90.72% by September 2022. Also, Owner-occupied rental costs increased by 6.04% year-on-year (YOY) and the prices of water, electricity, gas, and other fuels followed a significant increase by 341.71% YOY as subsidies were removed by the Central Bank and prices went up sharply on the global market due to the war in Ukraine.

Looking at the prices of Food and non-alcoholic beverages (20% of CPI), it surged by 208.07% yearly. In turn, the average prices of Transportation (13.1% of the CPI) and Health (7.7% of the CPI) recorded hikes of an annual 262.45% and 282.563% respectively by September 2022. Also, Restaurant and Hotels (2.8% of CPI) increased yearly by 214.28% by September 2022 as the hospitality sector had been authorized to adopt prices listed in dollars. In the same token, costs of Clothing and Footwear (5.2% of CPI) surged by 162.9% by September 2022, and the prices of Communication (4.5% of the CPI) increased by 231.62%. Finally, prices of Furnishings and household equipment (3.8% of CPI), Alcoholic beverages and tobacco (1.4% of CPI), and Recreation, amusement, and culture (2.4% of the CPI) increased by 150.65%, 145.47%, and 151.15%, respectively, by September 2022.

Since July 2020, Lebanon has been recording triple-digit inflation rates, thus, in September, the country witnessed its 26th consecutive months of triple-digit inflation. Indeed, the country’s hyperinflation continues to drive up purchasing costs, mainly driven by the devaluation of the Lebanese pound. Consequently, poverty rate is rising in Lebanon, without access to basic services such as electricity and safe drinking water, citizens have less access to education and suffer from poorer health and endemics. (CAS 28.10)

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* 1. Lebanon's Balance of Payments Deficit at $3.05 Billion in September 2022

According to BDL’s latest monetary report, the BOP recorded a cumulative deficit of $3.05B by September 2022, compared to a deficit of $1.58B over the same period last year. Accordingly, Net foreign Assets (NFAs) of BDL fell by $3.32B, as BDL has continued to make some intervention on FX market through the “Sayrafa” rate while the NFAs of commercial banks increased by $269.4M by September 2022. On a monthly basis, the BOP deficit stood at $48.5M; as NFAs of BDL surprisingly increased by $161.2M for the first time in 2022 while that of Commercial banks fell by $112.6M.

The month of September was dominated by the decrease in foreign liabilities and the slight increase in foreign assets. On the liabilities side, “Non-resident financial sector liabilities” increased by only $10.98M, to reach $4.39B, while “Non-resident customers’ deposits” declined by $225.17M, to reach $23.39B by September 2022. On the asset side, however, “other foreign assets” declined by $248.84M, and “currency and deposits with other Central Banks” fell by $50.43M. After three years for the October revolution, the balance of payment is recording persistent disequilibrium yet wider compared to year of 2021. This could be attributed to the significant adaptation of the Lebanese people towards the ongoing crisis as consumer’s behavior seems to readjust to the situation, despite higher international commodity and fuel prices, though higher imports of goods. (BDL 07.11)

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* 1. WHO Says Jordanians Spend More on Tobacco than on Food

Jordan remains the top country globally for smoking, making Jordanians’ monthly expenditure on tobacco higher than their food spending, the World Health Organization (WHO) said. The WHO pointed out that Jordanian households spend JD73.6 per month on tobacco-related products, whereas the average household’s monthly expenditure on fruits does not exceed JD27, household spending on dairy products and eggs stands at JD38 monthly, spending on meat and poultry stands at JD50 monthly and JD42 on vegetables and legumes.

Jordan’s smoking rates are the highest in the world, with 82% of men aged between 18-69 smoking. The WHO added that 66% of men smoke cigarettes and shisha. Another 15% smoke e-cigarettes, as youth don’t want their parents or teachers to know that they smoke and see e-cigarettes are the solution for them. (JT 06.11)

►►Arabian Gulf

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* 1. Dubai Retains Position as World’s Top FDI Destination in First Half

Dubai has retained its status as the world’s leading foreign direct investment (FDI) hub, retaining its first rank globally for attracting FDI projects during H1/22. The emirate attracted 492 FDI projects during the first six months of 2022, an 80.2% increase compared to the same period in 2021, according to data published by Dubai’s Department of Economy and Tourism (DET). Dubai also ranked first globally in attracting greenfield FDI projects during the same period this year, according to the Financial Times’ FDI Markets.

Greenfield projects accounted for a 56% share of Dubai’s FDI projects during the period, according to the Dubai Investment Development Agency (Dubai FDI), a DET entity, using data from its Dubai FDI Monitor. Dubai witnessed FDI inflows of Dhs13.72billion in H1/22, reflecting a growth of 14.6% compared to the same period last year.

FDI investments and projects generated 15,164 new jobs in H1/22, a 33.5% year-on-year growth compared to H1 2021. Dubai also retained its top rank in FDI-related employment among countries in the Middle East and North Africa (MENA). Underlining its focus on retaining investments and investor confidence, Dubai ranked fourth globally in reinvestment FDI projects, 10th globally in reinvestment FDI capital inflows, and eighth in terms of jobs created by reinvestment projects.

Dubai ranked first globally in attracting greenfield FDI projects in 2021, with 418 greenfield FDI projects, and the latest numbers vindicate its business-friendly initiatives and policies. Investor confidence in the emirate remains high, reflecting its economic stability and bright growth prospects. The emirate ranked first in the world in terms of the number of projects in the creative industry and the number of FDI projects in business services, financial services, transportation and warehousing, industrial equipment, and sales, marketing and support sectors. (GB 01.11)

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* 1. Saudi Arabia’s Economy to Grow by 8.3% In 2022

Saudi Arabia's economy is expected to grow by 8.3% in 2022, according to a recent World Bank report. In its ‘Gulf Economic Update’ report, the World Bank noted that the growth of the kingdom’s oil sector is notably boosting its economy. Countries part of the Gulf Cooperation Council (GCC) are expected to grow by 6.9% in 2022 before slowing to 3.7% and 2.4% in 2023 and 2024 respectively – mainly due to the strengthening of the hydrocarbon and non-hydrocarbon industries.

The report pointed out that an increase in oil and gas prices, along with the ongoing conflict in Ukraine, is expected to provide a windfall for the GCC. Rising hydrocarbon prices have eased pressure on fiscal balances and public sector debt and has increased current account surpluses in the GCC. The World Bank also said GCC countries are struggling to diversify their economies, which have been dependent on oil for several decades.

The Gulf region's collective budget surplus is expected to reach 5.3% of GDP at the end of this year. It will then reach 4.2% of GDP in 2023 and two% the following year, the World Bank predicted. In addition, Saudi Arabia will record its first surplus in nine years, at 6.8% of GDP by the end of 2022, while Bahrain will be the only GCC country to remain in deficit in 2022. (i24NEWS 01.11)

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* 1. Saudi Crown Prince Launches Kingdom’s First Electric Vehicle Brand

Saudi Crown Prince Mohammad bin Salman bin Abdulaziz, Prime Minister and Chairman of the Public Investment Fund (PIF) has announced the launch of Ceer, the first Saudi electric vehicle brand. The company will contribute to Saudi Arabia’s efforts towards carbon emissions reduction and driving sustainability to address climate change.

Ceer is the first Saudi automotive brand to produce electric vehicles in the kingdom, and will design, manufacture and sell a range of vehicles for consumers in Saudi Arabia and the MENA region, including sedans and sports utility vehicles. Ceer is expected to attract over $150 million of foreign direct investment, and create up to 30,000 direct and indirect jobs. It is also projected to directly contribute $8 billion to Saudi Arabia’s GDP by 2034.

The company, which is a joint venture between PIF and Hon Hai Precision Industry will license component technology from BMW for use in the vehicle development process. Foxconn will develop the electrical architecture of the vehicles. Designed and manufactured locally, Ceer vehicles are scheduled to be available in 2025. (GB 06.11)

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* 1. Saudi Arabia’s Real GDP Grows by 8.6% in Third Quarter

Despite a slowing economic growth outlook, Saudi Arabia registered real GDP growth of 8.6% year-on-year in Q3/22. Inflation was also contained at 2.9% – one of the lowest rates among the G20 nations. Domestically, real non-oil GDP growth expanded by 5.9%, following six consecutive quarters of growth, a run that stretches back to the first quarter of 2021. Manufacturing, wholesale, retail trade, restaurants and hotels, construction and transport were among the key contributors to the kingdom’s non-oil GDP growth in the third quarter of 2022. Despite persistent supply-chain bottlenecks clogging up global trade, the kingdom’s trade balance climbed by 87% to SAR72 billion in August 2022.

Exports to China, Japan and the US increased, while India and South Korea doubled imports of Saudi Arabian goods year-on-year. (GB 05.11)

►►North Africa

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* 1. Egypt’s Central Bank Liberalizes Pound's Exchange Rate

Egypt’s central bank decided to liberalize the exchange rate of the Egyptian pound, sending directives to the banks to determine the price of the local currency through the interbank mechanism. The Central bank of Egypt (CBE) moved to durably flexible exchange rate regime, leaving the forces of supply and demand to determine the value of the EGP against other foreign currencies, while prioritizing the primary goal of achieving price stability, and building up sustainable, adequate levels of Foreign Exchange Reserves.

The move followed an exceptional momentary policy meeting which decided to hike key interest rates by 200 basis points, setting the overnight lending rate at 14.25% and the overnight deposit rate at 13.25%. (CBE 26.10)

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* 1. Egypt to Plant Wheat in Congo Amid Water Shortage

Amid Egypt’s acute water shortage, Cairo is considering the Republic of Congo to plant wheat and other strategic crops to cover the country’s food needs. Congolese authorities have allocated 20,000 hectares of arable lands for Egypt in the city of Mossendjo to be cultivated with crops such as wheat and rice under a friendship agreement between the two countries. Agricultural investment in Africa is a national security issue for Egypt that serves Egypt’s efforts to achieve food security.

Egypt is the world’s largest wheat importer. According to CAPMAS, Egypt consumes up to 21 million tons of wheat annually, around 13 million tons of which are imported. The Russian invasion of Ukraine, however, has largely disrupted Egypt’s wheat supply as 80% of the country’s wheat imports come from the two countries, forcing Cairo to look for alternatives. Wheat is a water-consuming crop, and its cultivation adds more pressure on Egypt’s already limited water resources.

A nation with a population of around 104 million, Egypt is one of the most water-scarce countries in the world. It needs 114 billion cubic meters (bcm) annually, but it receives an average of only 60 bcm — mainly from the Nile River, the country’s only source of freshwater. The country is engaged in a years' long dispute with Ethiopia over a mega-dam project being built by Addis Ababa on the Blue Nile, the Nile River’s main tributary, which Cairo views as an existential threat to its water share. (Al-Monitor 25.10)

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* 1. Egypt Will Receive $2 Billion to Boost Food Security

The UN’s International Fund for Agricultural Development (IFAD) is providing Egypt with a $2 billion loan to boost investment in food, energy, and water. The funds will be provided to the Egyptian government until 2030.

The funds will be disbursed through a new program — the Nexus of Water, Food and Energy (NWFE) — that’s set to be unveiled at COP27. IFAD will lead coordination of the food part of the program, which is set to target “production, food storage and food transportation” and will connect markets with “smallholder” farmers IFAD President Lario said in an interview last week. The European Bank for Reconstruction and Development (EBRD) will oversee the energy part of the program and the African Development Bank (AfDB) will oversee water. The EBRD is pledging $1 billion to the private sector to support bringing 10 GW of renewable energy online, and another $300 million in concessional or IFI financing to support the grid. The funds will target small-scale, rural farmers in Egypt. Small-scale farmers currently receive only 1.7% of global climate finance, though they produce one-third of the world’s food, added IFAD.

NWFE is the mechanism by which Egypt’s International Cooperation Ministry will promote its pipeline of low-carbon projects to investors. Climate change has hit Egypt’s agriculture sector hard recently. Egypt’s olive production fell by some 60-80% last season due to an unusually warm 2020-2021 winter, while the long 2021-2022 winter adversely affected the crop’s pollination and pruning process. Mango production took a 40% hit last year on the back of a Ramadan heatwave, though it recovered in 2022. Egypt’s dairy industry has been hit by climate change-induced extreme heat — which affects the growth, milk production, and reproductive rates of cattle, and growing conditions for livestock feed. (Enterprise 01.11)

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* 1. Egyptian Car Sales Hit 4.5 Year Low In September Due to Supply Constraints

Egyptian monthly auto sales fell to their lowest level since 2018 in September as import restrictions continued to weigh on the market. Figures released by the Automotive Information Council (AMIC) showed that only 6,800 passenger cars were sold during the month, 60% fewer than in September 2021. This is the lowest monthly sales volume since January 2018. Truck sales fell 33% to around 2,800 while sales of buses were down 8% to around 1,800. Overall vehicle sales were down 50% to 11,400, the lowest figure since the COVID-19 lockdown in April 2020.

