

**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. Jerusalem to Trim Taxes and Energy Costs to Fight Inflation

Israel is to cancel or cut back recent hikes in property taxes, water and energy costs, Prime Minister Netanyahu said on 11 January, unveiling preliminary measures to ease inflation. Finance Minister Smotrich, speaking alongside Netanyahu at a televised news conference, said the government would maintain fiscal responsibility while pursuing the plan.

Among the measures he announced was subsidizing the price of gasoline, freezing increases in property tax and lowering expected hikes in the cost of electricity and water. But neither the Prime Minister nor Smotrich said where the supplementary funds would come from.

Israel's annual inflation reached 5.3% in November, its highest since October 2008, and the Bank of Israel projects the rate will dip to 3% by the end of 2023. Israel has an official annual target of 1% to 3%. Israel posted a budget surplus of NIS 9.8 billion ($2.8 billion) in 2022, or 0.6% of gross domestic product, its first annual surplus in decades. This followed deficits of 4.4% of GDP in 2021 and 11.3% in 2020. Its 2022 deficit target was 3.9% of GDP. (ILH Staff 12.01)

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* 1. Indian Led Consortium Completes Purchase of Haifa Port

A consortium led by India’s Adani Group completed the purchase of Israel's Haifa Port for $1.15 billion, according to Israel's Finance Ministry. The sale is the culmination of a years' long process with the port. The Israeli government decided in 2018 to privatize Haifa Port. This was part of a wider privatization agenda motivated by a desire to obtain more revenue as well as foreign expertise.

In late 2021, Dubai’s DP World pulled out of the process to buy the port. In July 2022, Adani and Israel’s Gadot Chemical Terminals won the bid to buy Haifa Ports, Ltd. The following September, Adani asked for an extension to complete the purchase, Reuters reported at the time. In November, Adani and Gadot formed a joint venture. The administration of former Prime Minister Lapid gave final approval for the Haifa Port purchase in December before leaving office.

The Chinese state-owned Shanghai International Port Group opened another port in Haifa in 2021. The US government opposed the sale of the port by Israel to China, to the chagrin of the Trump administration at the time. (Al-Monitor 10.01)

ISRAEL MARKET & BUSINESS NEWS

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* 1. Opsys Tech Series C Financing to Accelerate Production of Its Solid-State LiDAR Sensors

Opsys Tech announced the final closing of its Series C financing round. The final closing raised $36.5 million, bringing the total amount of Series C funding to $51.5 million. The financing round included major investments by leading venture capital firms, including 83North, Osage University Partners, Translink Capital and Saban Ventures.

The Series C financing will support the ramp of commercial automotive production quantities of Opsys Tech's LiDAR sensor solutions. Opsys Tech has developed the world's only highly reliable, low-cost, and high-performance solid-state scanning LiDAR sensor with absolutely no moving parts that meets "all specs at all times".

Holon's [Opsys Tech](http://www.opsys-tech.com) was founded in 2016 and has developed a world-leading patented True Solid-State Scanning LiDAR solution that will drive adoption and commercialization of autonomous and semi-autonomous vehicles with maximized safety and performance. (Opsys Tech 05.01)

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* 1. Safe-T Group Changes Name to Alarum Technologies

Safe-T Group announced a corporate rebranding in response to accelerated company growth. At the heart of this rebranding is a change of the Company’s name to Alarum Technologies to embody its corporate vision and core values. The new name, Alarum, is derived from the Latin word for "warning" and is rooted in the Company's focus and commitment to provide advanced privacy and cybersecurity solutions. The Company expects the transition to be completed and take effect on 25 January 2023.

Over the past 18 months, the Company anchored its position as the market leader of cybersecurity and privacy solutions. It has experienced significant growth, which reflects the increasing recognition by private and enterprise customers that choose the value-added benefits of the Company’s various solutions. The rebranding as Alarum better reflects the Company’s current business as a provider of cybersecurity and privacy solutions for consumers and enterprises, and better expresses the Company’s evolving identity and diversified growth ambitions.

Herzliya Pituah's [Safe-T Group](http://www.safetgroup.com) is a global provider of digital privacy and cyber-security and solutions. The Company operates solutions for enterprises and solutions for consumers. (Safe-T Group 12.01)

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* 1. Israel's First 7-Eleven Convenience Store Opens

7-Eleven’s new store opened in Tel Aviv at Dizengoff Center, attracting throngs of mostly teenagers hoping to get a taste of America in the shape of a gallon-cup carbonated slushy called a Slurpee. 7-Eleven is the largest convenience store chain in the United States, with nearly 10,000 locations. With the store opening this week, Israel became the 19th country to welcome the chain and the first in the Middle East, after Electra Consumer Products signed a franchise deal in 2021. Thirty more stores are slated to open by the beginning of 2024; the company says several hundred will follow.

The new stores will join more than 10,000 convenience stores already operating in Israel. In some big cities, including Tel Aviv, convenience stores that resemble New York’s bodegas can be found on every street corner, many of them open around the clock offering anything from cigarettes to diapers.

At the new 7-Eleven, customers serve themselves Slurpees, Big Gulps and soft-serve ice cream, as well as coffee from touchscreen machines that offer oat and soy milk alternatives at the same price. At NIS9 ($2.60), the price is competitive locally but is still more than other 7-Elevens around the world, including the US — reflecting Israel’s notoriously high cost of living. In another innovation, the store’s cups have a barcode that allows customers to check themselves out. A mobile app, currently in a pilot phase, is meant to make it even easier for customers to grab and go.

In Israel, that adaptation includes tweaks to the company’s signature operating hours — the “7” in the name refers to how many days per week the store is open — and to the way food is heated. The company initially said its Israeli stores would be closed on Shabbat, a requirement for food-service establishments that want to be certified as kosher. The Tel Aviv store’s fresh food is not kosher but other branches will be, according to the company. (JTA 12.01)

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* 1. Ottopia Announces $14.5 Million in a Series A Funding Round

Ottopia has raised $14.5 million in its Series A funding round. It includes participation from ComfortDelGro, one of the world's largest public transport companies, AI Alliance Fund, and existing investors such as MizMaa Ventures, IN Venture and Next Gear Ventures. This marks the largest Series A in the history of teleoperation companies.

Ottopia's mission is to enable autonomy in multiple industries such as mobility, logistics, freight, last-mile delivery, agriculture, and construction. Its teleoperation software enables autonomous vehicles and machines to do things they otherwise cannot, while allowing their developers to dramatically cut R&D costs, commercialize faster and comply with regulatory requirements for deployment.

Tel Aviv's [Ottopia](https://ottopia.tech/) is a software company that enables the commercial deployment of all autonomous vehicles (AVs). Using Ottopia's software, remote humans can solve any challenge that autonomy alone cannot. With Ottopia's technology, major OEMs and AV companies close the gap of AVs, cut R&D costs, provide flawless customer experience, and meet regulatory requirements for deployment. (Ottopia 10.01)

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* 1. Financing Platform 40Seas Raises $11 Million in a Seed Round

Tel Aviv's [40Seas](https://www.40seas.com/), a fintech platform for cross-border trade financing, has raised $11 million in Seed funding, as well as $100 million in credit. The company’s platform aims to provide a more efficient and cost effective financing framework for SMEs involved in global commerce. The company’s $11 million Seed funding round was led by Team8 with participation from ZIM Integrated Shipping Services. As part of their strategic cooperation, ZIM has extended 40Seas a three-year, account receivables based, senior secured, revolving credit facility of approximately $100 million, with an option to extend it to $200 million.

By leveraging AI and data-driven technology, 40Seas is able to offer flexible payment options that aim to disrupt legacy trade-financing solutions, and extend the accessibility of working capital for SME importers, exporters, freight forwarders and sourcing agencies. Since going live with a soft launch in October 2022, 40Seas has already financed transactions for dozens of SMEs and is slated to finance tens of millions of dollars in the coming months.

To better serve customers in its ecosystem and generate new revenue streams, ZIM will embed 40Seas into the freight forwarding services offered by Ship4wd, its digital freight forwarding subsidiary, targeting the SME market. Through this integration, ZIM’s SME customers will benefit from a digital financing solution designed to reduce operational and administrative overheads and ease the burden of freight and inventory expenses. (40Seas 10.01)

REGIONAL PRIVATE SECTOR NEWS

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* 1. PowerSchool Accelerates Expansion & Opens First Middle East & Africa Office

Folsom, California's PowerSchool, a leading provider of cloud-based software for K-12 education in North America, announced its accelerated international expansion plans to open its first Middle East & Africa (MEA) Office in Dubai, UAE. The UAE office will serve PowerSchool’s extensive and growing customer base in the MEA region, as well as support the company’s expanding customer relationships in surrounding markets. Additionally, the new office will provide a focal point to help broaden PowerSchool’s channel partnerships across MEA markets.

Over the last 25 years, PowerSchool has grown to support over 45 million students globally and sells solutions in more than 90 countries including well-established and leading education institutions in the Gulf (GCC). Current UAE customers include Al Ittihad National Private Schools, Liwa Education, Aldar Education, ESOL and The American International School in Abu Dhabi. (PowerSchool 09.01)

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* 1. Saudi’s Maaden Enters Into Multiple Joint Ventures

Saudi Arabia’s mining company, Maaden and the country’s sovereign wealth fund, the Public Investment Fund (PIF), are forming a joint venture to invest in mining assets globally. Strategically, the JV aims to initially invest in iron ore, copper, nickel and lithium as a non-operating partner taking minority equity positions. Maaden will hold 51% of the company and PIF will own the remaining 49%. When the company needs additional financing, Maaden and PIF will commit to providing up to $3.2 billion, with Maaden’s maximum investment in the company totaling $1.6 billion.

Maaden is also acquiring a minority 9.9% stake in US tech and mineral exploration company Ivanhoe Electric (IE) for $126 million. Maaden and IE are also forming their own 50-50 JV to explore and develop mining projects in Saudi Arabia. This partnership will give Maaden access to proprietary technology that will enable it to detect minerals that contain copper, nickel, gold and silver.

Maaden signed two JV agreements with Canada-headquartered Barrick Gold for prospective copper exploration projects in Saudi’s Um Al Damar and south Jabal Sayid regions. Maaden also signed a $278 million engineering, procurement and construction (EPC) management services contract with WorleyParsons Arabia and JESA International to construct the first phase of the Phosphate 3 project, which targets the production of some 1.5 million tons per year of phosphate fertilizers. (Enterprise 12.01)

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* 1. ToYou & Tabby Join Forces for Customer Experience and Online Delivery

Riyadh, Saudi Arabia's delivery super app, ToYou, has joined forces with the shopping and payments app, Tabby, to launch ToYou Pay Later powered by Tabby. The innovative new service is set to catapult customer experience to new levels and open doors to untapped potential for a platform already on the ascendency.

In the space of just three years, ToYou has become a leading contender in Saudi Arabia's rapidly growing m-commerce delivery and on-demand services space, recording triple-digit growth in GMV, increased improvement across operational performance and expanding its services and offerings into 56 cities across the kingdom. An ecosystem on one platform, the ToYou App integrates M-commerce, logistics and on-demand services, connecting thousands of merchants with millions of users, and delivering anything and everything, fulfilling multiple requests at the touch of a button.

Tabby enables users to buy as many times as they want from ToYou, with a single bill at the end of the month without interest or fees. Tabby adds ToYou to an existing line up of top brands including noon, Bloomingdale's, Adidas and SHEIN. (ToYou 05.01)

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* 1. Over 150,000 Israeli Tourists Visit the UAE in 10 Months

More than 150,000 Israeli tourists visited the UAE in the last 10 months of 2022, and this year also looks promising in terms of tourism growth between the UAE and Israel as the two countries hope to increase flight frequency. The Israel Ministry of Tourism said some 1,600 Emirati nationals arrived in Israel from UAE in the last ten months of 2022.

