

**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's 25th Knesset Sworn In

The 120 lawmakers who make up the 25th Knesset were sworn in on 15 November, exactly two weeks after Prime Minister-designate Benjamin Netanyahu's victory in the national election. During the parliamentary ceremony, legislators, one after the other, stated, "I pledge" in response to their names being called out in alphabetical order. "The citizens of Israel today are proud of their country, which this year will celebrate 75 years of independence, and they believe in the righteousness of its cause; but at the same time, to tell you the truth, they are exhausted from the infighting and its fallout," President Herzog said in remarks to the Knesset plenum.

Netanyahu's right-religious bloc – consisting of his Likud Party, the Religious Zionist Party, Shas and United Torah Judaism – secured 64 seats in the 1 November vote, and he is still engaged in coalition negations after having been handed the mandate to form Israel's 37th government. While Netanyahu had aimed for his Cabinet to be inaugurated alongside the Knesset, talks with his prospective coalition partners continue. Netanyahu is expected to bridge the divides.

According to Israel's Basic Law, the prime minister-designate has until 11 December to form a government, with the possibility of a 14 day extension from the president. (Various 16.11)

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* 1. TotalEnergies & ENI Sign Deal With Israel on Gas Field Shared with Lebanon

TotalEnergies and Italian hydrocarbon giant ENI signed a framework agreement with Israel over a gas field shared with Lebanon, the French energy company announced on 15 November. It follows the agreement between Lebanon and Israel in October to resolve a maritime border dispute involving offshore gas fields. That same month, Lebanon asked TotalEnergies to kickstart gas exploration off its shores.

TotalEnergies said that it will now begin the exploration of an already identified prospect which might extend both in block nine and into Israel waters south of the recently established maritime border line. Lebanon divided its exclusive economic zone at sea into 10 "blocks" and block nine was part of the area disputed with Israel. TotalEnergies holds a 60% stake in block nine, while ENI holds 40%.

Under the agreement with Israel, Lebanon gained full rights to operate and explore the Qana or Sidon reservoir, parts of which fall in Israel's territorial waters. Analysts believe it will take several years for Beirut to enter the exploitation phase. Israel will receive compensation from the firm operating Qana. The signed framework agreement, and the detailed agreement that will follow if gas is found in the reservoir, will enable the development of a reservoir that crosses the borders of enemy states. (i24NEWS 15.11)

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* 1. Azerbaijan Becomes First Shiite Country to Open an Embassy in Israel

On 18 November, Azerbaijan’s parliament voted to open an embassy in Israel. Israel and Azerbaijan have entertained diplomatic relations for three decades. Israel has an embassy in Baku, but Azerbaijan had no embassy in Israel. This move is the result of the Israeli government’s efforts to build strong diplomatic bridges with the Muslim world. Prime Minister-elect Netanyahu, who visited Baku in 2016, announced that he plans to expand the Abraham Accords and bring Saudi Arabia into the circle of peace.

Azerbaijan’s decision is, to a large degree, the direct continuation of the Abraham Accords signed by Netanyahu when he was prime minister. Azerbaijan has close relations with Israel based on a shared fear of Iran’s intentions. Azerbaijan shares a border with Iran and it is a Shiite state. But the variant of Shia Islam practiced in Azerbaijan is much more moderate than the radical Shi'ism of Iran.

As a result, Jerusalem and Baku maintain closer security ties. Security and trade agreements between Israel and Azerbaijan have expanded considerably in the last few years, so Azerbaijan is now Israel’s largest provider of energy, while Israel is one of Azerbaijan’s biggest arms suppliers. (Al-Monitor 21.11)

ISRAEL MARKET & BUSINESS NEWS

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* 1. AutoLeadStar Raises $40 Million in Financing Round

Israeli AI-powered car marketing data company AutoLeadStar announced the completion of a $40 million growth financing round led by Riverwood Capital with the participation of existing investors including PICO Venture Partners, Target Global and Aleph.

Jerusalem's [AutoLeadStar](https://www.autoleadstar.com/) provides AI-powered marketing automation technology to auto-dealerships and manufacturers, allowing personalized marketing, digital commerce that enhances and informs consumer decisions and enabling them to complete most of the car buying process online. AutoLeadStar’s Customer Data and Experience Platform integrates data silos from sales, inventory, marketing, and commerce, into a single platform, and also facilitates data-informed strategy for dealerships.

AutoLeadStar has grown revenue by over 100% year-over-year for the past few years and the company’s software is used by nearly 1,000 dealerships in the US and Canada, including many of the top dealer groups, to intelligently automate once siloed, outdated, and manual systems. (Globes 07.11)

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* 1. Hertz & Ravin AI Partner on AI-Powered Vehicle Inspection Pilot

Ravin AI announced that its artificial intelligence technology is being piloted by Hertz (HTZ), one of the world's largest car rental brands, in Sweden and Norway. This partnership will improve inspection efficiency, objectivity and standardization across Hertz's operations, as well as improving customer experience.

Manual vehicle inspections have, until now, been a slow and painful process for the customer. Ravin AI's technology produces a condition report, more reliable than the human eye, that can be generated in seconds, saving customers this hassle. Ravin's AI vehicle inspection tool leverages mobile phone cameras, as well as CCTV footage, to create a highly accurate 360 scan of a vehicle, using deep learning algorithms and car model data to assess its condition.

Tel Aviv's [Ravin AI](http://www.Ravin.ai) is an international provider of automated artificial intelligence solutions for vehicle inspections serving diverse fleet, insurance, and remarketing customers around the world. Unlike other marketplace solutions, Ravin does not require its customers to purchase or install dedicated hardware but rather uses mobile and CCTV cameras. Ravin AI was founded in 2018 and has raised $30 million to date from investors including KAR Global (owner of ADESA auctions, AutoVIN inspection and more), PICO Venture Partners, FM Capital and Shell Ventures. (Ravin AI 09.11)

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* 1. Airobotics Deploys an Automated Urban Drone Infrastructure in the UAE

Airobotics announced it is supplying additional drone systems and services to a UAE government entity. This represents the next step towards a larger fleet deployment by that government entity, to extensively install the Optimus Urban Drone Infrastructure, developed by Airobotics. The order is a follow-on order to initial systems and services that were provided and thoroughly reviewed by the customer during the Dubai Expo. During the event, the Company successfully carried out thousands of operational drone flights without human intervention under challenging environmental conditions and in densely populated areas, to the end user's satisfaction.

The Airobotics system is designed to operate as a network of smart drones linked to an urban control center and will function as a municipal infrastructure providing a variety of automated data solutions. The primary function of the deployed Urban Drone Infrastructure is to shorten response times of security and rescue forces to emergency situations, supporting law enforcement and homeland security activities, and streamlining diverse services provided by the municipality for the public's benefit. The Company is also examining drone parcel delivery and other smart city applications to be provided by the infrastructure. Airobotics believes the Optimus Urban Drone Infrastructure will be widely deployed across this specific UAE city over the next few years. To date, two systems have already been deployed. Completion of the current transaction will bring this customer's deployed Airobotics fleet to four systems.

Petah Tikva's [Airobotics](https://www.airoboticsdrones.com/) is an Israeli manufacturer and operator of autonomous Unmanned Aircraft (UAs) and Aerial Data Infrastructures. Airobotics UAs are used for smart city, homeland security and industrial services, providing automated data capture and analysis services, performed 24/7 without human intervention, and addressing the needs of the world's most complex environments. Airobotics is actively deployed in Israel and the UAE and has business development activities in the USA and Singapore. The company's systems are in the process of type certification, the first of its kind in the US under the US Civil Aviation Authority, the FAA. (Airobotics 09.11)

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* 1. Porsche Digital Expands in Israel

German's Porsche Digital, a wholly-owned subsidiary of Porsche AG, part of the Volkswagen Group, announced the expansion of its activity in Israel. Since 2018, Porsche Digital has been active in Israel, scouting, collaborating with, and investing in Israeli startups with technologies that can contribute to the group’s digital transformation and to electronic platforms of Porsche vehicles.

The expansion of the Israeli branch focuses on cybersecurity and investment, with several experts from Porsche joining the Tel Aviv office. The company also announced new investment by its Porsche Ventures venture capital arm in Israeli startup Valence Security. This is Porsche Ventures’ sixth investment in Israeli companies, besides the acquisition of a stake in startup company TriEye in 2019.

The company is looking for technologies to support online vehicle sales. Porsche recently started offering online ordering for its products in several overseas markets, including full specification of the various options, using advanced imaging applications. On technology for autonomous driving, most Porsche drivers still prefer to drive themselves. The company is however seeking and investing in active driver assistance technologies, such as automated parking and sensors for the vehicle’s environment. (Porsche Digital 09.11)

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* 1. Everybuddy Games Raises $15 Million in a Series A Round

Tel Aviv's [Everybuddy Games](https://everybuddygames.com/‎) has raised $15 million in a Series A funding round, led by Makers Fund with participation from Key1 Capital. The startup is the company behind casual mobile game Lucky Buddies, which since its official launch in the first quarter of this year, has attracted hundreds of thousands of players from all over the world. Everybuddy Games will use the capital to grow its team. It’s a sign that seasoned teams can still raise money in the downturn.

The Israeli game maker believes that great products are created by great people and the company said it is dedicated to fostering a culture that is conducive to creativity, personal growth and impact. Since its official launch in the first quarter this year, Lucky Buddies has added hundreds of thousands of players from all over the world. They were interested in building an innovative casual game in a crowded, competitive and thriving industry. They wanted to nurture self-development and growth culture within the team; values that people appreciate and leverage. They were able to raise a substantial and strategic funding round in a challenging economy, and that gave the team a huge boost of confidence as to its ability to thrive and prosper in the years ahead, the company said. (Various 08.11)

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* 1. First Israeli Company Joins ADIO to Establish FinTech R&D Center in Abu Dhabi

The Abu Dhabi Investment Office (ADIO) Innovation Program is partnering with the FinTech company Liquidity Group, the first Israeli company to join the AED 2 billion ($545 million) program. ADIO established an office in Tel Aviv in 2021 to support innovative Israeli companies looking to establish and expand their operations in the UAE capital. The partnership will support Liquidity Group’s establishment of an R&D center in Abu Dhabi to develop its proprietary technology-enabled underwriting algorithm and other financial solutions.

Through the Innovation Program, ADIO will support Liquidity Group in initiatives that build Machine Learning capabilities in Abu Dhabi. The company’s R&D center will focus on developing its Machine Learning-enabled LendTech solutions for its underwriting business. It will also build a Centre of Excellence of Enterprise Machine Learning that supports other startups within Abu Dhabi in applying Liquidity Group’s modelling methodologies. Additionally, it will engage with Abu Dhabi-based universities to develop educational training programs and certifications focused on Machine Learning.

Liquidity Group will establish its R&D center at ADGM, which offers a business friendly and holistic regulatory environment with an advanced financial services infrastructure. The partnership strengthens the UAE capital’s position as a leading financial hub, which is home to some of the world’s largest sovereign wealth funds, a thriving stock exchange and an award-winning international financial center.

Founded in 2018, Tel Aviv's [Liquidity Group](http://www.liquiditygroup.com) is a pioneering technology firm that has become the industry’s fastest growing lender to mid-market, late-stage companies by automating the entire debt lending cycle. The firm’s patented machine learning and decision science technology has enabled the firm to deploy more capital through more deals faster than any firm in capital markets history. (ADIO 15.11)

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* 1. Beti Announces $11 Million Strategic Growth Investment Led By PSG

Beti announced an $11 million strategic growth investment round led by PSG, a leading growth equity firm partnering with software and technology-enabled services companies to help accelerate their growth, with participation from 97212 Ventures.

Founded in 2018 in Tel Aviv, [Beti](https://www.beti.tech/) provides construction developers and general contractors with a one-stop-shop solution for site management that assists them in addressing on-site safety and compliance issues, while simultaneously working to improve on-site efficiencies and boost productivity. Beti introduces a full suite of products, which includes safety, access control, quality assurance and process control, throughout the lifecycle of construction projects. Currently serving 300 customers across many sites, Beti’s customer base encompasses a number of Israel’s top 100 construction companies, including Shapir Engineering, BST Group, Ken Hator, Y.H. Dimri and Afcon Group.

Beti will use the investment to accelerate its U.S. market presence while upholding its current position as a market leader and a one-stop-shop solution for site management in Israel. Following the opening of the company’s first U.S. office in Brooklyn, New York this year, Beti plans to accelerate a growth strategy that focuses on expanding into other key East Coast cities, including Philadelphia and Miami as well as business hubs across New Jersey and Connecticut. (Beti 17.11)

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* 1. Future Meat Rebrands to Believer Meats Ahead of US Launch

Israeli cultivated meat company Future Meat Technologies has changed its name to Believer Meats. The rebranding is part of a broad strategic change of Future Meat into a technology-rooted food company as Believer prepares for its product launch. Believer's process and technology have paved the way to bring cultivated meat one step closer to commercial viability, pending US regulatory approval.

Future Meat raised $347 million in December 2021 at a company valuation of $900 million. The company opened the world's first cultivated meat production line in Israel in 2021and will now scale production of its cultivated meat products at its new commercial-scale production facility, which is expected to break ground in the US before 2023. (Globes 17.11)

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* 1. TUS Air to Fly Israelis to Qatar's World Cup in the First-Ever Direct Route

The Cypriot airline TUS Airways, which is partly owned by Israel, was given permission on 15 November to operate for the first time in history direct flights from Tel Aviv to Doha for the upcoming World Cup in Qatar. Nearly 30,000 Israelis are expected to travel to Qatar to attend matches at the hotly anticipated mega soccer event, taking place from 20 November to 18 December.

The two countries do not have diplomatic relations, but Israel - which did not qualify for the tournament - announced in June an agreement allowing its citizens, like other foreigners, to obtain an entry visa to the Gulf state upon presentation of proof of tournament ticket purchase.

Israel’s outgoing prime minister Lapid also announced that an agreement was reached with FIFA to allow Israelis to fly to Qatar directly for the upcoming tournament, and confirmed information about the opening of an Israeli office in Qatar. Following the approval, and while Israeli airlines have not been allowed to operate such direct flights, TUS is expected to soon begin offering tickets for the route. The direct flights to Qatar will last about three hours and instead of stopping first in Cyprus, as originally planned, and travel directly to Doha. (i24NEWS 15.11)

REGIONAL PRIVATE SECTOR NEWS

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* 1. Alcazar Energy Closes its Second Sustainable Infrastructure Fund

UAE infrastructure investor [Alcazar Energy](https://alcazarenergy.com/) reached a $336.6 million first close for its second sustainable infrastructure fund. The Alcazar Energy Partners II fund plans to invest in developing a portfolio of 2 GW worth of renewable energy projects across emerging markets, which will power up to 1 million homes across developing countries offsetting some 3.2 million tons of CO2 equivalent.

Limited partners include the European Bank for Reconstruction and Development (EBRD), which gave $80 million to the first closing. Other LPs include the European Investment Bank, the International Finance Corporation, the Asian Infrastructure Investment Bank, the German Development Institution and the Dutch Entrepreneurial Development Bank, among others. The fund has a target to raise $500 million, with a “hard cap” of $650 million. Its investments will help mobilize some $2 billion in foreign direct investment and create some 15,000 construction jobs.

Alcazar Energy Partners I — the first fund by the UAE’s Alcazar Energy — was launched in 2014 and raised a total of $240 million to invest in equity for solar and wind energy projects with up to $700 million poured into solar and wind farms in Egypt and Jordan. The first fund’s portfolio was acquired in 2021 by Chinese energy firm China Three Gorges Corporation. Alcazar Energy signed an agreement to invest in a green hydrogen-based ammonia facility with a total production capacity of 230k tons annually with Egypt’s Suez Canal Economic Zone back in August. (Enterprise 15.11)

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* 1. Abu Dhabi Ports Group Acquires Spain’s Noatum in Dhs2.5 Billion Deal

Abu Dhabi (AD) Ports Group has acquired Noatum, Spain’s integrated logistics platform, with the intent to create an international logistics brand, merging its existing logistics business with Noatum to create a significant presence in the region and bolster services across the company’s global footprint. Noatum will lead AD Ports Group’s logistics cluster, consolidating the company’s existing logistics offering into its operations. The total purchase consideration for 100% ownership amounts to Dhs2.5 billion (€660 million). The value and earnings accretive acquisition will be fully funded through a new acquisition loan.

This will be AD Ports Group’s third major international acquisition in 2022, following the acquisition of a 70% equity stake in Transmar and TCI in September, and the announcement in November of its acquisition of an 80% equity stake in Dubai-based Global Feeder Shipping (GFS).

Noatum, whose origins date back to 1963, operates in three business areas – logistics, maritime and port terminals – with a presence in Spain, Turkey, the US, UK, China and Southeast Asia. Noatum’s global logistics business specializes in comprehensive freight management, project logistics, contract logistics, international supply chain management, customs and e-solutions, with offices and a wide network of agents around the world. In particular, Noatum has advanced capacities in heavy lift logistics, which AD Ports Group aims to bring to the region. (GB 19.11)

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* 1. Sprinklr Announces Local Data Hosting Solution in the UAE

New York City's Sprinklr, the unified customer experience management (Unified-CXM) platform for modern enterprises, announced its expanded presence in the Middle East with a data hosting solution in the UAE, giving customers the option to host their data in the UAE through Sprinklr’s hosting services provider rather than on a data center in the U.S. or Europe.

The ability to host data in the UAE is critical to support regional growth for customers, particularly for brands in the financial services, telecommunications, and public sector industries. As with all of Sprinklr’s data hosting locations, UAE data hosting will be backed by Sprinklr’s global support teams, technical resources, and sub-processors.

