

**The FORTNIGHTLY**

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

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ISRAEL GOVERNMENT ACTIONS & STATEMENTS

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* 1. Israel Launches Ofek 13 Satellite Into Space

On 29 March, Israel's Ministry of Defense, together with Israel Aerospace Industries, successfully launched the Ofek 13 satellite into space. Ofek 13 is an observation satellite with advanced capabilities. Once it enters the orbit, it will undergo a series of tests to ensure its propriety and performance levels.

The IMoD Space and Satellite Administration in the Directorate of Defense Research & Development (DDR&D), the Israel Defense Forces (IDF), and Israel Aerospace Industries (IAI) successfully launched the Ofek 13 satellite at a test site in central Israel using a Shavit launcher.

The IMoD Space and Satellite Administration has led the development and production of the satellite and its launcher. The IDF's 9900 Intelligence Unit and the Israeli Air Force also participated in the development process. The launch engines were developed by Rafael Advanced Systems and Tomer, a government-owned company. (i24NEWS 29.03)

ISRAEL MARKET & BUSINESS NEWS

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* 1. Delta Adds Atlanta to its Tel Aviv Flights as of March 2023

As of 26 March 2023, Delta launched a 3x weekly flight between Atlanta (ATL) and Tel Aviv (TLV). Initially the route was supposed to launch on 10 May 2023, so it was moved forward by obvious demand: The 6,473-mile flight will operate eastbound on Wednesdays, Fridays and Sundays, and westbound on Mondays, Thursdays and Saturdays. The flight is blocked at 12hr15min eastbound and 13hr25min westbound.

That’s an interesting schedule, by the way — most flights from the United States to Tel Aviv depart late at night and arrive the following evening, while most flights in the other direction are redeyes. In this case there is an earlier departure from the United States and a daytime return from Israel.

Delta will use an Airbus A350-900 for the Tel Aviv route. However, based on the current schedule, the airline won’t use one of its standard A350s but rather the airline will use an A350 acquired from LATAM, which features an inferior inflight experience:

Delta’s route from Atlanta to Tel Aviv complements Delta’s existing service from Boston and New York to Tel Aviv. This isn’t the first time that Delta has operated this route, as Delta last flew from Atlanta to Tel Aviv over a decade ago, in 2011. While both Boston and New York no doubt have a lot more Israel demand than Atlanta, Atlanta has a lot more connectivity opportunities than the airports in the Northeast. Atlanta is Delta’s largest hub, so for many passengers this will open up one-stop service from the United States to Tel Aviv on Delta. Tel Aviv is a competitive market among the big three US carriers. Initially United had by far the biggest presence there, but American and Delta have been catching up nicely: (Delta 30.03)

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* 1. env0 Raises $35 Million in a Series A Round Led by Venture Guides

env0 secured an additional $18.1 million of funding to conclude its Series A investment round with a total of $35.1 million. The company grew by 450% in FY 2022, signing a number of new customers including MGM Resorts International, PayPal, VMware, and BCG. env0 will use the new funds to accelerate research and development of new products to scale customer cloud operations safely.

This latest round, which brings env0’s total funding to $41.9 million, is led by Venture Guides, a new firm formed by industry veterans from Bain Capital Ventures. The round includes new investors StepStone Group and Knollwood Investment Advisory, with all existing investors, including boldstart ventures, Grove Ventures, Microsoft’s M12 and Crescendo Venture Partners participating as well. The funding is Venture Guides’ first major investment from their initial $200 million fund.

Ramat Gan's [env0](http://www.env0.com) is the best way to deploy and manage your IaC, including Terraform, Terragrunt, CloudFormation, Pulumi, Kubernetes and others. The env0 platform enables users and teams to collaborate and provide self-service cloud deployments, all with advanced policies to meet governance and compliance. (env0 29.03)

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* 1. SCADAfence Gets Strategic Funding From Three Major Investors

SCADAfence closed an additional funding round with an investment from Fujitsu (through a fund managed by its subsidiary Fujitsu Ventures Limited), Mitsubishi Electric and Prosegur corporations. This new funding round will enable SCADAfence to continue scaling its global reach into new markets, increasing sales and support teams in key regions, and building stronger collaborative relationships with its strategic partners.