During a visit to the UAE last month, the Israel Ministry of Tourism met travel and tourism industry executives and explored business opportunities by offering tour operators the opportunity to collaborate with Israel in an incentive or joint marketing agreement. Israel Ministry of Tourism provides a €20 reward to a travel agency for each tourist arriving in Israel for at least four nights. For its part, Israel can provide perfect conditions for the UAE and GCC visitors, including Halal food restaurants, Arabic-speaking tour guides, Islamic tourism sites and family-oriented hotels and places.

Currently, there is good connectivity between the UAE and Israel, with 70 weekly flights operated by Emirates, FlyDubai, Etihad, EL-Al and Israir. However, an Israeli visa is necessary for visitors who are not UAE citizens but residents (e.g. Pakistan and Bangladesh). Issuing a visa takes time (around two weeks), a consideration for potential visitors when choosing their next travel destination. Israel is focusing on training the UAE's tourism industry and highlighting what Israel offers to potential tourists. (GB 09.01)

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* 1. UAE’s Mubadala Acquires US-based Dental Care Alliance

Mubadala Investment Company (Mubadala) has acquired Sarasota, Florida's Dental Care Alliance (DCA), a leading dental services organization with approximately 390 allied practices, alongside funds managed by Harvest Partners, an established private equity firm focused on investing in middle-market companies. Founded in 1991, DCA has approximately 5,400 employees, including over 885 dentists in 22 states, and welcomes over 3.5 million patient visits per year.

Funds managed by Harvest Partners acquired DCA in partnership with management in 2015. Following the recapitalization that closed in December 2022, Mubadala and funds managed by Harvest Partners jointly control DCA and will work closely with the management team. (GB 16.01)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. UAE to Help Accelerate the US Transition to Clean Energy

The UAE and the US are allocating $20 billion to fund 15 GW of new clean energy projects in the US before 2035. This will be the first wave of investments to take place under the $100 billion partnership to accelerate transition to clean energy (PACE) agreement announced by the two countries in November.

The investments will be led by Emirati clean energy firm Masdar and a consortium of US private sector investors. The aim is for $7 billion in cash equity from the private sector to unlock a further $13 billion through a variety of instruments, including US debt financing.

The overall goal of PACE is to spur $100 billion in green financing in the US and UAE, and channel investment to emerging economies. It’s targeting a scaled-up rollout of low-carbon energy — specifically, building an additional 100 GW of clean energy generation capacity globally by 2035 and building up supply chains. It’s also targeting particular investment in emissions management (specifically carbon and methane emissions), nuclear technology development, and decarbonizing industry and transport. These four areas are being termed PACE’s strategic pillars. (Enterprise 17.01)

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* 1. Abu Dhabi to Invest $15 Billion in Decarbonization

The Abu Dhabi National Oil Company (ADNOC) announced a major investment in sustainable and green technology, allocating $15 billion to decarbonization projects to be invested by 2030. They specifically mentioned carbon capture, electrification, carbon dioxide (CO2) absorption technology and investment in renewable and hydrogen energy. In recent years, the UAE has been planting more trees in an effort to reduce carbon in the atmosphere. Trees take in CO2.

ADNOC is exploring decarbonization and alternative energy sources along with other entities in the UAE. In July of last year, ADNOC announced a partnership with France’s TotalEnergies on carbon capture technology. ADNOC also sent clean ammonia — a hydrogen energy source partly derived from renewable energy — to Japan the month prior. In May, ADNOC signed an agreement with British Petroleum on “low-carbon” hydrogen power. (Al-Monitor 05.01)

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* 1. Saudi Arabia Approves Energy Partnership with the US

The Saudi Arabian cabinet has approved the long-awaited “Partnership Framework for Clean Energy Development” between the United States and KSA. The agreement is based on a 2017 MoU between the Kingdom’s Energy Ministry and the US Department of Energy agreeing to collaborate in renewable energy projects including carbon capture utilization and storage with follow-up agreements signed last July.

The extensive new agreement is made up of six sections including the implementation of a circular carbon economy to support the Paris Agreement goals, increasing the efficiency of electric power systems, streamlining energy storage systems, fuel life cycles to reduce emissions, and supporting the uptake of clean hydrogen. The agreement also stipulates that the two countries can share knowledge on reactor technologies, uranium exploration (mining and processing) and the safe disposal of nuclear waste.

US-Saudi talks over nuclear cooperation began as early as 2008 but were delayed because of disagreements over nonproliferation requirements. In 2009, the Saudi government stated that “atomic energy is essential” to enable the Kingdom to fulfill its electricity and desalination needs as well as diversifying its economy away from hydrocarbons. The country is targeting 17 GW of nuclear capacity by 2040 and bringing online two reactors with a combined capacity of 3.2 GW within the coming decade while adhering to international standards of transparency. (Various 17.01)

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* 1. Saudi Arabia Gets Electronic Waste Recycling Facilities

Saudi-based recycling company Tadweeer signed an $11.36 million agreement with KSA-based firms Tebrak Trading & Contracting Company and Mounes Mohamed Alshayeb for Civil Construction for the development of e-waste repurposing plants in the Kingdom. The agreement will expire in December 2024.

The electronic waste recycling factories will have a processing capacity totaling 40,000 tons per year once they become operational in Q2/24 and are expected to double Tadweeer’s sales. (Enterprise 10.01)

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* 1. Egypt Plants Three Million Trees in 27 Governorates to Combat Drought

As Egypt focuses on reforestation to reduce its greenhouse gas (GHG) emissions and promote ecotourism, the "100 million trees" initiative launched in 2022 has already resulted in the planting of 3.1 million trees in several cities such as the capital Cairo. The operation was launched by President Al Sisi on the sidelines of the 27th United Nations Conference of the Parties on Climate Change (COP27) held in November 2022 in the seaside resort of Sharm el-Sheikh.

This reforestation campaign aims to combat drought and improve the living conditions of the population. The Egyptian authorities plan to plant around 7.7 million trees, “of which 2.7 million will be planted by the governorates”, for the year 2023 alone. The goal is to reach 100 million trees on 6,600 hectares of land by 2030. For the Egyptian Minister of Local Development, the initiative will contribute to the creation of green spaces, notably public gardens, as well as the promotion of ecotourism in several cities.

Among the species planted are fruit trees such as olive trees, which produce edible oil that is widely used in Mediterranean cuisine and for certain African therapies. To this end, the “100 million trees” initiative will also promote the development of agro-ecology and the creation of jobs on Egyptian soil. (Afrik21 11.01)

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* 1. Tunisia Earmarks $12.3 Billion in Public Spending for New Green Development Plan

Tunisia’s government unveiled a 2023-2025 development plan aiming to *greenify* its agricultural industry, increase phosphate production, address rising poverty and spur more private sector investment. The country plans to allocate some $12.3 billion for the development program through public spending from 2023-2025. It’s also looking to bring in private sector participation through facilitating public-private partnerships, among other things. Tunisia is hoping to increase the private sector’s share of investments in the program to 60% over the three years.

Tunisia’s $1.9 billion IMF package, agreed upon in October, contains provisions designed to help the country build climate change resilience. These requirements include measures to promote investment in renewables, land and water management, to preserve the country’s coastline, and support agriculture, health, and tourism. Tunisia is still awaiting the final green light from the IMF for the dispersal of funds — which should then spur other international support.

Tunisian authorities will seek to support startups that are addressing the issues of water scarcity and drought through innovations in water reuse. The government is also set to authorize the use of agricultural land for renewables projects — notably in wind and solar energy, it adds. (Enterprise 05.01)

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* 1. Morocco’s OCP Group Plans Major Green Investments

Morocco’s state-owned OCP Group, which mines phosphate, manufactures phosphoric acid and produces fertilizer, recently announced it will invest some $ 13 billion in a strategic program for 2023-27 to *makes* its operations more environmentally friendly. The planned $ 13 billion investment is a leap from the $ 8 billion invested by OCP between 2012 and 2021. Under the new program, OCP seeks to increase its fertilizer production, produce “green” fertilizer and run more of its operations on renewable energy.

Achieving full carbon neutrality by 2040: OCP is committing to supply all its industrial facilities with clean energy by 2027 and using wind, solar, hydroelectric, and co-generation (the simultaneous production of both electricity and heat, powered by one primary energy source) to power all its industrial facilities by 2027. It also aims to reach net-zero by 2040. Under the new program, it’s targeting an increase in fertilizer production capacity to 20 million tons by 2027, up from its current 12 million tons.

This hefty investment in renewable energy will allow OCP — currently the world’s top ammonia importer — to reduce its long-term reliance on imports. Through planned substantial investments in green hydrogen and ammonia production, OCP will be able to produce “wholly sustainable fertilizers. (OCP 10.01)

ARAB STATE DEVELOPMENTS

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* 1. Lebanon’s Inflation Remains High But at a Lower Rate of 142.37%‎

According to Lebanon's Central Administration of Statistics (CAS), the Consumer Price Index (CPI) eased from 201.07% in November 2021 to register softer ‎levels of 142.37% in November 2022, though it remains at a historical elevated level. The cost of Housing and utilities, ‎inclusive of water, electricity, gas and other fuels (grasping 28.4% of the CPI) added a yearly ‎‎74% by November 2022. Owner-occupied rental costs increased by 10.99% year-on-‎year (YOY) and the prices of water, electricity, gas and other fuels followed a significant ‎increase by 234.69% YOY as subsidies were removed by the Central Bank and prices went up ‎sharply on the global market due to the war in Ukraine. Nevertheless, prices are expected to ‎surge further in the coming period once the customs would be collected at the rate of 15,000 ‎LBP/USD instead of 1507.5 LBP/USD.

Prices of Food and non-alcoholic ‎beverages (20% of CPI) surged by 171.24% yearly. The average prices of ‎‎Transportation (13.1% of the CPI) and Health (7.7% of the CPI) recorded hikes of an annual ‎‎181.64% and 171.75% respectively by November 2022. Also, Restaurant and Hotels (2.8% of ‎CPI) increased yearly by 176.3% by November 2022 as the hospitality sector had been ‎authorized to adopt prices listed in dollars. Costs of Clothing and Footwear ‎‎ (5.2% of CPI) surged by 138.96% by November 2022, and the prices of Communication (4.5% ‎of the CPI) increased by 226.27%, the second highest after fuels. Finally, prices of Furnishings ‎and household equipment (3.8% of CPI), Alcoholic beverages and tobacco (1.4% of CPI), and ‎‎Recreation, amusement, and culture (2.4% of the CPI) increased by 113.32%, 147.61%, and ‎‎140.86%, respectively, by November 2022.

As Lebanon started to implement a new exchange ‎rate of LBP15,000 per the dollar on customs in December, it is expected to lead to a further ‎increase in prices on all products and services. The Poverty rate has reached alarming levels and ‎food insecurity is more and more apparent in Lebanon, due to a decline in economic activity, ‎political instability and rising costs of living. Unfortunately, the response of the authorities is ‎failing to ensure everyone’s right to an adequate standard of living, including the right to food. ‎Inflation rate by November 2022. (CAS 05.01)

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* 1. Lebanon’s Trade Deficit Up by 59.5% to $15.56 Billion in December 2022

According to the Customs Administration, Lebanon’s trade deficit totaled $15.56 billion, up from $9.75 billion during the same period last year. Total imported goods added 39.65% year-on-year (YOY) to $19.05B while total exports decreased by 10.16% YOY to stand at $3.49B by December 2022. Interesting to note, Central Bank’ foreign assets dropped since year start by $2.644B by end of December 2022, while total amount traded on Sayrafa platform reached $11.72B by December 2022.

Mineral products grasped the lion’s share of total imported goods with a stake of 29.29%. Machinery and electrical instruments ranked second, composing 12.87% of the total while Vehicles, aircraft, vessels, transport equipment and Pearls, precious stones and metals grasped the respective shares of 10.5% and 8.83%, respectively.