Car sales have fallen through most of 2022 thanks to import restrictions. Amid tightening financial conditions globally, the Central Bank of Egypt (CBE) imposed sharp restrictions on imports to preserve foreign currency, which have made it almost impossible for distributors to bring fully built up vehicles, assembly kits and spare parts into the country and forced a number of global car manufacturers to suspend sales to Egypt.

The central bank will by the end of the year phase out the requirement to finance imports via L/Cs — the measure was the primary way the bank had been stifling imports. In the meantime, CBE Governor Abdalla is allowing shipments worth as much as $500,000 (up from a previous limit of $5,000) to be cleared through the old documentary collection system. (Enterprise 01.11)

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* 1. Egypt Plans to Launch First Satellite to Monitor Climate Changes in Africa

The Space Committee of the Egyptian Syndicate of Engineers unveiled during a conference held on 22 October Egypt’s plan to launch the first satellite specialized in monitoring climate changes in African countries, in partnership with Chinese parties. A prototype of the satellite will be displayed in Sharm el-Sheikh in conjunction with the UN climate conference sessions in order to explain the role and goals of this satellite.

The launch of the satellite aims to monitor climate changes in Africa, such as the phenomena of desertification, the increase in carbon emissions, water vapor and wind speed, and this is very important and useful for Cairo and all countries of the African continent to support them in facing the negative effects of climate change. Negotiations are underway with a Chinese party to take part in the launch process along with the Academy of Scientific Research and Technology. The details, according to the source, are to be announced upon completion of the negotiations. Another satellite is to be launched in 2023 with the aim of measuring the proportion of plasma in the upper atmosphere. (Al-Monitor 26.10)

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* 1. October Sees Continued Contraction of Egypt’s Non-Oil Private Sector

Activity in Egypt’s non-oil private sector continued to contract in October, albeit at a marginally lower pace than it did in September, according to S&P Global’s purchasing managers’ index). The PMI index registered 47.7 last month — just 0.1 point higher than September’s reading, but marking the highest reading since February. This is the 23rd consecutive month that index has come in below the 50.0 threshold that separates growth from contraction. (Enterprise 03.11)

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* 1. Trials and Travails of the Egyptian Pound

On 1 November, the Egyptian Pound (EGP) notched a new record low as the currency dipped another 5% in the wake of the central bank’s decision to move to a “durably flexible” exchange rate on 27 October. The currency closed the day at 24.1353 to the dollar, according to central bank figures. The EGP has now tumbled 22.1% since 27 October and is down 53% since the start of the year, making it one of the worst-performing emerging-market currencies of 2022.

JPMorgan expects it to close out 2022 at around EGP 23.50 to the $, while Deutsche Bank thinks the currency will fall closer to |EGP 25 by the end of December. Egyptian businesspeople said they were planning to use an average figure of EGP 22.12 to the greenback in their 2023 budgets, with some 22% of participants in a Fall 2022 Reader Survey saying they expect the $ to be changing hands at EGP 23-24 next year.

Q4/22 earnings could be rough for companies with big FX costs structures: Ezz Steel warned in a disclosure that it could eat EGP 2.2 billion in currency losses as a result of the float. This would take the company’s full-year FX losses to more than EGP 3.3 billion. Few companies will be as dramatically hit as Ezz, but you can expect to hear a lot of guidance in the coming days about cost pressure everywhere from FMCG companies (who import everything from packaging to key raw materials) to real estate players. (Enterprise 02.11)

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* 1. Egypt Reports Increased Trade with Arab States

On 1 November, the Egyptian government Tuesday reported an increase in its trade with other Arab countries. Trade between Egypt and Arab states amounted to $14.4 billion during H1/22, compared to $12.1 billion during the first half of 2021. This constituted a 19.4% increase, the Central Agency for Public Mobilization and Statistics said.

Saudi Arabia was Egypt’s top import and export partner in the first six months of the year with $1.2 billion in imports and $4.3 billion in exports. Libya was the second-largest importer with $955.2 million, while Kuwait was the second-largest exporter with $1.4 billion, according to the agency.

Egypt is experiencing an economic crisis marked by the depreciation of the Egyptian pound, a shortage of US dollars and high inflation. To alleviate the pain, Egypt has sought to attract more investment from wealthier Gulf states. Egypt has had some success in this regard, with the United Arab Emirates, Qatar and Saudi Arabia all investing heavily in Egypt this year. Petroleum is the most valuable commodity traded between Egypt and Saudi Arabia, according to the Observatory of Economic Complexity. (Al-Monitor 02.11)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkish Inflation Hits 85.5% as Doubts Linger Over Official Data

Turkey’s annual consumer inflation climbed to a 24 year high of 85.5% in October as prices rose 3.5% month-on-month, the statistics agency announced amid growing doubts that it could be glossing over gloomier market realities. Clothing, food and household equipment prices drove the surge in October, rising respectively by more than 8%, 5% and 4% from the previous month, data by the Turkish Statistical Institute (TUIK) showed. Food inflation hit an annual of 99%, standing out among popular grievances in the run-up to crucial elections next year. The annual price increases topped 117% in the transportation group and 85% in housing expenditures.

The 85.5% consumer inflation — a staggering upsurge from about 20% in October 2021 — is Turkey’s highest since June 1998. In the G20 group of major economies, it is comparable only to that of crisis-ridden Argentina and is about six times the Dutch and Russian rates, the next highest. Yet the TUIK data remains under widespread criticism at home for not reflecting the actual price increases in the market. Skeptics point to the widening gap between the TUIK figures and other inflation surveys such as the one conducted by the Istanbul Chamber of Commerce (ITO), which has monitored inflation in Istanbul, Turkey’s largest city and economic powerhouse, since 1927. According to the chamber's Nov. 1 report, consumer prices in Istanbul rose almost 4% in October from the previous month and annual inflation hit near 109%.

While annual food inflation reached 99% in October according to the TUIK, it stands at 116% in the ITO data. Bread and grain prices alone rose 124% year-on-year according to the ITO, and 107% according to the TUIK. In terms of housing prices, the ITO survey measures an annual increase of 116% — 31% above the TUIK figure. The gap widens further to 32% in the clothing category and 37% in the health group. Annual inflation in the two categories stands respectively at 73% and 100% in the ITO survey as opposed to 41% and about 63% in the TUIK data. (Al-Monitor 03.11)

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* 1. Cyprus & Israel Regulators to Fast-Track the EuroAsia Cable

Government officials and market regulators from Cyprus and Israel are determined to see the subsea electricity link between their countries finished in time, if not earlier, that will end their energy isolation and reduce the risk of security of supply. A delegation of the Israeli and Cypriot Ministries of Energy, the Israeli and Cypriot Energy Regulatory Authorities, and the Israeli and Cypriot transmission system operators (TSOs), participated in a meeting, moving forward with the implementation of the 1,000 MW EuroAsia Cyprus-Israel electricity interconnector.

The EuroAsia Israel-Cyprus electricity interconnector is a leading European project of common interest that ends the energy isolation of Israel and Cyprus, significantly reduces the CO2 emissions and serves the “Green Deal” of the European Commission. The construction is expected to be completed by the end of 2027 and its operation will begin in the first half of 2028.

It has already secured €658 million from the EU’s ‘Connecting Europe Facility’ and a further grant of €100 million from the Recovery and Resilience Fund, the biggest funding in the history of Cyprus. The infrastructure project will interconnect the electricity grids of Cyprus, Greece and Israel with the biggest subsea electricity cable in the world, which will exceed in length some 1,200 km with a capacity of 1,000 MW and rising to 2,000 MW. The EuroAsia Interconnector transforms Cyprus into an energy hub of strategic importance as the main cable sections connect the island nation both with Crete and with Israel. This project puts an end to the energy isolation of Cyprus. (FM 28.10)

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* 1. Greece Revises Downward its Projections for 2023

Athens is revising downwards its forecasts for growth and inflation in 2023, following a corresponding deterioration in the European Commission’s forecasts, expected to be reflected in its fall forecasts in the coming days, due to the war in Ukraine and the energy crisis.

The new government forecasts will be included in final budget draft and submitted to Parliament by 20 November. In the first draft last month, the government predicted for 2023 a growth rate of 2.1% and inflation of 3%. Now, it sees GDP landing lower, without going into negative territory, as predicted at Eurozone level. Inflation is estimated at a higher level.

For this year, Finance Minister Staikouras said inflation will tend toward 10%, against the forecast of the draft budget for 8.8%. For GDP this year, the ministry has not yet moved from its 5.3% estimate, although there were recent estimates of 6%, including from the central bank. However, before concluding on the final figure, the Finance Ministry is also waiting for the October data, which will show whether consumption continued its upward trend. (eKathimerini 07.11)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. Final Results of Israel Election Show Netanyahu Bloc at 64 Seats

Benjamin Netanyahu and his right-wing allies secured a majority of 64 seats out of 120 in the Israeli parliament following the general election held on 1 November. With 32 seats for Netanyahu's Likud party, 18 for ultra-Orthodox parties, and 14 for a far-right alliance, his rightist bloc won a total of 64 seats, according to results published by the Israel Elections Commission. The opposition bloc of centrist outgoing Prime Minister Yair Lapid won 51 seats. Earlier, Lapid congratulated Netanyahu and instructed his staff to prepare an organized transition of power.

The 73 year-old Netanyahu secured his comeback after 14 months in opposition. He remains on trial over corruption allegations, which he denies, with the case returning to court on 7 November. Netanyahu is holding talks with coalition partners on the makeup of a new government, but there are no final decisions as of yet. Israel's President Isaac Herzog will soon grant Netanyahu 42 days to form a government. Netanyahu, who has served as premier for longer than anyone in Israel's 74 year history, will then be tasked with delegating cabinet posts with his coalition partners.

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* 1. Azerbaijan to Open Embassy in Israel

Azerbaijan has decided to open an embassy in Israel, after 30 years of relations between the two countries and amid tensions with neighboring Iran, local media reported. The two countries have very good relations, despite the absence of an embassy.

Israel and Azerbaijan enjoy close relations, especially in defense matters, as 69% of Azerbaijan's arms imports between 2016 and 2020 came from Israel. Israel's President Herzog had written a letter honoring 30 years of relations between Israel and Azerbaijan earlier this year, in which he invited President Aliyev to visit Israel and open an embassy.

Azerbaijan has trade and tourist offices in Israel, but no embassy, partly to avoid provoking its Iranian neighbor. Nevertheless, the Abraham Accords and the warming of Israeli-Turkish relations have tended to diminish the fears of the Caucasian country. Azerbaijan is a tolerant Shia Muslim country, in which there has never been antisemitism. The country has always respected the Jewish people and the warm relations between the two nations will only grow stronger if an embassy of Azerbaijan opens in Israel. (i24NEWS 01.11)

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* 1. Five Israeli Universities Among Top 50 Producers of Entrepreneurs

Five Israeli universities were listed in the top half of PitchBook’s 2022 ranking of the 100 undergraduate programs that produce the most VC-backed entrepreneurs, including Tel Aviv University, which ranked in the top 10 for the fifth consecutive year. The 2022 PitchBook study ranked programs across categories such as top 100 undergraduate programs, top 100 graduate programs, top 50 undergrad programs for female founders, and top 50 graduate programs for female founders. The 2022 study was released on 31 October.

In the ranking for undergraduate programs, Tel Aviv University came in at 7th place, up one spot from the previous four years when it placed 8th; the Technion-Israel Institute of Technology dropped to 15th place, down three spots from 12th, a ranking it held for the previous two years; the Hebrew University of Jerusalem held its spot at No. 31 for the second consecutive year; Reichman University (formerly the IDC) was a newcomer to this list, ranking in 38th place, and Ben-Gurion University of the Negev dropped to the 45th spot, down one from 2021.

A majority (43) of the universities in the top 50 rankings were North American, including a handful of Canadian universities like McGill and the University of Toronto. Two outliers were the University of Oxford in 47th place, on the European continent, and Beijing’s Tsinghua University in the 36th spot, in addition to the five Israeli universities.