Fujitsu is going to bring SCADAfence's products into OT security services of Fujitsu Uvance, their new global business brand that aims to provide innovative solutions that address business challenges and solve societal issues. This strengthened collaboration will help Fujitsu to accelerate to enhance its services to support digitalization of IT-OT converged environment. Mitsubishi Electric has confirmed plans to integrate SCADAfence's products into their factory automation suite, thereby delivering a seamless experience for end-users and instantly elevating their OT security offering to best-in-class. After making its second investment in SCADAfence, Prosegur will be including SCADAfence as part of their managed services offerings across several regions including Spain, Portugal, Brazil, and the U.S.

Ramat Gan's [SCADAfence](https://www.scadafence.com) is the global technology leader in OT & IoT cyber security. The SCADAfence platform enables organizations with complex OT networks to embrace the benefits of industrial IoT by reducing cyber risks and mitigating operational threats. The non-intrusive platform provides full coverage of large-scale networks, offering best-in-class detection accuracy, asset discovery and governance with minimal false-positives. (SCADAfence 29.03)

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* 1. CodiumAI Exits Stealth with $11 Million for Generative AI-Powered Code Integrity

CodiumAI announced the beta-release of its generative AI-powered code integrity solution that interactively assists developers in testing their code, and an $11 million Seed funding co-led by Vine Ventures and TLV Partners alongside notable angel investors including executives from OpenAI, Snyk and VMware. With this funding, CodiumAI is developing its first AI model, dubbed TestGPT.

CodiumAI is currently available as an extension for popular IDEs (Integrated Development Environments) such as VSCode, PyCharm and WebStorm. Coverage for more IDEs and programming languages is planned for the immediate future, as well as support for additional features and collaborations. CodiumAI has already been installed by thousands of users since its closed-alpha-release in January 2023.

Tel Aviv's [CodiumAI](https://www.codium.ai/) is a rapidly growing code integrity solution provider that analyzes code and generates meaningful tests to catch bugs before they reach production. Headquartered in Israel, CodiumAI is funded by world-renowned investors such as TLV Partners and Vine Ventures as well as angel investors from Snyk, OpenAI, and VMware. (CodiumAI 22.03)

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* 1. Reeco Raises $10 Million for AI-Based Hospitality Procurement Marketplace

Reeco has raised $10 million in Seed funding. The funding round was led by Net Capital Ventures and Joule Ventures with participation from Eynat Guez, CEO of Papaya Global, and other angel investors. Founded in 2021, Reeco counts among its customers Playa Largo Resort - Autograph Collection, Hilton Aventura, The Even Hotel, management company Shaner Hotel Group, as well as hotels from leading brands like Marriott and Ramada.

Reeco provides a streamlined process for hotels and other hospitality buyers to order everything from food and beverage to cleaning supplies. The AI-powered marketplace checks availability of products while reducing costs. Buyers select the products they need and their order is automatically matched with the optimal supplier from hundreds of national suppliers, based on price, availability and delivery dates.

Tel Aviv's [Reeco](https://reeco.io/) is transforming the way hotels purchase supplies by introducing the only marketplace that brings together hotels and all their suppliers in one convenient platform. From food and beverage to cleaning supplies, Reeco has everything hotels need to run smoothly, all on one bill. (Reeco 28.03)

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* 1. Jigso is Building an AI Assistant to Surface the Data Employees Need Automatically

Jigso announced a $7.5 million seed investment. The investment was led by General Catalyst, Entrée Capital and Jibe Ventures. The early-stage startup is building an AI assistant to act as an observability layer, not unlike security or performance monitoring, but instead of looking at logs, it’s looking at the apps employees are using to find the information they need. The product currently works with tools like Salesforce, Zendesk, Jira, Excel, ClickUp, Google Sheets, Gmail and Calendar, and they are adding additional applications all the time, according to the company.