The top three import destinations by December 2022 were China, Turkey and Greece grasping the respective shares of 14.04%, 12.7%, and 9.55% of the total value of imports. Furthermore, total value of imported goods from China, Turkey and Greece reached respectively $2.68B, $2.42B and $1.82B. On the Exports front, Lebanon’s top exported products were Pearls, precious stones and metals grasping a share of 21.56% of the total. Base metals and articles of base metal and Plastics and articles thereof; rubber followed, with each grasping a share of 14.02% and 11.11%, respectively, of the total. The top three export destinations in December 2022 were UAE, Syrian Arab Republic and Egypt with the respective shares of 21.4%, 10.2% and 4.82%. (CA 14.01)

►►Arabian Gulf

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* 1. Sheikh Mohammed Launches the Dubai Economic Agenda D33

Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, launched the Dubai Economic Agenda ‘D33’ on 4 January. The launch was part of Sheikh Mohammed’s annual address on the 17th anniversary of his Accession Day as the Ruler of Dubai. The agenda’s ambitious goals are to double the size of Dubai’s economy over the next decade, and consolidate its position among the top three global cities.

The Dubai Economic Agenda ‘D33’ will include 100 transformative projects, with economic targets of Dhs32 trillion over the next 10 years, doubling our foreign trade to reach Dhs25.6 trillion and adding 400 cities as key trading partners over the next decade. (GB 04.01)

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* 1. UAE Announces New Guidance to Control Money Laundering

The Central Bank of the United Arab Emirates issued new guidance on money laundering and terrorism financing on 11 January in an effort to counter global criticism of the country for being soft on the issue. The guidance relates to the use of digital identification systems that financial institutions in the UAE use. The bank said that institutions should use identification as well as enrollment and authentication mechanisms in their digital ID systems. They should also use authentication data such as IP addresses to detect suspicious behavior, including from “sanctioned and high-risk jurisdictions.

The Central Bank added that financial institutions may use third parties for customer verification and identification, provided these third parties comply with the 2018 Emirati law on money laundering and terrorism financing. The institutions should also use technology best practices and institute protections against cyberattacks and other breaches.

The UAE was placed on the Paris-based Financial Action Task Force’s “grey list” in early 2022, indicating a relatively high degree of money laundering. Since then, the Gulf country has been working to clean up its act in this regard. The Abu Dhabi General Market released whistleblowing guidelines in December. The Dubai Financial Services Authority and Emirati Tax Authority did the same in April of last year. The UAE Central Bank sanctioned private banks last July for not following reporting procedures, while the Economy Ministry fined companies in December for violating money laundering and terrorism financing laws. In August of last year, the Central Bank also announced new procedures financial institutions must follow for individuals at higher risk of engaging in money laundering, terrorism financing or other wrongdoing. (Al-Monitor 12.01)

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* 1. Sharjah Sat 1 Successfully Launched from Cape Canaveral, Florida

The Sharjah Sat 1 satellite successfully launched into space on the SpaceX Falcon 9 rocket at Cape Canaveral, Florida, on 3 January. The expected lifetime of the satellite is three years, subject to increase, according to the effect of solar radiation on the layers of the Earth’s atmosphere due to its proximity to the low Earth orbit (550 km), around which Sharjah Sat 1 revolves. During its mission, it will carry out various scientific tasks such as studying the sun, X-ray emissions and space weather. (GB 04.01)

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* 1. UAE & Korea Sign MoUs to Advance Strategic Partnership

UAE President Sheikh Mohamed and Yoon Suk Yeol, President of the Republic of Korea, were present at the signing and announcement of several agreements and Memoranda of Understanding (MoUs) to develop cooperation across various sectors between the two countries. The two leaders agreed to further strengthen and develop the ‘Special Strategic Partnership’ between the two countries.

The countries will strengthen strategic cooperation in four key areas: conventional energy and clean energy, peaceful nuclear energy, economy and investment, and defense and defense technology, as well as in other areas of mutual interest including space, emerging industries and culture. The agreements include one related to hydrogen energy’s use in cities, its production, transmission and storage signed by the UAE Ministry of Energy and Infrastructure and the Korean Ministry of Land, Infrastructure and Transport.

A MoU on cooperation in water resources between the UAE Ministry of Energy and Infrastructure and the Korean Ministry of Environment was also signed. The UAE Space Agency and Korea’s Ministry of Science and Information and Communications Technology exchanged a MoU related to the amendment of an agreement signed earlier in January 2017 related to cooperation in space exploration and its use for peaceful purposes. Mubadala Investment Company and the Korea Development Bank signed a MoU regarding the sovereign investment partnership, while TAQA and the Export-Import Bank of Korea also signed a MoU related to financial cooperation. (GB 16.01)

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* 1. UAE Offers Corporate Tax Orientation as Implementation Nears

The United Arab Emirates' Finance Ministry is holding a series of “UAE Corporate Tax Public Awareness Sessions” throughout the Emirates and virtually in English and Arabic through 20 February. The purpose of the sessions is to engage with the public and the business community to raise awareness of corporate tax and provide an overview of the key features of the law.

The UAE announced last year that it would start taxing business profits at 9% starting in June 2023. The move is part of a wider trend in Gulf states to increase tax revenue and reduce their dependence on oil and gas. For decades, international corporations have been exempt from such taxes in the UAE. The practice has helped turn Dubai, and to a lesser extent Abu Dhabi, into attractive business destinations. The introduction of the corporate tax could make the Emirates less attractive to international business. However, UAE officials counter that the new tax regime will be more attractive for entrepreneurs since it also removes business fees. (Al-Monitor 06.01)

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* 1. Ras Al Khaimah Records Highest Visitor Numbers in 2022

Ras Al Khaimah Tourism Development Authority (RAKTDA) welcomed over 1.13 million visitors in 2022, a total increase of 15.6% increase in 2021. The results exceed pre-pandemic levels indicating recovery and resilience in a volatile year.

The figures follow a strong December performance in which the emirate welcomed its highest ever footfall in one month, with over 128,000 visitor arrivals, representing a 23% increase vs December 2021. This was bolstered by the emirate’s record-breaking New Year’s Eve fireworks and drones display, which saw Ras Al Khaimah set two Guinness World Record titles for the ‘largest number of operated multi-rotors/drones with a simultaneous fireworks display’ and the ‘largest aerial sentence formed by multi-rotors/drones. The festivities drew over 30,000 visitors with public events and hotels across the emirate fully booked, making it the most visited show to date.

The year 2022 also saw a 40% increase in international visitors, with key source markets including Kazakhstan, Russia, the United Kingdom, Germany and Czechia. This was driven by a series of partnerships with airlines and tour operators to target emerging and growing source markets, supported by more than 90 events and roadshows in 24 markets worldwide. (GB 11.01)

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* 1. Saudi Inflation Hits 3.3% in December, Highest In 18 Months

Inflation in Saudi Arabia rose at its fastest pace in 18 months, driven by mounting costs for housing, energy and food. The consumer price index climbed an annual 3.3% in December, according to the Saudi General Authority for Statistics. Prices for housing, water, electricity, gas and other fuels in the kingdom rose an annual 5.8%, while food and beverages were up 4.2%. On a monthly basis, inflation was 0.3%.

The annual figure was the highest since June 2021, when the index was still showing the knock-on effects of a tripling in value-added tax the previous year. Still, Saudi inflation remains low compared to the global average of about 9.7%.

The Saudi government sees inflation averaging 2.1% in 2023, according to the state budget published last month. Authorities have taken measures to contain growth, including setting a cap on domestic gasoline prices last July. (SGAS 17.01)

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* 1. Investment in Saudi Arabia Startups in 2022 Nears $1 Billion

The data analytics platform [MAGNiTT](https://magnitt.com/) said there was $987 million invested in Saudi startups in 2022. This was the most ever and constituted a 72% increase from 2021. The number of newly registered investors in Saudi Arabia last year was 104, which was an increase of 30% from 2021, the official Saudi Press Agency reported. MAGNiTT is supported by the Saudi Venture Capital Company. The firm is based in Dubai.

The report noted increased investment throughout the Middle East and North Africa. There was more than $3 billion in venture capital investment in the region in 2022, up from $2.9 billion the year prior. The United Arab Emirates is widely considered the largest venture capital market in the Middle East. MAGNiTT said that Saudi Arabia is second.

Saudi Arabia has had some success in building up its startup community. Venture capital investment in the kingdom targets a variety of sectors, including e-commerce, health, artificial intelligence and financial technology. Most recently, the Saudi Finance Ministry granted in November licenses to two artificial intelligence companies to operate in the kingdom. Saudi Arabia's fintech sector has enormous potential due to its young population and recently installed regulatory frameworks for the sector. Finding skillful talent is a major challenge, however. (Al-Monitor 12.01)

►►North Africa

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* 1. Egyptian Inflation Increases into 2023 ‎

Inflation in Egypt continued to rise at the end of 2022, the government’s statistics agency ‎CAPMAS announced on 10 January. ‎ Egypt’s annual headline inflation rose to 21.9% in December, up from 19.2% in November 2022 ‎and 6.5% in December 2021. This was due to prices rising across numerous sectors, including ‎food, water, gas, electricity, housing, health insurance and more. Headline inflation includes all aspects that could contribute to inflation. It is not ‎adjusted for seasonality or volatile factors such as food or energy. Headline inflation is often ‎considered a good measure of the cost of living.‎

The inflation rate is the highest since 2017, when annual inflation was 29.5%. Inflation ‎had been mostly declining since then until 2022, according to data from the World Bank. Egypt ‎was particularly hard hit by the supply chain shocks resulting from the Russian invasion of ‎Ukraine. ‎ The rising inflation is hurting Egyptian consumers. The government and banks have tried a few things to curb inflation. The Central Bank of Egypt ‎raised interest rates last month. Some Egyptian banks also announced saving incentives. ‎

Egypt is experiencing other fiscal problems as well. Egyptian Prime Minister Madbouly announced numerous restrictions on government spending due to ‎Egypt's foreign currency shortage. ‎ The Egyptian pound has also fallen considerably against the US dollar in recent months, and is ‎currently at an all-time low of around 27.6 pounds to the dollar, according to market data. ‎ Egypt agreed to float its currency in October 2022 as a precondition for receiving a $3 billion ‎loan from the International Monetary Fund. The pound has fallen considerably since then. ‎(Al-Monitor 11.01)

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* 1. Cairo Ratifies Budget Cutbacks for FY 2022-2023 Amid Inflation and FX Issues

Egyptian Prime Minister Madbouly has told all but “essential” ministries to make budget cutbacks until the end of the current fiscal year. The order comes as the government works to address a shortage of hard currency and tamp down inflation. Under a directive published in the Official Gazette on 9 January, ministries and related authorities will have to reduce operational costs and limit spending on some national projects that require FX for the rest of FY 2022-2023, which finishes at the end of June.

Any new national projects that require significant FX expenditure, and where construction has yet to begin, will be delayed, according to the decision. Any FX spending at all by the ministries in question and their authorities will also require the Finance Ministry’s approval.