In the last year, Sprinklr roughly doubled its presence in the MEA region, with the UAE at the forefront of the company’s growth. Sprinklr now supports over 100 of the top companies in the region across retail, financial services, telecommunications, travel & hospitality and the public sector. A data hosting solution in the UAE will support the positive growth trend and help Sprinklr continue to exceed customer requirements for data security and compliance. (Sprinklr 15.11)

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* 1. baraka Raises a $20 Million Series A Round

Dubai based investment app [baraka](https://getbaraka.com/en/%20‎) has closed a $20 million Series A round, led by Valar Ventures, a venture capital firm, with participation from global investment firm Knollwood. Launched in 2021, baraka is aimed at empowering investors across the region with access to commission-free investing and access to US stocks and Exchange Traded Funds (ETFs).

Investors on baraka can build diversified portfolios and long-term wealth by benefiting from global equity markets to achieve financial independence. As part of its growth plans, baraka intends to create further access to regional economies where it aims to secure licensing at some point in the future. The company has committed the majority of this fundraise to new markets and creating more access to local stock exchanges for regional investors.

baraka will introduce features that give access to dividend reinvestment plans and extended hours of trading, helping users to save, invest and grow their money. In a move to democratize access to burgeoning regional equity markets and attract global investors to the Middle East, baraka is working with local stock exchanges and regulators to enable access to local market trading on its app. With its mobile-only experience, users of baraka’s app are provided with the daily financial news in English and Arabic, to help them make informed and independent investment decisions. (Baraka 16.11)

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* 1. Qashio Raises a $10 Million Seed Round to Accelerate KSA Expansion

UAE fintech [Qashio](https://qashio.com/) has raised $10 million in a seed round, with participation from strategic international and regional investors to accelerate expansion into Saudi Arabia. The seed funding round is supported by global investors such as One Way Ventures (early investors in Brex), MITAA, Cadorna Ventures, as well as regional investors such as Sanabil 500 MENA, Nuwa Capital, Iliad Partners, Phoenix Investments, and strategic family offices and angels. The round consists of both equity and non-equity financing.

Founded in 2021, Qashio is the first fintech in UAE history to issue employee corporate cards programmatically. Its enterprise-grade spend management platform enables business owners and finance leaders full visibility and control of all expenses. Their dashboard integrates real-time tracking for every business expense and allows enterprises and SMEs to make informed cash flow decisions.

Qashio's virtual and physical cards combined with its software allow businesses to manage their spending in a more automated and transparent way, saving hundreds of man-hours and reducing petty cash leakage in the process. Finance and HR departments benefit from better expense reporting, better visibility, control of cash flows and an empowered workforce. (Qashio 22.11)

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* 1. UAE's Silkhaus Raises a $7.75 Million Seed Round

[Silkhaus](https://www.silkhaus.co), a Dubai-based platform for short-term rentals, has raised a $7.75million seed round to digitize short-term rentals across South Asia, Southeast Asia and MENA. They secured funding from Nuwa Capital, Nordstar, Global Founders Capital, Yuj Ventures, Whiteboard Capital and VentureSouq, with participation from international family offices and angel investors. Founded in 2021, Silkhaus is building an operating system for the short-term rental industry.

The company is digitizing the process of operating short-term rentals for large and small property owners by providing an operating system that includes tools needed to monetize and manage their properties. As part of its mission to make short-term rentals more accessible to diverse audiences, Silkhaus says it optimizes revenue and streamlines operations for property owners, allowing them to list multiple or single units on the platform with an average revenue yield increase between 20 - 40%. Guests can easily access high-quality, well-maintained properties, elevating their experience, whether they are traveling for business or leisure. (Silkhaus 15.11)

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* 1. Saudi Venture Capital Invests $10 Million in TVM Capital Healthcare’s Afiyah Fund

Saudi Venture Capital (SVC) has invested $10 million in TVM Capital Healthcare’s Afiyah Fund to invest in innovative companies in the healthcare sector in Saudi Arabia. TVM Capital Healthcare is a specialized healthcare expansion and growth capital private equity firm, operating out of Riyadh and Dubai for the Middle East, as well as Singapore for the Southeast Asia region.

The CEO of the SME Bank said that SVC’s mandate is to develop the VC and PE ecosystems in the kingdom, and to increase investment opportunities in startups and SMEs, thus supporting their success rate and continuous growth to successfully contribute towards achieving the Saudi Vision 2030. The investment in TVM Capital Healthcare’s Afiyah Fund is part of SVC’s Investment in Funds Program, which is a continuation of the company’s series of investments and an implementation of its strategy related to developing and sustaining financing for startups and SMEs, especially in strategic sectors, such as healthcare. (Gulf Business 06.11)

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* 1. KSA's DataLexing Raises a $3 Million Seed Round

Saudi Arabia’s Productivity Platform DataLexing has raised $3 million in a seed round led by Sadu Capital, with participation from Impact46 and other investors. Founded in 2018, DataLexing is an All-in-One Data-Driven productivity platform that brings Insights, Apps, Notifications, Forms and Sheets together in one place.

DataLexing says that it helps organizations and individuals get the right data at the right time without relying on technical personnel. To simplify getting the right data at the right time, the users start from prebuilt productivity templates and correlate them with current business apps to have a single source of truth. In addition, the startup claims that opening a dialog with your data provides an unparalleled experience, unlike waiting weeks to get the answers from the data analyst.

The objective of the funding is to expand its GCC-wide operations and extend the Research & Development of DataLexing. A customer-centric approach is the cornerstone of DataLexing's development framework where the user is at the heart of technology. (DataLexing 17.11)

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* 1. Resecurity Partnership with Saudi's Cyber KSA

Resecurity, a Los Angeles based cyber security company protecting Fortune 500 companies globally, has partnered with Saudi Cybersecurity Company (CyberKSA), a leading cybersecurity provider in Saudi Arabia (KSA). The partnership will allow CyberKSA to offer award-winning cyber threat intelligence (CTI), dark web monitoring (DWM), digital risk management (DRM), fraud prevention (FP) and identity protection (IDP) products to consumer and enterprise organizations. The comprehensive portfolio of solutions will accelerate specialized offerings for MSSPs/ISPs and large enterprise customers looking to streamline their cybersecurity operations across their environment. Both companies will prioritize supporting the aerospace & defense (A&D) industry with cutting-edge defensive and offensive cybersecurity tools.

To comply with Saudi data protection regulations, Resecurity delivers solutions via Oracle Marketplace and Oracle Cloud. Oracle Cloud has a data center in Jeddah which is approved for on-premises deployment options with full data retention within the region. Oracle is a certified Level 1 cloud provider, as defined by the Communications and Information Technology Commission (CITC) in Saudi Arabia. Since Resecurity solutions are hosted in the country, they are aligned with the Kingdom's Cloud Computing Regulatory Framework (CCRF) and compliant with the National Cybersecurity Authority (NCA) security models which makes them uniquely positioned and fully compliant for implementation under Saudi regulations. Resecurity's dynamic "cloud-first" strategy is highlighted by the availability of Resecurity products via Microsoft Azure Marketplace and Amazon AWS available across variety of regions.

The Saudi Cybersecurity Company ([CyberKSA](http://cyber.com.sa)), established in 2014, assists organizations throughout Saudi Arabia in their cybersecurity protection and defense needs. Solutions include data breach response, digital investigations, expert witness & litigation support, and compromise assessments. Supported by industry leading technology, CyberKSA resources perform other services such as penetration testing, vulnerability assessments, and red teaming, as well as support for mergers and acquisitions. (Resecurity 16.11)

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* 1. Electric Cadillacs are Coming to Egypt

General Motors (GM) and Al Mansour Automotive will roll out Cadillac’s all-electric mid-size luxury SUV Lyriq in Egypt by the end of 2023, the two companies announced in a recent statement. Five other Cadillac EVs are slated to hit the Egyptian market two years later. Al Mansour Auto hopes to start assembling electric vehicles in Egypt within the coming year, and is close to finishing feasibility studies. Al Mansour intends to produce 15,000 EVs in Egypt over the next three years. Under a MoU signed last December, Al Mansour Auto and GM are looking at partnering up to produce EVs in Egypt.

Egypt’s EV industry is still nascent, with its first locally manufactured EV expected sometime next year after a protracted search for a partner to work with El Nasr Automotive on producing EVs. The government is still working on plans to establish a nationwide charging network — with our friends at renewable energy player Infinity working to set up 6,000 vehicle charging points at 3,000 stations across the country. Egypt’s House of Representatives just gave its final approval to a bill that will establish a new regulatory body to set policy for auto assembly in the country, including EVs, and provide financial incentives for manufacturers.

Saudi Arabia’s Public Investment Fund (PIF) signed agreements with US-based luxury EV manufacturer Lucid Motors and Taiwan’s Foxconn on EVs to design, manufacture and sell EVs in Saudi Arabia. Several auto companies are looking to set up shop in Morocco, given the country’s capacity to produce over 700,000 vehicles per year. (Enterprise 14.11)

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* 1. CONIX.AI Raises $1.3 million in a Pre-Seed Round

Egypt's [CONIX.AI](https://conix.ai/assets/conix-landing/index.prod.html) has announced the closing of a $1.3 million pre-SEED round led by BIM Ventures. Founded in 2020, CONIX.AI uses artificial intelligence and generative design to provide real estate developers and architects with architectural designs. CONIX.AI employs Artificial Intelligence while leveraging both parametric and generative design principles to create an evolutionary optimization approach that provides adaptive modeling of sites and spaces.

According to the company, recent studies show that less than 2% of residential buildings worldwide are designed by architects; that means the potential is limitless in this untapped market. They are transforming the architect's job, making their work more efficient. With CONIX.AI, architects can provide their clients with several custom-made iterations to choose from on the same day! Also, real estate developers can take investment decisions instantly using CONIX.AI internally with their in-house architectural team."

The funding will help the startup in expanding to Saudi Arabia and further product development. CONIX.AI will also enable users to quickly evaluate the validity of building sites and assess multiple scenarios, produce several design possibilities for a given site, and optimize spaces while considering the environmental aspects. (CONIX.AI 18.11)

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* 1. Egypt's Grinta Raises an $8 Million Seed Round

Cairo based startup [Grinta](https://grinta.ai/home), a Fintech-enabled B2B tech platform digitizing the pharmaceutical supply chain, raised $8 million seed funding co-led by Raed Ventures and Nclude. Other investors include Silicon Valley-based Endeavor Catalyst and 500 Global, bringing its total funding to date to $9.5 million. The funds will be invested in scaling Grinta's full-stack tech platform, expanding the team and accelerating growth across the Egyptian market.

Grinta is a managed marketplace that modernizes the pharmaceutical supply chain by empowering independent pharmacies. The end-to-end platform offers a seamless and easy-to-use experience, giving access to the full spectrum of traceable pharmaceutical and medical products from multiple vendors in addition to providing fulfillment, demand planning, and inventory financing. The company is working with all stakeholders across the value chain, manufacturers, distributors, wholesalers, and pharmacies, to build a data-driven, reliable, and efficient pharmaceutical supply chain.

Egypt has strong local manufacturers, 3 large distributors and more than 3,000 wholesalers all targeting 60,000 fragmented retail pharmacies that are yet to be digitized, which makes it the largest Pharmaceuticals market in Africa with a size surpassing $6 billion. (Grinta 22.11)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. H2Pro & Gaia Energy to Co-Develop GW-Scale Green Hydrogen Project

Israel's H2Pro and Morocco's Gaia Energy signed a strategic agreement during the UN Climate Conference (COP 27) in Egypt. The two companies revealed plans for their new partnership whereby Gaia will use a range of 10-20 MW-scale H2Pro electrolyzer technology for a demo project in Morocco, while exploring in parallel the use of H2Pro technology in a Gigawatt-scale system currently being developed by Gaia within the Kingdom.

Morocco, and the MENA region at large, are poised to lead the world in the clean energy transition by making use of their abundance of renewable resources and becoming a green hydrogen hub. By combining the power of Gaia's renewable energy assets with H2Pro's efficient and cost-effective green hydrogen production technology, this brings Morocco and the region one step closer to this vision.

The theme of cross-border cooperation over climate action is also a star topic on the agenda of COP27. H2Pro, which was chosen to exhibit in Israel's first ever pavilion at a UN climate conference, came to COP27 as a champion of regional cooperation and with aspirations for the MENA region.

Founded in 2019, Caesarea's [H2Pro](https://www.h2pro.co/) is accelerating the global transition to net zero by enabling affordable green hydrogen this decade. H2Pro's E-TAC (Electrochemical - Thermally Activated Chemical) technology solves the key challenges of traditional electrolysis by time-separating hydrogen and oxygen generation. E-TAC reaches its unparalleled 95% efficiency (compared to 60-70% efficiency of alternative methods) by avoiding the inefficient electrochemical Oxygen Evolution Reaction, replacing it with a Thermally Activated Chemical (TAC) reaction that doesn't consume power or heat. Additionally, as hydrogen and oxygen are generated at separate times, an expensive membrane is not required. (H2Pro 09.11)

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* 1. DeserTech Launches a Program Aimed at Climate Change

DeserTech launched a program in partnership with the Global Mechanism of the United Nations Convention to Combat Desertification and the 11 African nations leading the “Great Green Wall” initiative. The African-led “Great Green Wall” project is aimed at rehabilitating almost 250 acres of degraded land across the Sahel region by the end of the decade, generating millions of jobs and capturing 250 million tons of carbon dioxide from the atmosphere. DeserTech’s launch was hosted by the Senegal pavilion at the UN COP27 climate summit in Egypt before an audience that included environment ministers from Mali and Mauritania and a member of the Chadian parliament.

Since the launch of the “Great Green Wall” project over a decade ago, almost 44.5 million acres of degraded lands have been restored and 350,000 jobs created.

Beer Sheva's [DeserTech](https://en.desertech.org.il/) is an Innovation Community that promotes the development, adaptation and commercialization of technologies that enable sustainable living in arid climates, while simultaneously, turning the Negev region into a global entrepreneurial hub for these technologies. The DeserTech Community is part of the world’s desert belt, and a living laboratory of science and technology. DeserTech builds on existing technological and policy research, such as Ben Gurion University and its Institutes for Desert Research, regional R&D centers, and leading startups and corporates in the areas of sustainable agriculture, energy, water, and infrastructure. (Various 13.11)

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* 1. UAE’s Masdar Collaborates with Jordan’s Energy Ministry on Renewable Energy Projects

Abu Dhabi-based renewable energy company Masdar has signed a MoU with Jordan’s Ministry of Energy and Mineral Resources to explore collaboration in renewable energy projects. Both sides will explore development and investment in renewable energy projects in the Hashemite kingdom of Jordan with a production capacity of up to 2GW. The MoU also includes exchange of expertise and knowledge in the areas of renewable energy and infrastructure development, including electricity transformation, distribution, and exportation. Through the MoU, Masdar may significantly scale its renewable energy footprint in Jordan, which currently includes two major renewable energy plants.

In 2015, Masdar delivered the 117 megawatt (MW) Tafila Wind Farm in Jordan, which raised increased the country’s total power capacity by 3%. Masdar was also the developer and lead partner on the 200 MW Baynouna project, Jordan’s largest single solar energy project. Since 2020, the project has been meeting the annual power needs of approximately 160,000 homes, displacing an estimated 360,000 tonnes of carbon dioxide each year. It generates 563 gigawatt-hours (GWh) of electricity each year, equivalent to 4 per cent of the annual energy consumption of Jordan, the statement added. (GB 18.11)

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* 1. Abu Dhabi to Generate 60% of Electricity from Clean Sources by 2035

The Environment Agency – Abu Dhabi (EAD), in partnership with the Abu Dhabi Department of Energy (DoE), will aim to generate a large proportion of Abu Dhabi’s electricity from clean and renewable sources by 2035. New regulations, drafted by the DoE, will see 60% of the emirate’s electricity being generated from clean and renewable sources by 2035, and up to 75% reduction in carbon emissions per MWh produced by the electricity sector. The DoE’s ‘Clean Energy Strategic Target 2035 for Electricity Production in Abu Dhabi’ regulatory framework is the first legally binding clean and renewable energy target in the Middle East for the electricity sector.

The new regulations were unveiled at the United Nation’s annual climate summit, COP27, in Egypt, and are part of an ongoing energy transition to accelerate the UAE’s decarbonization and green growth efforts.

EAD is also developing a ‘Nexus’ decision support system to help Abu Dhabi utilize its natural resources sustainably, improve water, energy, and food security, and introduce more cost-effective projects. The body is developing a scheme in which the emissions and trading ceilings would be determined. The feasibility of implementing the system at the state level is being studied to ensure competitiveness and sustainability. To complement this scheme, there would be existing voluntary programs, such as the electronic platform for trading carbon credits on the Abu Dhabi Global Market. (GB 10.11)

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* 1. Saudi Arabia Introduces 66 New Climate Programs

Saudi Arabia presented 66 new initiatives designed to scale climate action as part of the Saudi Green Initiative (SGI) launched at COP27. The new programs are classified according to four thematic areas: the circular carbon economy; extending vegetation coverage and reducing degraded land; protecting wildlife habitats and biodiversity; and promoting sustainability. The SGI is aiming to reduce emissions by 278 million tons/year by 2030. It aims to plant 10 billion trees “in the coming decades” and increase protected coastal areas and land by more than 30% of the total area of Saudi Arabia. The vast majority of the approved initiatives will extend vegetation coverage or reduce degraded land, he’s quoted as saying.