Tel Aviv's [Jigso](https://www.jigso.io/) aggregates and mines all your organization apps and data and then surfaces the information you need to know and the actions you need to take. Jigso brings together every app you use and cues the exact information you need to get the right stuff done. (Jigso 29.03)

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* 1. OurCrowd Signs an Accord for a Tech Incubator in Uruguay

Israeli venture firm OurCrowd hosted Uruguay’s Industry, Energy and Mining Minister Paganini and a 40 person delegation of government officials and entrepreneurs at its Jerusalem headquarters to sign an initial agreement that would establish a tech incubator backed by the Uruguayan government. Paganini also held a meeting with Israel’s Economy and Industry Minister Barkat.

According to the MoU signed by OurCrowd CEO Medved and Paganini, an Uruguay-based incubator for early-stage startups will be established to cement the country’s position as a technological hub for innovation and entrepreneurship in Latin America and to boost tech ties between the two countries.

With the initial agreement with OurCrowd, Uruguay seeks to build on Israel’s incubator program started in the early 1990s and hailed as one of the main vehicles that turned the country into a startup nation. The tech incubator would be established as part of the Uruguay innovation hub program, a semi-private and cross-institutional program, operated under the umbrella of the National Agency for Research and Innovation (ANII).

OurCrowd co-owns five government backed technological incubators in Israel and one government-backed incubator in New Zealand, incubating more than 60 early-stage startups. (OurCrowd 26.03)

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* 1. LeapXpert Secures $22 Million in Series A+ Funds to Meet Growing Demand

LeapXpert announced a $22 million Series A+ funding round led by Rockefeller Asset Management through its Technology Ventures Group. The round was joined by Uncorrelated Ventures, the Partnership Fund for New York City, a new strategic investor, and existing investors.

The LeapXpert Communications Platform is the first comprehensive communication and compliance solution for enterprises that successfully reconciles extremely flexible client communication with recordkeeping compliance, adherence to information security, and data governance. Using LeapXpert, companies provide their employees a single corporate identity for business communication through iMessage, WhatsApp, SMS, Telegram, WeChat, Signal, LINE, and voice calls. All employees' business communication can be recorded while their personal messages remain private. Meanwhile, clients communicate natively on their preferred messaging app. The platform also integrates natively with Microsoft Teams, enabling employees to communicate compliantly with clients on the messaging app of their choice from within Microsoft Teams.

LeapXpert will use this new round of funding to meet increasing demand from the financial services industry, accelerate penetration into other industry verticals, and grow its partnership network. The company will continue developing The LeapXpert Communications Platform, add more vertical modules, enhance its voice offering, launch a new public SaaS solution, and roll out additional integrations to improve its current technologies.

Founded in 2017, Tel Aviv's [LeapXpert](https://leap.expert) provides enterprises peace of mind through compliant and secure communication solutions. The LeapXpert Communications Platform is an enterprise solution that enables employees and clients to communicate on consumer messaging applications and voice channels in a compliant, governed, and secure manner. (LeapXpert 29.03)

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* 1. Cisco Announces its Intent to Acquire Lightspin

Cisco announced its intent to acquire Lightspin Technologies, which offers a holistic solution that provides end-to-end cloud security posture management (CSPM) across cloud-native resources. In today’s security climate, where the risk management needs of organizations can evolve overnight, it is vital that Cisco’s cloud security investments reflect the growing needs of its customers.

Lightspin takes a unique approach to contextualized cloud-security coverage, using graph-based technology to deliver key context, prioritization, and remediation recommendations. Cisco and Lightspin are aligned with a common goal to help customers modernize their cloud environments with end-to-end security and observability from build to runtime.

Tel Aviv's [Lightspin](https://www.lightspin.io/‎)’s context-based cloud security empowers cloud and security teams to eliminate risks and maximize productivity by proactively and automatically detecting all security risks, smartly prioritizing the most critical issues, and easily fixing them. (Lightspin 29.03)

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* 1. Cybereason Raises $100 Million

Tel Aviv's [Cybereason](https://www.cybereason.com/) announced the completion of a $100 million financing round led by SoftBank Corp. The new funds will support the company’s global expansion and advance its innovation in XDR, EDR and EPP solutions.