The health, interior, defense and foreign ministries have been exempted from belt-tightening, as have agencies responsible for securing food and energy supplies. All other ministries have 21 days to submit reports detailing the exact portion of the budget they intend to freeze until the end of the fiscal year. Non-urgent spending will also be delayed. The directive mentions activities including “non-urgent” business travel, recreational activities, attending conferences, and throwing work events. Authorities will also be required to curb spending on grants, awards, and training for staff. The government has earmarked EGP 2.07 trillion in spending in its FY 2022-2023 budget. (Enterprise 10.01)

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* 1. Egypt Request to IMF for Extended Arrangement Under the Extended Fund Facility

The IMF said that Egypt exhibited resilience to the COVID-19 pandemic shock following timely policy response supported by the 2020 Rapid Financing Instrument (RFI) and 2020–21 Stand-By Arrangement (SBA). While performance under the SBA was strong, the immediate health crisis delayed efforts to re-invigorate much needed structural reforms while high public debt vulnerabilities continued to expose the country to changes in global financial conditions and investor sentiments. As economic recovery gained momentum during FY2021/22, imbalances also started building amidst a stabilized exchange rate. The outbreak of Russia’s war on Ukraine crystallized pre-existing pressures, giving way to capital outflows and large reserves losses while high commodity prices led to rising inflation. Trade spillovers have also been significant given Egypt’s dependence on Russia and Ukraine for wheat and tourism. In October, the authorities took bold policy actions to unwind prior policy distortions including a shift to a flexible exchange rate while taking measures to help shield the Egyptian population from a mounting cost-of-living crisis. But global uncertainty casts a long shadow on Egypt’s recovery and the longstanding need for advancing deep structural reforms to spur sustainable, inclusive and job-rich growth remains. (IMF 10.01)

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* 1. Egypt's Private Sector Contracts for the 25th Consecutive Month

Business activity in Egypt’s non-oil private sector contracted for the 25th consecutive month in December, albeit at a softer pace, according to S&P Global’s purchasing managers’ index. The PMI reading rose to 47.2 in December from 45.4 a month earlier, but remained below the 50.0 mark that separates growth from contraction. Surging inflation, a weaker EGP, and import restrictions were once again to blame for deteriorating conditions, S&P Global said.

The Egyptian pound’s depreciation against the US dollar in recent months continued to drive input costs higher, although the latest data signaled a softer rate of inflation than November's over four-year record. The currency has fallen some 34% against the greenback since late October, when the central bank devalued the EGP and moved to a durably flexible exchange rate. A weaker local currency led material prices to surge while staff costs saw a modest rise.

Egyptian businesses also slashed headcounts for the second time in three months, pushing backlogs of work to rise at their fastest pace in over two years. The outlook is still optimistic, as expectations towards future output improved for the second month running from October's record low and were the strongest since June, despite ongoing concerns over global economic conditions. (Enterprise 05.01)

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* 1. Egyptian Banks Announce Measure to Encourage Savings

Two Egyptian banks announced on 4 January a measure to encourage more Egyptians to save amid inflation and the depreciation of the Egyptian pound. Banque Misr is issuing one-year savings certificates with either a 25% yield at the end of the year or a 22.5% monthly yield. The National Bank of Egypt is offering the same thing. The yields are the highest on record.

Inflation increased in Egypt throughout 2022 and is still on the rise, according to the latest figures. Egypt’s annual consumer urban inflation rate reached a five-year high of 18.7% in November. In an attempt to combat inflation, the Central Bank of Egypt raised interest rates four times last year, most recently in December.

The Egyptian pound fell dramatically in value against the US dollar after the October rate hike and then dropped again this month. At present, one US dollar is equal to around 25.5 Egyptian pounds. A year ago, it was worth 15 pounds, according to currency data. The Central Bank also has a plan to establish new indexes consisting of gold and non-US dollar foreign currencies. (Al-Monitor 04.01)

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* 1. Euro-Mediterranean University of Fez to Intensify Cooperation with 3 Israeli Universities

The Euro-Mediterranean University of Fez has signed three partnership agreements with the University of Tel Aviv, the Hebrew University of Jerusalem and Shenkar University. The partnership agreements aim to boost cooperation between the universities in several fields, including robotics, artificial intelligence, biotechnology, water issues and agriculture. A delegation from the Moroccan university traveled to Tel Aviv recently to strengthen cooperation with the three Israeli universities. As part of the partnership, 10 students from the Moroccan university will travel to Israel in February as part of an exchange program. The Euro-Mediterranean University of Fez is also expecting to receive students from the three Israeli universities this year.

The Euro Mediterranean University was part of a number of Moroccan higher learning institutions that recently signed agreements with several Israeli schools, including the Israeli Sami Shamoon College of Engineering (SCE) University. The Fez-based university and the SCE signed an agreement in March of last year to boost cooperation on academic research. Other Moroccan universities that have signed such agreements with Israeli academic institutions are Mohammed VI Polytechnic University and the International University of Rabat. (MWN 16.01)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Tackling Inflation is Cyprus' Biggest Task

The [Cyprus Economy and Competitiveness Council](http://www.ecompet.cy/ecompet/ecompet.nsf/home_en/home_en?opendocument) (Ecompet) outlined medium-term and long-term proposals to tackle inflation via innovation investment. The Council said that due to the seriousness of inflation, it established a committee to propose measures and policy directives to tackle inflation.

The Council proposes improving productivity through digital transformation and innovation, recalling that the government’s Recovery Plan includes an array of measures to invest in innovation and boost productivity.

Digitalization, the Council added, will reduce the need for transportation to address services physically and the imposition of additional fees. Improving broadband connection will enable a more innovative environment that would reduce operating costs and improve household costs via work-from-home solutions. On improving supply chains and boosting Cyprus connectivity, Ecompet proposed that the Ministry of Commerce’s Trade Service should be strengthened to promote exports, the digitization of services and utilize new technologies in agriculture.

Ecompet also recommended the promotion of cheap and efficient mass transportation, recalling that “Vision 2035” suggests a change in culture over public transportation. To this end, the Council suggested increasing the frequency of bus routes for universities and schools and providing economic incentives to certain groups, such as university students and pupils, to use public transport. (FM 16.01)

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* 1. Cyprus' Annual Car Sales Lowest Since 2015

In 2022, Cypriot car sales reached their lowest ebb for seven years as sales continued to drop for a fourth consecutive year because of growing uncertainty during the pandemic and the aftermath of Russia’s invasion of Ukraine. According to CyStat data, last year recorded the lowest number of saloon car sales since 2015, with 26,598 cars registered from 26,634 in 2021. Although the decrease of 0.1% from the previous year may look marginal, compared to the pre-coronavirus year of 2019, the drop is 29.6%.

Car dealerships said the market was idle during the last months of the year, only to be reheated in January with the announcement of the second phase of a government incentive scheme for electric vehicles.

Of the total passenger saloon cars sold last year, 11,577 or 43.5%, were new, and 15,021 or 56.5%, were used cars. Rental cars saw a 72.1% increase to 4,102. New registrations were up 9.1% to 11,577 from 10,611 in 2021, while used car sales were down 6.3%, falling to 15,021 from 16,023 in 2021. Compared to 2019, registrations of new cars declined by 8.1%, and second-hand ones dropped by 40.4%. The total number of registered vehicles fell by 2.7% in 2022 to 33,795, compared to 34,716 in 2021.

The main suppliers of motor vehicles to Cyprus during 2022 were Japan (38.6%), Germany (13.3%), France (9.2%), the United Kingdom (5.4%) and South Korea (4.9%). (FM 11.01)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. Amir Ohana Becomes Israel's First LGBTQ Knesset Speaker

Likud senior and former minister Amir Ohana has become the first openly gay Knesset speaker in Israel's history, becoming Israel's fourth most important figure in terms of protocol. Ohana, 46, is used to breaking records. In 2011 he founded the Likud’s LGBTQ faction, the first such group within the political right. In 2013 he led a campaign for changing the Likud party's constitution to include battling gender-based discrimination. In 2015, he entered the Knesset and in 2019 he became the first openly gay person to be nominated minister, serving first as justice minister and then as public security minister. He was also member of the Knesset’s prestigious Foreign Affairs and Defense Committee.

In 2015 was especially important for Ohana. In addition to becoming a Knesset member, he also became a father. He and his partner, mathematician Alon Haddad, had twins by a surrogate in the United States.

Within just a few years, Ohana had managed to make a place for himself in the Likud leadership by becoming one of Netanyahu’s close confidants, as reflected in his 2019 appointment as justice minister. Ohana was Netanyahu’s personal candidate for the position of Knesset speaker, and the prime minister greeted him and his partner warmly in his inauguration speech.

Ohana’s Moroccan-born parents were in the Knesset to see their son elected speaker, as were his partner and children. In his speech, Ohana promised, the "current Knesset, under this speaker’s leadership, will not harm any child or any family. If any young men or women are watching this installation ceremony, I want you to know that it doesn’t matter who you are or where you come from. You can reach any position you want.”  (Al-Monitor 05.01)

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* 1. Ultra-Orthodox Jews to Make Up 16% of Israel's Population by 2030

The Israel Democracy Institute's annual report on ultra-Orthodox society found that there are currently 1,280,000 ultra-Orthodox Jews living in Israel, making up 13.5% of the total population. The fastest growing community in the country, the ultra-Orthodox will represent 16% of the total Israeli population by 2030.

The report said there were 373,000 ultra-Orthodox students under the age of 18 in the 2021-2022 school year, representing 19.5% of all students nationwide. In 2019-20, 59% of ultra-Orthodox girls passed the matriculation exams, compared to 31% in 2008-2009. However, only 15% of boys in the community passed the exams, with 14% graduating - compared to 83% of other Jewish Israelis. The number of ultra-Orthodox students in institutions of higher education has increased by 235% between 2009 and 2022, now representing 10.5% of all students in Israel.

The report also noted that in 2019, the poverty rate for ultra-Orthodox Jews was 44%, twice that of other Israelis (22%). The average monthly income of ultra-Orthodox households was just $4,011, compared to $6,200 for other Jewish Israeli households in the country.

The number of ultra-Orthodox Israelis doing civilian or military service has declined in recent years, with just 1,193 men serving in the military, and 495 doing national service in 2020. The report also showed that internet access is becoming more widespread in the community: 66% of ultra-Orthodox Jews now use the internet compared to 94% of other Jewish Israelis. (i24NEWS 02.01)

\*REGIONAL:

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* 1. UAE Schools Will Now Teach About the Holocaust in National Curriculum

The UAE will now include the Holocaust in the national curriculum at the primary and secondary level, following the signing of the Abraham Accords, the normalization deal between the UAE and Israel 2020. The UAE embassy in Washington confirmed that the Holocaust will be added to the primary and secondary schools' curricula. The Emirati Ministry of Education is currently working on the new curricula in coordination with the Institute for Monitoring Peace and Cultural Tolerance in School Education. The topic was never covered at schools in the UAE before. The Arab world is rife with conspiracy theories, anti-Semitic publications and denials about the systemic killing of six million Jews by Nazi Germany in World War II. Last September, UAE's foreign minister Abdullah bin Zayed became the first senior Arab official to pay respects at Yad Vashem, Israel’s Holocaust memorial in Jerusalem.

In 2021, the UAE set up in Dubai the first Holocaust memorial exhibition in the region. Several Holocaust survivors were flown in to tell their stories. The number of Jewish community members in the UAE has increased since the Abraham Accords as the UAE establishes commercial ties with Israel, and is building its own synagogue. (Al-Monitor 11.01)

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* 1. CIRA & Al Ahly to Establish Two Cairo Branches of Canada’s Seneca College

Al Ahly CIRA for Educational Services is partnering with Toronto's Seneca College to bring two branches of the Canadian applied arts and technology college to Cairo under an MoU signed between the company and the college. Seneca College in Egypt will offer courses in disciplines including AI, modern engineering, and business management in the tech sector. It is not clear when the new campuses will be built, how much they might cost, or what the breakdown of roles and assets will be between the parties involved.