According to Pitchbook’s data, the undergraduate programs at Tel Aviv University have helped create 814 graduates-turned-founders who have set up 677 companies and raised a total of $26.5 billion in the period between 1 January 2012, and 21 October 2022. These include companies like retail tech firm Trax, which has raised over $1 billion in funding so far, and Fireblocks, a blockchain fintech firm that has raised a similar amount since it was established in 2018.

Undergraduate programs at the Technion have created 576 founders with 493 companies, including payroll company Deel, and AI startup Gong. Founders who studied at the Technion went on to raise $17.7 billion in the specified timeframe, according to PitchBook. The programs at the Hebrew University of Jerusalem have generated 412 founders, who have set up 361 companies (including cybersecurity unicorns Wiz and Cybereason) and raised a total of $12.4 billion. Reichman University, which debuted on the list this year in the 38th spot, saw 350 of its undergrads go on to found 293 companies that raised $8.7 billion. Firms founded by Reichman University graduates include AI transcription company Verbit and client management company Honeybook. (ToI 01.110

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* 1. Jerusalem Zoo Welcomes Second Litter םf Rare Asiatic Lions

Two Asiatic lion cubs were born at the Jerusalem Biblical Zoo a month ago, the zoo recently announced. The park said that the cubs — the second litter to be born at the site to resident lions Gir and Yasha — have begun taking their “first steps” around their enclosure and invited the public to visit them. They are estimated to weigh between one to two kilograms. The cubs have not yet been named.

The cubs are part of a joint project with the European Association of Zoos and Aquaria to rescue the Asiatic lion, which until the Crusaders period roamed throughout the Land of Israel. As part of the program, Gir, a male lion, came to the Jerusalem zoo in January 2014 from a zoo in Sweden when he was three years old. Yasha joined him in Jerusalem later that year after being donated by a zoo in Germany. The couple first became the proud parents of two lion cubs in 2020. There are only around 500 Asian lions left in the wild throughout the world, most of them in the Gir National Park in Gujarat, in western India. (TOI 04.11)

\*REGIONAL:

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* 1. JUST & American Universities Sign Cooperation Agreements

The Jordan University of Science and Technology (JUST) signed bilateral cooperation agreements that frame strategic partnerships with the University of Wisconsin at Madison, University of Chicago, Purdue and the Illinois Institute of Technology.

The agreements, recently signed by JUST President Prof. El-Salem in the United States, aim to exchange students and faculty members, research cooperation, and provide opportunities for advanced medical training and postgraduate studies in these universities. These agreements are expected to give preferential status to JUST students at the bachelor’s and higher specialization levels for the students in the Faculty of Medicine in terms of the possibility of having optional training in these universities.

According to the agreement, the field has also been opened for scholarships in a group of rare specialties in the medical, engineering, information technology and artificial intelligence fields, in addition to clinical specialties in veterinary medicine. For their part, the presidents of the US universities stressed the importance of concluding such bilateral agreements with the university, especially in light of the advanced level these universities perceive for JUST graduates who complete their higher studies and specialized training. (Petra 31.10)

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* 1. Iraq's Parliament Votes to Approve a New Prime Minister & Government

Iraq's parliament gave a vote of confidence on 27 October to incoming Prime Minister Muhammad Shia al-Sudani and his cabinet of 21 ministers. In his speech prior to the vote, Sudani described the economic and political priorities of his government. Iraq's strategic location, regional stature and influence in the world economy give it the opportunity to establish good relations "with neighboring countries and Arab and friendly countries,” he added.

Sudani presented his government's program to the parliament, which was approved as well. The program focused on dialogue regarding international forces in Iraq, supporting and developing the Popular Mobilization Forces, and ending the spread of uncontrolled weapons. The program also states that the government will work on amending the electoral law within three months and will organize early elections within one year.

The participating political parties are the State of Law Coalition, the Fatah Coalition, Asa'ib Ahl al-Haq, the Taqadum Party led by Parliament Speaker Muhammad al-Halbusi, the Azm Alliance led by Khamis Khanjar and Muthanna al-Samarrai, the Patriotic Union Kurdistan, the Kurdistan Democratic Party, and the Babylon Movement led by Ryan al-Kildani. The Sadrist Movement, led by Shiite cleric Muqtada al-Sadr and which withdrew from the parliament this past June, did not participate in the cabinet. The independent members of the parliament also did not participate. Some of them boycotted the session and some others raised objections against the new government during the session, claiming the new government was a corrupt entity formed based on sectarian quotas. (Al-Monitor 27.10)

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* 1. UAE Lifts Almost All COVID-19 Restrictions

The UAE has lifted almost all restrictions and precautionary measures pertinent to COVID-19 across the country. Masks are optional in all open and closed facilities, including places of worship and mosques. However, they continue to remain mandatory inside health facilities and centers for people of determination, the National Emergency Crisis and Disaster Management Authority (NCEMA) has said. The changes were put into effect at 7 November.

The green pass will no longer be required to access public facilities and sites. Meanwhile, the use of the Al Hosn app will only be limited to proof of vaccination and test results inside and outside the UAE. The Covid-19 PCR testing and treatment health facilities will continue to operate as usual. Praying on personal mats will be optional inside mosques and praying facilities.

However, a five-day isolation period for COVID-19 infected people will still be implemented. All announced procedures are subject to further change, according to latest developments in the epidemiological situation in the country. Regarding sporting events and activities, organizing bodies at the national and local levels may request pre-examinations or vaccination certificates, contingent on the type or importance of the activity.

In September, UAE officials had announced that masks were optional in most open and closed facilities and spaces across the country, but remained mandatory inside medical facilities, mosques and on public transportation. (GB 06.11)

ISRAEL LIFE SCIENCE NEWS

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* 1. Tucson ER & Hospital Adopts Trailblazing MeMed BV Test

Haifa's [MeMed](https://www.me-med.com), a leader in the emerging field of advanced host-response technologies, and Tucson ER & Hospital, a physician-managed facility with a mission to restore the provider and patient relationship through communication and individualized treatment plans, announce that Tucson is adopting the trailblazing MeMed BV test that distinguishes viral from bacterial infection within 15 minutes.

MeMed’s technology applies machine learning to translate the complex signaling of the immune system into simple, actionable diagnostic insights. MeMed's artificial intelligence-based test helps physicians enhance patient management and make better informed antibiotic treatment decisions. (MeMed 25.10)

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* 1. Grace Breeding Wide Defense System (WDS) Improves Industrial Tomato Yield by 17%

Grace Breeding announced the results of a field trial that found its proprietary Wide Defense System (WDS) biostimulant formula improves industrial tomato yield by an additional 17%. The field trial showed that the formula both boosted the growth of the tomato root system and improved the yield in amid harsh, arid weather conditions. Enhanced growth and improved nutrient absorption due to a larger root system are important components of the crop lifecycle since they result in improved yield and may extend shelf life for agricultural produce.

The field trial was conducted in Israel in collaboration with Lycored, a subsidiary of Adama, an Israeli company that specializes in the production of lycopene from tomatoes for the food industry and food additives. The formulation was tested on the cultivation of industrial tomatoes on a land plot in a semi-arid climate similar to California’s climate, which included harsh weather conditions such as drought and record heat. Grace Breeding applied its WDS via the irrigation system once, two days after transplanting the tomatoes. The formula works by slow release and so only needs to be applied once per season and can be efficiently added to the irrigation system versus sprayed.

Rehovot's [Grace Breeding](https://gracebreeding.com/) is an agrotech company focused on developing products that are biologically based and provide efficient and natural solutions for farmers and distributors. Grace Breeding aims to disrupt crop and animal agriculture – including, soil microbiome, crop fertilization, and crop protection – by offering innovative products and solutions that reduce the environmental damage caused by synthetic fertilizers. (Grace Breeding 26.10)

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* 1. Forsea Raises $5.2 Million in a Seed Round for Cultivated Seafood

Rehovot's [Forsea Foods](https://forseafoods.com/) has raised a seed round of $5.2 million for its organoid technology that produces cultivated seafood. The round was led by Berlin-based Target Global and also included participation from The Kitchen FoodTech Hub, PeakBridge VC, Zora Ventures, FoodHack and Milk & Honey Ventures. Forsea uses a non-GMO organoid platform where eel meat is grown ex vivo as a three-dimensional tissue structure, in the same way it would grow in a living fish. The technology bypasses the scaffolding stage and requires fewer bioreactors, a process that is much simpler and cheaper than traditional cell culturing.

The funding will go towards growing cultivated eel meat which is in high demand due to sushi and kabayaki, a meal where fish is skewered and dipped into sweet soy sauce-based sauce before being grilled. Due to these meals being in such high demand, the eel has become an endangered species and the company is helping with the impact on marine life due to overfishing.

Forsea was founded in 2021, with support from the Israeli Innovation Authority (IIA) and The Kitchen Hub. The company expects to inaugurate its pilot plant in 2023, which will allow the company to create a design for large-scale alpha production systems and launch its first products. (Forsea Foods 26.10)

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* 1. Navina Raises $22 Million in a Series B Round to Transform Primary Care

Navina announced that it has raised a $22 million in a Series B funding round, doubling the total investment to date to $44 million. The financing was led by ALIVE Israel HealthTech Fund, with participation from existing investors Grove Ventures, Vertex Ventures Israel and Schusterman Family Investments.

The platform is uniquely able to put exactly the right information in front of physicians at the right time, to give them both a deep understanding of their patients at a glance and actionable insights at the point of care. It distills entire patient histories from different sources, turning thousands of data points into a concise Patient Portrait, ensuring critical decision-making data is not missed. This creates a powerful cascade of benefits, solving the interconnected problems of data overload and dangerous physician burnout that lead to clinical misses and suboptimal care.

Tel Aviv's [Navina](https://www.navina.ai/%E2%80%8E) uses medically-informed AI to turn chaotic data into an intuitive and concise Patient Portrait that gives physicians a deep understanding of their patients’ health status. Designed for and loved by physicians, Navina allows for high quality and empathic patient care, resulting in better treatment, reduced missed diagnoses, and a reduced burden on physicians. (Navina 27.10)

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* 1. Radiaction Medical Gets FDA 510(k) Clearance for its Automated Radiation Shield System

Radiaction Medical has received an additional 510(k) Clearance from the FDA for its Radiation Shielding System, one that enables compatibility with the Siemens Artis family of fluoroscopy C-Arm machines. The Shield System functions as an accessory to new and legacy C-arm models. Since its market debut in Spring 2022, the Radiaction Shield System stands alone as the only fully automated and integrated, head-to-toe shielding device that blocks radiation scatter at its source. Building upon its previous clearance with Toshiba Infinix-I systems, this latest authorization permits the Shield System to be used in a greater number of interventional cardiology and electrophysiology labs across the United States, expanding the availability of Radiaction’s potentially life-saving radiation shield to yet more physicians and staff.

Fluoroscopy-guided procedures have become a leading source of occupational ionizing radiation exposure for healthcare providers. Currently available radiation protection solutions have limitations—leaving gaps in full body coverage, providing reduced protection to staff, and creating obstructions that can limit access to the patient. Radiaction’s technology blocks the threat of radiation exposure and eliminates these limitations. Clinical studies have shown that the Shield System can reduce radiation scatter to the entire interventional lab by over 90%1, with even higher reductions to the heads and upper bodies of the treating physicians. The additional FDA 510(k) clearance along with Radiaction’s new staff and facilities are milestone events marking an inflection point for the fast-growing organization.

Tel Aviv's [Radiaction](http://www.radiactionmedical.com) offers the Shield System to create a radiation-safe environment for all healthcare team members, revolutionizing X-ray protection with full-body shielding to all staff during fluoroscopy-guided procedures. Placed on the fluoroscope’s C-arm, the Shield System encapsulates the imaging beam and blocks scattered radiation at its source, without increasing radiation to the patient or affecting imaging. This represents a paradigm shift in medical staff radiation protection. Installations target the interventional cardiology and electrophysiology markets, where the highest radiation exposures occur. (Radiaction Medical 27.10)

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* 1. MIGAL's Advanced AI Quadruples Cucumber Postharvest Life

The MIGAL Galilee Research Institute (MIGAL), a regional mega-R&D center supported by Israel's Ministry of Science and Technology, has more than quadrupled the postharvest life of cucumbers - from two to nine weeks - using a "smart" sequential treatment protocol suggested by its innovative AI (Artificial Intelligence)-based algorithms. The MIGAL team's algorithms used an AI system to investigate the combinatorial search-space of postharvest cucumber treatment models, learning the fruit's response to variations in timings, ordering, and activation levels of certain operations. At the end of the process, a single multi-stage treatment protocol was selected for testing in MIGAL's fields and laboratories.