The company has received the boost from the latest investment despite undergoing a year of upheaval with layoffs, the cancellation of its planned IPO and a fall in revenue because of the global slowdown and increased competition. In December 2021, in its most recent financing round Cybereason raised $355 million at a company valuation of $2.7 billion. Because the latest investment is from existing investors, the company's valuation has not significantly changed.

Founded in 2012, Cybereason's XDR platform combines endpoint prevention, detection, and response all in one lightweight agent. The company says that it recognizes, exposes, and end malicious operations before they take hold allowing users to end attacks in minutes. (Cybereason 03.04)

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* 1. Entain Plc Acquires 365scores for $160 Million

London, UK's Entain plc, the global sports betting, gaming and interactive entertainment group, has acquired the entire issued share capital of 365scores, a world leading sports media business, for a consideration of $150 million and contingent payments totaling up to $10 million.

Israel's [365scores](https://www.365scores.com/) is one of the world’s leading scores and sports media companies, providing scores & sports information, editorial & social content, as well as sports-focused free-to-play games. They have a fast growing and highly engaged global audience of over 15 million active users and are ranked amongst the top 5 scores apps worldwide.

The combination of 365scores’ deep expertise in data-driven sports media content alongside Entain’s global scale and market leading platform capabilities will provide customers with a broader offering of interactive content and experiences. The acquisition unlocks further growth opportunities and supports our global strategic ambitions. (NNR 05.04)

REGIONAL PRIVATE SECTOR NEWS

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* 1. Total e-Commerce Market Value in MENA to Surpass $57 Billion by 2026

A new report has revealed that the MENA region’s total e-commerce market size reached $37 billion in 2022, reflecting a double-digit growth rate from 2021 and a 32% compound annual growth rate over the 2018 – 2022 period. The figures were shared in the third edition of EZDubai’s E-commerce Report in the MENA region.

According to the report, the MENA’s double-digit growth is due to robust internet usage, a well-developed infrastructure, and supportive policies. The UAE, Saudi Arabia and Israel accounted for 72.1% of the total market size, with the growth in these countries attributed to factors including their technologically advanced populations, high-internet usage rates, and strong government finances. Specifically, Israel’s innovative economy and the rising demand for speedy delivery services propelled it to the forefront of the market.

The report also shared that companies in the UAE are making use of dark stores to streamline inventory management and provide delivery. Meanwhile, Saudi Arabia’s rapidly growing population, technological advancements, and development of secure payment systems contributed to its strong performance in the e-commerce sector.

The MENA e-commerce market size is expected to reach $57billion in 2026, with a compounded annual growth rate of 11% over the 2022-2026 period. Although countries like the UAE, Saudi Arabia, and Israel are expected to remain leaders in e-commerce market share, countries like Algeria are expected to see strong growth. “The demand for online shopping services in the MENA region is expected to continue growing. In particular, consumer electronics are expected to have a penetration rate of 29% in Saudi Arabia and 50% in Egypt within total e-commerce by 2026. (Zawya 29.03)

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* 1. UAE’s CAFU Launches in Canada with an EV Charging Solution

CAFU, the region’s first on-demand car service, has announced its expansion into Canada with an EV charging solution. With plans to continue growing into other markets, CAFU’s EV charging solution aims to support users who don’t have any access to home charging. CAFU’s new innovative service will allow car owners in Québec to charge their cars at the simple tap of a button, boosting access to charging infrastructure.

This cutting-edge mobile EV charging solution technology not only expands charging options for EV drivers, but will also promote easy adoption in the future. The company’s truck can travel to recharge the vehicle on demand. (GB 06.04)

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* 1. NOVONIX and TAQAT to Produce Battery Materials in Saudi Arabia

Nova Scotia's NOVONIX Limited has agreed to establish an incorporated joint venture with TAQAT to develop and produce anode materials for electric vehicle and energy storage system batteries in the Middle East and North Africa (MENA) region. The joint venture, which has been in discussion since 2021, is intended to utilize NOVONIX’s leading battery technology and capability to develop a graphite anode materials facility with capacity of 30,000 tonnes per annum.