Al Ahly CIRA is the EGP 2 billion education investment JV launched a little over a year ago by CIRA Education and Al Ahly Capital Holding (the investment arm of state-owned National Bank of Egypt.) The company primarily targets investment in K-12 schools, universities and technical colleges. Al Ahly CIRA expects to launch the first phase of Saxony Egypt University, Egypt's first private technology university, in September. (Enterprise 12.01)

ISRAEL LIFE SCIENCE NEWS

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* 1. Purple Biotech & Mor Collaborate on Promising Investigational Oncology Treatments

Purple Biotech announced a research collaboration with Mor Research Applications (Mor), the technology transfer subsidiary of Clalit Healthcare Services (Clalit). The agreement provides Purple Biotech first access to early-stage oncology product candidates owned by Mor. Under this agreement, the Company will have the option to fund early development aiming both to in-license selected drug assets and to pursue their development and commercialization. Under this partnership, Purple Biotech has first right to review Mor’s pool of early-stage research projects and to select those that it wishes to explore in early development prior to in-licensing, which will carry worldwide exclusivity.

Clalit is Israel’s largest Health Maintenance Organization (HMO), covering approximately half the population of Israel (52%). Clalit serves approximately 4.8 million members and operates 14 hospitals. The research conducted at these hospitals is now potentially available to Purple Biotech for in-licensing and clinical development.

Rehovot's [Purple Biotech](https://purple-biotech.com) is a clinical-stage company developing first-in-class therapies that seek to overcome tumor immune evasion and drug resistance. The Company’s oncology pipeline includes NT219 and CM24. NT219 is a dual inhibitor, novel small molecule that simultaneously targets IRS1/2 and STAT3. In a Phase 1/2 study of NT219, the Company is currently advancing it in a dose escalation as a monotherapy treatment of solid tumors, and in a dose escalation in combination with cetuximab for the treatment of recurrent and metastatic squamous cell carcinoma of the head and neck (SCCHN) or colorectal adenocarcinoma. (Purple Biotech 03.01)

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* 1. Novocure Study in Non-Small Cell Lung Cancer Met Primary Overall Survival Endpoint

Novocure announced the LUNAR study met its primary endpoint, demonstrating a statistically significant and clinically meaningful improvement in overall survival over standard therapies alone. The LUNAR study is a pivotal, open-label, randomized study evaluating the safety and efficacy of Tumor Treating Fields (TTFields) together with standard therapies for stage 4 non-small cell lung cancer (NSCLC) following progression while on or after treatment with platinum-based therapy.

The LUNAR study also showed a statistically significant and clinically meaningful improvement in overall survival when patients were treated with TTFields and immune checkpoint inhibitors (ICI), as compared to those treated with immune checkpoint inhibitors alone, and a positive trend in overall survival when patients were treated with TTFields and docetaxel versus docetaxel alone. Patient enrollment was well balanced between the ICI and docetaxel cohorts of the experimental and control arms, and control arms performed in line with prior studies. TTFields therapy was well tolerated by patients enrolled in the experimental arm of the study.

Haifa's [Novocure](http://www.Novocure.com) is a global oncology company working to extend survival in some of the most aggressive forms of cancer through the development and commercialization of its innovative therapy, Tumor Treating Fields. Novocure’s commercialized products are approved in certain countries for the treatment of adult patients with glioblastoma and malignant pleural mesothelioma. Novocure has ongoing or completed clinical studies investigating Tumor Treating Fields in brain metastases, gastric cancer, glioblastoma, liver cancer, non-small cell lung cancer, pancreatic cancer and ovarian cancer. (Novocure 05.01)

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* 1. liberDi Receives FDA Regulatory Clearance for its Digital Dialysis System

liberDi has received regulatory clearance from the US FDA for its Digital Dialysis Clinic, which allows patients to perform dialysis at home or at the workplace, by themselves, monitored by their physician using the advanced telemedicine capabilities of the system.

One out of ten people in the world experience kidney disease. In advanced stages of the disease, dialysis is the most common treatment. Dialysis is a life-support treatment which extends average life expectancy by 5 – 10 years. Approximately 90% of the patients spend half of their remaining lifetime dialyzing in clinics. liberDi's system is positioned to replace traditional full-service, in-clinic care with a self-care system suitable for many people on or requiring dialysis.

liberDi conducted two initial clinical studies to demonstrate the safety and effectiveness of the Portable Peritoneal Dialysis system on patients requiring dialysis. Forty two subjects used the system for dialysis under the supervision of three medical centers in Israel. The studies' results endorse that liberDi's Digital Dialysis Clinic is safe to use and feasible for an automatic PD exchange. liberDi also performed a human factor validation study evaluating all user groups: people requiring dialysis and their caregivers, as well as healthcare professionals such as nephrologists and dialysis nurses. The study simulated a real-world environment and proved that anyone can operate the system following a single 90 minute proper training session.

Misgav's [liberDi](http://www.liberdi.com) provides mobility and freedom to people on dialysis, allowing them to continue with their normal private and professional activities while on dialysis. liberDi was founded in 2014 at the Trendlines Group Incubator in Israel and is led by a team of world-class scientists, engineers, nephrology experts and industry leaders. (liberDi 04.01)

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* 1. Israeli Researchers Develop Revolutionary Treatment Against Type of Blood Cancer

A team of Israeli researchers has developed a revolutionary treatment against a type of blood cancer. Professor Cyrille Cohen at Bar Ilan University revealed on 4 January that he had developed the new protocol along with his colleague, Professor Polina Stepensky, head of the Bone Marrow Transplant and Immunotherapy Department at Hadassah Hospital in Jerusalem.

The breakthrough involves a molecule capable of redirecting the immune function of patients with multiple myeloma, a blood cancer that affects antibody-producing plasma cells. The Bar Ilan and Hadassah teams have, during several years of research, developed a molecule which, reinjected into the white blood cells of patients, will kill cancer cells.

In the first phase of clinical trials which began at Hadassah Hospital, 60 patients have already been treated with these modified molecules and an American company, Immix BioPharma, is continuing the clinical trials with the aim to achieve widespread use. Although the research team does not yet know precisely how long the treatment will be effective, it is already working to adapt it to so-called solid cancers. (i24NEWS 08.01)

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* 1. Fenix Joins with Genesis in the Battle Against the New Race of Downy Mildew

Among the pathogens that affect basil today, downy mildew certainly plays a leading role due to the enormous damage it can cause to the cultivation of this important herb, so much so that it has earned it the title of ‘basil killer’ over the years. This has prompted the Italian seed company Fenix to increase systematically the unique bond with [Genesis Seeds](http://www.genesisseeds.com) – an Israeli company with investments in the research of hybrid basil varieties based on a collaboration with the phytopathology team of Bar-Ilan University.

This unique partnership has led to the recent visit of some of the most representative characters of the Italian basil industry to the Genesis Seeds facilities in Israel. Along this visit, growers were exposed not only to the new basil developments but also to the sophisticated research at the Bar-Ilan University, seed production and logistics, all within a complete cycle to bring the highest quality seeds to the Italian growers.

This cooperation has already led to the birth of the well-known basil Prospera and to its Italian market entry, where it is a leader thanks to the excellent organoleptic qualities such as aroma, leaf shape, color, etc., and the important genetic resistance to the Fusarium of basil and to Downy mildew.

In response to this new dangerous presence, Genesis Seeds and Fenix worked to present new hybrids which will carry a better resistance to Downy mildew and Fusarium while maintaining the same organoleptic characteristics and resistances that have contributed to the success of the Prospera range. (Genesis Seeds 14.01)

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* 1. Treetoscope Expands Geographical Access for its Irrigation Management Platform

Treetoscope announced a new partnership with the Toro Company, a leading worldwide provider of innovative irrigation solutions, amongst others, to provide growers with irrigation decision support based on their innovative direct plant sensing technology. Treetoscope offers a SaaS (Software as a Service) irrigation management platform, based on its innovative direct plant sensing technology integrated with soil, satellite and real-time weather data. The groundbreaking solution provides unprecedented accuracy in measuring real-time actual water use of trees, supporting optimal irrigation decisions at farm-level that help to maximize yield and reduce crop inputs such as water and fertilizer.

Easy to use and uncostly to install by growers, the patented single probe Sap Flow sensors are inserted into the tree trunk and provide direct and continuous measurement of water flow in almond, avocado, citrus, apples and wine grape trees. Real-time data from the Sap Flow sensors is integrated with soil, weather and satellite information, courtesy of Treetoscope’s AI-driven engine, to provide growers and irrigation companies with accurate and actionable insights for site-specific crop evapotranspiration.

Established in 2020, Mikveh Israel's [Treetoscope](http://www.treetoscope.com) developed breakthrough technology for direct plant monitoring. The company offers its innovative services to farmers in North America, Europe, and the Middle East, helping them reduce production costs, increase yields, and optimize their water resources. Treetoscope is currently expanding its activities to new territories and more crops. (Treetoscope 14.01)

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* 1. Neteera’s Patient Wireless Monitoring Platform Receives FDA Approval

The Jerusalem-based startup [Neteera Technologies](https://neteera.com/) has received US FDA 510(k) Class II clearance for its novel contactless cardio-pulmonary monitoring platform, cleared for spot and continuous measurement of heart rate and respiration rate! Neteera’s revolutionary platform uses a unique and proprietary micro-motion sensor alongside with AI to observe patients continuously, leveraging this continuous, passive patient monitoring to shift from reactive to proactive care. For patients, it means no longer having to be attached to wires or having their privacy compromised. In short – it is a much-improved quality of life and quality of care.

Neteera’s sensing technology is a service based on a single platform device that provides a variety of vital-signs and bio-data features and indications in a continuous, contactless and passive manner. Medical staff can finally benefit and provide better care with this new way of effortlessly understanding patients’ status. Neteera’s HealthGate cloud data management and analysis solution improve workflow efficiency by providing seamless data with no stress, no device manipulation, or maintenance. (Neteera 17.01)

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* 1. Biobeat Demonstrates Prediction Capabilities of Its Devices in Heart Failure Patients

Biobeat announced the publication of clinical data demonstrating that the company's remote patient monitoring wrist device may be utilized for noninvasive wearable multi-parameter monitoring during diuresis in heart failure (HF) patients. The article titled, "Advanced Hemodynamic Monitoring Allows Recognition of Early Response Patterns to Diuresis in Congestive Heart Failure Patients," was published online on 21 December 2022, in the peer-reviewed Journal of Clinical Medicine.

During the study, 11 physiological parameters were continually collected from 29 HF patients during outpatient intravenous diuresis by Biobeat's photoplethysmography (PPG)-based wrist monitor and automatically transmitted to a cloud-based data storage, with no personal identifiers or any other protected health information (PHI) included. Efficient and organized storing of data on Biobeat's remote patient monitoring platform allowed clinicians to analyze health parameters in real-time and retrospectively.

Founded in 2016, Petah Tikva's [Biobeat](http://www.bio-beat.com) is a med-tech company with unique health-AI capabilities in the patient monitoring space. The company's remote patient monitoring (RPM) health-AI platform includes a disposable short-term chest-monitor and a long-term wrist-monitor, both of which utilize a photoplethysmography-based (PPG) sensor to continuously provide accurate patient readings of 13 health parameters, including cuffless blood pressure, pulse rate, respiratory rate, blood oxygen saturation, temperature, stroke volume, cardiac output, one lead ECG (only chest-monitor) and more. Leveraging its automatic, continuous and noninvasive AI based RPM platform, Biobeat has generated the biggest vital-sign database in the world, which it utilizes to identify early deterioration of patients via its proprietary big-data and health-AI tools. (Biobeat 17.01)

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* 1. Top Gum Evolves the Gummy Category with Sugar-Free, Organic Innovation

TopGum Industries debuted their latest offering of sugar-free, organic gummies to the nutritional health supplement category. The curated collection of five gummies includes gummies that deliver a range of ingredients such as the B-vitamin Biotin, Vitamin D, and a delicious antioxidant balanced berry blend. TopGum's new line also includes flavor-challenging ingredients like Zinc and Ashwagandha, making them more palatable for everyone to enjoy.