The Saudi Green Initiative's overall goal is to promote programs that support environmental protection, energy transition and sustainability, to rapidly scale climate action. It does this by bringing together Saudi government, the private sector and non-Saudi players, facilitating collaboration. (Enterprise 10.11)

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* 1. US & Europe Pledge More Than $550 Million to Fund Egypt’s Energy Transition

The US, Germany and other European countries have pledged to provide more than $550 million to help Egypt decarbonize its power infrastructure and install new renewable energy capacity. Under a political declaration with Egypt announced during President Biden’s visit to COP27 on 10 November, the US and Germany agreed to provide more than $250 million for the energy pillar of Egypt’s Nexus on Water, Food and Energy (NWFE) initiative, which aims to close 5GW of gas fired power plants and add 10GW of new wind and solar energy by 2028.

Of the money pledged by Germany and the US, the equivalent of €100 million will come in the form of highly concessional loans, €100 million will be in the form of debt swaps and €85 million in grants. More than $300 million in grant and concessional finance will come from the European Commission, France, the Netherlands, Denmark and the UK, as well as donors to the EBRD’s High Impact Partnership on Climate Action. Germany and the US will also help us capture billions of cubic meters of natural gas that Egypt currently flares, vents or allows to leak from oil and gas operations. (Enterprise 13.11)

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* 1. Another Mega Wind Farm in Egypt

Egyptian contracting firm Orascom Construction’s (OC) consortium with France’s Engie and Japan’s Toyota Tsusho has signed up to build a 3 GW wind farm, just days after breaking ground on their 500 MW wind project in Ras Ghareb. The consortium signed a MoU for the wind farm with Egyptian energy authorities on the sidelines of COP27, with Egyptian Prime Minister Madbouly attending the signing ceremony. There are no details on the location or timeline for the project.

OC is responsible for construction and will take an unspecified equity stake in the wind farm, which will be set up under a build, own, operate (BOO) framework. This will be the OC consortium’s third local wind farm. Its Ras Ghareb project should go live in 2025, and it completed a 262.5 MW wind farm, also in Ras Ghareb, in 2019.

The project brings the total new wind-power generation capacity Egypt has locked down in recent days to 28 GW. That’s nearly half of the country’s current installed capacity, which at the end of 2021 stood at 59.5 GW. It is also more than 8x greater than the country’s total renewable-energy generation capacity, which was 3.4 GW at the end of last year. The new projects include two separate 10 GW wind farms that are set to be two of the world’s largest. One is from Infinity Power and Hassan Allam Utilities together with Masdar; and the other from Saudi renewable energy developer Acwa Power. (Enterprise 10.11)

ARAB STATE DEVELOPMENTS

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* 1. More Lebanese Leaving Lebanon, Not Surprisingly!

Three years into the trifecta of economic, social and political crises, the situation in Lebanon has become more and more difficult. Consequently, these crises have triggered one of the largest waves of migration in the country. Thousands of Lebanese youths and Generation X (mainly below 50 years of age) are seeking to leave their country in search for better lives and opportunities abroad. Unfortunately, most emigrants constitute Lebanon’s brightest, smartest and most intellectual and ambitious citizens.

Most citizens in Lebanon are denied basic public services such as electricity and clean water. Furthermore, ever since the uprising event in October 2019, the Lebanese pound has lost more than 95% of its value against the dollar on the black market. Therefore, prices are soaring and citizens’ purchasing power is being significantly eroded. As a result, according to Information International, the number of Lebanese leaving the country has increased by 346% or 61,413 rising from 17,721 in 2020 to 79,134 in 2021. In addition, since the beginning of 2022, 42,200 Lebanese have also left the country, a loss for our economy but a gain to overseas’ economy.

Accordingly, as per the World Bank, Lebanon has reached rank number 113 out of 144 countries in emigration of high skilled workers. In fact, 53% of emigrants constitute doctors, engineers and highly intellectual workers, and 44% represent university students. Furthermore, employees in the public sector are also leaving their jobs and the country since their income has reached very low levels driven by the complete depreciation of the Lebanese pound. Some 1,100 employees officially left their jobs in the public sectors in the last two years, without counting the requests of unpaid leaves.

Faced with political inaction, Lebanese seem to have lost trust in the political system and hope in their country. In fact, as the political outlook remains uncertain, many highly intellectual Lebanese are leaving the country with their families, in search for better opportunities, safe medical system and strong educational services. Unfortunately for Lebanon, the country has lost a great deal of skilled workers, whom could have flourished its economy, thus making the future recovery even harder. (Audi 18.11)

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* 1. Jordan's Annual Tourism Income Totals $4.8 Billion in October 2022

Jordan's tourism revenues amounted to $4.777 billion in the first ten months of 2022, an increase of 125.4% compared to the corresponding period of last year, after the number of incoming tourists spiked by more than two million, reaching a total of 4.1 million tourists.

According to data released by the Central Bank of Jordan, non-resident Jordanians' expenditure on travel hiked by 66.3% to reach $1.2 billion in the January-October period of 2022 compared to the same period in 2021, after the number of outgoing tourists rose by 64.7%.

On a monthly level, tourism revenue picked up by 54.4%, amounting to more than $550 million after the number of incoming tourists rose by 160,400, reaching 482,800 tourists compared to the same month of last year. The figure is a record, the bank said, making it the highest number of incoming tourists during the month of October since 2014. The figures also indicated that tourism revenue from non-resident Jordanians inched up by 8.7%, amounting to $121.2 million. (Petra 16.11)

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* 1. GCC Retail Sector Will See 15.7% YoY Growth, According to Alpen Capital

The GCC retail industry will surpass pre-pandemic levels in 2022, register a 15.7% year-on-year growth and reach a revenue of $296.8 billion. The industry is expected to further grow at a compounded annual growth rate (CAGR) of 5.7% by 2026, says Alpen Capital’s latest retail sector report. Mega events including the World Cup, the return of tourism and population growth are among factors cited in the return to growth, with Duty Free Sales at airports also expected to grow by 65.5% year-on-year to reach $2.2 billion in 2022 and further projected to reach $3.0 billion by 2026, implying a compound annual growth rate (CAGR) of 8.4%.

Qatar will see the highest growth in the region during 2022, with its sales expected to reach $18.5 billion, however, growth is expected to normalize at a CAGR of 3.5% after the World Cup. Favorable demographics, improving macroeconomic factors and tourism revival will contribute to the growth, along with governments’ push for economic diversification and growing prominence of retailers who sell in both bricks and mortar and online settings, the Alpen report said.

Alpen said across the region, non-food retail sales are forecasted to grow at a CAGR of 6.2% between 2022 and 2026, while food retail sales are anticipated to increase at an annualized rate of 4.9% during the same period. Saudi Arabia and UAE lead sales regionally, cumulatively accounting for 78.5% of the total sales by 2026, the report added, due to large and diverse populations, liberalization of policies and a growing appetite for unique shopping experiences.

Retail sales in the kingdom and the UAE are forecasted to grow at a CAGR of 6.5% and 5.1%, respectively, between 2022 and 2026, Alpen said. Bahrain, Oman and Kuwait are expected to grow at a CAGR of 7.3%, 6.1% and 3.5%, respectively during the forecast period, Alpen concluded. (Alpine 16.11)

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* 1. Kuwait Posts Smaller Deficit for Last Fiscal Year On Higher Oil Prices

Kuwait’s fiscal deficit narrowed to KD3 billion ($9.8billion) in the year through March, a drop of more than 72% on the previous year as oil prices recovered. The OPEC member recorded the highest non-oil revenue in seven years, up 38.5% to KD2.4 billion, according to a Ministry of Finance statement. Oil revenues surged by 84.5% to KD16.2 billion.

Years of political tensions have thwarted Kuwait’s fiscal reforms and stymied efforts to diversify the oil-reliant economy and promote foreign investment. Squabbling between previous elected legislatures and cabinets has prevented the government from passing laws to allow it to borrow and withdraw from the Future Generations Fund (FGF) – a more than $700 billion savings pot designed for life after oil.

A 10% transfer of total revenues to the FGF didn’t take place in line with a law passed by parliament in 2020 to halt such transfers in years of deficit. Kuwait has projected the country’s smallest deficit in nine years for the current fiscal year, which started 1 April, due to higher oil prices. Spending is estimated at KD23.53 billion and revenue at KD23.40 billion. Oil income this year is based on a projected average price of $80 a barrel. (GB 21.11)

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* 1. New Gas Agreement Strengthens Qatar-China Ties

On 21 November, QatarEnergy and China's Sinopec signed a sale and purchase agreement whereby Qatar will provide China with four million tons of liquefied natural gas per year over a period of 27 years. It is unclear what QatarEnergy will receive in return for the gas.

Qatar is one of the biggest producers in the world of liquefied natural gas (LNG). Qatar’s energy exports — including LNG — have doubled this year, with increased European interest in Qatari gas in response to the Russian invasion of Ukraine. However, Europe has yet to sign a comprehensive gas deal with Qatar. The QatarEnergy-Sinopec deal could increase pressure on Europe as a result.

The QatarEnergy-Sinopec deal also further signifies improving relations between Qatar and China, which recently sent pandas to Qatar in honor of the World Cup in Doha. Chinese Foreign Minister Wang Yi visited Qatar last year to discuss the situation in Afghanistan.

China is getting particularly close to Qatar’s Gulf neighbors the United Arab Emirates and Saudi Arabia, with which energy ties are expanding. Last month, the Saudi and Chinese energy ministers pledged further cooperation regarding oil markets, hydrogen and more. In August, Sinopec and Saudi Aramco signed a cooperation deal. The UAE also purchased military aircraft from China in February. (Al-Monitor 21.11)

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* 1. AeroFarms' New Commercial Indoor Vertical Farm in Qatar Free Zones

Qatar Free Zones Authority (QFZA) and [AeroFarms](https://aerofarms.com‎), a Newark, NJ based Certified B Corporation and leader in indoor vertical farming, announced plans to expand further in the Middle East with a partnership with QFZA and Doha Venture Capital (DVC) to build a commercial indoor vertical farm in Qatar Free Zones (QFZ) that offers unparalleled connectivity and access to the region.

AeroFarms is a retail brand leading the way with smart, indoor vertical farming to elevate agriculture with people and planet in mind. AeroFarms starts by selecting the most flavorful agricultural varietals and then perfects them for optimal quality, color, nutrition, texture, yield, and taste, setting a new culinary standard with billions of data points while utilizing state of the art technology.

The new commercial indoor vertical farm in Qatar will deploy AeroFarms’ latest generation of proprietary growing technology that achieves up to 390 times greater productivity per square meter annually, compared to traditional field farming, while using up to 95% less water and zero pesticides. Thanks to AeroFarms’ new technology, local food production is expected to increase, making high-quality food products available locally throughout the year which will reduce imports and increase the country’s self-sufficiency. AeroFarms’ endeavor in Qatar is set to pave the way for more local and international private sector companies in this field to expand their operations in QFZ and capitalize on the innovative technologies in place.

Qatar Free Zones play a key role in the realization of Qatar’s National Food Security Strategy, playing host to many food and agritech companies. The Free Zones offer a green infrastructure to their investors, and QFZA is committed to sustainability in every aspect of its operations. (AeroFarms 17.11)

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* 1. First Emirati Mission to the Moon Set to Launch on 28 November

The UAE is set to launch its first lunar mission on 28 November. The time and date, however, are contingent on weather and other factors, and remain subject to change. The announcement follows the confirmation of Rashid Rover’s landing site, which will be the Atlas crater, on the southeastern outer edge of Mare Frigoris (Sea of Cold). The Mohammed Bin Rashid Space Centre (MBRSC) had signed an agreement with Japan’s ispace in 2021, enabling the latter to provide payload delivery services to the Emirates Lunar Mission. Upon landing, the Rashid rover will explore the characteristics of the lunar soil, the petrography and geology of the Moon, dust movement, surface plasma conditions, and the Moon’s photoelectron sheath. The integrated launch vehicle is within the premises of Cape Canaveral Space Force Station, in Florida, US, and will be moved to the launch pad closer to the launch date, MBRSC said. Meanwhile, the integrated spacecraft will take a low-energy route to the moon rather than a direct approach, taking about five months to launch, in March 2023. (GB 17.11)

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* 1. Passenger Traffic at Dubai’s DXB Forecast to Reach 64.3 Million in 2022

Dubai Airports, the operator of Dubai International (DXB) and Dubai World Central (DWC), raised its annual forecast for passenger traffic at DXB to 64.3 million. This comes following strong performance by the hub in the third quarter, and the prospects of a stronger surge in the offing in the final three months of 2022,’ the operator said.

DXB recorded an average monthly traffic of over six million during the third quarter. The hub recorded a combined passenger traffic of 18,455,938 during Q3, marking a triple digit rise. This scaled the year-to-date September traffic to 46,340,826 passengers, marking a year-on-year increase of 167.6%. Meanwhile, the year-to-date traffic volume represents 72% of DXB’s pre-pandemic passenger traffic during the same period in 2019.

India was DXB’s top country destination in terms of traffic volume, recording 6.8 million passengers in the first nine months of the year. Saudi Arabia was second with 3.4 million visitors followed by the UK (3.2 million passengers) and Pakistan (2.7 million passengers). Other notable country markets were the US and Australia with 2.2 million and 1.1 million in passenger traffic, respectively.

DXB recorded 397,676 tonnes of freight in the third quarter, bringing the total volume for the first nine months of the year to 1,307,691 tonnes, a year on year drop of 23.3%. The operator said that impacted by the moving of all major freight operators from DXB back to DWC in March, cargo continued to register a softening of demand in Q3.

Flights in Q3/22 surged to 98,577 at DXB, propelling the number of flight movements recorded between January and September to 274,911. With 29.1 million passengers in annual traffic in 2021, DXB retained its rank as the world’s number one international airport for the eighth consecutive year. (DXB 22.11)

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* 1. Oman’s Sovereign Wealth Fund Boosts Assets to $41.5 Billion

The Oman Investment Authority (OIA) has boosted its assets to $41.5 billion as the sultanate’s wealth fund increases its holdings in real estate, technology and logistics. The OIA, as the fund is known, now manages over OMR16 billion of assets in 40 countries and has achieved an annual average return of 10.3%, according to its 2021 annual review. The fund is also investing in stocks, bonds and short-term assets, as well as in logistics, service sector, mining and industrial projects. The bulk of the OIA’s investments are in the sultanate of Oman, which make up 61.5% of its portfolio. North America accounts for 17% of its holdings, Western Europe 9.3%, and Asia Pacific 4.7%.

Oman in 2020 combined its two wealth funds into one entity that would hold assets valued at about $17 billion. Earlier this year, the sultanate split the OIA into two units overseeing local and foreign assets. The so-called Generational Portfolio consists of mostly foreign assets and will focus on “achieving the greatest returns for future generations.”

Regionally, the OIA is one of the smallest managers of state capital and is dwarfed by Saudi Arabia’s Public Investment Fund, which aims to be the world’s biggest with $2 trillion in assets. The Abu Dhabi Investment Authority, Qatar Investment Authority and Kuwait Investment Authority are also well-entrenched with billions of assets under management. (GB 15.11)

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* 1. South Korea to Build a $6.5 Billion Hydrogen & Ammonia Plant in Saudi Arabia

Saudi Arabia’s Public Investment Fund (PIF) has signed an agreement worth some $6.5 billion with Korea Electric Power Corp (Kepco) and four other South Korean firms to build a hydrogen and ammonia plant. The South Korean firms will build and operate the plant with investments from PIF. The facility is expected to have a generational capacity of 1.2 million tons annually. Construction is expected between 2025 and 2029 and will be operational for 20 years. The plant could be built in KSA’s Neom.

What isn’t clear as of yet is whether this is related to the 1.2 million ton per annum Neom green hydrogen production plant, which will be built by Acwa Power’s JV with Air Products. Acwa and Kepco had signed an agreement last month that would see them partner on a number of hydrogen projects across MENA. The Korean utilities provider wants to source 5-10 million tons of green ammonia produced from green hydrogen for power generation by 2030, Kepco had said at the time. (Enterprise 20.11)

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* 1. Siemens to Supply EV Chargers for Electromin’s Charging Network in Saudi Arabia

Siemens has partnered with Electromin, the e-Mobility unit of Saudi Arabia’s mobility solutions provider, Petromin, to supply electric vehicle (EV) chargers for the development of a Kingdom and region-wide charging network. The agreement will ensure supplies of Siemens’ most advanced EV infrastructure technology for Electromin’s network, including the ultra-fast Sicharge D chargers that use direct current and the smart Versicharge AC wall or pole mounted units that run on alternating current. Electromin is also developing a consumer app that will allow users to locate public chargers, plan their route and book and pay for sessions.

Saudi Arabia, the world’s biggest oil exporter, has committed to achieving net zero carbon emissions by 2060. The government wants three of every 10 vehicles in the Saudi capital Riyadh to be EVs by 2030. Globally, passenger electric cars are surging in popularity, and the Paris-based International Energy Agency estimates that 13% of new cars sold in 2022 will be electric.

Electromin is a subsidiary of [Petromin Corporation](https://petromin.com/‎), is a multi-national organization in Saudi Arabia. They stand as a strong transformative force, enabling the movement of people, products and services through sustainable and innovative mobility solutions serving individuals and businesses alike. (Petromin 22.11)

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* 1. Egypt's Inflation Hits Four-Year High in October

Egypt's annual rate of inflation rose to 16.2% during the month from 15.0% in September, according to state statistics agency CAPMAS. This is the highest level since October 2018, when it recorded 17.68%. On a month-on-month basis, urban inflation rose 2.6% in October, accelerating from 1.6% in September. Food and beverage costs — the biggest component of the basket used to measure inflation — jumped 23.8% y-o-y from 21.7% in September.