The product selected for the experiment was the cucumber, a sensitive fruit with a high wastage rate due to its average postharvest storage lifespan of less than two weeks. Immediately after harvest, the fresh cucumbers were transported to the laboratory, weighed, treated using the protocol suggested by the AI system, and stored for four weeks in accordance with the AI protocol. At the end of this period, it was determined that the fruit's weight, color, crispness, and other qualities had undergone minimal change, and the cucumbers were stored again for an additional 5 weeks. Final evaluation demonstrated a continued marketable level of quality (see photos below).

Kiryat Shmona's [MIGAL Galilee Research Institute](https://www.migal.org.il/en) is a regional R&D mega-center of the Israeli Science and Technology Ministry owned by the Galilee Development Company Ltd. An internationally-recognized multi-disciplinary applied research institute, MIGAL specializes in biotechnology and computer sciences, plant science, precision agriculture and environmental sciences, and food, nutrition and health. Recognized as a powerhouse of applied research, for 40 years MIGAL has cooperated closely with industry leaders, innovative startups, and technological accelerators. (MIGAL 31.10)

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* 1. BeWeld Medical Signs Strategic Investment Agreement

Or Yehuda's BeWeld Medical, developer of a disruptive technology designed to automate the manufacturing processes of implanted medical devices, has signed a strategic investment agreement with global medical technology leader Boston Scientific.

BeWeld's technology has potential to advance the automation of manufacturing processes for medical devices that are used on patients around the world. At just over a year old, BeWeld is one of MEDX Xelerator's youngest portfolio companies and this agreement represents an important milestone that will enable us to further test and refine the company's innovative technology."

[BeWeld](https://www.medxelerator.com/) was founded in 2021 by the MEDX Xelerator based on intellectual property developed at the Hebrew University in Jerusalem. (BeWeld Medical 31.10)

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* 1. Sofwave Approved to Market the SUPERB Wrinkle Reduction Device in Brazil

Sofwave Medical announced that Brazil’s health regulatory agency, ANVISA, the equivalent of the US FDA, has given an approval to market Sofwave’s SUPERB device in Brazil. The approval is required prior to the commercialization and marketing of medical devices in Brazil. Permission to distribute Sofwave’s aesthetic devices is immediate, following public notice of the approval via Brazil’s government newspaper. The Company continues to have regulatory submissions pending in other countries including the People’s Republic of China, Japan, Taiwan and Mexico.

Sofwave’s state-of-the-art SUPERB (Synchronous Ultrasound Parallel Beam) Technology addresses the growing demand for non-invasive treatments that deliver noticeable wrinkle reduction. The device’s seven cooled transducers are directly coupled to the epidermis, creating a unique 3D array of volumetric thermal zones that deliver parallel energy simultaneously, heating precisely at the right depth in the mid-dermis to improve the overall appearance. A single Sofwave treatment reduces facial wrinkles in a fast 30 to 45 minute non-invasive treatment with no interruption to a patient’s daily routine or post-treatment discomfort.

Israel's [Sofwave Medical](http://www.sofwave.com) has implemented an innovative approach to wrinkle reduction and lifting using proprietary breakthrough technology. Synchronous Ultrasound Parallel Beam technology is FDA-cleared to improve facial lines and wrinkles, lifting the eyebrow and lifting lax submental tissue (beneath the chin) and neck tissue providing physicians with smart yet simple, effective, and safe aesthetic solutions for their patients. (Sofwave Medical 02.11)

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* 1. Steakholder Foods Receives First Registered Trademark in Japan

Steakholder Foods announced that its name has received a registered trademark in Japan. The move is a next important step in the company's plans to penetrate the Japanese market and other markets in the region. Recently, Steakholder Foods started collaborating with Singaporean cultured seafood company, Umami Meats, to create 3D-printed structured seafood products which include a variety of seafood and fish species that are popular in Japan.

This year, Japan's Health, Labor and Welfare Ministry began a process to discuss possible regulatory frameworks and guidelines for the eventual commercialization and industrialization of cultivated meat in Japan. The partnership with Umami Meats adds seafood and fish to the company's portfolio of bovine, avian and porcine products under development. Steakholder Foods' innovative 3D-bioprinting technology can produce complex meat products with pinpoint precision at an industrial rate of production without impacting cell viability.

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. Steakholder Foods maintains facilities in Rehovot, Israel and Antwerp, Belgium and has recently expanded activities to the US. The company is developing a slaughter-free solution for producing a variety of beef, chicken, pork and seafood products — both as raw materials and whole cuts — as an alternative to industrialized farming and fishing. (Steakholder Foods 03.11)

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* 1. Better Juice Launched its Commercial Sugar-Reduction Plant

Sugar-reduction food Tech start-up [Better Juice](https://www.better-juice.com/) launched its first full-capacity manufacturing plant, setting the wheels in motion for full commercial production of its proprietary sugar-reducing immobilized enzymes. The new facility will enable the company to fulfill current commissions from juice producers globally, as well as respond to anticipated new demands. The groundbreaking technology developed by the Israeli start-up produces proprietary beads composed of non-GMO microorganisms that naturally convert the juice's composition of fruit sugars including sucrose, glucose and fructose into better-for-you prebiotic and other non-digestible fibers.

The new site—located in the Nes Ziona science park south of Tel Aviv—is replete with commercial-scale equipment, including an industrial fermenter and industrial immobilization processor. The specialized equipment is used for growing and harvesting the beaded microorganisms used in producing Better Juice's immobilized sugar-reducing enzymes. The site also houses pilot labs and the company's new headquarters.

Better Juice's technology can reduce up to 80% of the simple sugar content in fruit juices and fruit-based condiments without any degradation of naturally occurring nutrients, including vitamins, minerals, and antioxidants. It does not dilute the product in a way, maintaining the body and full flavor of the juice and only gently reducing the sweetness. Better Juice's groundbreaking technology decreases the naturally occurring simple sugar loads in a versatile range of products, including juices, jams, yoghurts, ice creams, sorbets, and more, to the food and beverages manufacturers desired levels. (Better Juice 02.11)

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* 1. Nucleai Launches New Multiplex Imaging Spatial Analysis Solution

Nucleai announced the expansion of its spatial biology platform to include a new generation of multiplex immunofluorescence (mIF) analysis that uses deep learning to establish new levels of accuracy, speed and generalizability, further unlocking the power of mIF data for drug discovery and development.

Nucleai’s cutting-edge AI spatial models, which are optimized for multiplex assays, derive new insights from tissue biopsies, including novel drug targets, mechanisms of action, and potential biomarkers to advance the field of precision medicine. The tumor microenvironment is a highly complex ecosystem, and spatial biology can be used to unlock the important relationships and interactions. The spatial analysis that run through Nucleai’s platform enables the discovery of novel tumor microenvironment cell patterns and signatures. The platform is agnostic to staining and scanning platforms and is currently available as a comprehensive service, providing fast turnaround times for large datasets of mid to high plex images.

Nucleai applied a novel end-to-end deep learning pipeline to mIF tumor-microarray images to predict outcome based on the tumor microenvironment (TME) composition. This novel deep learning pipeline for mIF analysis demonstrated high accuracy on the Nucleai platform in classifying cell types and phenotypic markers, thus enabling the identification of multiple cellular and spatial features associated with prognosis in CRC.

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. (Nucleai 07.11)

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* 1. Trendlines Invests in Celleste Bio to Make Chocolate Supply Sustainable

The Trendlines Group announced the establishment of Celleste Bio, a new company focused on producing high value cocoa ingredients using cell culture methods, eliminating the dependence on cultivation of cocoa trees. Celleste's technology will ensure that cocoa yield supply is invariable, not dependent on climate conditions, close to production sites and a final product of superior quality.

Celleste received their seed investment from The Trendlines Group, an investment company focused on companies in the agrifood technologies and medtech sectors, Mondelēz International, a global leader in snacking, Barrel Ventures, a US-based seed stage venture fund with experience throughout the food ecosystem, and Regba Group, an Israeli agricultural cooperative.

Celleste operates from Misgav in the Galilee as part of the incubator of the Trendlines Group. Israel's [Trendlines](http://www.trendlines.com) invests in and incubates innovation-based medtech and agrifood technologies to fulfill its mission to improve the human condition. As intensely hands-on investors, Trendlines is involved in all aspects of its portfolio companies from technology development to business building. (Trendlines 07.11)

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* 1. Insightec's Focused Ultrasound for Essential Tremor Study Shows Tremor Improvement

Insightec announced the publication of the largest prospective, long-term follow-up study of unilateral MRI-guided focused ultrasound (MRgFUS) thalamotomy for essential tremor to date. This randomized, controlled, multi-center study, recently published in the Journal of Neurosurgery, describes the long-term safety and efficacy of unilateral MRI-guided focused ultrasound (MRgFUS) thalamotomy for medication-refractory essential tremor using the Exablate System.

The data showed the durability of tremor reduction in patients' (n=40) treated hand, which remained significantly improved at five years. This 73.1% improvement in tremor severity (CRST Part A) is considered clinically meaningful and is consistent with previously published data from this cohort. Importantly, quality of life (QUEST) and functional disability (CRST Part C) also remained sustained from baseline. In addition, no new adverse events related to the procedure were reported from the 12-month timepoint to the last follow-up at 5-years. The publication shows that unilateral Exablate MRgFUS thalamotomy shows sustained and significant tremor improvement at five years with an overall improvement in quality-of-life measures and without any progressive or delayed complications.

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. Research for future applications in the neuroscience space is underway in partnership with leading academic and medical institutions. (Insightec 07.11)

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* 1. TAU Scientists Reduce Breast Cancer Relapse in Mice by 88%

Israeli scientists say they managed to slash the incidence of breast cancer relapse in lab mice by 88% by adding a second drug to chemotherapy. The team of academics from Tel Aviv University say inflammation in the body in response to chemotherapy can actually nurture renegade breast cancer cells that dodge the treatment. The use of an inflammation blocker in conjunction with chemotherapy appears to counter this effect, thus lowering the chances of the cancer returning. The academics believe that the method can be adapted for humans, though they expect the extra research to take 5-10 years.

In the research, the animals were injected with tumors that mimicked human breast cancer, and like human patients, then had the tumors removed and were given chemotherapy. Among the mice who had only chemo, some 52% had extensive metastatic relapses, but among those who receive inflammatory blockers, only 6% relapsed.

Chemotherapy is used to treat many cancers, and the good news is that it kills cancer cells, but chemo can be a double-edged sword as it’s not a very sophisticated weapon. This is the case because it doesn’t only kill cancer cells but also causes a lot of collateral damage, killing even healthy cells that are dividing, hence the hair loss.

The team concluded from its observations that breast cancer commonly returns after cells hide out in the lungs, which become more hospitable to the cells as a result of chemo. They found that the tissue damage caused by chemotherapy instigated an inflammatory response in fibroblasts, which are cells found in connective tissues. These activated fibroblasts start secreting proteins that cause an influx of immune cells from bone marrow to the lungs. The immune cells, in turn, bring about an inflammatory process that creates an environment friendly to cancer cells.

After identifying proteins that are secreted by fibroblasts, the team used an existing drug which is known to stop the proteins from causing inflammation, but which had not previously been known to have value in stopping metastatic relapse. After more research and testing, if the blockers are effective with humans, they could potentially be given to patients with chemotherapy doses. (ToI 07.11)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Weebit Nano Successfully Qualifies its ReRAM Module

Weebit Nano has successfully completed full technology qualification of its Resistive Random-Access Memory (ReRAM) module manufactured by its R&D partner CEA-Leti. This is the first full qualification of Weebit ReRAM technology, a key step that must be completed for every semiconductor product on each new target process. The qualification, using Weebit’s demo chips incorporating its ReRAM module, was performed based on well-known JEDEC industry standards for non-volatile memories (NVMs). It confirmed the suitability of Weebit’s embedded technology for volume production. Weebit is now working to extend the qualification to even higher temperatures and endurance levels.

The Weebit ReRAM demo chip comprises a full sub-system for embedded applications, including the Weebit ReRAM module, a RISC-V microcontroller (MCU), system interfaces, memories and peripherals. The ReRAM module includes a 128Kb ReRAM array, control logic, decoders, IOs (Input/Output communication elements) and error correcting code (ECC). It is designed with unique patent-pending analog and digital smart circuitry running smart algorithms that significantly enhance the memory array’s technical parameters.