TopGum developed the innovation that made the sugar-free delivery system possible without using sugar, sweeteners of any kind, or sugar alcohols, instead relying on the natural sweetness of the ingredient in the matrix of the gummies to provide a delicious taste experience. The new line of gummies is a clear demonstration of TopGum's agility in gummy supplements, having just announced this summer their designation of the company as a USDA-certified organic manufacturer. The highly sought-after certification calls attention to TopGum's adherence to the strict standards of the National Organic Program for producing and bottling organic products.

Sderot's [TopGum](http://www.topgummiceuticals.com) was founded in 2004. In 2019, TopGum launched its functional gummy supplements portfolio following years of intensive R&D and sizeable investment in a state-of-the-art GMP- and UL-qualified facility. In just a few years TopGum has positioned itself as a leader in the Israeli functional gummies market. TopGum complies with the strictest standards of safety and quality. All products are nut-free, lactose-free, gluten-free, and kosher- and halal-certified. (TopGum Industries 17.01)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. OneLayer & Pente Networks Create Highly Secure Private Cellular Network Solutions

OneLayer is now tightly integrated with Pente Network's private cellular orchestration and management solution. Through the collaboration, Pente's customers can magnify their packet core capabilities and implement an enterprise Zero-Trust framework.

This combined solution offers both enterprise clients and systems integrators Pente's fast network orchestration and IT-focused management platform with an end-to-end security solution. OneLayer solution for securing private cellular networks will enable network security using a Zero Trust approach, protecting devices connected to the Pente's core. Among others, the solution allows asset management, cellular and IoT device fingerprinting, policy enforcement that allows network segmentation, operational intelligence, and anomaly detection. The partnership ensures that any private cellular network can be planned, deployed, and managed quickly, easily, and securely.

Tel Aviv's [OneLayer](https://one-layer.com) provides enterprise-grade security for private LTE/5G networks. Its platform and IoT security toolkit can be implemented in private cellular networks to provide better visibility, control and protection for organizations. OneLayer brings complete visibility and threat prevention to IoT and other devices connected to a private LTE & 5G network so any activity can be tracked and policies put in place to secure the environment. OneLayer enables enterprises to treat the new cellular network as another enterprise network without the need to be cellular experts. (OneLayer 05.01)

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* 1. Arbe Releases 360° Radar-Based Perception of Complete Vehicle Surroundings

Arbe Robotics announced its latest release, a 360° Radar-Based Perception that pushes the boundaries beyond imaging to provide an integrated analysis of the complete vehicle surroundings in long range. The surround data captured by a suite of Arbe's perception radars, which leverage AI to identify, classify, and track objects in 360°, is processed in real-time to create a full free space map around the vehicle, as well as an analysis of the evolving hazards sensed by the radars.

Relying on data sharing between multiple radars, Arbe's 360° perception delivers a complete and integrated understanding of the driving environment, thus decreasing latencies while increasing confidence levels and accuracy of the tracking and the free space map like never seen before. The 360° perception enables a vehicle to continuously track its surroundings and monitor emerging or immediate threats from previously perilous positions, including rear, side, and blind-spot scenarios. This is done by multiple radars that overlap in the fringes, tracking objects of interest smoothly between one radar to the next and validating the whereabouts of the same object through two different perception algorithms to reduce false alarms and provide higher resilience to occlusion scenarios.

Tel Aviv's [Arbe](https://arberobotics.com/) is spearheading a radar revolution, enabling truly safe driver-assist systems today while paving the way to full autonomous-driving. Arbe's imaging radar is 100 times more detailed than any other radar on the market and is a mandatory sensor for L2+ and higher autonomy. The company is empowering automakers, tier-1 suppliers, manufacturers of delivery robots, commercial and industrial vehicles, and a wide array of safety applications with advanced sensing and paradigm-changing perception. (Arbe Robotics 05.01)

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* 1. North American Operator Selects RADCOM to Provide Smart Network Visibility

Tel Aviv's [RADCOM](http://www.radcom.com) has entered into an agreement with a new customer in North America to provide its RADCOM ACE solution to deliver real-time insights into the network performance 24/7 as the operator maintains its 4G network while expanding 5G coverage nationwide.

RADCOM ACE was chosen to smartly collect, process, and analyze traffic in a highly automated way across both 5G and 4G networks, which helps the operator deliver high-quality services nationwide while proactively ensuring great customer experiences. In addition, the solution will allow the operator to monitor the end-to-end network performance from RAN to the core in an advanced cloud-native, highly efficient, scalable, and automated environment. (RADCOM 05.01)

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* 1. Inuitive & Visidon Introduce Changing Low Light Enhancement Technology for Robotics

Inuitive and Finland's Visidon, an AI-based image and video enhancement software provider, released a high performing and real-time low light enhancement solution the two companies co-developed. The joint solution, now available for deployment, addresses the main issues in traditional noise reduction algorithms for a wide variety of edge devices, such as robotics, consumer electronic devices with cameras, and surveillance systems.

The game-changing solution combines Inuitive's all-in-one NU4100 vision-on-chip processor which incorporates AI-powered image processing and depth sensing, with Visidon's advanced low light enhancement technology, resulting in a significant leap in vision technology. For robots to perform well in low light conditions, their vision processor must enhance and process low-light video quickly - a capability possible only on the Edge. Enhancement includes denoising mixed noise in the image due to low light, severe weather or environmental conditions. Visidon's enhancement solution uses neural networks to effectively extract signals from the noise. Inuitive's NU4100 vision-on-chip processor hosts the Visidon solution, allowing robots to utilize it for processing.

Ra'anana's [Inuitive](http://www.inuitive-tech.com)'s disruptive Vision-on-Chip processors introduce all-in-one chips with a wide range of integrated capabilities, outstanding performance, and optimal size and cost efficiency. These game-changing processors support simultaneous depth sensing, positioning and location algorithms (SLAM), and AI-based object detection while shortening both system latency and response time, saving power, and improving overall performance. (Inuitive 04.01)

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* 1. GuardKnox & Wind River Lay Framework for Automotive Smartphonization

GuardKnox is collaborating with Alemeda, California's Wind River, a global leader in delivering software for intelligent systems, to enable developers to build secure containerized applications for software-defined vehicles of the future. The combination of GuardKnox's high-performance SOA (Service Oriented Architecture) core framework and corresponding tools suite with Wind River's industry-leading VxWorks real-time operating system (RTOS) that is part of Wind River Studio will provide OEMs with another layer of flexibility for software distribution, decreasing development and deployment time leading to shorter time to market for the innovative automotive applications that define a new era of mobility.

Adaptive manufacturing, on the edge processing, and intelligent systems are becoming the go-to production and development methodologies for the automotive industry; once properly harnessed, such processes will unlock capabilities that will power our vehicles. The combination of GuardKnox and Wind River solutions enables joint customers to build SOA-based applications on the VxWorks RTOS to use state-of-the-art technologies such as OCI Containers for rapid applications deployment.

Ramle's [GuardKnox](https://www.guardknox.com/) is an automotive technology company ushering in the smartphonization of the next generation of vehicles by building high-performance, service-oriented, customizable, and secure-by-design products for the next generation of driver-centric mobility. GuardKnox enables the software-defined vehicle with scalable and flexible technologies necessary for full-connectivity and empowers consumers with the ability to customize their vehicle's performance, as well as their in-vehicle experience. (GuardKnox 04.01)

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* 1. Imagry Set to Launch Its First Autonomous Bus Platform

Imagry announced that its AI solution will be deployed shortly in two separate pilot programs in Israel. The first autonomous shuttle to use the Imagry platform will commence service at the largest medical center in Israel this month, while the second will be deployed several months later in the city of Nahariya on a public bus line. Both platforms will be managed by Nateev Express, a leading local public transportation operator. These two pilot programs represent a new phase in the roll-out of the Imagry platform, as they will allow the general public to experience autonomous driving first-hand.

In both projects Imagry relies on first-rate elements, including new and modern electric buses from Otokar (the leading bus manufacturer of Turkey), the high-performance and energy-efficient NVIDIA DRIVE compute platform, automotive-grade cameras, and Imagry's own mapless autonomous driving software.

Haifa's [Imagry](http://www.imagry.co) was established in 2015 and develops unique mapless driving software for Level 3-4 autonomous vehicles. Imagry's bio-inspired technology collects and processes peripheral information from cameras installed on the vehicle. This data is sent to a computer in the vehicle whose purpose is to perform, in real time, the actions that will allow the vehicle to drive autonomously. (Imagry 04.01)

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* 1. Silicom 5G-Native Edge Networking Product Selected By SD-WAN Leader

Silicom has secured a Design Win from a leading SD-WAN vendor, a Fortune 500 company with SD-WAN-related customers in the Americas, APAC and EMEA. The win is for a customized version of one of Silicom's 5G-integrated High-Runner Edge Networking products, which the vendor selected due to its unique feature-set, flexible connectivity options and compelling 'look and feel,' qualities that will differentiate its offerings in the competitive SD-WAN market. According to the customer's guidance, orders based on this Design Win are expected to ramp up throughout 2023, with deployment levels reaching a steady state beginning in 2024.

Kfar Saba's [Silicom](http://www.silicom.co.il) is an industry-leading provider of high-performance networking and data infrastructure solutions. Designed primarily to improve performance and efficiency in Cloud and Data Center environments, Silicom's solutions increase throughput, decrease latency and boost the performance of servers and networking appliances, the infrastructure backbone that enables advanced Cloud architectures and leading technologies like NFV, SD-WAN and Cyber Security. (Silicom 04.01)

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* 1. Rafael’s Spyder Now Offering Counter TBM Capabilities

[RAFAEL](https://www.rafael.co.il/)'s world-renowned, combat-proven SPYDER air defense system is now enhanced with a sophisticated Counter-TBM (tactical ballistic missiles) capability. The introduction of this feature is the product of RAFAEL’s Counter-TBM SPYDER program, which involved researching and analyzing the lessons learned from recent and ongoing armed conflicts involving extensive use of tactical ballistic missiles. The program has brought about a practical upgrade to the SPYDER system which is equipped for implementation. In response to urgent operational requests from several existing customers throughout the world, the program will extend the capabilities of the SPYDER’s effectors as well as the implementation of various Counter-TBM derivatives across the system.

The SPYDER Air Defense System is the only Israeli-made air defense system that has been incorporated into the aerial defense array of NATO. SPYDER is a quick reaction, low-level surface-to-air missile system designed to counter attacks by aircraft, helicopters, UAVs and precision-guided munitions. The system provides effective protection of valuable assets and first-class defense for forces located in the combat area. SPYDER’s open architecture allows external components to be easily integrated and flexibly combined, affording different configurations with various ranges and capabilities based on customer needs and priorities. Its autonomous capabilities can detect threats while on the move and enables a 360° launch within seconds of the target being declared hostile, in all-weather, multi-launch, and net-centric capabilities. All the SPYDER systems have multiple target engagement capabilities for handling saturation attacks.

Rafael’s PYTHON-5 dual waveband IIR missile, I-DERBY active radar BVR, and the I-DERBY ER long-range missile, each of which can be used for air-to-air missions. The SPYDER-SR and SPYDER-ER variants provide 360° slant launching missile systems that provide quick reaction, lock-on-before-launch (LOBL), and lock-on-after launch (LOAL) capabilities while extending the range of defense to up to a 40 km radius. The SPYDER-MR and SPYDER-LR offer medium & long-range target interception through vertical launch while pushing the defense envelope up to an 80 km radius. The most recent variant, SPYDER All-in-One, incorporates an integrated radar, Toplite EO/IR sensor, and launcher onto a single platform to address a defense force’s individualized, operational needs. (RAFAEL 03.01)

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* 1. IEC & Prisma Photonics to Monitor Israel's National Grid

Israel Electric Corporation (IEC) has announced that the agreement will extend its cooperation with Prisma Photonics, which has been using optical fibers to monitor the national transmission grid since 2020. The extension will expand Prisma Photonics' coverage to 1,000 km (over 620 miles), which is 20% of the transmission grid. The solution will monitor events threatening the regular operation of the power network and alert on faults with exact geographical locations. Monitoring will allow better grid management, fast fault response, and increase the grid's reliability. In addition, collected weather and grid data will optimize the existing network, paving the way to better integrate renewable energy sources on the path to net zero emissions and IEC's long-term sustainable vision.