Annual core inflation, which strips out volatile items such as fuel and food, jumped to a near-five-year high of 19% in October, up from 18% the previous month, according to Central Bank of Egypt data. This is the 14th month in a row that core inflation has accelerated. October’s data doesn’t reflect the impact of the decision by the CBE to float the currency at the end of the month, which has led to the EGP falling almost 24% against the US dollar. (Enterprise 13.11)

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* 1. Egypt’s Banque Misr Receives Loan from African Development Bank & China

The African Development Bank in Cote d'Ivoire provided the Egyptian state-owned Banque Misr with a $130 million line of credit. There is an additional $30 million from the Africa Growing Together Fund, which is sponsored by China and administered by the African Development Bank. The purpose of the loan is to provide extra liquidity to Banque Misr so it can extend loans to small- and medium-sized businesses and corporations. Banque Misr is to provide the loans to entities operating in industry, information and communications technology and agriculture.

Egypt is in the midst of an economic crisis marked by high inflation, a shortage of dollars and supply chain disruptions related to the Russian invasion of Ukraine. Egypt is seeking help from abroad as a result and has attracted a large amount of investment from Gulf states this year. The North African country is also selling state-owned firms. The loan’s focus on smaller businesses could help Egypt’s blossoming startup scene. Most recently, more Egyptian investors are targeting climate-focused startups.

The loan also represents continued Chinese interest in the Egyptian economy. The Chinese tech giant Huawei signed a cooperation deal with Egypt’s Information Technology Industry Development Agency in August to help support Egyptian startups. China also helped Egypt prepare for the United Nations climate change conference COP27 held in Sharm el-Sheikh. Egypt additionally announced in August it would start issuing bonds denominated in China’s currency, the yuan. (Al-Monitor 15.11)

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* 1. Egypt is Getting $15 Billion for Energy, Food & Water Projects under NWFE

Egypt has signed a number of partnerships with international finance institutions and development partners to implement projects worth $15 billion under its Nexus on Water, Food and Energy (NWFE) program, the COP27 Presidency announced. The program is the government’s flagship initiative for getting climate finance to some of our most important green projects.

The sizable investments will fund the implementation of one main energy project worth $10 billion and eight food security, agriculture and irrigation and water projects. They include scrapping 5 GW of gas-fired plants and replacing them with renewable energy, boosting small farmers’ adaptation against climate change, and raising crop yields and water efficiency. The projects aim to achieve the emissions targets in Egypt’s recently announced nationally determined contributions (NDCs).

Representatives of the multilateral lenders have in recent weeks announced their participation in the initiative, with the EBRD revealing it will provide $200-300 million to the energy project and the AfDB saying it will give more than $1 billion to energy, food and water projects. (Enterprise 10.11)

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* 1. Germany’s Deutsche Bahn Announces Egyptian High-Speed Rail Deal at COP27

Germany’s national railway company signed an agreement on 9 November to build a high-speed railway in Egypt. Deutsche Bahn will build a 2,000 kilometer (1,200 mile) railway network in Egypt. The first line will connect Cairo and Alexandria with the new administrative capital that is currently being planned. Two additional lines will connect Luxor along the Nile River, the Abu Simbel historic sites and the Red Sea port of Hurghada. The project will ultimately provide 90% of Egyptians with rail access, Deutsche Bahn said. Deutsche Bahn signed the agreement at the UN climate conference COP27, which began in Egypt’s Red Sea resort city Sharm el-Sheikh. Deutsche Bahn said the railways connecting Cairo and Alexandria could start operating by 2025.

The German company Siemens will build the railway infrastructure and also supply the passenger and freight trains. Siemens first agreed to help Egypt with a high-speed railway last year. Egypt’s current railroad transportation system has major safety issues despite the government's efforts to modernize it. Train accidents are common as a result of Egypt’s railway being the second-oldest in the world, negligence and a variety of other factors. Meanwhile, Germany’s rail system has a good reputation for safety and speed.

Other countries in the region are also working on railway projects. The United Arab Emirates unveiled its first railway over water in July. The UAE and Oman also signed a cooperation deal on building a high-speed rail in September. Saudi Arabia, Morocco and Jordan also have railway projects in the works. (Al-Monitor 09.11)

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* 1. Egypt & Russia Commence Second Phase of Nuclear Power Plant Construction

Russia's state-owned atomic energy company ROSATOM, which is implementing the Dabaa nuclear power plant project, Egypt’s first nuclear project, has received a construction permit to begin building the second unit of the power plant. On 31 October, the board of directors of the Egyptian Nuclear and Radiological Regulatory Authority (ENRRA) granted permission to establish the second unit at the Dabaa nuclear power plant, northwest of Cairo. Egypt’s Nuclear Power Plants Authority (NPPA) completed its procedures over the course of two years by submitting a preliminary safety analysis report for the first and second units, according to the statement.

ENRRA has also carefully evaluated the differences between the first and second units, in addition to conducting a number of inspection visits to the Dabaa nuclear power plant, in order to determine the site’s readiness to begin the construction of the second unit. The construction of the second unit includes establishing the base for the so-called containment vessel with a depth of 4 meters, which is an essential part of the plant that includes all the equipment that is subject to the nuclear safety system, such as the reactor core, steam generators and the compressor.”

The Dabaa project is located along the northwestern coast of Egypt on the Mediterranean Sea. The project is being carried out over three phases: the preparation phase, which began in December 2017; the phase to obtain construction permits; and the final phase of conducting tests. The project includes the construction of four Russian VVER-1200 (AES-2006) pressurized water reactor (PWR) units with a capacity of 1,200 megawatts per unit, one of the most common types of reactors worldwide. (Al-Monitor 07.11)

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* 1. Egypt Signs Joint Development Agreements with Germany Worth €160 Million

Egypt's The Ministry of International Cooperation announced the signing of 9 joint development cooperation agreements with Germany worth €160 million in many development sectors, including the development of technical education and infrastructure development, following multilateral cooperation efforts to stimulate the state's agenda for sustainable development and 2030 and promote green transformation.

This was part of the United Nations Climate Conference COP27, which was chaired and hosted by Egypt in Sharm el-Sheikh from 6 to 18 November, and a continuation of the partnerships announced with multilateral and bilateral development partners in support of the National Development Vision and the National Strategy for Climate Change 2050, and the implementation of nationally defined contributions.

The Minister of International Cooperation stressed the importance of the Egyptian-German debt swap mechanism and the accumulated experience of the two countries in the governance of this mechanism. Noting the need to prepare a joint document on the governance of the debt swap program between the two countries, especially at this time when the world is reaffirming the importance of this mechanism to support developing countries and emerging economies in their efforts to overcome global crises, in order to share these experiences with other countries.

The ministers discussed preparations being made by the working groups of the Ministry of International Cooperation and the German Federal Ministry for Economic Cooperation and Development on the Egyptian-German government negotiations for 2022, scheduled for the end of November 2022, to agree once and for all on projects to be allocated from the German government's financial allocations to the Egyptian government for 2022. The total value of the Egyptian-German debt swap program is Euro240 million. (MIC 17.11)

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* 1. Morocco’s Long-Awaited Tourism Recovery Reaches 80%

Morocco's tourism, a critical sector to the country's socio-economic development, is now bouncing back, with a recovery rate of nearly 80%. Morocco's Minister of Tourism Ammor highlighted that Morocco’s tourism recovery rate reached 80% at the end of October 2022 exceeding the global level, which stands at 70%. Ammor also noted that the country’s tourism revenues in foreign currency rose to 103% at the end of September, compared to pre-COVID times in 2019.

Internal tourism revenues have also increased significantly, she said, mentioning that the number of overnight stays [tourist accommodation] have increased from 30% before the pandemic, to 45% as of late September. The minister recalled that the government approved MAD 2 billion ($186 million) to support the recovery of the tourism sector, which was greatly impacted by the COVID-19 crisis.

In addition, MAD 1 billion ($93 million) was devoted to the rehabilitation of hotel units, Ammor explained that this initiative has positively affected the sector. In June, the number of tourists traveling to Morocco reached a total of 3.4 million. The number has quadrupled compared to the same period in 2021, while still representing only 63% of arrivals recorded in pre-covid 2019. Morocco recently ranked as the eighth most popular travel destination for 2023, ahead of Egypt, Thailand, Jordan and Mexico. (MWN 16.11)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkey Considering Risky Energy Partnership with Algeria

Turkey has reached an agreement for joint oil and gas exploration with energy-rich Algeria. Speaking after talks in Algiers on 10 November, Turkish Energy Minister Donmez said that Turkey’s state-run petroleum company TP and its Algerian counterpart, Sonatrach, would set up a joint company for oil and gas exploration in Algeria and other regional countries. The details of the plan remain unknown, but it raises the specter of financial challenges for a country that is already grappling with economic turmoil, including a foreign currency crunch.

TP will be using state funds and not loans. This might have been viable a decade ago, but now that Turkey is going through an economic crisis, this would further widen Turkey’s current account deficit, which is already on course to reach $45 billion to $50 billion.

The attraction for Turkey in joining such a venture could be the prospect of extending its gas contract with Algeria on favorable terms. Turkey, whose annual gas consumption is about 60 billion cubic meters (bcm), imports liquefied natural gas (LNG) from Algeria, its fourth-largest gas supplier after Russia, Azerbaijan and Iran, which use pipelines to pump the gas. Turkey’s 10-year contract with Algeria, involving 4.4 bcm of LNG per year, expires in 2024.

Ankara’s appetite in the energy sector has grown amid its discovery of an estimated 540 bcm of gas reserves in the Black Sea since 2020. President Erdogan said Turkey could start using the gas next year. Buoyed also by Russia’s offer to set up a gas hub in Turkey, the government plans to organize an international gas summit in Istanbul in January or February. Turkey and Algeria are also considering also the establishment of a joint mining company between their mining agencies, according to Algeria’s energy minister. Some 1,500 Turkish companies are active in Algeria, employing 30,000 people. Their investments in the country are worth about $5 billion and have the potential to grow further. (Al-Monitor 15.11)

GENERAL NEWS AND INTEREST

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* 1. Start-Up Nation & Mohammed VI Polytechnic (UM6P) Promote Innovation Partnership

Start-Up Nation Central – a non-profit that promotes the Israeli innovation ecosystem around the world – welcomed a delegation from Morocco's Mohammed VI Polytechnic University (UM6P) recently to promote greater partnership between the innovation ecosystems in both countries. The delegation's visit builds upon the MOU that the two signed in Casablanca in May during the "Connect to Innovate" conference. During the current three-day meeting, the stage was set they discussed innovation ecosystem building, knowledge sharing and transfer between the university and industry, human capital challenges and business investment and connecting the start-up communities in each country.

The partnership between UM6P and Startup Nation Central was established to help both organizations leverage innovation and education to address common challenges such as Climate Change, Food Security and Digital Inclusion. Bridging the Israeli Startup up Ecosystem with its counterparts in Morocco and Africa may unleash huge potential and benefit both regions. During the visit, the Joint team will focus on discussing multiple topics related to Innovation Ecosystem development such as Technology Transfer and how to Instill Entrepreneurship skills and mindset among students and researchers.

[Start-Up Nation Central](https://startupnationcentral.org) is a non-profit organization that connects Israeli innovation to the world in order to help international entities solve global challenges. Immersed in the Israeli technology ecosystem, they provide a platform that nurtures business growth and generates partnerships with corporations, governments, investors, and NGOs to strengthen Israel's economy and society. (SNC 20.11)

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* 1. Miss Israel Beauty Pageant Canceled After 70 years

For the first time since 1950, the Miss Israel beauty pageant will not take place this year – therefore, the Jewish state will not send a contestant to the international Miss Universe contest to be held in January in the United States. The decision by the organizers of the Israeli competition – discreetly announced – aroused many reactions, some deploring the event’s end while others rejoiced. Israel's pageant was recently criticized for judging women only on their physical appearance

Sella Sharlin, who was crowned Miss Israel in 2019, suggested changes could have been made to the contest, such as dropping the "swimwear" event. She acknowledged that changes were already made to reflect the change in mindset, but that they were insufficient. Last year, Israel hosted the Miss Universe pageant in the southern resort city of Eilat, which was won by Miss India Harnaaz Sandhu. (Various 13.11)

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* 1. UAE National Day 2022 Holidays Announced

The UAE Cabinet has officially announced the UAE National Day and Commemoration Day holiday for 2022. The break will be from Thursday, 1 December to Saturday, 3 December. Since Sunday is a holiday in the UAE, work will resume on Monday, 5 December. The UAE is set to celebrate its 51st National Day, with 10 days of celebrations due next month.

The UAE National Day is celebrated to mark the spirit of the union of the Emirates in 1971. The 51st UAE National Day celebrations will be the first for the nation’s president Sheikh Mohamed bin Zayed Al Nahyan as leader, after he was elected in May. (Various 16.11)

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* 1. Number of Private Schools in Dubai Rises to 216 In Current Academic Year

The number of private schools in Dubai has increased to 216 in the 2022-23 academic year. Accordingly to data issued by Dubai’s Knowledge and Human Development Authority (KHDA), the emirate offers a diversity of school syllabuses, with private schools offering 17 different curricula. Four new private schools opened in Dubai in the new academic year.

UK curriculum schools continues to be the top choice for Dubai’s private school students, with 36% of students opting for the curriculum. It was followed by the Indian curriculum, slated as the second most popular at 26%, followed by the American curriculum (15%). The International Baccalaureate (7%) and UK/IB hybrid curriculum (4%) round up the top five curriculum choices. The American curriculum has gained traction with Emirati pupils enrolled in private schools, with the majority (60%) attending a US curriculum school, followed by 24% enrolled in UK curriculum schools.

This release of the latest data follows KHDA’s recent announcement, in which it revealed a student enrollment growth of 4.5% from the end of the 2021-22 academic year in June, to the start of the current academic year in September. More than 326,000 students now attend Dubai’s private schools, representing a total of 187 nationalities. (KHDA 15.11)

ISRAEL LIFE SCIENCE NEWS

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* 1. TytoCare Announces Home Smart Clinic, First Remote Care for the Whole Family

TytoCare announced the launch of the Home Smart Clinic, a multi-pronged offering delivering health plans and providers a comprehensive range of elements required to launch a truly successful virtual care program without compromises. The Home Smart Clinic is proven to reduce the total cost of care (TCC) for health plans by 10% on average, to deliver 59% more accurate diagnoses than traditional telehealth solutions, and to resolve 98% of visits without necessitating an in-person appointment, solving the Home Healthcare Delivery Gap.

TytoCare's holistic Home Smart Clinic solves this Home Healthcare Delivery Gap by offering health plans and providers all the elements required to make virtual primary care programs successful. The offering includes: TytoCare's FDA-cleared handheld solution for remote physical examinations and diagnoses; Tyto Insights, TytoCare's proprietary AI-powered diagnostic support empowering clinicians to diagnose a wide array of conditions and guide patients in conducting successful physical exams; Tyto Engagement Labs, a suite of user engagement services including behavioral science-backed blueprints, consulting services, and a robust, full-stack marketing engine tailored to each specific program and cohort; support for multiple provider models, from doctors-in-the-cloud to family PCPs; and the capability and support to tailor the program for different patient populations that are covered by private or public health insurance, enabling healthcare organizations to provide primary care across modalities, including acute, chronic, and preventive care.

Netanya's [TytoCare](https://www.tytocare.com/) is a virtual care company working with leading health plans and providers to roll out the Home Smart Clinic, an offering that enables accessible, high-quality primary care from home, with no compromises. The Home Smart Clinic solutions include remote physical exams that work across primary care modalities and can be tailored to any cohort or population. Together with AI-powered guidance, provider integrations, and member journeys and engagement frameworks, the Home Smart Clinic solutions ensure more equitable access to care across the globe and enable healthcare organizations to meet their KPIs. (Tyto Care 09.11)

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* 1. Israel is Harnessing DNA of Bygone Wild Crops to Enhance Food Supply

Scientists in Israel are creating a gene bank from the seeds of local wild crops, some which have survived for thousands of years since the birth of agriculture and that may help farmers deal with a harsher climate in the coming decades. Seeds from a number of plants recently spotted, including a variety of water mint, will be frozen and stored at the Israel Plant Gene Bank at the Volcani Institute, the national agricultural R&D center. They comb the country in search of varieties of wheat, barley and countless other wild crops so their genetic makeup can be saved and studied before they are lost to expanding deserts and urbanization as the climate warms. Resilient characteristics can be harnessed to genetically modify farmed crops so they better withstand drought or disease.

Tens of thousands of types of seeds are stored in the gene bank. It may be smaller than some collections elsewhere in the world but the gene pool here is unique, coming from an area that was part of the Fertile Crescent region known as the birthplace of crop cultivation.

The research has already been paying off. For example, the institute has engineered a variety of wheat with an ultra-short lifecycle. It may not be able to compete today, but it could be a saving grace in a hotter climate with reduced growing seasons. (Various 13.11)

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* 1. Teva Collaborates with Rimidi to Expand its Respiratory Digital Health Platform

Teva Pharmaceuticals, a U.S. affiliate of Teva Pharmaceutical Industries, announced a new collaboration with Atlanta, Georgia's Rimidi, a leading clinical management platform designed to optimize clinical workflows, enhance patient experiences and achieve quality objectives. The collaboration will enable more consumers to have access to Teva’s Digihaler system, a digital health platform designed to enable patients to have more informed treatment discussions with their healthcare providers through personalized care. The collaboration will enable healthcare providers to better integrate patient data into their workflows, supporting proactive remote care across large populations.