Hod HaSharon's [Weebit Nano](http://www.weebit-nano.com) is a leading developer of next-generation semiconductor memory technology. The company’s ground-breaking Resistive RAM (ReRAM) addresses the growing need for significantly higher performance and lower power memory solutions in a range of new electronic products such as Internet of Things (IoT) devices, smartphones, robotics, autonomous vehicles, 5G communications and artificial intelligence. Weebit’s ReRAM allows semiconductor memory elements to be significantly faster, less expensive, more reliable and more energy efficient than those using existing Flash memory solutions. (Weebit Nano 26.10)

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* 1. Otonomo Wins Top Recognition “Fleet Management Innovation of the Year”

Otonomo Technologies has been awarded “Fleet Management Innovation of the Year'' by the 2022 AutoTech Breakthrough Awards. Launched this year, Otonomo’s Maintenance and Mileage dashboards bring new fleet management capabilities into the Otonomo Smart Mobility Data Platform. The 360-degree view of all relevant connected vehicle data provides customers with a breadth of insights to easily and efficiently manage fleets of all sizes.

The latest fleet management innovations in the Otonomo platform include push notifications for maintenance issues and greater flexibility to perform deeper analyses on a vehicle’s mileage and distance, instrumental to enhancing key insights and data visualization capabilities for fleet managers. By helping fleet managers shift their focus from preventive to predictive fleet management, Otonomo’s fleet dashboards play an essential role in eliminating the growing barriers and complexities associated with fleet management. These capabilities allow customers to unlock access to accurate mobility data for connected vehicles and fleets and work together to deliver fleet-forward management solutions.

Herzliya's [Otonomo](https://otonomo.io/) is igniting a new generation of mobility experiences and services. With Otonomo, providers in the transportation, mobility, insurance, and automotive industries are finally able to harness mobility data and insights and transform them into strategic assets and market advantages. (Otonomo 26.10)

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* 1. Allot & Vantiva Integrate Home & Small Business Cybersecurity Protection

Hod HaSharon's Allot, a leading global provider of innovative network intelligence and security-as-a-service (SECaaS) solutions for communication service providers (CSPs) and enterprises, announced a new initiative to integrate the Allot HomeSecure and BusinessSecure agents into broadband gateways deployed by Vantiva (formerly known as Technicolor). This project is part of the Vantiva HERO Partner Program, a strategic partnership initiative designed to accelerate the introduction of new innovative solutions to the service provider community. This collaboration provides Allot with access to a valuable footprint in Vantiva Home devices and engineering.

Allot HomeSecure and BusinessSecure provide cybersecurity for home and small business IoT, smart appliances, and all devices connected to the home and small business network. Mass provisioned by broadband service providers, they integrate into the home/SoHo router with the addition of a thin software client that provides zero-touch network visibility, cybersecurity, and parental and office policy controls without the need for any installation or configuration by the user. Applying AI, these solutions identify and profile connected customer premises equipment (CPE) and can detect and act upon anomalous device behavior.

As a result of the collaboration, the popular Vantiva CPEs will make Allot HomeSecure and BusinessSecure services more accessible to service providers’ customers, who use Vantiva solutions in their home and small office networks. The collaboration gives Allot access to Vantiva’s service provider partners and expands the list of valuable services supported by Vantiva CPEs. (Allot 31.10)

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* 1. Elbit Systems Wins a $25 Million Contract to Supply Communications Systems to Finland

Elbit Systems was awarded a contract valued at approximately $25 million from the Finnish Ministry of Defense to supply radio communications systems to the Finnish Army. The contract will be executed over a two-year period.

Under the contract, Elbit Systems will supply advanced secured radio communications systems that enable enhanced tactical command and fire control and are backward compatible with analogue radio equipment that is currently in use by the Finnish Army. Military radio communications solutions of Elbit Systems have been selected to-date by several European and NATO countries including Sweden, Germany, Switzerland, The Netherlands, Canada, Spain and others.

Haifa's [Elbit Systems](https://elbitsystems.com) is an international high technology company engaged in a wide range of defense, homeland security and commercial programs throughout the world. The Company, which includes Elbit Systems and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence surveillance and reconnaissance (C4ISR), unmanned aircraft systems, advanced electro-optics, electro-optic space systems, EW suites, signal intelligence systems, data links and communications systems, radios, cyber-based systems and munitions. The Company also focuses on the upgrading of existing platforms, developing new technologies for defense, homeland security and commercial applications and providing a range of support services, including training and simulation systems. (Elbit Systems 31.10)

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* 1. ironSource and Sensor Tower Partner to Unlock Growth for App Marketers

ironSource announced its partnership with Sensor Tower, the leading source of enterprise-grade market intelligence for the digital ecosystem. By combining the keyword intelligence of Sensor Tower from across the market, with the campaign management and optimization capabilities of ironSource Luna, the partnership will create one place for app marketers to scale Apple Search Ads campaigns to drive incremental growth. ironSource Luna is the first to market with such a partnership with Sensor Tower.

The companies currently offer two complementary solutions. Sensor Tower offers a rich selection of industry data points, including share of impressions by app, competitor keyword analysis, and top advertisers. ironSource Luna gives app marketers the ability to manage and optimize Apple Search Ads campaigns by aggregating campaign data from all sources, utilizing an efficient bid optimization algorithm, and editing campaigns in bulk. Currently, app marketers extract market data from Sensor Tower, analyze it to see which keywords they’re already bidding against, and then import new keywords into Luna. This platform partnership will streamline this process, by making Sensor Tower’s data instantly and continuously accessible directly within the Luna platform, unifying keyword mining with keyword management and optimization.

Tel Aviv's [ironSource](http://www.is.com) is a leading business platform for the App Economy. App developers use ironSource's platform to turn their apps into successful, scalable businesses, leveraging a comprehensive set of software solutions which help them grow and engage users, monetize content, and analyze and optimize business performance to drive more overall growth. The ironSource platform also empowers telecom operators to create a richer device experience, incorporating relevant app and service recommendations to engage users throughout the lifecycle of the device. (ironSource 03.11)

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* 1. Aporia & ClearML Launch New Full-Stack MLOps Platform Partnership

Aporia and ClearML announced an end-to-end solution to help data scientists, ML engineers and DevOps teams perfect their ML pipelines. Through this new partnership, Data scientists and DevOps teams will be able to use the combined power of ClearML and Aporia to significantly shorten their time-to-value and time-to-revenue by ensuring ML projects are executed successfully and make it to commercial production more efficiently – from building to deployment and monitoring.

Tel Aviv's [ClearML](https://clear.ml/) is an open-source MLOps platform that automates and simplifies developing and managing machine learning solutions for data science, ML engineers and DevOps teams at scale. Designed as a frictionless, unified end-to-end MLOps suite, it brings the CI/CD automation approach into ML development & production allowing customers to focus on developing their ML code and pipelines, while also ensuring their work is automated, reproducible, and scalable. With ClearML for Enterprise, customers significantly shorten their time-to-value and time-to-revenue, ensuring operationalizing ML at scale is executed successfully and make it to production efficiently.

In a category dominated by fragmented point solutions and walled garden closed semi-platforms, ClearML delivers an open-sourced, comprehensive offering that enables companies to scale their MLOps while successfully bridging the innovation and revenue gaps with the company's unified end-to-end platform. Once a model is deployed into production by ClearML, Aporia's customizable ML observability solution seamlessly empowers data science and ML teams to trust their AI, enabling them to monitor, explain, investigate and solve issues like data & concept drift, performance degradation and model decay.

Aporia does this with customizable model monitoring to trigger live alerts when a model is spiraling, a dashboard that provides visibility of all models under a single pane of glass, and an 'Investigate and Explain' capability that gets to the root cause of any issue delivering explainable AI that gives human-readable meaning to model predictions for business stakeholders.

Tel Aviv's [Aporia](https://www.aporia.com/) is a self-serve customizable monitoring platform for machine learning, used by Fortune 500 companies and data science teams around the world to monitor billions of daily predictions and maintain AI responsibility and fairness. Founded in 2019, Aporia is backed by TLV Partners Samsung Next, Tiger Global and Vertex Ventures. (Aporia 03.11)

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* 1. Antamina Selects Gilat for Multimillion-Dollar E-Learning Project

Gilat Satellite Networks announced that Antamina, one of the largest copper/zinc mines in the world, selected Gilat for a multimillion-dollar e-learning project in the Municipality of San Marcos, a rural area near the Antamina mine in Peru. Gilat will deploy terrestrial and VSAT backhauling for connectivity and provide services to schools in San Marcos. Through the 4-year project, thousands of students and teachers will gain access to training and educational resources, as well as laptop computers and other connected devices.

Petah Tikva's [Gilat Satellite Networks](http://www.gilat.com) is a leading global provider of satellite-based broadband communications. With over 30 years of experience, we create and deliver deep technology solutions for satellite, ground and new space connectivity and provide comprehensive end-to-end solutions and services, powered by their innovative technology. They believe in the right of all people to be connected and are united in our resolution to provide communication solutions to all reaches of the world. Gilat’s comprehensive solutions support multiple applications with a full portfolio of products to address key applications including broadband access, mobility, cellular backhaul, military, government, and enterprise, all while meeting the most stringent service level requirements. (Gilat 03.11)

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* 1. POLYN Technology & Edge Impulse Join Forces to Advance Tiny AI Products

Caesarea's [POLYN Technology](http://www.polyn.ai) and San Jose, California's Edge Impulse, the leading embedded machine-learning (ML) development platform, have partnered to address ultra-low-power on-sensor solutions for wearables, hearables, and Industrial Internet of Things (IIoT). The collaboration aims to leverage the NASP platform to enable more customers to develop application-specific chips for one-dimensional signal processing at the sensor level. This will help expedite the adoption of ML at the Edge.

POLYN's NASP development framework provides fast and easy conversion of trained neural networks from any well-known ML library into neuromorphic analog chips. Neural-Net-To-Chip automation tools provide a fully functional simulation of the resulting math model, converting it into chip production files. These unique tools dramatically reduce product time to market, CAPEX, and redesign OPEX.

The unique POLYN business model provides customer support throughout the entire product development cycle, including neural network selection, training, optimization, and testing on the software simulation. As a result, the size and structure of the neural network is always optimized to the customer's task, ensuring effective solutions and further investment savings. POLYN's approach supports fast and cost-effective development of tailored solutions that perform deep learning computations on mass-market devices. (Edge Impulse 07.11)

ISRAEL ECONOMIC STATISTICS

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* 1. Israeli Startups Raised Over $700 Million in October

Israeli startups raised over $700 million in October 2022, according to [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 $13.5 billion in the first nine months of 2022, according to IVC, so although well off the pace of last year's record, startups have already raised nearly 40% more than in all of 2020. Israeli startups have raised $14.2 billion in the first ten months of 2022.

The relatively low figure for October can be explained partly by the slowdown in the global tech industry and partly by the fewer number of work days in the month due to the Jewish holidays. In October, the major financing rounds that were completed were led by adtech company OpenWeb, which raised $170 million. Store digitalization company Trigo raised $100 million and insurtech company Vesttoo raised $80 million. (Globes 02.11)

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* 1. Israel's Foreign Exchange Reserves Revalued Higher

Israel’s foreign exchange reserves at the end of September 2022 stood at $185.997 billion, a decrease of $6.154 billion from their level at the end of August, the Bank of Israel announced. Israel’s foreign exchange reserves at the end of October 2022 stood at $188.842 billion, an increase of $2.848 billion from their level at the end of September. The level of the reserves relative to GDP was 36.5%.

The Bank of Israel said that the increase was the result of a revaluation of the reserves by $2.813 billion, and government transfers from abroad totaling $107 million. The increase was partly offset by private sector transfers totaling $72 million.

This was the ninth consecutive month that the Bank of Israel made no foreign currency purchases, as was its practice last year, in order to moderate the then strengthening of the shekel. In 2021, the Bank of Israel purchased $35 billion in foreign currency to help exporters, by moderating the strengthening of the shekel. For much of the year, the Bank of Israel bought an average of $5 billion in foreign currency per month. But with the shekel weakening in 2022, the Bank of Israel bought only $356 million in foreign currency in January 2022, after buying $739 million in December 2021. The foreign exchange reserves reached a record $213 billion in December 2021. (BoI 07.11)

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* 1. Israel's Fiscal Surplus Shrinks

Since the start of the year, Israel has recorded a fiscal surplus of NIS 30.1 billion but there was a fiscal deficit in October. Israel slipped back into fiscal deficit in October after government expenditure was NIS 3.1 billion higher than state revenues, the Ministry of Finance Accountant General department reported. However, since the start of the year, Israel has recorded a fiscal surplus of NIS 30.1 billion.