The project is to be located in Saudi Arabia and is expected to secure ready access to precursor material as feedstock for critical battery materials and access to developing end-use markets for the manufacture and sale of EVs and ESS applications. The Government of Saudi Arabia, as part of its Vision 2030 goals, is using its investment power to support and create a more diverse and sustainable economy. Saudi Arabia plans to have 30% of all vehicles on road be electric by 2030.

[TAQAT Development Company](https://taqatgroup.com) is a leading Saudi Arabian energy company. The company is a leader and innovator in the global energy market, and a key contributor to the economic growth and development of the MENA region. TAQAT is constantly seeking out new opportunities to invest in and develop solutions to meet the region’s emerging technology energy needs. (Novonix 30.03)

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* 1. Spinneys to Open 12 New Branches in Egypt by Mid-2024

Supermarket chain Spinneys Egypt will deploy some EGP 450 million to open a dozen new stores across the country by mid-2024. The company expects the expansion to increase sales by 30%. Spinneys is spending around EGP 200 million on six new branches, all of which should be complete by the end of June. The company opened a Mohandeseen branch in November 2022, is finalizing the construction of four more branches in Mansoura, Alexandria, Mohandeseen and Obour, and is in talks for land for another store in Sheikh Zayed. The chain plans to spend EGP 250 million on another seven branches next fiscal year, including one at the new administrative capital.

Spinneys currently operates 22 stores across Cairo, Giza, Alexandria, Minya, Menoufia, Gharbia, Matrouh, and Red Sea governorate. The grocery retailer plans to invest in the development of its online platform to raise its contribution to total sales from 15% to more than 20% within the next three years. The platform was launched at the onset of the pandemic to meet the burgeoning demand for online shopping and has since grown significantly. Spinneys is also mulling acquisitions as a way to support horizontal expansion and accelerate customer acquisition. (Enterprise 30.03)

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* 1. Camel Ventures Launches $16 Million Fund to Support Fintech in Egypt

Cairo's [Camel Ventures](https://www.camel.ventures/) has launched an EGP 500 million Venture Capital Investment Vehicle, dubbed Camel Ventures for Investment I (CVI), focused Egypt's growing fintech startup ecosystem. Regulated by the Egyptian Financial Regulatory Authority, CVI provides both equity investments for early-stage startups, as well as venture debt denominated in local currency for later-stage startups. CVI is backed by a wide group of investors in Egypt and the GCC. The management team partnered with Al Ahly Capital Holding and dfin Holding to create CVI as the first fintech-focused investor in Egypt. CVI has already made 10 investments in sectors across Egypt, including Khazenly, Pharmacy Marts, and klickit. (Wamda 02.04)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. Eco Wave to Supply Electricity Generated from Waves to Israeli Households

Israel’s Eco Wave Power, which has developed technology to harness clean energy from the motion of waves, has inked a first agreement with the Israeli National Electric Company to connect its wave-energy power plant and sell electricity to Israel’s power grid.

Eco Wave said it entered into a power purchase agreement with the IEC for the supply of electricity generated from ocean and sea waves. Once connected to the company’s wave-powered energy station located in Tel Aviv’s Jaffa port, it will mark the first time that wave-powered energy will be transmitted to the national grid to provide electricity to Israeli households. Wave energy alone can produce twice the amount of electricity that the world produces now, according to Eco Wave.

The wave energy project, also known as EWP-EDF One Project, is conducted in partnership with and co-funding from EDF (Electricité de France) Renewables in Israel and Israel’s Energy Ministry. The ministry has previously recognized Eco Wave’s technology as a “pioneering technology.”