The platform can be used to monitor and manage large populations by a network of health systems. It can capture objective and actionable data for asthma patients, thereby creating the mechanism for personalized care. Integrated with a broad range of medical devices, including cellular and Bluetooth-enabled blood-glucose meters, scales, blood pressure cuffs, pulse-oximeters, insulin dosing pens, and continuous glucose monitors, Rimidi allows for data aggregation across multiple devices into a single, streamlined solution that integrates with the EHR. Digihaler data will be available to providers as part of Rimidi’s new Respiratory Module, which also brings in patient-generated data from an integrated pulse oximeter and relevant data from the Electronic Health Record (EHR) including medical history, diagnoses and laboratory assessments.

[Teva Pharmaceutical Industries](http://www.tevapharm.com) has been developing and producing medicines to improve people’s lives for more than a century. They are a global leader in generic, biosimilar and specialty medicines with a portfolio consisting of over 3,500 products in nearly every therapeutic area. (Teva 14.11)

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* 1. Steakholder Foods' Patent Application to Mimic the Texture of Cooked Fish

Steakholder Foods has filed a provisional US patent application based on a unique formation of layers of tissue to achieve the characteristic tender flakiness of cooked fish. The product structure is created with several layers and loose bonding between each layer. The new approach, which will be used with the company's 3D printing technology, is expected to enable the production of a wide variety of fish, seafood and cuts. The provisional patent application puts the company on a path toward leadership in the field of structured cultivated fish production.

Steakholder Foods believes that cultivated fish has the potential to help reduce anticipated supply-side shortages due to climate change, overfishing and ever increasing consumer demand. The company aims to make a valuable contribution to preserving marine ecosystems and wildlife by addressing the environmental challenges surrounding the aquaculture and fishing industries.

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 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 16.11)

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* 1. Wilk Presents First Cell-based Yogurt Produced with Cultured Milk Fat

Wilk announced the successful development of the world's first yogurt developed with cell-cultured milk fat. The hybrid product has been validated by external laboratories confirming it meets the necessary chemical and biological requirements and presented to select members of the Israeli public for tasting.

The new yogurt is a first-of-its-kind hybrid product, incorporating milk fat developed through cell-culturing technology to provide the full nutritional benefits found in real milk fats. The result of Wilk's intensive research and development efforts, the yogurt serves as a concept product, providing validation of the company's technology and potential future capabilities.

The new product will also support Wilk's efforts in developing human milk fat components for integration into infant formula. The nutritional benefits of cultured human milk fat play a central role in maintaining an infant's digestive system, as well as the development of its brain and nervous system. Wilk is directing the majority of its resources to developing cell-cultured human milk fat for infant formula. This will be used to replace vegetable fats currently present in formula, helping to improve the development of premature and other at-risk infants.

Rehovot's [Wilk](https://www.wilkismilk.com/‎) operates at the crossroads of Biotech and FoodTech, developing technologies for producing cultured human breast and animal milk. Having launched operations in 2020, the company holds patents on laboratory production processes that replicate the milk-producing cells of humans and other mammals to create 100% real milk and milk components in laboratory settings. (Wilk 16.11)

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* 1. Citrine Global Introduces its GreenFeels Product Lines and Brand

Citrine Global Corp. announced the introduction of the GreenFeels product lines and brand. The GreenFeels product lines include more than 100 wellness products & nutritional supplements targeting to improve the quality of life. The GreenFeels product lines come in multiple form factors that include herbals, medicinal mushrooms, vitamins, minerals, and a variety of researched plants known for their healing qualities that contain substances with different anti-inflammatory properties and a variety of health-supportive effects that are relaxing, sleep enhancing, energizing, mood, and body balancing, enhancing oral care, alleviating side effects, and more.

Tel Aviv's [Citrine Global](http://www.citrine-global.com) is a plant-based wellness & pharma solutions company. The company’s business activity is primarily comprised of developing wellness and pharma solutions, focused on science backed plant-based products to improve quality of life and complementary solutions for balancing side effects caused by using medicines, treatments, or an unbalanced lifestyle.

The company developed formulations and products lines that include wellness products & nutritional supplements under the Green Side by Side brand name and the GreenFeels brand name in multiple form factors that include herbals, medicinal mushrooms, vitamins, minerals, and a variety of researched plants known for their healing qualities that contain substances with different anti-inflammatory properties and a variety of health-supportive effects that are relaxing, sleep enhancing, energizing, mood and body balancing, enhancing oral care, alleviating side effects and more. (Citrine Global 16.11)

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* 1. Organigram & InterCure New International Strategic Agreement

Toronto's Organigram Holdings, a leading Canadian licensed producer of cannabis and [Canndoc](https://www.canndoc.com/), a subsidiary of InterCure, Israel’s largest and most established pharmaceutical cannabis producer, have entered into a new multi-year agreement for Organigram to continue supply of dried flower to InterCure.

Organigram and InterCure entered into a previous strategic supply agreement in June 2020 that contemplated a minimum supply of 3,000 kg all of which has been fulfilled. The New Strategic Agreement contemplates up to 20,000 kg to be supplied to InterCure's international supply chain. Specifically, the New Strategic Agreement provides for a commitment of 10,000kg with an option for Canndoc to elect to order up to an additional 10,000kg from Organigram during the three-year term (the “Term”). Approximately 2,800 kg has already been delivered to Canndoc from Organigram since July 2022 and credited against the total volume commitment under the New Strategic Agreement. (Organigram Holdings 17.11)

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* 1. Azura Ophthalmics Positive Results from Trial for Meibomian Gland Dysfunction

Azura Ophthalmics announced positive 3-month efficacy and safety results from its Phase 2b study of AZR-MD-001 0.5% in Meibomian Gland Dysfunction (MGD). The trial met its co-primary endpoints of improvements in Meibomian Glands Yielding Liquid Secretion (MGYLS; number of open glands) and Ocular Surface Disease Index©1 (OSDI©; improved symptoms).

MGD is a chronic condition characterized by abnormal keratin production which leads to blocked glands and impacts the quality and quantity of meibum secretions in the upper and lower eyelids. It leads to inflammatory ocular surface conditions, ocular surface dryness, pain, irritation, and reduced quality of vision. The Phase 2b trial was a multi-center, double-masked, vehicle-controlled, parallel group study that evaluated the safety and efficacy of AZR-MD-001 in 245 patients with MGD. Patients administered AZR-MD-001 twice weekly to the lower eyelid at bedtime. AZR-MD-001 0.5% achieved statistically significant differences compared to vehicle in both signs and symptoms at month 3:

Tel Aviv's [Azura Ophthalmics](http://www.azuraophthalmics.com) is utilizing deep understanding of ocular surface diseases and drug development to deliver a new therapeutic class of Ophthalmic Keratolytics to treat underserved ophthalmic conditions. Their differentiated approach combines ophthalmologic and dermatologic solutions to harness the unique properties of keratolytics to treat the root cause of numerous underserved ocular indications. (Azura Ophthalmics 17.11)

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* 1. SuperMeat Reimagines Famous Sandwich with First Ever Cultivated Turkey

SuperMeat has made the first ever cultivated turkey, introduced via the most famous Thanksgiving leftovers sandwich in the world, the Moist Maker. The sandwich consists of all the classic leftovers from the big meal, including stuffing, cranberry sauce, mashed potatoes, and gravy – paired with the first ever cultivated turkey.

This launch signifies the first cultivated turkey and cold cut product in the space, another proof point that SuperMeat's proprietary platform is translatable across meat categories and species, with the ability to facilitate a wide variety of meat products based on the same production process – drastically lowering product cost and operational complexities for the overall category and industry. The sandwich is being made exclusively at SuperMeat's production-to-fork facility in Israel right now – but cultivated meat for U.S. consumers is just around the corner.

This launch is part of several vital steps SuperMeat is taking to move forward with the commercialization, including the development of the first open-source system aimed at identifying the most cost-effective cell feed, reducing production costs for the industry. The company has also engaged strategic partnerships with the likes of Ajinomoto, a global food ingredient and biotechnology leader, to establish a commercially viable supply chain platform for the cultivated meat industry; PHW Group, one of Europe's largest poultry producers; and Migros, Switzerland's largest retail supermarket chain and leading meat manufacturer.

[SuperMeat](‎ www.SuperMeat.com‎), headquartered in Tel Aviv, Israel, is a food-tech company working to supply the world with high-quality meat grown directly from animal cells. The company's products offer a delicious meat experience and a high-quality nutritional profile, while being manufactured in a sustainable, slaughter-free, antibiotic-free and GMO-free way. SuperMeat's proprietary cultivated meat platform allows food companies to be at the forefront of the emerging cultivated meat industry and manufacture a wide range of products containing cultivated meat inside. SuperMeat is the first B2B company to address the entire category of poultry meat from fat to muscle, providing a complete solution to cultivated meat production. The company has been showcasing the versatility of its meat platform in various events at its pilot production plant, The Chicken, the world's first farm-to-fork facility for local meat production, and is planning to host additional events in the near future. (SuperMeat 18.11)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Otonomo Selected by PREDIK Data-Driven to Power Competitive Intelligence Solutions

Otonomo Technologies announced that Florida's PREDIK Data-Driven, a data science and research firm, has selected Otonomo to power its innovative geolocation and competitive intelligence solutions. Leveraging commercial vehicle data available via the Otonomo Smart Mobility Data Platform, PREDIK Data-Driven is able to improve its Market Mapping Tool & Business Relationship Identifier solution, which enables customers to detect, identify and measure connections and relationships between companies and facilities across the U.S. and Europe. With highly reliable and granular data through Otonomo, PREDIK Data-Driven is able to monitor and analyze distribution routes and strengthen its data science models for customers.

As part of the implementation for one of its largest clients, PREDIK Data-Driven needed a solution that could provide reliable and detailed data to monitor distribution routes with precision. The company’s team of data scientists evaluated multiple options and found that Otonomo was the only vendor that could provide the volume and granularity of commercial vehicle data that PREDIK Data-Driven required. Otonomo helped PREDIK Data-Driven strengthen its distribution model with more accurate data as well as provide a better understanding of how distribution units behave on the road, allowing the company to recalculate and improve its model.

Herzliya Pituah's [Otonomo](http://www.otonomo.io), the platform powering the mobility economy, is igniting a new generation of mobility experiences and services and is making mobility more accessible, equitable, sustainable and safe. With Otonomo, over 100 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. Architected with privacy and security by design, their platform is GDPR, CCPA, and other privacy regulation compliant, ensuring all parties are protected and companies remain privacy compliant across geographies worldwide. (Otonomo 09.11)

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* 1. ‎Israel Police to Acquire 40 All-Terrain Scooters from EZRaider

‎

D.S Raider, the manufacturer of the EZRaider recently won a tender from the Israel Police ‎for operational all-terrain scooters with exceptional off road capabilities. According to the Israel Police tender, the vehicles had to be able to travel on sidewalks, ‎boardwalks, roads, off-road, paved dirt roads, dirt roads and sand dunes.‎ In addition to extreme navigability, the tender also included add-ons such as the ‎installation of a charging socket for a phone, an out-put power inverter for the ‎connection of additional electrical installations, a 40-liter plastic storage box, and a ‎public address system with a command box including a siren, a beeper, and ‎microphone.

‎

The all-terrain scooter from EZRaider was chosen after the Israeli Police thoroughly ‎examined six scooters for an entire year in different field conditions, such as high-‎density gatherings. The tender required a travel range of at least 80 kilometers / 50 miles. The provision of the operational scooters is for one year, but the Israel Police reserved the right to extend the duration of the contract by three additional years as needed.‎

Kfar Saba's [EZRaider](https://www.ezraider.com/‎) is a unique off-road personal mobility vehicle that invented a new category of vehicle ‎‎- Stand-up ATV. The EZRaider rides on an electric, narrow, stable, and safe, four-wheel vehicle with ‎extreme off-road capabilities previously reserved for mountain bicycles and dirt bikes.‎ This vehicle provides a unique riding experience that feels like a combination of surfing and riding a ‎dirt bike with the stability of a four-wheel vehicle.‎ These unique characteristics and capabilities place the EZRaider at the forefront of urban & all-‎terrain eco-friendly personal mobility.‎ Due to its small dimensions and extraordinary all-terrain capabilities, the vehicle allows incredible ‎ease of movement between dense crowds and narrow places in various terrains and locations.‎ (EZRaider 17.11)

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* 1. Infinidat Named a CRN 2022 Tech Innovator for High-Performance Enterprise Storage

Infinidat announced that CRN, a brand of The Channel Company, has chosen Infinidat as a winner in the 2022 CRN Tech Innovator Awards. Infinidat is being recognized for its InfiniSafe solution as the top choice in the Data Protection Software category. CRN also honored the InfiniBox SSA II as a leading finalist in the Storage-Enterprise category.

The comprehensive cyber storage resilience capabilities of InfiniSafe technology improve the ability of an enterprise to combat and protect against ever-increasing cyberattacks and data breaches by uniquely combining immutable snapshots, logical air gapping, fenced/isolated networks and virtually instantaneous data recovery into a single, high-performance platform. Infinidat has incorporated InfiniSafe’s state-of-the-art capabilities across its InfiniBox, InfiniBox SSA II and InfiniGuard platforms. Additionally, Infinidat provides InfiniSafe guaranteed cyber storage SLAs on the InfiniBox, InfiniBox SSA II and InfiniGuard platforms. InfiniSafe is provided at no additional charge to channel partners and customers.

Herzliya's [Infinidat](http://www.infinidat.com) helps enterprises and service providers empower their data-driven competitive advantage at scale. Infinidat’s software defined storage architecture delivers microsecond latency, 100% availability, and scalability with a significantly lower total cost of ownership than competing storage technologies. The company offers an award-winning portfolio of enterprise storage solutions for primary and secondary storage deployments. (Infinidat 14.11)

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* 1. Arbe Announces First Mass Quantity Commercial Order from HiRain Technologies

Arbe Robotics announced that HiRain Technologies, the leading Chinese ADAS Tier 1 supplier, placed its first mass quantity commercial preliminary order for 2023 and 2024, moving Arbe into the mass production phase. The order consists of 340,000 radar chipsets that will be supplied to HiRain’s customers throughout China. HiRain has previously stated that it will engage in major OEM and autonomous driving projects with the Radar Solution it developed using Arbe's Perception Radar Chipset, and announced it expects to reach full mass production of its radar systems in 2023.

Advanced radar systems are crucial sensors in the ADAS and autonomous perception suite since they operate in all weather and lighting conditions, enable advanced perception, provide unparalleled detection of stationary objects, and offer comprehensive mapping of the environment around the vehicle. Arbe’s perception radar is an affordable sensor that is critical for L2+ autonomy, democratizing safety by making it available to all vehicles, not just luxury cars, so that the entire automotive industry can benefit from the highest levels of safety available today.

Tel Aviv's [Arbe](http://www.arberobotics.com) is spearheading a revolution in sensing, enabling truly safe driver-assist systems today while paving the way to full autonomous-driving. A critical sensor for L2+ and higher autonomy, Arbe solutions are 100 times more detailed than the most advanced radars on the market, providing full sensing coverage around the vehicle. Arbe has been selected by leading Tier 1s and car manufacturers to deliver advanced sensing and paradigm-changing perception to a wide range of vehicles and applications across the U.S., Europe, and Asia. (Arbe Robotics 15.11)

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* 1. Cyera & Wiz Strengthen Cloud Security with Data Security Posture Management

Cyera can now seamlessly integrate with Wiz to provide prioritized attack surface minimization and automated remediation based on sensitive data exposure. Cyera leverages its Data Security Graph to help security teams quickly understand the blast radius that an active security threat or vulnerability represents, and how to respond to remediate the issue.

Cyera's data security posture management platform enables security teams to understand the data they manage, and what's at risk. By automatically and continuously identifying data stores across IaaS, PaaS and SaaS, Cyera proactively assesses internet facing exposures and access permissions, and provides detection and response capabilities to keep an organization's most precious data safe from exposure. This integration adds Cyera's deep data context to Wiz's extensive risk posture assessments. The new solution will enable security teams to prioritize risk remediation based on sensitive data exposure.

Tel Aviv's [Cyera](http://www.cyera.io) is the data security company that gives businesses context and control over their most valuable asset: data. As a pioneer in data security posture management, Cyera instantly provides companies visibility over all of their sensitive data, context over the risk it represents and their security exposure, and automated remediation to reduce the attack surface and ensure operational resilience. Backed by leading investors including Sequoia, Accel, and Cyberstarts, Cyera is redefining the way companies do cloud data security. (Cyera 17.11)

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* 1. Israel Successfully Tests Naval Iron Dome Air Missile Defense System

The Israeli Navy carried out a successful C-Dome interception test from the Sa’ar 6 INS Oz, marking a milestone in enhancing the capabilities of the new Magen-class corvettes. The interception test was carried out by the Israeli Navy, the Defense Ministry’s Israel Missile Defense Organization (IMDO) and Rafael Advanced Defense Systems as the primary contractor and developer, by the Israel Aerospace Industries’ Elta as the radar manufacturer, and by mPrest as the c2 manufacturer. The test simulated real threats and included the system’s successful detection and interception of targets in challenging scenarios. The C-Dome system expertly identified threats and successfully intercepted them by launching Iron Dome interceptors toward them from the sea.

The C-Dome is an advanced configuration of the Iron Dome aerial defense system and is operated from the four Sa’ar 6 Magen-class corvettes that have been received by the Navy in the last two years. The Sa’ar 6 missile ships will guard strategic infrastructure such as the natural gas rigs, and protect the commercial shipping lanes which bring in 98% of Israel’s imports. The IDF has decided not to place Iron Dome batteries on oil rigs themselves for safety reasons – instead, the C-Dome has been placed on the Sa’ar 6.