Over the 12 months to the end of October, the fiscal surplus amounted to NIS 8 billion, or 0.5% of GDP. The fiscal surplus over the 12 months ending September 2022 was 0.9% of GDP, totaling NIS 15.7 billion. The Ministry of Finance said that the reason for the recent widening deficit was the delay in payment of taxes worth NIS 2.8 billion due to the holidays.

Until one year ago, Israel was deep in deficit of more than NIS 47 billion. The shift from a deficit to a surplus is considered a rare achievement in national economic terms, despite the erosion of the surplus in recent months. According to the original forecast for the 2022 budget, Israel was predicted to end 2022 with a deficit of NIS 65 billion. But in practice Israel will end the year with a small surplus, or zero deficit.

According to the Ministry of Finance, in the first 10 months of 2022, state revenues have totaled NIS 366.9 billion, up from NIS 313.2 billion over the corresponding period of 2021. In uniform tax rates, revenues from taxes rose 11% and revenues from direct taxes rose 17%, while revenues from indirect taxes rose 4% and revenues from levies and fees rose 6%. (Globes 08.11)

IN DEPTH

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* 1. ISRAEL: Israel & Lebanon Sign the Maritime Border Agreement

Rina Bassist reported in [Al-Monitor](https://www.al-monitor.com) on 27 October that Israel and Lebanon signed their US-mediated maritime boundary agreement. The two delegations closed the deal at the UN Interim Forces in Lebanon (UNIFIL) headquarters in the Lebanese border town of Naqoura, where several of the US-mediated talks took place.

Reports had said that the Israeli and the Lebanese delegations would each sign the agreement in a separate room. According to later Israeli press reports, both delegations were in the same room during the signing, which took place in the presence of US mediator Amos Hochstein and United Nations special coordinator for Lebanon Joanna Wronecka. There were no handshakes nor family pictures. Israel was represented by Energy Minister Karin Elharar.

Lebanese President Nichel Aoun signed the agreement earlier in Beirut. Israeli Prime Minister Yair Lapid also signed it earlier, after the cabinet ratified it. After signing, Lapid said, “It is not every day that an enemy state recognizes the State of Israel in a written agreement, in view of the entire international community. It’s not every day that the United States and France stand behind us and provide security and economic guarantees for the agreement.”

Lapid also personally thanked President Joe Biden for the role he played in bringing about the agreement, tweeting, "Thank you President Biden for your leadership in helping bring about today's historic agreement between Israel and Lebanon. This deal will strengthen Israel's security, bolster our economy and help deliver cheaper energy to people around the world,"

Israeli Energy Ministry Director General Lior Schillat, who was part of the Israeli delegation, said in Naqoura, "Today is a significant day. With the signing of this agreement, we draw the maritime border and agree on the development of a cross-border natural gas field. This agreement represents a just and permanent solution to the maritime disagreement between Israel and Lebanon. As such, it serves the interests of both sides, enabling Israel to protect its citizens and its economic assets. Beyond the contribution of this agreement to the safety and economies of both countries, we believe this agreement will promote stability and prosperity in our region. We appreciate the Lebanese efforts to reach an agreement, and wish both peoples many years of quiet, peace and prosperity."

Israel’s Foreign Ministry Political Director Aliza Bin-Noun, also in Naqoura, stated, "The agreement is an example of cooperation for a new economic political model that the Ministry of Foreign Affairs sees as one of its main goals. It has the power to promote similar agreements with other countries, even those that have not yet established official relations with Israel."

Bin-Noun said that thanks to the extensive diplomatic efforts deployed by the foreign ministry, the "agreement receives extensive international support, including from Middle East countries. Even the UN Security Council unanimously congratulated the agreement." Bin-Noun emphasized that Israel continues to be a significant regional player, saying, "We are positioning ourselves once again as a responsible element, contributing to the stability of the Middle East region and the energy security of Europe."

Speaking at a joint press conference with Hochstein in Tel Aviv, Lapid reiterated his thanks and appreciation for Biden's commitment to reaching the agreement. Lapid also said that Israel "will become a major supplier of natural gas to Europe at the moment the world desperately needs it." (Al-Monitor 27.10)

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* 1. QATAR: Moody's Changes Outlook on Qatar to Positive

On 2 November, [Moody's Investors Service](http://www.moodys.com/) (Moody's) changed the outlook on the Government of Qatar to positive from stable and affirmed its long-term issuer and foreign currency senior unsecured debt ratings at Aa3. Moody's also affirmed the Government of Qatar's (P)Aa3 foreign-currency senior unsecured medium-term note program rating.

The change of outlook to positive reflects the prospect that the improvement in Qatar's debt metrics, observed in 2021-22 as a result of elevated energy prices, can be sustained in the medium term even if oil and natural gas prices moderate over the next few years. In Moody's view, Qatar's planned expansion of its liquefied natural gas (LNG) production capacity and the likelihood that the government reduces capital spending after hosting the FIFA World Cup this year have the potential to compensate for lower revenue due to lower energy prices and hence prevent a deterioration in debt metrics over the longer term.

The rating affirmation is supported by a number of strengths embedded in Qatar's credit profile, which underpin the sovereign's demonstrated capacity to absorb shocks and longer-term credit challenges. These strengths include Qatar's exceptionally high level of per-capita income, vast hydrocarbon reserves with low extraction costs, the government's robust net asset position, and an established track record of macroeconomic and fiscal policy effectiveness, notwithstanding elevated external debt and some transparency shortcomings. A large stock of sovereign wealth fund assets and dominance on natural gas in Qatar's hydrocarbon export mix will help to mitigate the exposure to longer-term credit risks related to global carbon transition, which stem from the sovereign's very high economic and fiscal reliance on the hydrocarbon sector, although over time Qatar's significant transformation of the economy and revenue base will be needed to maintain a high rating.

Moody's has also affirmed the Aa3 foreign-currency backed senior unsecured debt rating of SoQ Sukuk A Q.S.C., a special purpose vehicle incorporated in the State of Qatar, which is wholly owned by the Government of Qatar and its issuances are, in Moody's view, ultimately the obligation of the Government of Qatar.

Qatar's local currency (LC) and foreign currency (FC) country ceilings remain unchanged at Aa1. The LC ceiling, two notches above the Aa3 sovereign rating, reflects the government's large footprint in the economy and reliance on a single source of revenue, which is set against Qatar's predicable institutions and its strong external position. The FC ceiling, also at Aa1, reflects extremely low transfer and convertibility risks given the central bank's robust foreign exchange reserves and Moody's view that Qatar's very large sovereign wealth fund assets could also be used to support the exchange rate if needed.

**RATINGS RATIONALE**

**Rationale for the Change of Outlook to Positive from Stable: Revenue windfall from elevated hydrocarbon prices offers prospect for sustained improvement in sovereign debt metrics**

A surge in oil and LNG prices since 2020 has generated a large revenue windfall for Qatar, turning its small fiscal deficit in 2020 and balanced budget in 2021 into a large fiscal surplus this year. Based on the assumption that oil prices average around $100/barrel this year, Moody's estimates that the fiscal surplus will be around 9.5% of GDP in 2022, offering the government an opportunity to reduce its debt burden below the level last seen in 2016, when its outstanding debt was equivalent to around 47% of GDP.

The government has already used some of the revenue windfall to reduce debt. Moody's estimates that as of September 2022, government debt declined to around 42% of estimated full-year GDP (126% of full-year revenue) from 58.4% of GDP (197% of revenue) at the end of 2021 and 72.7% of GDP (222% of revenue) in 2020, and this level is likely to remain broadly unchanged through the end of the year.

Although Moody's expects oil prices to remain volatile and eventually decline to around $50-70/barrel in the medium term, the agency's view is that the geopolitical risk premium related to the military conflict in Ukraine will keep oil prices elevated during the next two years, and oil prices will likely average above the medium-term range well into 2025. Based on these assumptions, Qatar's fiscal balance will likely remain in robust surplus (around 5-10% of GDP) for the next few years, facilitating scope for further reductions in government debt. Under Moody's baseline assumptions, government debt could decline below 40% of GDP by the end of 2023 even if energy prices moderate, reducing the size of the fiscal surplus and limiting growth in nominal GDP.

**Capital Spending Reductions and Ramp-Up in LNG Output Have the Potential to Offset Revenue Impact of Declining Energy Prices Over Longer Term**

Qatar's national oil and gas company is currently progressing its plans to expand the country's natural gas and LNG production capacity. By adding six new liquefaction trains, the project aims to increase Qatar's LNG output by 40% to 110 million tons per annum (mtpa) during 2025-27 and another 15% (to 126 mtpa) during 2027-28. The expansion is set to significantly increase the country's LNG exports, the output of natural gas condensate, and the related government revenue. LNG exports alone were equivalent to nearly 30% of GDP in 2021, contributing more than 70% to the overall hydrocarbon export mix, and accounting for more than 61% of total goods exports. On the fiscal side, Qatar's oil and gas revenue (including the portion derived from LNG and natural gas condensate) accounted for more than 80% of total government revenue and were equivalent to around 24% of GDP.

Over the next few years, Qatar's fiscal performance is also likely to benefit from spending cuts. The government significantly increased its capital spending after 2010, when it won the bid to host the 2022 FIFA World Cup. Over the past 10 years the government spent around QAR73 billion ($20 billion) per year on average developing and upgrading infrastructure and getting the country ready to host the tournament. Moody's expects that over the next 5-10 years capital spending will be significantly reduced as most major planned infrastructure projects are now completed. Assuming that capital spending averages around QAR55 billion ($15 billion) per year over the next five years, Moody's expects that total government spending could decline to around 20% of GDP by 2027 from an average of 30% of GDP during 2017-21.

Significant spending reduction and higher hydrocarbon output over the next five years would make government finances more resilient to potential future declines in oil prices and, in Moody's view, has the potential to fully offset the negative fiscal impact of moderating energy prices toward the end of the decade.

**RATIONALE FOR AFFIRMING THE Aa3 RATINGS**

**Exceptionally High Per-Capita Income, Vast Hydrocarbon Reserves and Large Sovereign Assets Mitigate Risks Due to Heavy Reliance on Hydrocarbons**

Qatar's Aa3 rating reflects its moderately high, but declining, debt burden, which is set against the government's very large stock of financial assets. Meanwhile, the sovereign's heavy economic and fiscal reliance on the hydrocarbon sector is balanced by its proven capacity to absorb shocks and features that underpin its resilience to longer-term structural challenges related to global carbon transition.

Qatar's exceptionally high per-capita income level, which was nearly $105,000 in 2021 on a purchasing power parity (PPP) basis, is one of the highest among all sovereigns rated by Moody's and around 70% higher than the median for Aaa-Aa rated sovereigns. This high per-capita income level affords the government a high degree of policy flexibility to adjust to large economic and fiscal shocks without triggering social instability, more so that Qatar's citizens (Qatari nationals) account for only around 10% of the total population and their unemployment rate – which has only a very weak link to the level of economic activity in the non-hydrocarbon sector – was less than 0.5% in 2021.

Qatar's very high level of proved hydrocarbon reserves, which indicate the country would be able to produce natural gas and crude oil at around the current rate for another 140 and 40 years, respectively, imply very strong income generation potential in the hydrocarbon sector, which is further supported by Qatar's very low production costs. The LNG production cost, which Moody's estimates to be among the lowest globally at around $2 per million British thermal units, gives Qatar a uniquely competitive position in the global natural gas market, where it was the second largest LNG exporter in 2021, and positions it well against the potential longer-term impact of carbon transition on demand and prices of fossil fuels.

Qatar's sovereign debt burden is partly mitigated by the government's very large sovereign wealth fund buffers, accumulated during the times of elevated energy prices. Moody's estimates that these assets stood at nearly 250% of GDP in 2021 and assumes that their liquid foreign-currency portion (around 50% of the total) covered more than 200% of total government debt – notwithstanding significant transparency shortcomings with respect to the level and the composition of the government's financial assets. In addition to supporting debt sustainability, buffering the long-standing peg to the US dollar, Qatar's very large government financial assets also provide a buffer against the potential negative economic and fiscal impact of global energy transition and could be deployed, over longer term, to transform the country's economic model away from its heavy reliance on hydrocarbons.