PrismaPower uses the existing optical fiber network to monitor hundreds and even thousands of kilometers on the grid. It measures weather conditions around the electrical lines, locating faults and vandalism. The information and alerts pinpoint the location of the closest power tower, enabling quick response to restore service to normal. PrismaPower also uncovers slow processes such as partial discharges, which can harm the network, thus allowing preventive maintenance and increasing the power network's resiliency.

Founded in 2017, Tel Aviv's [Prisma Photonics](https://www.prismaphotonics.com/) helps keep the most critical large-scale infrastructure up & running with a quantum leap in utility monitoring. Assisting utility operators in their journey to net zero emissions and environmental goals, their customers take responsibility for their assets with real-time actionable insights. (Prisma Photonics 12.01)

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* 1. With Launch of Wordtune Spices, AI21 Labs Lifts the Curtain on the Future of Writing

AI21 Labs announced the launch of Wordtune Spices, the new addition to its already popular Wordtune editor platform. Using a choice of 12 cues, Spices works alongside a writer to assist in the writing process, generating a range of textual options to add to and enhance sentences. Spices can also suggest statistics to strengthen an argument or sharpen a detail. A key feature of Spices is that it always attributes its sources, providing users with links back to the source, solving one of the major issues that many Large Language Models (LLMs) face today, which do not give source credit.

AI21 Labs is also releasing a scientific report that accompanies Spices, that dives into one of Spices' greatest differentiators - factuality and source traceability. The paper, produced by AI21's research team, addresses the outstanding Achilles' heel of AI generated text, and includes the strongest scientific results to date of making any off-the-shelf language model generate factual information that can be traced back to its sources. The scientific advances presented in the paper enable any current language modeling API to produce reliable text with traceable sources.

Tel Aviv's [AI21 Labs](http://www.AI21.com) is transforming the way humans read & write. Through the construction of AI systems with an unprecedented capacity to understand and generate natural language, the company has positioned itself as a world leader in advancing the possibilities of artificial intelligence and natural language processing. (AI21 Labs 17.01)

ISRAEL ECONOMIC STATISTICS

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* 1. Israel's CPI Rises by 0.3% in December

The Central Bureau of Statistics announced that Israel’s Consumer Price Index rose by 0.3% in December 2022, in line with the pundits' forecasts. The annual rate continues to be 5.3%, for the second month in succession, Israel’s highest rate of inflation for twenty years.

December saw notable cost increases in transport (1.1%), housing and medical services (0.6% each) and home maintenance (0.2%). Prices of fresh produce fell 2.8%, the culture and entertainment item fell 1.4%, clothing and footwear fell 1%, and furniture and home equipment fell 0.7%. The residential rentals rose by 0.4%. Tenants who renewed leases saw a 4.4% rise in rent, and for new tenancies the rise was 8.2%.

In a bid to move inflation back to a 1-3% target, the Bank of Israel has sharply raised its benchmark interest rate to 3.75% from 0.1% in April. Central bank officials have said they expect the rate to reach at least 4% in coming months. (CBS 15.01)

IN DEPTH

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* 1. ISRAEL: Israeli High-Tech Companies Raised $14.95 Billion in 2022

In 2022, Israeli high-tech companies raised $14.95 billion in 663 deals. In Q4/22, $2.02 billion were raised in 121 deals. The outcome of the investment activity in 2022 supports the perception of a slowdown, with a drop of more than 40% from the amounts raised in 2021.

**Guy Holzman, IVC Co-Founder and CEO,** stated: “We believe that in 2023 a balance will be found again between investors and companies in the Israeli high-tech ecosystem. It is but realistic to expect that this process will include unpleasant side effects, and the coming year will be a difficult year for many startup companies. However, without an additional major economic crisis or a significant change in the geopolitical map, IVC’s data supports the supposition that we will see a return to growth in capital flowing into the local high-tech ecosystem during the second half of this year.

According to **Timor Arbel-Sadras, CEO of LeumiTech**: "In order for Israeli high-tech to restart, a change is required. Data shows that in 2022, the number of acquisitions was lower than in 2014. In addition, we are witnessing a sharp decline in the amounts invested in Series A Rounds. These indicators are a call to action. We expect that in the second half of 2023 there will be increasing M&A activity. Companies and investors must realistically look into their future in the current climate and make responsible strategic decisions, at the appropriate timing. We estimate that these acquisitions will be carried out by tech companies in more advanced stages and by PE firms, while being efficiently financed by capital and debt combinations. We do hope to see Israeli companies enjoy these opportunities and not just foreigners".

**Graph 1: Israeli Tech Capital Raised Totals, 2015–2022**

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*Source: IVC-LeumiTech Israeli Tech Review 2022*

Mega deals (over $100 million each) were much less effective in terms of total amounts in 2022, especially during H2, returning to 2018–2019 levels.

The Israeli tech herd of unicorns was the main victim of the shift in the financial regime. In Q4/22, just two additional high-tech companies reached the valuation threshold of $1 billion, following one new unicorn in Q3/22. The total number of new unicorns in 2022 (23) was half as many as the record 42 new unicorns of 2021, yet 2022 was the second highest year in this regard.

**Graph 2: Israeli Tech Capital Raised in Mega Deals – Over $100M, 2015–2022**

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*Source: IVC-LeumiTech Israeli Tech Review 2022*

Early rounds (pre-seed, seed and A series) amounted to $4.41 billion, 11% higher than the capital raised in 2021. This robust outcome is mostly due to the capital raising activity in H1/2022, responsible for 67% of the early round amounts in 2022 (the high amount in Q2 is due to Ultima Genomics’ first round of $600 million). H2/22 figures were less impressive and both seed and A series rounds trended down compared to H1/22 and 2021.

**Graph 3: Israeli Tech Early Rounds Capital Raising, Q1/2018–Q4/22**

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*Source: IVC-LeumitTech Israeli Tech Review 2022*

In total, the drop in foreign investment amounts was responsible for the majority of the downfall in 2022. However, in the Seed rounds, the local investors were the main source for the decrease in H2/22.

**Israeli High-Tech Exits**

In 2022, 120 Israeli high-tech exits accounted for a total capital proceeds of $20.6 billion. Excluding one mega acquisition of Tower by Intel for $5.8 billion, the total amount of M&A proceeds reached $12.7 billion this year. This compared to $11.96b capital proceeds from 177 M&As in 2021. The amount was up this year mostly due to a $4.4b acquisition of IronSource by Unity.

Only 13 IPOs took place in 2022, with a total valuation of $1.17 billion, a sharp drop from the 75 IPOs totaling $10 billion in 2021.

**Graph 5: Israeli Tech Exits, 2015–2022**

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*Source: IVC-LeumiTech Israeli Tech Review 2022*

**Newly-Established Israeli Tech Companies**

While the final number of companies established during 2022 is still not known, our model suggests that 706 companies were established in the past year, following nearly 780 companies in 2021.

**Graph 6: Number of New Israeli High-Tech Companies, 2012–2022**\*

*\*2022 – estimated # of newly established companies*

***Source: IVC-LeumiTech Israeli Tech Review 2022***

**About the Quarterly High-Tech Report**

The Israeli Tech Review is the first report of its kind in Israel. The report evaluates fundraising, mergers & acquisitions, and the capital markets, to provide a comprehensive analysis of the Israeli high-tech activity industry. The report contains comparative data from previous years, leading trends, insights into future trends and fund raising projected data.

**About IVC**

IVC is Israel’s largest research center of high-tech and venture capital. It has been evaluating these areas for over 25 years, analyzing trends and developments in the industry. Our studies, services, and publications have been widely used by international and local entities, including high-tech companies, venture capital funds, investors and financial institutions, the Central Bureau of Statistics, Bank of Israel and the Chief Scientist of the Ministry of Economy, among many others.

IVC operates the comprehensive information database [www.ivc-online.com](http://www.ivc-online.com) which contains information on over 9,500 active high-tech companies by tech sector and development stage, and hundreds of venture capital and private equity funds in Israel and overseas, investment companies, angels, incubators, accelerators, multinational corporations, and more.

**About LeumiTech**

LeumiTech, the banking arm of Leumi Group, specializes since 2014 in banking for high-tech companies and VC Funds, servicing companies from early stage through fast growing to giant corporates. We provide a comprehensive, personalized, tech-specific banking products and financing services as part of our complete solution for all of our clients' financial needs. Such services include high-tech credit expertise, hedging and investment tech center and access to global and local ecosystems. (IVC 10.01)

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* 1. UAE: Bank Audi’s UAE Economic Report –2023

The Group Research Department of [Bank Audi](http://www.bankaudigroup.com/%E2%80%8E) released its yearly economic report about the UAE.

**Robust growth in private sector economy in 2022**

Economic growth has been robust over the past 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. Real GDP growth is projected to reach above 5% in 2022 as per IMF, improving from 3.8% in 2021. PMI figures show the UAE non-oil private sector saw a further pick-up in business activity growth this year, as firms reported a strengthening of demand conditions and a boost to new orders from lower selling charges. PMI actually continued to trend higher, reaching a 38-month high of 56.7 in August to signal a robust improvement in business conditions in the UAE non-oil economy.

**Higher oil exports push UAE’s current account surplus beyond pre-pandemic levels**

The UAE’s external sector was at the mirror image of the robust domestic economic growth in 2022, with the non-oil foreign trade hitting unprecedented high levels over the first half of the year, registering high single-digit to double-digit growth across all areas of trade, including exports, imports and re-exports. The UAE’s non-oil foreign trade volume topped for the first time the AED 1 trillion level ($288 million) over the first half of 2022, which marks a 17% growth compared to the same period of 2021, as per government’s officials. This came within the context of new partnership agreements aimed to enhance the role of international trade to double the size of the national economy by 2030, and various initiatives undertaken by the UAE to develop and diversify its exports.

**UAE’s fiscal surplus quadrupling in first half of 2022, owing to higher oil receipts and tax collection**

The improving trend in UAE’s public finance has intensified during the first half of 2022 on the heels of higher oil prices and production, while steps to underpin revenue diversification are underway with the recent introduction of a corporate income tax effective in 2023. In this context, the IMF expects the UAE to record fiscal surpluses of 7.7% in 2022, mainly due to higher oil revenues amid higher oil prices and production, and because of Dubai’s economic performance and inflow of new businesses and expats.

**Rising inflationary pressures in the UAE, coupled by aggressive tightening of monetary conditions**

The year 2022 in the UAE saw rising inflationary pressures amid soaring global oil and commodity prices after the Russian invasion of Ukraine, and a tightening of monetary conditions in line with the US Federal Reserve’s aggressive interest rate hikes since March 2022, given the UAE Dirham peg to the US dollar. Inflation in the UAE averaged 5.5% year-on-year during the first nine months of 2022. The broader money supply (M2), which consists of Money Supply (M1) plus quasi-monetary deposits, grew by 5.3%, moving up from $ 425.6 billion at end-2021 to $ 448.1 billion at end-September 2022.

**Healthy banking activity growth amid rising interest margins fueling better returns**

The UAE banking sector fared well the changing global conditions of this year, reporting healthy activity growth amid rising interest margins fueling better returns along with slightly improving asset quality. Measured by the aggregation of assets of all banks operating in the UAE, banking activity grew by 7.9% in the first nine months of 2022 (against a growth of 4.2% in full-year 2021). Total deposits increased by 9.5% over the same period (its highest growth over the past five years), to reach $ 596 billion. In parallel, bank lending rose by 4.7% within an improving operating environment, as loans to the private sector reached $ 320 billion at end-September 2022. UAE banks remain well capitalized, with a capital adequacy ratio of 16.9% and a Common equity Tier One ratio capital ratio of 14.0% as at June 2022.