The operational system was created through the integration of multiple different systems, utilizing full operational capabilities that will be used by sailors. The C-Dome is yet another layer of Israel’s multi-tiered missile and air defense array that has four operational defense layers: Iron Dome, David’s Sling, Arrow 2 and Arrow 3. Together, the systems provide Israel with a protective umbrella to counter threats posed by both short- and mid-range missiles used by Hezbollah and terrorist groups in Gaza, as well as the threat posed by more sophisticated long-range Iranian ballistic missiles. (JP 17.11)

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* 1. Solvo's Data Posture Manager Remediates Sensitive Data Exposure for Cloud Users

Solvo announced the general availability of Data Posture Manager, its new cloud data and infrastructure management solution for public cloud users. Data Posture Manager delivers enhanced visibility into users and cloud components that have access to sensitive data, alerting organizations to excessive or newly-granted privileges and enabling one-click, real-time remediation of security policy violations, ultimately helping security teams combat overload, fatigue, and lack of resources. Solvo prioritizes findings based on risks, vulnerabilities, and business impact and is the first platform to combine runtime application analysis, infrastructure security, and data posture management capabilities to support R&D, DevOps, and security teams that protect organizations using public cloud services from misconfigurations, data leakage, and breaches.

Tel Aviv's [Solvo](https://www.solvo.cloud/) is an adaptive cloud infrastructure security platform that enables organizations to innovate at cloud speed and scale. Leveraging real-time monitoring and analysis across cloud infrastructure, applications, data, and users, Solvo automatically creates customized, constantly updated least-privileged access policies based on the level of risk associated with entities and data in the cloud. Solvo's contextual, multi-dimensional analytics help CISOs identify and prioritize risks and proactively mitigate cloud misconfigurations and vulnerabilities while facilitating collaboration between security, DevOps and engineering teams. Using Solvo, organizations can reduce their cloud attack surface, simplify compliance, and grow their business in a secure manner. (Solvo 21.11)

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* 1. Osem-Nestle Expands Installation of the SaverOne Protection System Across its Fleet

SaverOne announced that Osem-Nestle has ordered 50 new SaverOne Systems which are being installed on their employee vehicles. Furthermore, additional systems are expected to be installed at a later stage with an eventual goal of equipping their full company's fleet of cars and trucks with the SaverOne system.

This new order follows a successful six-month trial period covering an initial 30 vehicles, under which all aspects of the system were tested. At the close of the trial period, Osem-Nestle conducted an internal survey among users and SaverOne's system received very high satisfaction grades with feedback that the system gives them peace of mind while driving and prevents them from cell phone distractions.

SaverOne's system is installed in vehicles to provide a solution to the problem of driver distraction, as a result of drivers using distracting applications on the mobile phone while driving, in a way that endangers their safety and the safety of their passengers. This phenomenon is considered one of the main causes of road accidents in the world. SaverOne's technology specifically recognizes the driver area in the vehicle and prevents the driver from accessing distracting applications such as messaging, while allowing others (e.g. navigation), without user intervention or consent, creating a safer driving environment.

Petah Tikva's [SaverOne](https://saver.one/‎) is a technology company engaged in the design, development and commercialization of OEM and aftermarket solutions and technologies, to lower the risk of, and prevent, vehicle accidents. SaverOne's initial line of products is a suite of solutions that saves lives by preventing car accidents resulting from distraction from the use of mobile phones while driving. SaverOne is also developing a sensor system for early location and direction detection under all visibility conditions of vulnerable road users (VRU) through their cellphone footprint. (SaverOne 21.11)

ISRAEL ECONOMIC STATISTICS

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* 1. Israel’s Inflation Rate Rises to 5.1% in October

Israel's inflation rate rose a more than expected 5.1% in October over the prior 12 months from 4.6% in September. The consumer price index (CPI) rose 0.6% in October from September, the Central Bureau of Statistics said. The CPI was forecast to have risen 0.5% on the month and 5.0% over the past year, according to pundits. Annual inflation peaked at a 14-year high of 5.2% in July before easing in August and September following aggressive rate increases in which the Bank of Israel has raised its benchmark rate to 2.75% from 0.1% in April.

The most significant surge was a 4.1% rise in fresh fruit and vegetable prices, with overall food prices rising by 1%. Clothing and footwear prices rose by 4%, while transport costs rose by 0.6%. Housing prices, which are not included in the CPI, jumped by 1.1% in August-September. The overall rise is now standing at nearly 20% in a year. (BoI 15.11)

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* 1. Israel's Economy Grew by 2.1% During Third Quarter

Israel's economy grew by 5.8% over the 12 months ending September 2022, the Central Bureau of Statistics announced, above the analysts' expectations. Israel's GDP grew by 2.1% on an annualized basis in Q3/22. This was above the analysts' expectations with the average prediction for growth in the third quarter by analysts was 1.6%.

Israel's economy grew 5.8% over the 12 months ending September 2022 and only needs to grow by a small amount in the fourth quarter to beat the Bank of Israel's forecast of 6% GDP growth in 2022. Israel has the highest GDP growth of 12 reference countries in the OECD with 5.8%, compared with 1.8% in the US, 1.1% in Germany, 3% in South Korea and 3.1% in Sweden. Only Portugal comes close to Israel with annual GDP growth of 4.9% over the past 12 months. (Globes 16.11)

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* 1. Israeli Housing Prices Expected to Continue To Rise

Israel's housing market has been in a strange situation in recent months. Far fewer transactions have been recorded, but prices have risen dramatically. As of the 12-month period ending September 2022, housing prices increased by 19%. Meanwhile, a review by the Finance Ministry, published earlier this month, shows that in Q2/22, 27,000 units were purchased on the open market - a 19% drop from the same period in 2021 and the lowest level since Q3/20.

Buyers are sitting on the sidelines waiting for prices to fall after the Bank of Israel's interest rate hikes, as well hoping that some real estate investors will soon realize their profits by putting their assets on the market, adding to supply. However, on the opposite side, other buyers want to close a deal right away, fearing future housing price increases if a comprehensive government plan for the sector is not implemented soon.

Until 2020, prices increased at around 5% per year, but the double-digit jump began in 2021. Some say that the outbreak of COVID-19 has spurred a huge demand in residential real estate — not only from young couples, but also from investors who were looking for an alternative to the troubled commercial real estate market. If the shortage of 150,000 housing units in the market is added, the jump in prices can be understood. (Al-Monitor 17.11)

IN DEPTH

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* 1. ISRAEL: Israel and the Arabian Gulf - Dawn of a New Era

On 31 October, the [Middle East Forum Webinar](https://www.meforum.org/63763/joshua-teitelbaum-on-israel-and-the-persian-gulf) featured Prof. Joshua Teitelbaum, Bar-Ilan University professor and author, who spoke to a Middle East Forum Webinar about the increasingly open relations between Israel and the countries in the Arabian Gulf region.

Teitelbaum touted the progress that has been made between the Jewish State and the Gulf countries, noting that the past vitriol expressed toward Jews and Israel by many Arab countries and their leaders is diminishing. He said the United Arab Emirates (UAE), "a pioneer in the relations," has employed "soft power" since it joined the Abraham Accords brokered by Washington under the Trump administration. Describing the UAE's method, Teitelbaum said, "First, they make Judaism kosher, and then they make Israel kosher."

Prior to the Abraham Accords, the UAE was laying the groundwork with talk about "tolerance," which is now bearing fruit. A "massive complex" comprising a synagogue, mosque and church is being built in Abu Dhabi to show tangible proof of the welcoming approach towards diverse faiths. In addition, recently in Dubai, an expo planned before the accords but delayed due to COVID, featured an Israel Pavilion and a mall hosted a presentation on terror financing by an Israeli speaker. Business exchanges between Israel and the UAE are "booming," Teitelbaum said, with academic exchanges increasing.

There is also greater cooperation on defense issues after the U.S. moved Israel from its European Command (EUCOM) to its Central Command (CENTCOM), whose responsibility is the Middle East. Israel is now included with Arab countries who no longer object to the Jewish State's presence. Areas of cooperation include intelligence, cybersecurity, and air and missile defense. Teitelbaum mentioned in this regard the Barak 8 air defense system, a surface-to-air missile system designed to defend against any type of airborne threat. Teitelbaum said there are unconfirmed reports of Israeli batteries "being deployed" in the UAE and Bahrain.

Although economic and military progress continues to grow, Teitelbaum said that in the area of diplomacy, even if it votes against Israel at the United Nations, "it's worthwhile to have military relations with the UAE." He pointed out that looking at the changes within "historical context," it is remarkable how quickly positive developments have occurred. After all, it was just a few years ago that UAE clerics spouted hateful rhetoric and incitement against Israel and Jews.

Evidence of this historical shift is also unfolding in real time in the Kingdom of Saudi Arabia (KSA). In the 1950s, Saudi Arabia's founder Ibn Saud forbade Jews from entering the country and the kingdom considered Israel a sworn enemy. Israel's victory in the 1967 Six Day War impressed the Arab countries that it was a formidable foe and not easily defeated. Today, under Crown Prince Mohammed bin Salman (MbS), Teitelbaum said, "Saudi Arabia is taking a page out of the UAE playbook [to] first make Jews and Judaism kosher and then make Israel kosher."

Another example of this historic shift is the change in leadership of the Muslim World League in Saudi Arabia, the organization responsible for propagating the ideology of Wahhabism that spread radical Islamic fundamentalism worldwide and laid the groundwork for 9/11. Today, the organization is headed by Saudi cleric and former Minister of Justice, Muhammad Issa, who openly meets with Jewish officials and gives speeches about tolerance. Opposed to political Islam, he denounced Holocaust denial and visited Auschwitz.

It is not only the common threat of Iran that drives the Gulf rapprochement towards Israel, but also Israel's economic growth, its technological expertise, and its mastery of water management.

Quoting the adage that "countries don't have friends, they have interests," Teitelbaum said such is the case with the UAE and KSA. It is not only the common threat of Iran that drives the Gulf rapprochement towards Israel, but also Israel's economic growth, its technological expertise, and its mastery of water management that have much to offer the Saudi kingdom as it "is trying to wean itself from oil." The many "grandiose" projects MbS has set as a goal for the kingdom's future points towards Israel as a country which can offer a "lot of opportunity for them to learn."

Teitelbaum said that although MbS has no interest in "political liberalization," he has taken steps to advance "social liberalization" for the next generation. An example of transitioning the Saudi population towards warmer relations with Jews and Israel is a recent gathering held in Riyadh. Called "Davos in the Desert," the economic forum gathered world economic leaders, including a spot on the "main stage at the event" for Samer Haj Yehia, the Israeli Arab chairman of Israel's Bank Leumi. Progress in areas as diverse as sports events, one of which featured the first Israeli to compete in a Saudi triathlon, and education, where improved monitoring is removing the toxic propaganda against Israel and Jews in Saudi textbooks, begs the question, "When will diplomatic relations be established?"

Teitelbaum said there was a benefit in Biden's visit in that "flights to Israel are now allowed to cross Saudi airspace." However, even that change had to be "couched" in terms of a Saudi pronouncement that the airspace was being opened to everyone. MbS has made statements referencing a "potential alliance" with Israel, but only if the "Palestinian conflict can be resolved." Teitelbaum foresees that the only way the Saudis will have "cover" to make such a leap in diplomatic relations with Israel is to include a "grand bargain" over the Palestinian issue. He characterized the discussions underway as "how thin to slice the salami, the halal salami or the kosher salami."

The Saudi Crown Prince is not rushing to push for diplomatic relations because those who oppose signing a peace treaty with Israel could create more problems for him.

While enthusiastically welcoming the warming relations, Israel proceeds with caution. Endorsing a "step by step" approach is beneficial for relations on both sides. The Saudi Crown Prince is not rushing to push for diplomatic relations because those who oppose signing a peace treaty with Israel could create more problems for him. For now, reaping the benefits of the incremental positive social changes currently under way in the kingdom is the prudent path he has chosen.

What the Saudis gain from Israel at present is "clandestine" intelligence vis-à-vis their common enemy, Iran. Overall, Teitelbaum said there is a beneficial ripple effect from the historical changes being brought forth by the "new trend in Saudi Arabia [and] the Gulf countries." Morocco, "a very important country in North Africa," has signed a peace agreement and defense agreement with Israel, while Indonesia and Oman are eyeing future relations with the Jewish State.

*Marilyn Stern is communications coordinator at the Middle East Forum.* (MEF 31.10)

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* 1. LEBANON: Bank Audi Lebanon Economic Report for Third Quarter 2022

The Group Research Department of [Bank Audi](http://www.bankaudigroup.com/‎) released their quarterly assessment of the Lebanese economy:

**Maritime border demarcation representing noticeable breakthrough, with positive long term effects**

While the country embarked on presidential elections, yet without a settlement seen at the horizon, Lebanon has finalized on a number of milestones, the most important of which being the Southern border maritime settlement and the ratification of Government Budget 2022. The maritime deal could enhance long-term economic prospects and improve the country’s external position which is positive for Lebanon’s credit profile but implementation risks remain significant. Having said that, it will take no less than three to four years to start having economic benefits for Lebanon emanating from the new gas deal. A number of phases actually appear on the oil and gas value chain, namely exploration and appraisal, development, production, transport, pipelines, storage, refining and distribution.

**Lebanese Parliament Ratifies Public Budget 2022**

The Lebanese parliament passed by the end of the third quarter of the year the public budget for 2022, which calculates customs tax revenues at an exchange rate of 15,000 Lebanese pounds per U.S. dollar. The budget calculates public expenditures at 41 trillion Lebanese pounds and revenues at 30 trillion Lebanese pounds. The process for approving this year’s budget has far exceeded the normal deadlines. Still, adopting a 2022 budget is one of the IMF’s preliminary offer of a multi-billion-dollar assistance package to Lebanon.

**Trade Deficit up by 41% in the First Seven Months of 2022**

External sector figures released for the first seven months of 2022 suggest a 40.7% rise in trade deficit amid a 34.1% growth in imports, while exports increased by 12.7% relative to the same period in 2021. The rise in imports is partly tied to global inflation, especially related to oil and commodity prices that surged significantly this year, but also suggests a slight improvement in domestic private demand.

**Further Currency Collapse on Black FX Market Amid Large LP Money Creation**

A further currency collapse on the black FX market, a large expansion in the currency in circulation outside BDL, and a continuous FX reserves burn were the main features characterizing Lebanon’s monetary conditions this year. Many factors lied behind the continuous deterioration in the Lebanese pound against the greenback on the parallel FX market so far this year, namely the stubborn cabinet formation gridlock, prospects of a Presidential vacuum, the slow progress in implementing reforms requested by the IMF to secure much-needed international financial support, the continuous BDL’s FX reserves burn, the gradual fuel subsidy removal initiated towards the end of July 2022 before completely freeing the “Sayrafa” platform from the burdens of financing gasoline imports around mid-September, and the chaos that has characterized the operations of banks since September 2022.

**Lebanese Equities Extend Last Year’s Noticeable Price Rally, Bond Market Dips Further Into Red**

Lebanon’s equity market pursued during the first nine months of 2022 the noticeable surge of last year, mainly supported by strong price gains in Solidere shares amid hedging activity against crisis. On the other hand, the Eurobond market plunged further into the red, mainly on growing concerns about a long-simmering cabinet gridlock and Presidential vacuum, and given the slow progress in implementing much-needed reforms to unlock international financial support.

**An Alternative Economic Model to be Sought?**

There is no doubt that the previous economic model of offsetting large trade deficits with foreign inflows of capital is no longer sustainable given the considerable contraction of the latter. Lebanon needs to reduce imports, enhance exports and foster domestic production. Having said that, Lebanon should not drift away from its Trade and services sectors that represent its core advantages and competitive edges. Among these rise the health services, the educational services, the engineering services, the touristic services and the financial services. These sectors were and remain important drivers of Lebanon’s economy amid the graduation of thousands of Lebanese students every year and that target Lebanon’s trade and services sectors in particular. As such, any new model has to continue fostering Lebanon’s Tertiary sector as the main drive for growth, while revamping Lebanon’s primary and secondary sector in the aim of ensuring a considerable step forward towards self-sufficiency in domestic consumption needs at the detriment of hefty foreign dependence at large. (Bank Audi 09.11)

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* 1. JORDAN: IMF Agreement on the Fifth Review Under the Extended Fund Facility

An International Monetary Fund (IMF) mission to Jordan reached a staff-level agreement on the fifth review of the authorities’ economic reform program supported by the Extended Fund Facility (EFF) arrangement. This agreement is subject to approval by the IMF’s management and the Executive Board.

At the conclusion of the discussions, the IMF issued the following statement:

“Despite turbulent global economic conditions, sound fiscal and monetary policies have helped maintain macroeconomic stability and access to international markets. The central government is expected to narrow its primary deficit (excluding grants) by 0.7% of GDP to 3.7% of GDP in 2022, with larger-than-expected fuel and food subsidy costs being offset by a rationalization of non-priority spending and a significant revenue over performance. The latter reflects the government’s ongoing institutional and legislative efforts to tackle tax evasion and avoidance. The Central Bank of Jordan has increased interest rates in line with the US Federal Reserve policy rate in order to safeguard the peg; international reserves have remained adequate.

“The post-COVID recovery continues to build momentum, with real GDP growth expected at around 2.7% in 2022, revised up from 2.4% at the last review, due to increased tourism arrivals and positive regional spillovers from GCC countries. Growth in the medium term is expected to reach 3%, but there are downside risks from a slowing global economy. Unemployment has edged down slightly but remains very high at 22.6%, particularly among the youth and women. Inflation has increased to 5.2% as of end-October, reflecting the pass through of higher fuel and food prices, though this remains moderate by global comparison. The stronger-than-expected rebound in tourism receipts and robust exports, have been offset by a higher food and fuel import bill, resulting in expectations for a somewhat higher current account deficit of 7.8% of GDP for 2022 .