Founded in Tel Aviv in 2011, [Eco Wave](https://www.ecowavepower.com/) has developed an onshore mechanism using floaters that are attached to existing man-made marine structures such as piers, breakwaters and jetties to draw energy from incoming waves by converting the rising and falling motion of the waves into green electricity. As such, the technology is more cost-efficient compared with offshore solutions as it doesn’t require the use of ships, divers, underwater cabling and mooring for connection to the system.

Following the power purchase agreement, the IEC will perform a grid synchronization test before officially connecting the EWP-EDF One wave energy project to Israel’s energy grid. The agreement comes after Eco Wave in July announced that it had conducted successful test runs on the EWP-EDF project for the operation of the mechanical and hydraulic subsystems of the wave-powered energy power plant, including lowering the floaters into the water for the first time.

Eco Wave has been operating an off-grid pilot power station at the Jaffa Port since 2014 for the testing of system components and floater designs and the production of clean wave energy-generated electricity. In 2018, Eco Wave was awarded a grant by the National Infrastructures, Energy, and Water Resources Ministry for the expansion of the pilot station to 100KW. (Eco Wave 09.04)

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* 1. EBRD & EU Provide Jordan €71 Million Finance Package for Wastewater Treatment

The European Bank for Reconstruction and Development (EBRD) signed an agreement with Jordan’s Planning and International Cooperation Ministry to channel a €30 million grant provided by the EU that is co-financed by a €41.3 million loan from the EBRD. The financing package will go towards the construction of a green wastewater treatment facility in Al Ghabawi.

The wastewater treatment facility will treat wastewater from rural areas in Amman that are not connected to the capital’s sewage network, with a daily treatment capacity of 22,500 cubic meters. The new EBRD-backed facility will provide improved wastewater and sanitation services to the country’s northern municipalities. The Al-Ghabawi wastewater project is not only a wastewater treatment facility; it will set an example on resources’ efficiency and combine the possibility to exploit sludge further in waste-to-energy, as well as the possibility for contributing to composting.

Jordan is keen on improving infrastructure-related issues to help shore up its water security. The influx of some 1.3 million Syrian refugees adding further stress to the country’s water capacity. The Jordan Valley Authority signed an agreement with USAID in December to combat water scarcity through a $10.45 million upgrade of the King Abdullah Canal. Jordan also signed a €115 million loan agreement with the German Development Bank to increase water efficiency in the Canal, and brought online a solar-powered water treatment plant that will help secure 11% of national water needs by 2025. (Enterprise 30.03)

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* 1. Saudi’s Islamic Development Bank Earmarks $403 Million for Egypt & Central Asia

Saudi Arabia's Islamic Development Bank (IsDB) will provide some $403 million for three projects in Egypt, Kyrgyzstan and Tajikistan under efforts to back socio-economic development and promote sustainable energy and transport.

Egypt is set to receive the biggest chunk of the earmarked funds, with the IsDB set to provide $344.5 million in financing to its 660 km first phase of the Sokhna-Alexandria high-speed rail line. The sixth-longest rail network in the world — described as a “climate-resilient electric express railway system” — will connect 60 Egyptian cities with trains running at up to 230 km/h, slashing greenhouse gas emissions by c.250k tons of CO2 annually.

IsDB will provide additional financing to the tune of $13 million for Kyrgyzstan's Central Asia South Asia Electricity Transmission and Trade Project (CASA-1000) under a bid to meet growing demand for electricity in Afghanistan and Pakistan through cross-border energy exchange. The IsDB has already approved an initial $50 million for the project. The project will use Kyrgyzstan and Tajikistan’s hydropower resources, paving the way for sustainable electricity trade between Central and South Asia. (IsDB 02.04)

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* 1. Egypt’s 500 MW Ras Ghareb Wind Farm Finalizes Financing

The Red Sea Wind Energy (RSWE) — a JV between Orascom Construction (OC), Japan’s Toyota Tsusho Corporation/Eurus Energy Holdings Corporation, and France’s Engie — has achieved a financial close for a 500 MW wind farm near Egypt’s Ras Ghareb. The announcement comes a few months after RSWE said it will receive a $501 million syndicated loan for the farm from several development partners.