**Economic outlook to remain positive, though subject to downside risks**

Looking ahead, the UAE economic outlook remains positive, supported by domestic activity. The IMF expects 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. (Bank Audi 05.01)

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* 1. SAUDI ARABIA: Saudi Arabia Used Car Market Outlook Report 2022-2026

[ResearchAndMarkets.com](http://www.ResearchAndMarkets.com) released its Saudi Arabia Used Car Market Outlook to 2026 on 5 January. They found that the used car industry in Saudi Arabia has grown at a notable CAGR on the basis of gross transaction value and sales volume over the period 2017-2021. The availability of multiple financing options, booming growth of online classified and auction market and increasing smartphone and internet penetration led to the increase in sales from 2017-2021. The addition of women drivers and the high levels of disposable income in the country are some of the major growth drivers of the industry.

**By Sales Channel:** The unorganized sector contributed to the majority of the sales of used car in the country. This higher preference for Unorganized sector was because used cars are cheaper on these platform and customers save 15% VAT charged by Organized players. Over time preference towards organized is increasing due to more convenient buying experience and value added services (warranty, certification).

**Competitive Landscape of KSA Used Car Market:** The industry is highly fragmented and competitive with +2,200 dealerships operating in the market. Many brands have a certified pre-owned car program in place in the country. Among the brand authorized dealerships, the top 6 players including Abdul Latif Jameel Motors, Aljomaih Automotive Company, Al Jazirah Vehicles, Universal Motors & Gulf Advantage account for almost half of the used car sales through the authorized dealerships. These players compete on the basis of parameters such as geographical presence, value-added services offered, financing option, after-sales services offered, dealership network, and more.

**KSA E-Commerce Logistics Market Future Outlook and Projections**

The used car industry is expected to recover from the COVID-19 pandemic and witness growth by 2026. The increasing demand from smaller cities such as Jazan, Arar among others is expected to drive the growth of the industry. The growing traction towards online platforms is expected to compel dealerships to expand their presence online. Online platforms are expected to leverage the latest technologies such as artificial intelligence & virtual reality to enhance the user browsing experience. The overall used to new car sales ratio in the country is also expected to improve in the future.

**KSA Used Car Market Segmentations**

The industry in Saudi Arabia is largely unorganized due to the preference of consumers towards peer-to-peer sales, largely facilitated by online auto-classified platforms. The organized market comprises of large authorized brand dealerships as well as multi-brand outlets and exhibitions.

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Sedans and hatchback dominated the used car market on the basis of sales volume as they are economical and suitable for almost all kinds of buyers. SUVs & crossovers were found to be the second most preferred types of cars in the country and pick-ups & luxury cars contributed to the remaining sales.

Toyota continued to dominate the used car market in Saudi Arabia due to the higher preference of the consumers towards the brand for its reliability and low maintenance. Also, the easy availability of spare parts and the higher residual value of Toyota cars contribute to higher sales. Hyundai contributed to the second-highest sales volume in 2021

Three to five-year-old used cars were observed to dominate the used car sales in the country in 2021. As the installment period for cars purchased on finance is around 3-5 years after which people usually prefer to sell off their cars. 1-3-year-old vehicles contributed to the second-highest sales volume as a large number of these cars found their way to the used car market when car rental companies' de-fleet their existing fleet.

A large proportion of the used cars sold in 2021 belonged to the category of 80,000-150,000 kilometers. Cars with a mileage of 50,000-80,000 kilometers were also largely preferred by the consumers due to their nearly new look and feel and are also economical.

The majority of the buyers in the used car market were observed to be in the 30-60 age group. Many young working professionals, expatriates, families owning multiple cars belong to this age group. The demand for used cars among the age group of 18-30 years is also increasing with increasing disposable income and job opportunities. (R&M 05.01)

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* 1. EGYPT: End the Unique Status of Egypt's Military Companies to Receive an IMF Loan

[Diwan](https://carnegie-mec.org/diwan/?lang=en) reported that The International Monetary Fund (IMF) released a Staff Report on 10 January 2023, detailing the commitments made by the Egyptian government in return for the award of about $3 billion in new lending, Egypt’s fourth loan since 2016. Although the initial agreement was announced on 27 October 2022, it has taken ten months since talks first kicked off to hammer out its full scope.

The outcome is remarkable. According to the IMF, the agreement encompasses “a comprehensive policy package to preserve macroeconomic stability, restore buffers, and pave the way for inclusive and private sector-led growth.” Much of this focuses on producing “a durable shift to a flexible exchange rate regime, monetary policy aimed at gradually reducing inflation, fiscal consolidation to ensure downward public debt trajectory while enhancing social safety nets to protect the vulnerable.” Though important in general, some of this is boilerplate language, while tackling Egypt’s deepening currency crisis is no longer news in and of itself.

More striking is how far the latest agreement goes in placing at center stage “wide-ranging structural reforms,” reducing the "state footprint” in the economy, and strengthening “governance and transparency.” This is significant because it can only mean that the IMF finally went to the mat in order to bring much greater urgency to Egyptian pronouncements—which are frequent, but have yet to lead to concrete results—on reinvigorating the large public and public business sectors, whether by restructuring them or selling shares in them to private investors, and on levelling the playing field in order to facilitate private-sector-led growth.

Reflecting this, the latest agreement draws directly on the State Ownership Policy that was launched in draft form by the government in June 2022, in which Egypt promised that the state would entirely exit from up to 79 sectors of the economy, reduce its footprint in 45 others and increase its investment in dozens of others. The government may have been merely going through the motions to secure the new IMF loan, and there are serious doubts about how feasible the policy actually is. Former deputy prime minister Ziad Bahaeddine has noted that most of the modalities it proposes have been officially adopted several times over the years with no discernible impact. Nonetheless, references to it are woven in throughout the latest agreement, making it harder for Egypt to drag its feet too visibly. The fact that Egyptian President Abdel-Fattah al-Sisi formally approved the policy on 29 December 2022, just ahead of the IMF’s official publication of the agreement, was no coincidence. Indeed, the agreement refers explicitly to his endorsement, and pointedly regards the policy as the “structural benchmark” for progress.

**Why Is It Important?**

Despite the importance of the general framework described above, what is exceptional about it is that it also encompasses Egypt’s military companies. This contradicts the initial impression given by the loan agreement announcement in October 2022, that the IMF had not used its leverage to place the military companies on the agenda.

The Egyptian government’s official Memorandum of Economic and Financial Policies to the IMF, which forms an attachment to the agreement, commits the government to clarifying the “definition of the state” in its new State Ownership Policy and to “explicitly outline that it covers all enterprises owned fully or partially by a state-associated entity irrespective of the institutional framework under which the enterprise is established.” To avoid any ambiguity, the memorandum then lists military-owned companies specifically as among the public-sector companies, public business sector companies, economic authorities, and joint ventures and partnerships covered by the definition.

The memorandum additionally spells out some of the implications. One, which has particularly vexed the private sector and international financial institutions such as the IMF, is to limit the numerous exemptions that provide market advantages to state-owned enterprises (SOEs) over private competitors and prevent a level playing field. Military companies have benefited from more extensive exemptions even than other state companies and agencies - from paying any income, property, and other taxes, value-added tax, customs duties, various administrative fees, currency exchange rate caps, transport tolls and the like - but the memorandum promises to “remove all SOE tax exemptions” from them as well.

No less important is that military-owned companies are again included explicitly in the list of state companies and agencies that must publish “a comprehensive annual tax expenditure report, including details and estimates of tax exemptions and tax breaks broken down by classification.” This is one of numerous promised measures relating to financial management and governance of state entities. Military companies are therefore among all of these in being required to submit biannual financial accounts to the Finance Ministry, which “will ensure open access to these data along with information quantifying the subsidies provided to the commercial and non-commercial activities of the SOEs.” Military companies will, similarly, be expected to introduce performance contracts and operational and financial targets to help assess performance and come under more centralized oversight, which should moreover prevent oversight of market regulators and the companies they regulate being undertaken by the same institution.

The government additionally promises to improve customs procedures and information sharing with the private sector, which necessarily impacts military companies that enjoy both formal and informal facilities for clearing their imports and for blocking those of their competitors. Even more revolutionary, if implemented, is the plan to streamline allocation of state land to civilian entities, both public and private, which is controlled by the Defense Ministry. The memorandum moreover promises to require “top officials in all SOEs” to submit asset declaration forms, and to report publicly on their compliance. Managers will be subject to performance contracts, and board members to transparent selection processes according to clear guidelines for qualifications and remuneration. Last, and far from least, between 25 and 100% of the proceeds of the sale of shares in SOEs, depending on the legal basis of their establishment, must be submitted to the Finance Ministry or the general state budget.

**What Are the Implications for the Future?**

That the Egyptian government acquiesced at all, not only in bringing military companies formally within the scope of its agreement with the IMF, but also in subjecting them to the same rules for taxation and financial reporting as their civilian counterparts, is breathtaking. It may also be pure make-believe. A review of military business expansion since June 2022 alone, for example, reveals that it is already contradicting the government’s promise that the “establishment of new SOEs would need to be transparently based on the state ownership policy.”

Another issue that will definitely generate military pushback is the IMF emphasis on proper reporting of debt and arrears. The IMF report notes its inability to assess the liabilities of the thousands of extra budgetary funds held by numerous state agencies, which will have to be included in its coverage sooner or later, but the military holds on to its extra budgetary funds extremely jealously.

Furthermore, military resistance almost certainly explains the continuing delay in floating military companies on the Egyptian Stock Exchange or selling shares through Egypt’s sovereign wealth fund. This is despite the president’s repeated public advocacy of this since 2018 (if not 2016), the announcement three years ago that ten military companies were being prepared for offer, and official government announcements that the military-owned Wataniyyah chain of petrol stations and Safi mineral water bottling company would be first in line. Much has been made of supposed Gulf interest in buying up Wataniyyah, but it appears to have been subject to asset stripping as its stations are replaced by the ubiquitous ChillOut combined petrol and service stops, also military-owned, which can only reduce Gulf interest in purchasing it. Besides the loss of control over assets, the military opposes the levels of financial disclosure that would have to accompany even partial sell-offs of its companies.

Indeed, the military is known to be hostile to the sale of any state assets, let alone its own. This helps explain the extent of vocal opposition among parliamentarians, many of whom are handpicked by Military and General Intelligence, to the government’s plans to privatize companies and other assets belonging to the Suez Canal Authority, which the military regards as its exclusive economic enclave. Military distrust over this issue threatens to get in the way of both the president’s and the government’s efforts to attract greater Emirati investments, in particular, since the Suez Canal represents the one true commercial and strategic interest that the United Arab Emirates has in Egypt.

Military opposition is significant, but past experience suggests that the government will exploit every loophole to delay implementation of provisions of the IMF agreement, and prevaricate across the board. Neither the presidency nor the government have done the kind of intensive political preparation needed to push through something as wide-ranging and far-reaching as the State Ownership Policy. The agreement with the IMF will certainly suffer significant delays and watering down, potentially making it more aspirational than operational.

A crucial area where this may become all too evident is ensuring that public procurement is “competitive, nondiscriminatory, and transparent,” as the IMF seeks. In granting itself leeway to “clarify conditions under which direct contracting between public entities would be warranted under Law No. 182 on Regulating Public Procurement,” the government’s memorandum leaves the door ajar for the military to continue to enjoy the immensely lucrative power to receive, and award, non-competitive contracts on a no-bid basis. Tackling this may be a bridge too far for the IMF at present. The enabling legal and regulatory frameworks must be revised if military companies (and economically active military agencies) are to be genuinely brought in line with the commitments made in the Egyptian government’s memorandum. (Diwan 12.01)

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