“Fiscal reforms will continue to center on broadening the tax base. The recent passage of legislations unifying the tax and customs administrations in ASEZA with national systems, introducing place of taxation rules in the GST law, and strengthening the governance of fiscal incentives for investment constitute important reforms in this regard. The phasing out of untargeted fuel price subsidies, while protecting the vulnerable against higher prices through additional cash transfers, is welcome as it saves precious resources for priority spending. Jordan maintains healthy wheat and barley reserves, although the government has shouldered a heavy fiscal burden in subsidizing these commodities, in the face of a surge in international prices. Agreement was reached on the 2023 fiscal targets, aiming for a central government primary deficit (excluding grants) of 2.9% of GDP, which balances the need to support the recovery and debt sustainability imperatives, against the backdrop of extraordinary external pressures. The authorities have reemphasized their strong commitment to fiscal prudence in order to reduce public debt to 80% of GDP by 2027.

“Monetary policy should continue to be anchored in safeguarding the peg which continues to serve the economy well. As the US Federal Reserve tightens policies, the Central Bank of Jordan (CBJ) has acted firmly and swiftly to maintain monetary stability and raised policy rates in line with the Fed. The CBJ will continue to undertake the necessary monetary policy adjustments in response to Fed actions, backed by adequate international reserves, which serve as a critical buffer in a highly uncertain external environment. In particular, the CBJ will remain alert to changes in domestic, regional, and global financial conditions, and stands ready to undertake the policy adjustments necessary to credibly protect monetary and financial stability. The banking system remains well-capitalized and liquid, and non-performing loans have remained at low levels. The ongoing Financial Sector Assessment Program (FSAP) provides a timely opportunity to conduct a comprehensive assessment of the financial sector and its resilience. The authorities continue to work actively to ensure effective implementation of the Financial Action Task Force (FATF) recommendations.

“The electricity sector faces significant financial challenges against the headwinds from higher international oil and gas prices. While the long-term gas import contracts for electricity generation have mitigated the impact of surging global natural gas prices, NEPCO’s deficit has increased in 2022, including due to reductions in the bulk supply tariff paid by distribution companies. With the oil shale power purchasing agreement (PPA) coming on stream, NEPCO’s financial balance will come under further stress next year. The authorities are preparing an action plan to decisively address NEPCO’s financial challenges, in collaboration with development partners. Regarding the water sector, the Cabinet’s approval of a financial sustainability roadmap for the sector is an important step for addressing water scarcity, while containing the sector’s deficits and eliminating arrears.

“The prospects for strong, durable and inclusive growth rest on steady progress on structural reforms to boost female and youth employment; enhance labor market flexibility; promote competition; and enhance governance and transparency. In this regard, passage of the tabled labor law amendments, strengthening of the competition framework, and improving national statistics to monitor progress remain critical.

“Completing this review will bring total IMF disbursements over 2020-24 to SDR 1,438 million (or around $2 billion). This is in addition to SDR 329 million (or $469 million) disbursed as Jordan’s share under the IMF General SDR allocation in August 2021. Robust concessional support from donors, remains crucial, including to help Jordan continue to bear a disproportionate burden in supporting and hosting 1.3 million Syrian refugees." (IMF 15.11)

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* 1. JORDAN: Moody's Changes Outlook to Positive from Stable, Affirming B1 Rating

On 17 November, [Moody's Investors Service](http://www.moodys.com/) affirmed the Government of Jordan's long-term local and foreign currency issuer ratings at B1 and changed the outlook to positive from stable. The foreign currency senior unsecured debt and MTN program ratings are also affirmed at B1 and (P)B1, respectively.

The change in outlook to positive from stable is driven by the government's strong commitment to wide-ranging structural reforms and track record of effective implementation at least on the fiscal front, which have the potential to raise the resilience of its credit profile. Besides the ongoing widening of government revenue that provides greater fiscal flexibility in the face of still elevated global inflation, the latest set of economic and administrative reforms may also increase the economy's growth prospects over time and increase its shock absorption capacity. This assessment further reflects governance strengths that support Jordan's resilience to the significant global headwinds.

The rating affirmation at B1 balances credit strengths from Jordan's solid and credible macroeconomic policymaking institutions, combined with strong international support and access to sizeable domestic savings that contain liquidity and external vulnerability risks, against challenges posed by the government's still high debt levels, structural rigidities contributing to low economic growth, high unemployment and social pressures that the reforms aim to address and a volatile regional geopolitical environment.

Jordan's local and foreign currency country ceilings remain unchanged at Ba1. The three-notch gap between the local currency ceiling and the sovereign rating reflects the country's effective institutions with relatively predictable policies and a small footprint of the government in the economy, although underlying social challenges and a volatile regional geopolitical environment may weigh on policymaking. The zero-notch gap between the foreign currency ceiling and local currency ceiling reflects very low transfer and convertibility risks, given the country's ample foreign exchange reserves that support the credibility of its dollar peg and open capital account.

**RATINGS RATIONALE**

**Rationale for Changing the Outlook to Positive from Stable**

Effective implementation of the economic and administrative reforms recently introduced by the government has the potential to strengthen the government's credit profile over time, although tangible effects and the strengthening of credit quality to be consistent with a higher rating may take time to materialize.

Jordan has established a track record of fiscal reform implementation and prudence, which will likely contribute to a further narrowing of its fiscal deficit and decline in government debt over the next few years, despite global headwinds. In particular, Moody's expects the general government fiscal deficit to narrow to around 2-2.5% of GDP in 2023-24, compared to around 5% in 2020 and 3% in 2021, while the central government fiscal deficit will likely average 4.5% of GDP in 2023-24, compared to 7% in 2020 and 5.3% in 2021. Moody's fiscal forecasts imply that the government's debt burden will decline over the next few years to pre-pandemic levels of around 78% of GDP by 2026, although it remains high compared to similarly rated peers. General government debt likely peaked at just above 90% of GDP at the end of 2021. Moody's definition of general government debt includes all of Jordan's central government and municipality debt, net of holdings by the social security fund (SSIF), plus the guaranteed debt of the state-owned enterprises in the energy and water sectors, National Electric Power Company (NEPCO) and Water Authority of Jordan (WAJ). Both NEPCO and WAJ require financial support from the central government currently.

The narrowing of the deficit will be driven by revenue gains that are likely to prove durable, as the tax administration-related reforms target increasing tax compliance. These include digitalization and e-invoicing, using technology to track compliance and flag inconsistencies including for cigarette taxes, and unifying and lowering customs duties. Central government revenue rose by 16% in 2021 and will rise by another 9% this year – a cumulative increase of 3.4% of GDP relative to 2020 and 1.5% relative to 2019. The upcoming changes to the goods and services tax law will further reduce the scope for tax evasion.

Meanwhile, the government has largely avoided increasing central government expenditure despite the focus on social protection with higher global food and energy prices. The policy of stockpiling wheat, which started in 2020 as the government foresaw food security risks, and long-term gas contracts with limited price sensitivity to global oil price benchmarks that the government entered into with neighboring countries have prevented a material increase in spending on these essentials. While the government suspended its fuel levy to offset the increase in pump prices since April 2022, it was able to cut development spending commensurately to avoid significant fiscal deterioration. In general, subsidies are limited and generally indirect for example through low water tariffs, while social support is targeted through the National Aid Fund, which has developed indicators to better target low income households for cash transfers.

Besides fiscal reforms, Moody's expects the wider structural reform agenda mainly comprising the recently announced Economic Modernisation Vision (EMV) and Public Sector Modernisation Roadmap (PSMR) to be more robust with a greater likelihood of tangible outcomes over the medium term compared to past attempts. In particular, the latest EMV involves a wide range of stakeholders including the private sector, civil society and academics, which helped craft the EMV and will continue to meet regularly to implement the reforms. Complementing the EMV is the PSMR that aims to transform the public sector to be an enabler for the private sector and achieve full digitalization of public services by 2025. Coordination within the public sector has also improved, with better cooperation across state entities, as well as strong monitoring of reform implementation through a new performance and delivery unit in the Ministry of Planning and International Cooperation.

The EMV aims to raise growth to around 5.7% by 2033, create 1 million jobs, and attract more than JD40 billion (around 116% of GDP) worth of FDI. Given the EMV is in its early stages, Moody's expectation for still-robust real GDP growth in Jordan of around 3-3.5% over 2023-24 does not incorporate the potential benefits of the reforms. That said, effective implementation of the structural reforms has the potential to raise Jordan's medium-term growth performance beyond Moody's current expectations and help reduce unemployment. Clearer indications that growth will step up to higher levels, thereby raising the Jordan's resilience especially to social risks stemming from unemployment, will be consistent with stronger credit quality and greater shock-absorption capacity.

**Rationale for the Rating Affirmation**

Jordan's B1 rating is underpinned by its solid and credible macroeconomic policymaking institutions, combined with strong international support and access to sizeable domestic savings that contain liquidity and external vulnerability risks. Balanced against these strengths are challenges posed by the government's still-high debt levels, structural rigidities contributing to low economic growth over the past one and a half decades, high unemployment and social pressures, and a volatile regional geopolitical environment.

Jordan's institutional effectiveness is reflected in its rankings on international governance indicators, which generally exceeds the median for Ba- and B-rated peers. The effectiveness is also demonstrated by the government's proven commitment to reforms, forward-looking policies, and credibility achieved through fiscal reform implementation. These have opened the door to substantial technical and financial assistance from development partners, which bolsters governance further and reduces external financing risks. Domestically, Jordan benefits from a large domestic savings pool that has developed over time and that the government can access. Savings managed by SSIF, which the general government owns, amount to close to 40% of GDP and the Social Security Corporation runs an annual surplus of around 3-3.5% of GDP.

At the same time, Jordan's historical real GDP growth has been weak since the 2010s especially when compared to similarly rated peers, and its unemployment rate of around 20-25% is among the highest globally. Structural constraints weighing on growth include high energy costs, emigration of talent because of limited job opportunities, and weaker global economic competitiveness compared to some regional peers. While the latest set of reforms aim to address these competitiveness challenges, progress will invariably be gradual given the starting point and the impact on outcomes may take time. Also contributing to low economic growth rates is the challenging regional geopolitical environment that has constrained the development of exports, posed logistical challenges to export routes especially via land, and increased social challenges through the influx of refugees that have at times narrowed the scope for reforms. That said, there are indications that regional trade linkages are slowly developing from a low base: for example, Bahrain, Egypt, Jordan and the United Arab Emirates have committed to working together on economic cooperation and industrialization.

**Environmental, Social & Governance Considerations**

Jordan's credit impact score is highly negative (CIS-4), reflecting its highly negative exposure to environmental and social risks, balanced against relatively strong institutions and governance that provide a degree of resilience.

Jordan's exposure to environmental risks is highly negative (E-4 issuer profile score), driven mainly by water stress. Jordan is one of the world's most arid states and rapid population growth in recent years, including due to the influx of refugees from neighboring countries, has increased challenges surrounding water sustainability and management of limited water resources and infrastructure.

The exposure to social risks is highly negative (S-4 issuer profile score). The main source of pressure arises from the labor market because of the very high unemployment rate, especially among the youth, and continued growth in both the population and labor force.

The influence of governance on Jordan is neutral to low (G-2 issuer profile score). This reflects the country's track record of reform implementation and fiscal policy effectiveness, as well as relatively strong rule of law and improving control of corruption.

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

The rating could be upgraded if the ongoing implementation of wide-ranging reforms raises prospects of increased economic competitiveness and growth potential, fostering confidence that stronger growth outcomes will eventuate over the medium term. A rapid reduction in the government's debt burden and contingent liabilities, particularly from the water and electricity sectors, which significantly increases its ability to spend on longer-term economic and social development, would also exert upward pressure on the rating. In addition, a sustained improvement in regional geopolitical dynamics that creates a conducive environment for longer-term development could lead to a rating upgrade.

The positive outlook signals that a rating downgrade is unlikely over the near term. The outlook would likely be changed to stable if reform progress stalls, weakening prospects of stronger economic competitiveness and improved growth outcomes over the medium term. Indications that the government's debt burden is likely to rise markedly without prospects for reversal, in turn pointing to weaker commitment to and effectiveness of its fiscal consolidation plan would also exert downward pressure on the rating. (Moody's 17.11)

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* 1. QATAR: The Security Side of Qatar’s World Cup

Eleonora Ardemagni posted on 18 November in [AGSIW](https://agsiw.org/the-security-side-of-qatars-world-cup/‎) that Qatar is relying on a robust injection of security capabilities and training from partner countries to help it cope with the challenges and potential risks of hosting such a large international event and has worked to take advantage of this security response to drive its national security strategy.

For Qatar, hosting the 2022 FIFA World Cup is not only about soft power and a nation branding strategy. Capitalizing on this major sporting event, Doha aims to implement a broader national security strategy, focusing on two interrelated strategic dimensions – the strengthening of internal security capabilities and cooperation with regional and international partners while also considering the nexus between security and national identity.

Since Qatar won the bid in 2010 to host the 2022 World Cup, the Qatari leadership has worked to take advantage of the major event to drive its national security strategy. The boycott imposed on Qatar by a quartet of neighboring countries in June 2017 made the Qatari leadership accelerate these plans, as the country faced isolation. In an interview in 2019, the chief of staff of Qatar’s armed forces acknowledged that increasing challenges and conflicts in the region, as well as the spread of terrorism, were pushing Qatar to strengthen its military and security institutions. He noted this was being done by “developing the human element as the primary focus to implement the defense and security strategy.” At the same time, he mentioned the importance of strategic cooperation and “necessity of unifying efforts to bolster security, peace and stability.”

**Protecting the World Cup (Today), Defending the Country (Tomorrow)**

Qatar has developed a security strategy for all aspects of the World Cup. The Sports Crowd Security and Safety Program was designed to train government and private security personnel. Specific programs, training courses, and joint exercises have been held to build the capacity of the Qatari security staff. European police advisors and Europol have conducted training for security personnel to address possible crisis or emergency scenarios. With a population of about 3 million people, Qatar expects to host more than 1 million soccer players and fans. With a comparatively small population of its own, to ensure security for such a major event, Qatar needed to look to international partners. The World Cup Shield Operation, comprised of the United States, the United Kingdom, France, Italy, Turkey and Pakistan, was organized to protect Qatar’s airspace and territorial waters against terrorist and other threats.

On 23-27 October, these countries, among several others (including Saudi Arabia, Kuwait and Jordan), held joint security drills in Qatar for the second time. The “Watan” joint security exercise involved 32,000 government security personnel and 17,000 personnel from the private security sector.

**Outsourcing Security: The International Relations of the World Cup**

For the World Cup, Qatar has widely outsourced security to partner countries to cope with its shortage of security personnel as well as lack of experience in providing security at major international events. Qatar has signed several security agreements with partner countries committing to cover the financial costs related to the deployment of foreign personnel, while each foreign unit will be under the command of its country of origin.

For instance, Turkey plans to send 3,000 riot police to help secure stadiums and hotels, 50 bomb specialists and 80 sniffer, or detection, and riot dogs. Ankara will also provide staff support to Qatar’s security personnel on special operations, bomb disposal and security measures against chemical, biological, radiological and nuclear threats. The United States is cooperating on countering threats from unmanned aircraft systems. A joint task force of Turkish land and naval forces will be deployed, together with a Turkish warship to secure Qatari shores. Morocco planned to send an estimated 6,000 security personnel, mainly tasked with supporting intelligence and cybersecurity teams. Pakistan’s government agreed to send troops, including army officers and junior commissioned officers. The Security Directorate of Jordan offered jobs at the World Cup in Qatar to retired Jordanian soldiers under age 45.

European states are also playing a significant role in supporting Qatar’s security staff. The French Interior Ministry said it would deploy about 220 law enforcement officers to provide “high-level expertise and specialized logistical support,” especially gendarmes specialized in anti-drone policing and demining operations. The United Kingdom is assisting in maritime and air policing. The Joint Typhoon Squadron, established in 2020 and based in the U.K. at Royal Air Force Coningsby, is jointly operated by Royal Air Force and Qatari Emiri Air Force personnel. The squadron will focus on counterterrorism through air security operations. Despite the partnership, a U.K. Ministry of Defense statement assured that the Qatari Emiri Air Force would oversee air security for the World Cup. Spain and Italy will also take part in the security effort, with Madrid contributing 115 riot police officers and Rome providing 560 soldiers from the armed forces and the Carabinieri, with 46 land vehicles, a ship and two aircraft.

**Knowledge Transfer and Capacity Building**

For Qatar, hosting the World Cup provides an unprecedented opportunity to build stronger domestic security expertise through training programs, joint exercises, and knowledge transfer. “The idea is that there will be a transfer of skills,” stated French Member of Parliament Amélia Lakrafi. This is especially related to policing but also to nonconventional threats.

For instance, NATO and Slovakia trained Qatari forces against threats posed by chemical, biological, radiological and nuclear materials. Romania provided training for protecting prominent figures and countering threats coming from improvised explosive devices.

Since the event was assigned in 2010, Qatar has focused on improving its policing practices. Interpol’s Project Stadia was launched in 2012: Funded by Doha, the 10-year project built a Center of Excellence to help member countries deal with policing and security preparations for major sporting events, while also creating a network of security experts. The Turkish National Police Academy has conducted exercises and offered courses, training 960 Qatari police officers ahead of the World Cup. Training has included behavior analysis, crisis management, fighting hate crimes, sports safety, and maintaining public order at social events. Also, the Moroccan Royal Institute of Police in Kenitra hosted a Qatari security delegation for seminars on crowd management and the protection of high-level figures. In May, the “Last mile of the Qatar FIFA-2022 World Cup” conference brought to Doha security representatives from the 32 countries with teams that qualified to participate in the World Cup. The conference established the International Police Cooperation Center to exchange information and supervise police activities during the event. This operation room is being overseen by the Supreme Committee for Delivery and Legacy, chaired by Qatari Prime Minister and Minister of Interior Khalid bin Khalifa bin Abdulaziz al-Thani.