**Factors That Could Lead to an Upgrade or Downgrade of the Ratings**

Increasing evidence that the improvements in government debt metrics realized during 2021-22 will be sustained beyond the period of elevated hydrocarbon prices would support an upgrade. An upgrade would also reflect an established track record of higher fiscal policy effectiveness, likely through capital spending reductions in the context of a medium-term fiscal panning framework as the government's large infrastructure projects related to the hosting of the 2022 FIFA World Cup are now completed.

The positive outlook means that a downgrade is unlikely in the near term. A significant reversal in the government's fiscal policy direction would likely lead to a stabilization of the outlook and could prompt a downgrade, in particular if accompanied by a significant deterioration in the medium-term outlook for energy prices, indicating that the recent improvements in Qatar's fiscal strength metrics would likely be reversed. A significant escalation of regional geopolitical tensions, threatening to disrupt Qatar's hydrocarbon exports, would also exert downward pressure on the rating. (Moody's 02.11)

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* 1. UAE: Fitch Affirms the United Arab Emirates at 'AA-'; Outlook Stable

On 27 October 2022, [Fitch Ratings](http://www.fitchratings.com/) affirmed the United Arab Emirates' (UAE) Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'AA-' with a Stable Outlook.

**Key Rating Drivers**

**Rating Strengths and Weaknesses:** The 'AA-' rating reflects the UAE's moderate consolidated public debt level, strong net external asset position and high GDP per capita. This benefits from Abu Dhabi's sovereign net foreign assets, which are among the highest of Fitch-rated sovereigns. These strengths are balanced by weak governance indicators relative to rating peers, the UAE's high dependence on hydrocarbon income and the significant indebtedness of some of the Emirates and their government-related entities (GREs).

The 'AA-' rating applies to the federal government (FG) of the UAE. Fitch evaluates the creditworthiness of the UAE FG based on the consolidated fiscal and external position of all the Emirates as is standard practice for federal entities, as well as the FG's standalone fiscal position and institutional set up.

**Budget Surpluses:** We expect the UAE to post a consolidated budget surplus of 9.4% of GDP in 2022, after 5.8% in 2021. High oil revenues and tax and fees collection will more than offset higher outlay towards foreign aid, subsidies and other domestic spending.

We project surpluses to decline to 4.4% of GDP in 2023 and 0.9% in 2024 as oil prices fall to $85 and $65 per barrel, respectively. We project the UAE fiscal breakeven oil price will average $63 per barrel in 2023-24. The Emirates of Dubai and Sharjah will progressively reduce their budget deficits while Abu Dhabi will continue to register surpluses as rising oil production from 2024 will partly offset lower oil prices. We expect fiscal policy to remain pro-cyclical, driven by Abu Dhabi, but to a lower extent than pre-pandemic.

**Small Federal Government:** The FG's budget is small at about 3.5% of GDP and its remit is centered around the provision of essential public services such as infrastructure, health, education and police. The FG is required by law to balance its current budget and has a record of broadly balancing the overall budget. Although its revenues and outlays are relatively stable, the FG has limited fiscal flexibility in view of its small revenue base and limits on running deficits and issuing debt. The FG is likely to receive a share of corporate income tax proceeds from 2024, but this is unlikely to materially change its fiscal profile, with a large share of revenue coming from grants from Abu Dhabi and dividends and royalties from federally-owned telecom SOEs Du and Etisalat.

**Moderate Consolidated Government Debt Level:** We forecast consolidated UAE government debt at 29.2% of GDP in 2022, below the 'AA' category median of 47%. It will rise to about 34.3% of GDP by 2024 due to the moderation of oil prices affecting nominal GDP, and continued fund raising by some Emirates. Individual Emirates have varied debt profiles, with the Emirate of Dubai standing out with debt forecast at close to 81% of its GDP in 2022, according to Fitch's estimates.

**Federal Debt Issuances Capped:** The FG issued $7 billion on international markets and has reached the cap set by the Cabinet, although the debt law would allow the FG to issue more. We do not project additional US dollar issuances in 2023 and 2024. All the proceeds were placed with the Emirates Investment Authority for long-term investment.

The FG started issuing debt in local currency in 2022 and will continue to increase this until the outstanding amount reaches about AED45 billion, with the objective of building a domestic currency yield curve rather than funding deficits or projects. All the proceeds are invested in highly rated international government bonds, mostly US, with matching maturities. GREs will likely be the first other entities to issue local-currency bonds in the UAE.

**High Leverage in the UAE:** Despite a moderate government debt/GDP ratio, Fitch views the UAE as characterized by a high degree of leverage in its economy. We estimate overall contingent liabilities from GREs at about 75% of UAE 2021 GDP and gross non-bank private external debt stands at over 50% of GDP. A large share of SOE debt is owed by healthy SOEs presenting little risk, but there is less visibility on Dubai Inc. The banking sector's debt stood at 30% of GDP in 2021. The sector is large with assets forecast at about 167% of GDP in 2022, but risk is limited by the sectors increased net interest margin and strong liquidity.

**Close Links with Abu Dhabi:** We judge that the close political and budgetary links, along with the strong influence of Abu Dhabi (AA/Stable) over the FG budgeting and the essential nature of public services it provides place the FG higher in Abu Dhabi's support hierarchy than individual Emirates, should it be required. However, Abu Dhabi does not provide an explicit guarantee that would ensure unconditional and timely support to the FG.

**Growth to Slow:** Fitch forecasts overall GDP growth to slow to 1.8% in 2023 and 2.7% in 2024 after close to 6% in 2022 driven by the recovery from the pandemic, improving construction sector trends and higher oil production. We expect non-oil growth of 4.2% and hydrocarbon GDP to rise by 11% in 2022. We project non-oil growth to slow to 3% in 2023 and 2.1% in 2024, but remain relatively robust despite global headwinds. The hydrocarbon sector will contract slightly in 2023 due to OPEC+ production caps but the non-oil sector will benefit from higher government spending in Abu Dhabi and the GCC and a dynamic real estate sector.

**Security Risks Remain:** In our view, geopolitical risks are high relative to 'AA' rated peers. Tensions between Iran and Israel and the US still pose a risk to the region, in particular to Abu Dhabi's hydrocarbon infrastructure and to Dubai as a trade, tourism and financial hub. Although it has scaled back its military presence, the UAE remains involved in the Yemen civil war, which led to drone attacks in early 2022.

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

* Public Finances: A deterioration in Abu Dhabi's sovereign credit profile.
* Public Finances and External Finances: Substantial erosion of the external position of the UAE and/or of individual Emirates' fiscal position, for example due to a sustained period of low oil prices or a materialization of contingent liabilities;
* Structural Features: A geopolitical shock that negatively affects economic, social or political stability.
* Factors that could, individually or collectively, lead to positive rating action/upgrade:
* Public Finances: Increased confidence that Abu Dhabi would provide unconditional support in the event of need, for example due to a guarantee for the timely service of the FG debt.
* Structural Features and Macroeconomic Policies: Improvement in structural factors such as a reduction in oil dependence, a strengthening in governance and the economic policy framework, and/or a reduction in geopolitical risk while maintaining strong fiscal and external balance sheets.

**Best/Worst Case Rating Scenario**

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. (Fitch 27.10)

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* 1. EGYPT: IMF Reaches Staff-Level Agreement on an EFF Arrangement

An International Monetary Fund (IMF) team held meetings in Washington DC and Cairo during 4-27 October 2022 to finalize discussions on IMF support for Egypt and the authorities’ comprehensive economic reform program. At the end of the discussions, the IMF issued the following statement:

“We are happy to announce that the Egyptian authorities and the IMF team have reached a staff-level agreement on the economic policies to be supported by a 46-month arrangement under the Extended Fund Facility (EFF). The new EFF, with a requested access of SDR 2.35 billion (equivalent to about $3 billion), aims to provide Egypt with balance of payments and budget support while catalyzing additional financing from Egypt’s international and regional partners to maintain economic stability, address macroeconomic imbalances and spillovers from the war in Ukraine, protect livelihoods, and push forward deep structural and governance reforms to promote private sector-led growth and job creation. The agreement is subject to approval by the IMF’s Executive Board, which is expected to discuss the authorities’ request in December.

“The rapidly changing global environment and spillovers related to the war in Ukraine are posing significant challenges for countries around the world, including Egypt. The IMF team welcomes the authorities’ recent actions to expand targeted social protection, implement a durable flexible exchange rate regime, and phase out the mandatory use of letters of credits for import finance, as well as their steadfast commitment to tackle needed macroeconomic adjustments and carry out an ambitious structural reform agenda amidst a challenging global backdrop.

“The government’s fiscal policy under the EFF will be anchored to the reduction of general government debt and gross financing needs. Continued fiscal consolidation will be supported by the implementation of the government’s Medium-Term Revenue Strategy (MTRS) that aims to improve the efficiency and progressivity of the tax system. Social protection will continue to be strengthened including through the temporary extension of the emergency support to ration card holders and measures to protect the purchasing power of vulnerable wage earners and pensioners. Broad fiscal structural reforms will also aim to further improve the budget composition, strengthen governance, accountability, and transparency, and support climate mitigation goals.

“The Central Bank of Egypt (CBE)’s move to a flexible exchange rate regime is a significant and welcome step to unwind external imbalances, boost Egypt’s competitiveness, and attract foreign direct investment. The commitment to durable exchange rate flexibility going forward will be a cornerstone policy for rebuilding and safeguarding Egypt’s external resilience over the long term. The EFF will support the CBE’s efforts to improve the functioning of the foreign exchange market, increase foreign reserves, and further improve monetary policy transmission. Monetary policy, which will be firmly rooted in the CBE’s price stability mandate, will aim to gradually reduce inflation to within the CBE’s inflation target.

“The EFF also aims to unlock Egypt’s enormous growth potential through broadening and deepening structural and governance reforms. The program will include policies to unleash private sector growth including by reducing the state footprint, adopting a more robust competition framework, enhancing transparency, and ensuring improved trade facilitation. The authorities also plan to expand targeted social transfers and enhance spending on social assistance, health, and education. These reform measures will be critical to address long-standing constraints to Egypt’s higher, more sustainable, and more inclusive growth.

“Egypt’s international and regional partners will play a critical role in facilitating the implementation of the authorities’ policies and reforms. Additional financing of about $5 billion is expected from multilateral and regional partners for FY2022/23, which will help strengthen Egypt’s external position.

“In the context of the EFF, the Egyptian government has also requested financing under the newly created Resilience and Sustainability Facility (RSF) aimed at providing affordable, long-term financing to help build resilience, including against climate change. Discussions on access under this facility, which could unlock up to an additional $1 billion for Egypt, will take place in the coming months. (IMF 27.10)

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* 1. EGYPT: At COP27, Egypt Aims to Rebuild Its International Standing

Mohammed Soliman posted in [Carnegie](https://carnegieendowment.org/?lang=en) on 26 October that the twenty-seventh United Nations’ Conference of Parties (COP27) is being hosted in Sharm El Sheikh, Egypt, from 6 to 18 November 2022. COP27 comes at a critical time against the backdrop of a global pandemic, high energy prices, the war in Ukraine, and major disruptions to the food supply. As host of COP27, Egypt finds itself on the world stage as a leading voice for the Global South, especially Africa, and Egypt looks to the summit as an opportunity to burnish its international prestige, emphasize its Afro-Arab identity, and position Cairo as a bridge-builder between the Global South and North.

**Burnishing Egypt’s International Prestige**

Cairo is taking the lead on a critical global issue - climate change, placing Egypt at the center of international diplomacy not only as a representative of Africa and the Middle East but as a representative of the Global South. The last time Cairo was at the center of a major global cause was in 1994, when Egypt hosted the UN’s International Conference on Population and Development discussing immigration, family planning, reproductive health and education for women. Prominent global leaders attended, such as Pakistan’s Prime Minister Bhutto and U.S. Vice President Gore. COP27 also promises high levels of political and media visibility. Most importantly, Cairo in 2022 is different from Cairo in 1994, when the city was grappling with an Islamist insurgency that took a toll on the Egyptian state and its resources. Cairo in 2022 is looking at COP27 as an opportunity to burnish its regional credentials: even as Saudi Arabia and the UAE gain more visibility in the region and have more financial liberty, Egypt has a distinct advantage—its dual identity as an Afro-Arab nation, with its regional stance in both Africa and the Middle East. As host of COP27, Cairo is also putting on the map its struggle to secure water resources.