**The Security-Identity Nexus**

The World Cup also provides an opportunity for Qatar to display itself as a nation, sending a message to a domestic as well as an international audience. This is why Qatari leaders named the joint security exercises “Watan,” which in Arabic means nation. Over the past decade nation building has been a priority for Qatar’s emir and the government (as outlined in Qatar’s National Vision 2030), especially since 2017. With a population dominated by expatriates, Qatari nationals are a minority at home. Some analysts have observed that the Qatari men’s football, or soccer, team represents an example of “social nationalism,” a concept of nationalism defined by “social ties and culture rather than by common descent,” serving as a microcosm mirroring Qatari society.

With this framing, one of the clearest top-down measures connecting security and nation building in hosting the World Cup is Qatar’s mandated, event-related conscription (compulsory military service was introduced in 2013). Qatar’s security personnel include civilians enrolled in mandatory military service and diplomats who have returned from abroad. Conscripts report to the national service camp five days a week, attending training sessions conducted by officials from the Supreme Committee for Delivery and Legacy. According to a Reuters report, officials told conscripts it was “their patriotic duty” to help during the World Cup. To ensure national security, especially when hosting major international events, Qatar needs technical expertise and assistance from partners; however, this wouldn’t be enough without a widespread sense of community belonging. Qatar hopes hosting the World Cup will help it strengthen all these elements to bolster its domestic security capabilities.

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* 1. UAE: IMF Staff Completes 2022 Article IV Mission to United Arab Emirates

A staff team from the [International Monetary Fund (IMF)](http://www.imf.org/) held discussions with the UAE authorities for the 2022 Article IV Consultation from 2 – 17 November. At the conclusion of the mission, the IMF issued the following statement:

“Economic growth has been robust this year, led by a strong rebound in tourism, construction and activity related to the Dubai World Expo, as well as higher oil production in line with the OPEC+ production agreements. Overall, GDP growth is projected to reach above 6% in 2022, improving from 3.8% in 2021. Inflation has risen with global trends and is expected to average just over 5% this year. Fiscal and external surpluses have increased further, benefiting from the higher oil prices as well as the removal of the temporary COVID-crisis related fiscal support to businesses and households as the pandemic has gradually waned. Increased global uncertainty led to larger financial inflows, contributing to rapid real estate price growth in some segments.

“Looking ahead, the UAE economic outlook remains positive, supported by domestic activity. We expect non-hydrocarbon growth to be around 4% in 2023 and to accelerate over the medium-term with the implementation of ongoing reforms. Inflationary pressures are projected to moderate gradually, including from the impact of tightening financial conditions. Further development of domestic capital markets, including through the issuance of local currency debt by the federal government will also support growth.

“Nevertheless, the outlook is subject to significant external uncertainties, including the impacts of global economic and financial headwinds, geopolitical developments, and the recently announced OPEC+ production cuts. However, higher oil prices and healthy fiscal buffers help mitigate risks, while enhancing reform efforts would pose upside risks to medium-term growth.

“Given the macroeconomic outlook, near-term policies should focus on ensuring sustainable growth and maintaining financial stability, while guarding against inflationary outcomes. In this connection, we welcome the targeting of temporary fiscal support to the most vulnerable to alleviate the impact from higher inflation but note the importance of maintaining a prudent overall fiscal stance, supporting efforts to mitigate inflation, and enhancing buffers to ensure medium-term sustainability.

“Banks have adequate capital overall and abundant liquidity, and asset quality has improved modestly from pandemic-era peaks. Domestic private sector credit growth has improved. Real estate price developments and expected further tightening of financial conditions underscore the importance of continued close monitoring of financial stability. We welcome continued efforts by the Central Bank of the United Arab Emirates to strengthen the macro-prudential framework and promote the effective management of non-performing loans.

“Major efforts have been advanced under the National AML/CFT Strategy and Action Plan to further strengthen the regulatory regime to ensure its effectiveness, in line with the enhanced monitoring under the Financial Action Task Force recommendations and should be continued.

“Looking to the medium-term, we welcome the planned fiscal reforms, including the expected introduction of a corporate income tax and gradual phasing out of business fee structures. These should be further advanced to underpin a gradual, growth friendly fiscal consolidation in the context of a strong medium-term fiscal framework to maintain fiscal sustainability. Enhancement and careful coordination of emirate-specific fiscal anchors and rules would ensure a unified national fiscal stance.

“Reforms under the UAE 2050 Strategy are welcome and should be sustained, with a focus on diversification of the economy, to ensure a balanced energy transition and strong long-term economic growth. Although the UAE has made significant progress on climate initiatives, prioritization should be given to low-carbon investments with the greatest economic significance and highest potential to reduce emissions and energy intensity. This will be aided by ongoing major investments in renewable energy sources and work to develop a green taxonomy and mainstream green and sustainable finance.

Ongoing structural reforms, such as those to support private sector employment and female labor force participation, increase trade and foreign investment, and harness the benefits of technology and education will help deliver sustainable and inclusive growth. Further enhancing cooperation across individual emirates, including on the collection, sharing, and dissemination of economic data, will buttress these efforts. (IMF 21.11)

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* 1. OMAN: IMF Executive Board Concludes 2022 Article IV Consultation

On 15 November, the Executive Board of the [International Monetary Fund (IMF)](http://www.imf.org/) concluded the Article IV consultation with Oman and considered and endorsed the staff appraisal without a meeting.

Strong vaccination efforts have allowed for the relaxation of all social distancing restrictions and the economic recovery is gaining traction. Overall GDP growth rebounded from -3.2% in 2020 to 3.0% in 2021, and is projected at 4.3% in 2022, supported by increased hydrocarbon production and continued recovery of non-hydrocarbon economic activity. Rebounding economic activity and elevated global inflationary pressures are expected to push up average inflation to 3% in 2022. Direct spillovers on the Omani economy from the war in Ukraine have been limited.

High oil prices and fiscal consolidation under the authorities’ Medium-Term Fiscal Plan (MTFP), have improved fiscal and external balances considerably. The overall central government balance improved by 12.8% of GDP to a deficit of 3.2% in 2021, largely due to higher hydrocarbon revenue, expenditure restraint and the introduction of VAT. Fiscal and external surpluses are expected in 2022 and over the medium term. Central government debt declined to 62.9% of GDP in 2021 and it is expected to decline to about 44% of GDP in 2022.

The banking system has weathered the recent shocks relatively well. Financial soundness indicators appear healthy, benefiting from prudent oversight of the Central Bank of Oman and the strong buffers before entering the crisis. However, private sector credit growth has remained subdued.

Uncertainties continue to cloud the outlook, with downside risks dominating in the short run. On the upside, the outlook could be bolstered by higher-than-expected hydrocarbon windfalls, accelerated implementation of structural reforms under Vision 2040, and the realization of investment projects from regional partners. On the downside, risks stem particularly from uncertainty about the war in Ukraine and its impact on the global economy and oil prices, a renewed flare-up of COVID-19 infections, tighter-than-expected global financial conditions, increased inflationary pressures from higher global food and energy prices, more persistent disruption in global supply chains, pressures to spend the hydrocarbon windfalls and climate-related events.

**Executive Board Assessment**

In concluding the 2022 Article IV consultation with Oman, Executive Directors endorsed the staff’s appraisal, as follows:

The economic recovery is gaining traction. Strong measures helped mitigate the health and socioeconomic impacts of the pandemic. Non-hydrocarbon growth is expected to strengthen over the medium term, supported by the oil price outlook, planned investments and structural reforms. Fiscal and external buffers have increased, supported by increased hydrocarbon revenues and substantial fiscal consolidation. Nevertheless, downside risks, notably from global sources, dominate in the short run.

The authorities remain committed to fiscal consolidation notwithstanding oil revenue windfalls and social pressures. Significant fiscal adjustment is being implemented in 2022, which has allowed for increased social spending while still generating a substantial surplus due to the oil windfall. However, reinforcing fiscal sustainability over the medium term, as envisaged under the MTFP, and creating space for social safety net reforms and higher capital expenditure require additional measures. Thus, efforts to strengthen tax administration and implement a PIT are welcome. The phased withdrawal of untargeted energy and water subsidies should be a priority. Intensive public outreach is essential to sustain support for fiscal consolidation amid rising oil windfalls.

Establishing strong fiscal frameworks with clear objectives and a long-term anchor would help achieve fiscal sustainability. Fiscal frameworks would lay the foundation for adopting a fiscal rule. A rule based on the non-hydrocarbon structural primary balance, which is robust to hydrocarbon price volatility and economic fluctuations, could be appropriate. Ongoing reforms to improve public financial management and transparency are welcome and developing a sovereign asset and liability management framework should be a priority.

The exchange rate peg remains appropriate. The peg has provided a credible monetary anchor, helping to deliver low and stable inflation. Official foreign reserves, fiscal prudence, and structural reforms would continue to reinforce the peg. Better coordination between fiscal and monetary authorities, improved liquidity management, and deeper financial markets would improve the capacity for a more independent monetary policy.

Financial system risks are low, but the CBO should continue its close monitoring of bank asset quality and its efforts to strengthen regulatory frameworks. Restoring prudential rules to pre-pandemic levels should be a priority. Enacting the new Banking Law would align the legislation with international best practices. Careful coordination is needed to ensure that banking system liquidity remains adequate as plans to enhance the liquidity management framework and establish the TSA are implemented. Progress in developing capital markets is welcome.

Steadfast implementation of structural reforms under Vision 2040 is paramount to secure more inclusive, diversified, and sustainable growth. Strengthening the social safety net would help facilitate reforms to improve labor market flexibility. Advancing SOE reforms should also be prioritized to promote competition, strengthen governance and stimulate private sector participation in the economy. To facilitate the digital economy transformation, worker skills will need to be upgraded. Pressing ahead with addressing climate challenges should be a priority. (IMF 15.11)

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* 1. ALGERIA: IMF Staff Completes 2022 Article IV Mission to Algeria

On 21 November, the IMF announced that an [International Monetary Fund (IMF)](http://www.imf.org/) mission visited Algiers during 6- 21 November for the 2022 Article IV consultations with Algeria. At the end of the mission, the IMF issued the following statement:

“The rally in hydrocarbon prices is contributing to the recovery of the Algerian economy from the pandemic shock. Large windfall hydrocarbon revenue has alleviated pressures on external and public finances. In 2022, the current account balance is forecast to record its first surplus since 2013, and international reserves rose to $53.5 billion in September from $46.7 billion in 2021. The significant rise in non-hydrocarbon exports has also contributed to this improvement. A fiscal surplus is expected in 2022 on higher revenue and lower-than-expected spending execution. The recovery from the pandemic shock is continuing, with non-hydrocarbon GDP growth projected to accelerate to 3.2% in 2022 from 2.1% in 2021. This will mark a recovery of most of the output loss from the pandemic shock, although durable scars on labor markets and medium-term growth are still risks. Real GDP growth is projected at 2.9%.

“As in many other countries, inflation has accelerated significantly and is a major concern. The annual average inflation rate has hovered around 9.4% in recent months, a level not seen in 25 years. The central bank has taken actions to control price pressures, but monetary policy remained accommodative.

“The near-term outlook is favorable, but highly contingent on hydrocarbon prices. The current account is projected in surplus in 2023 with high hydrocarbon revenue offsetting a recovery in imports. Growth is projected to accelerate and inflation to slowdown but remain above 8% on average amid easing in fiscal policy in 2023

“The mission considers that continued high reliance on hydrocarbon revenue and the projected sizeable rise in spending in 2023 raise significant risks to public finances amid high commodity price volatility, and exceptional global uncertainty. In the mission’s view, a well-balanced budget adjustment is needed to curb inflationary pressures, rebuild policy space and stabilize government debt. A medium-term fiscal framework could guide consolidation efforts, reduce policy pro-cyclicality, and protect priority spending. Well-targeted measures should be used as needed to support low-income households.

“The mission commends the progress achieved on fiscal reforms, in particular in the areas of taxation and public finance management. It recommends stronger integration between spending plans and the government’s financing strategy as part of the budget elaboration process and diversifying financing sources to allow for gradual implementation of fiscal consolidation.

“In tandem, monetary policy tightening is necessary to bring inflation under control. The risks of entrenchment of high inflation call for gradual normalization of monetary policy. The upcoming revision of the Law on Money and Credit is a timely opportunity to strengthen the governance framework of the Bank of Algeria and bolster its independence. In this regard, the mission welcomes the government’s commitment not to resort to monetary financing.

“The banking system withstood repeated shocks in recent years, but its financial health merits attention. Tightening interlinkages between the balance sheets of the government, state-owned enterprises and public banks could pose risks to financial stability and debt sustainability. These developments call for broad financial sector reforms to strengthen the governance and business models of public banks, enhance supervisory capacity, unlock lending to the private sector and foster financial inclusion. The mission welcomes the timely expiry of regulatory easing measures taken at the outset of the pandemic.

“The mission agrees with the authorities that continued efforts to reform the business climate will help foster the transition to a more inclusive and diversified growth model and spur job creation. The new investment law and attendant decrees could offer a more conducive environment to private investment, while plans to roll out a new legislative framework for investment in renewable energies could facilitate the transition to a low-carbon economy. The mission commends the authorities’ plans to improve data quality and availability and calls to prioritize actions in this area to better inform policymaking and private sector decisions.

“The mission met with the Governor of the Bank of Algeria, Mr. Taleb; Finance Minister, Mr. Kessali; Energy and Mines Minister, Mr. Arkab; Agriculture and Rural Development Minister, Mr. Henni; Public Works, Hydropower, and Basic Infrastructure Minister, Mr. Rakhroukh; Commerce Minister, Mr. Rezig, and Industry Minister, Mr. Zeghdar. The team also held discussions with other senior government and central bank officials, members of the parliamentary Finance and Budget Commission and with representatives of the economic and financial sectors.” (IMF 21.11)

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* 1. MOROCCO: Morocco’s Auto Industry and the Pillars of a Prosperous Economy

Ali Noureddine noted in [Fanack](https://fanack.com/) on 18 November that Morocco‘s encouraging business environment attracted major multinational automakers. As a result, the local auto parts industry flourished, increasing the share of locally produced components utilized in these sectors.

The value of Morocco’s exports of cars and auto parts has been gradually rising in recent years thanks to the country’s competitive advantages in this field, and based on the state’s plan to develop and benefit from this sector. Automobiles have been Morocco’s top export over the previous eight years in terms of volume. Car exports totaled $5.4 billion in the first half of 2022, up from $3.05 billion in 2020 and $4.18 billion in the same period of 2021.

In other words, the sale of automobiles is no longer just a means of increasing Moroccan exports; it is now a promising industry that generates substantial annual return. Some 20% of Morocco’s overall exports during the first half of the year comprised automobiles, indicating the industry’s relevance to the nation’s balance of trade.

Since Morocco has already developed the supply chains that serve this sector and increase the local components that go into the automotive industry, the country has been able to expand this industry’s contribution to the GDP. The automotive sector’s contribution to Morocco’s GDP is expected to rise to 24% in 2023, meaning it will comprise nearly a quarter of the country’s economic activity and income. Due to these developments, Morocco now ranks first in Africa in the automotive industry, surpassing Egypt and South Africa.

**Important Competitive Advantages**

Before going into the numerous regulations designed to enhance the automotive industry, it is crucial to note Morocco’s many advantages that have helped lure foreign automakers to establish factories there. The proximity of Morocco to the European, African, and Mediterranean consumer markets stands out as the most notable of these benefits. Given the proximity, it is less expensive to export cars to customers as well as import raw materials. Morocco’s factories also profit from the low labor costs, which are equivalent to a fifth of those in Spain, which is situated across the Strait of Gibraltar.

In addition to all of this, Morocco gains from free and bilateral trade agreements with more than a dozen other nations, including with Europe, the United States, Turkiye, and the United Arab Emirates. These agreements offer Moroccan firms the flexibility to import the necessary raw materials duty-free and export their products to these markets with the least number of fees, costs, and complications. Advantages in the form of five-year exemptions from customs and taxes are especially beneficial to industrial enterprises.

The Industrial Acceleration Plan, which connects the industrial and free zones along the Moroccan coast with railways and expands the port of Tangier’s capacity in the Mediterranean Basin and Africa, is also advantageous to the industrial sector.

Simply put, Morocco has profited from each and every factor—whether in the form of governmental regulations or inherent competitive advantages—that promotes the growth of industrial sectors.

**The Development Path of the Automobile and Parts Industries**

The Moroccan Association for Automotive Trade and Industry was established shortly after Morocco gained independence to help develop the country’s vehicle and auto components industry. But it wasn’t until 2007 that the industry experienced a revival as a result of government initiatives to promote industrial activity.

Since then, Morocco has placed a high priority on attracting auto parts producers, a strategy that encourages automakers to build new facilities in the nation because of the country’s proximity to supplier sites as well as its affordable auto parts marketplace. Additionally, the effort aimed to enhance the percentage of locally produced parts used in cars produced in Morocco.

As a result of this strategy, Renault expanded its production in Morocco, and was soon followed by the Peugeot Citroen Group, Volkswagen and Hyundai, in addition to a large number of automotive companies.

Given that the industrial sector topped the list of its exports, Morocco symbolizes a turning point for North African and Middle Eastern nations in terms of industrial development. This example must encourage economists in the countries of the region to examine Morocco’s strategy, draw lessons from it, and design policies that will allow developing nations to compete in the industrial sector that could support long-term economic growth and job creation. (Fanack 18.11)

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