**Leveraging the Global Spotlight**

Egypt’s hosting of COP27 should be seen as a continuation of a recent evolution wherein Cairo is pivoting back to Africa as a hybrid player, pitching itself as a gateway to Africa and a strategic player with a growing footprint on the continent. This pivot started with Egypt’s presidency of the African Union (AU) in 2019, which Cairo used to advance its profile beyond the Nile Basin and North Africa. As president of the AU, Egypt represented the viewpoints of the continent on the world stage at fora such as the UN General Assembly, Munich Security Conference, G7 Summit in France, the G20 Osaka Summit, the Tokyo International Conference on African Development, the Russia-Africa summit and the UK-Africa summit.

After the AU’s presidency transitioned from Egypt to South Africa in February 2020, Cairo continued to increase its integration into the African strategic landscape. From partnering with Ghana to launch Ghana’s national airline to cooperating with Nigeria on countering the terrorist group Boko Haram, and from building Tanzania’s Julius Nyerere dam to pursuing strategic alignment with Sudan, Egypt has sought a multilayered Africa strategy that is focused on deepening diplomatic, economic, medical, security and defense cooperation. Moreover, Egypt initiated a flurry of military and security pacts with Burundi, Kenya and Uganda and built diplomatic and economic ties with Djibouti, Rwanda, Senegal, South Sudan, Tanzania and Zambia. Egypt also launched the Aswan Forum for Sustainable Peace and Development, an Africa-focused platform where Cairo is positing itself as a convener for African “heads of states and governments, leaders from national governments, regional and international organizations and financial institutions, the private sector and civil society.” Cairo used the Aswan Forum and regular consultative sessions with African counterparts as a policy platform to help unify Africa’s position on “energy access and just energy transition” prior to Egypt’s hosting of COP27.

Expanding this trajectory from a continental stage to a global one, at COP27 Cairo is looking to its presidency of the climate summit as an opportunity to show Egypt’s global leadership on climate change—a defining issue that is becoming more central to global diplomacy and North-South engagement.

Additionally, Egypt hopes to use the spotlight to raise awareness of the double whammy of a climate crisis that it itself faces. Egypt is a water-poor nation and is also facing the dark reality of reduced water supplies from the Nile because of the Grand Ethiopian Renaissance Dam, which is expected to impact Egypt’s water share as Cairo depends on the river for more than 90% of its water. In his speech to the UN Security Council, Egypt’s Foreign Minister Sameh Shoukry described the dam as an “existential threat” to Egypt’s water security. Furthermore, Egypt’s North Coast is threatened by rising sea levels. For instance, at COP26, former British prime minister Johnson elaborated on the climate threat to Alexandria, an Egyptian coastal city that might vanish under rising sea levels if global temperatures increase by 4 degrees Celsius (7.2 degrees Fahrenheit).

**An Emerging Energy Partner to the EU**

Egypt also hopes to use the summit to showcase Cairo’s solid position as the architect of the Eastern Mediterranean Gas Forum. The discovery of the Zohr natural gas field—the largest field in the Eastern Mediterranean region—has transformed Egypt into a net gas exporter. To secure its gas interests in the Mediterranean, Cairo established the forum in 2019 alongside Cyprus, France, Greece, Israel, Italy, Jordan and the Palestinian Authority as member states and the United States and the European Union as permanent observers. With its geographic centrality and existing coastal liquefaction facilities and pipeline infrastructure, Cairo became a regional gas export hub for Israel and Cyprus—signifying Egypt’s strategic position in Mediterranean geopolitics. With Europe’s current energy crisis in the wake of the Ukraine war, many European leaders are expected to travel to Sharm El Sheikh because of Cairo’s centrality to Europe’s energy security and Egypt’s commitment to export natural gas to Europe to replace Russian gas. Egypt’s position at the heart of gas geopolitics in the Mediterranean Sea means strong relations between Cairo and Brussels.

**Building Bridges Between the Global South and North**

Cairo will also likely choose to use the summit to continue its strong advocacy for climate equity between Global North and South. In Egypt’s view, Africa should not be compared to the big industrial polluters in Europe, North America and East Asia, who historically and disproportionately contributed to the climate crisis. Cairo will likely point out that, in 2021 for instance, Europe prioritized ending overseas public finance for fossil fuels, including investment in natural gas, a priority that completely changed in 2022 because of the Russian invasion of Ukraine and the current energy crisis that is facing Europe. In 2022, the EU designated nuclear power and natural gas as green energy, and the G7 nations rescinded their earlier pledge to end financing for gas projects because of the energy crisis associated with the Russian invasion of Ukraine. The inconsistency between ending the financing of natural gas projects overseas while scaling up the consumption of fossil fuels, including coal, domestically for energy security weakens the EU’s position as a leading force in climate negotiations. This inconsistency has provided an opening for Egypt to present its case for natural gas as green energy in COP27, a case that is a pillar for climate action—ultimately leveraging the Ukraine war to pressure Europe not only to keep making its acceptance of financing natural gas projects overseas more permanent and in line with the Global South’s development goals but also to lobby multilateral organizations to follow the same path as well.

Finding a balance between energy security and climate change is a major priority for Egypt at COP27, where Cairo believes there is a need for realistic goals and commitments by both the Global South and the North. Because of Egypt’s position as a bridge between Africa, the Mediterranean, and Europe, Cairo casts itself as a champion to lead efforts that all parties can commit to. Russia’s invasion of Ukraine in early 2022 highlighted Europe’s energy supply vulnerabilities and the need to find alternative suppliers. The continent collectively imported nearly 40% of its gas from Russia and is now facing the reality of Moscow cutting off its gas supplies to Europe during the winter, and gas prices have skyrocketed since the invasion. For instance, to substitute Russian gas, Europe’s powerhouse, Germany, is restarting nuclear reactors and increasing its use of coal as a response to the Russian weaponization of its energy supplies to Europe—despite Berlin’s previous opposition following the Fukushima meltdown that fueled the rise of anti-nuclear movement. Backtracking on the previous climate commitments—such as “phase-down of unabated coal power”—that were made at COP26 confirms the Global South’s suspicion that the Global North is only focused on immediate needs following the Russian invasion of Ukraine, while denying the Global South the same privileges to benefit from its hydrocarbon reserves.

**Conclusion**

By hosting COP27 this November, Egypt will be at the center of one of the most urgent challenges in the world—climate change. Cairo is looking at COP27 as an opportunity to show the country’s global leadership on the climate crisis. From the pandemic to the Russian invasion of Ukraine, and from rising energy prices to the return of great power rivalry, Egypt wants to present itself as a representative of the Global South—by virtue of its complex identity as an Afro-Arab nation and as a gateway to Africa and the Middle East. As its gas partnership with Europe deepens and the Russian invasion of Ukraine continues, Egypt will use its presidency of COP27 to lobby Europe and the West to strike a balance between climate action and energy security by supporting permanent investment in natural gas overseas, in line with the Global South’s development goals.

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* 1. SUDAN: One Year After Coup, Sudan’s Political Future Still Uncertain

Marc Espanol posted on 26 October in [Al-Monitor](https://www.al-monitor.com) that one year after the military takeover that put an end to the fragile democratic transition in Sudan on 25 October 2021, the country finds itself caught in a deep political crisis between the coup alliance, unable to consolidate authority, and the democratic civilian movement. When the generals seized power, the coup leader, Abdel Fattah al-Burhan, promised that he would quickly appoint a technocratic Cabinet to rectify the situation and run the country until elections in 2023. Yet one year later, Burhan has been unable to fulfill his promises.

Under his rule, Sudan’s economy has collapsed, the country is experiencing high levels of violence and insecurity, particularly in the periphery, and Khartoum is suffering from broad international isolation as fears of greater instability mount. The junta has also been confronted by a broad and sustained popular opposition despite their harsh crackdown.

Faced with this resistance, Burhan announced last July that the armed forces were ready to take a vague step back from the political scene, but his maneuver was widely rejected. In recent months, there have been other proposals and failed attempts to try to find a way out, with the role of the generals in the future of the country as the main sticking point.

“All actors, including the military, have realized that [the coup] was a mistake, but the way out is something that still needs to be agreed upon,” Hamid Khalafallah, nonresident fellow at the Tahrir Institute for Middle East Policy, told Al-Monitor.

As the anniversary of the coup approached, there has been speculation about an imminent deal between the Forces for Freedom and Change-Central Council (FCC-CC), which includes part of the civilian coalition that co-led the transition until the coup, and the coup generals. Sharif Mohamed Osman, an official of the FFC-CC, confirmed to Al-Monitor “informal contact” with Burhan and the head of the paramilitary Rapid Support Forces, Mohamed Hamdan Dagalo, based on a draft constitution prepared by the Sudanese Bar Association (SBA). “In the new draft, the SBA tried to avoid some of the weaknesses of the previous constitutional document, and they are credited with circulating it with many parties,” Abdelrahman Gasim, a lawyer familiar with the process behind the draft, told Al-Monitor.

But Osman expressed doubts over an imminent agreement because of the deep distrust toward the generals and the political cost that such a deal would have for the coalition. “Confidence that the military will fulfill pledges made in informal meetings is very weak,” he noted.

Any agreement that revalidates a power-sharing formula and does not include the return of the military to the barracks, a process of accountability and a comprehensive security sector reform is bound to meet with opposition from within the pro-democracy movement, spearheaded by the increasingly organized resistance committees. “Our role a year after the coup is to knock new doors through the revolution’s forces and diversify the methods of struggle,” Faisal Alsaeed, member of a resistance committee in Omdurman, west of Khartoum, told Al-Monitor.

The generals’ inability to cement their authority, and the country’s delicate stalemate, has also led to cracks within the loose alliance that supported the coup, raising fears that the increasingly untenable situation could degenerate into further instability or another coup. (Al-Monitor 26.10)

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* 1. MOROCCO: IMF Staff Completes 2022 Article IV Mission to Morocco

An [International Monetary Fund (IMF)](http://www.imf.org/) staff team conducted discussions with the Moroccan authorities in Rabat on the 2022 Article IV Consultation from 24 October to 4 November. At the conclusion of the visit, the IMF issued the following statement:

“The Moroccan economy has experienced a confluence of negative shocks in 2022 that have halted the rapid rebound after the pandemic. The drought impacted agricultural production, while the terms-of-trade shocks from Russia’s invasion of Ukraine fueled inflation and reduced purchasing power. The recovery of tourism, strong remittances, and resilient exports have partially offset these shocks. GDP growth is projected at around 1¼% in 2022 and the current account deficit is expected to widen to around 4¼% of GDP. Assuming a gradual improvement of external conditions and an average agricultural season, growth should accelerate to around 3% next year and the external deficit should narrow to around 3½% of GDP, but exceptional uncertainty clouds the outlook.

“Although caused by global supply and commodity price shocks, inflationary pressures have become more widespread over the course of this year. Accordingly, BAM has appropriately tightened monetary policy in September. While we expect inflation to start falling next year, driven by the projected decrease in global commodity prices, ensuring a return of inflation to close to 2% by 2024 will likely require further increases in policy rates, to further anchor inflation expectations.

“We welcome the Moroccan government decision to publish its three-year budget plans as part of the 2023 Budget, which envisages continued reduction of the deficit to closer to pre-pandemic levels. The 2023 Budget also rightly focus on mitigating the impact of recent shocks and financing much-needed reforms in the social protection, health, and education systems. Changes in corporate and personal income taxation are designed to reduce the tax burden on smaller and medium size firms and employees, while increasing the overall progressivity of the tax system and expanding the tax base. The announced VAT and civil service reforms, the reform of SOEs, further improvement in tax administration and rationalization of spending, including better targeting of social spending through the introduction of the Unified Social Registry, should create more fiscal space and allow a faster reduction of public debt in the medium term .

“Strengthening the resilience of Morocco’s economy amid limited fiscal and monetary policy space and exceptional uncertainty calls for accelerating structural reforms. Significant progress has been achieved in expanding social protection, although a large share of the self-employed have yet to join the new healthcare and pension contributory system. Far-reaching reforms in health and education systems should improve access, efficiency, and quality of services. Recent steps to reform SOEs, together with the operationalization of the Mohammed VI Fund and the implementation of the new Charter of Investment should help stimulate private investment. Progress in liberalizing the electricity market should accelerate the transition to renewable energy, while much remains to be done to address the increasing scarcity of water resources. (IMF 04.11)

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