Established in 2020, RSWE was created for the purpose of constructing multiple wind farms in the area. Its ownership breakdown sees Toyota and Eurus each owning 20%, Engie holding 35% and OC owning the remaining 25% stake. The project will connect to the grid over two phases, and is expected to commence full commercial operations in Q3/25 under a 25-year PPA with the Electricity Transmission Company (EETC). It is part of the implementation of the energy pillar in the country’s Nexus on Water, Food and Energy (NWFE) flagship program which focuses on securing climate finance to some of Egypt’s most important green projects.

The wind farm will help slash carbon emissions by c. 1 million tons annually and deliver clean energy to over 800k households in the country. RSWE built Egypt’s first renewable energy IPP project in Ras Ghareb with a capacity of 262.5 MW, completing it in 2019. This brings the consortium’s wind energy capacity through the two facilities to 762.5 MW.

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* 1. Tunisia Bans the Use of Drinking Water in Agriculture

Since 31 March 2023, the use of drinking water is prohibited in agriculture, for watering green spaces, cleaning streets and public spaces to reduce pressure on dams. This decision of the Tunisian Ministry of Agriculture, Water Resources and Fisheries will be applied for six months. This measure was taken to preserve the reserves of dams, with levels of filling now worrying due to drought.

The agricultural sector consumes more than 80% of Tunisia’s water reserves, according to the United Nations Food and Agriculture Organization (FAO). Compliance with these regulations will make enough water available to meet the needs of the population.

The Tunisian Ministry of Agriculture has designated the National Company of exploitation and distribution of water (SONEDE) to ensure compliance with this new measure in the water sector. Thus, the public company will be able without notice to stop the supply of drinking water to violators, then initiate legal proceedings that would lead to imprisonment of six days to nine months.

While the decision to ban the use of drinking water in other sectors of activity will reduce the pressure on Tunisia’s 36 dams, with a total capacity of 2.988 million m3 according to the National Observatory of Agriculture (ONAGRI), this measure will have important consequences on agriculture, which represents about 10% of the country’s gross domestic product (GDP). Among these consequences, the reduction of agricultural production, increased dependence on imports to avoid the food crisis. (Afrik21 31.03)

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* 1. A New Agency Will Support Algeria's National Desalination Policy

In order to guarantee its water security, Algeria created a new independent agency to reinforce water production capacities for consumption. A new agency will accelerate the implementation of the seawater desalination policy in Algeria. The national strategy seeks to cover 60% of Algeria’s drinking water needs from seawater desalination by 2030.

The new agency will oversee the completion, operation and maintenance of seawater desalination plants under construction, as well as related facilities and equipment. The Algerian company will also carry out all studies and analyses related to new desalination projects in the country, and coordinate their implementation through to the distribution process by dedicated agencies.

Ranked 29th most affected by drought by the World Resources Institute (WRI), Algeria is facing climate change which is disrupting rainfall trends, leading to a drop in the filling level of dams. In 2021, the average filling rate of dams on the national territory will barely reach 44.5% according to the National Agency for Dams and Transfers (ANBT). Currently, Algeria has 12 desalination plants supporting 80 dams dedicated to supplying water to Algerians. (Afrik21 28.02)

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* 1. Morocco’s UM6P Secures Nearly $1 Billion in Financing for Green Projects

Morocco’s Mohammed VI Polytechnic University (UM6P) has raised $986 million from the OCP Foundation to support green expansion plans and smart city projects in Morocco’s green city of Benguerir. UM6P will channel the funds provided by OCP to expand campuses Rabat, Benguerir, and Laayoune focusing on smart city and green construction projects, including the Smart Health Care City project it is building in partnership with Moroccan health care firm Akdital.

UM6P is invested in the green building: In February, the university opened its $23.5 million Green & Smart Building Park in Benguerir as it looks to establish the park as a research and development hub focused on green building, clean energy, and sustainable mobility solutions. (UM6P 02.04)

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* 1. Morocco to Install 2,500 Charging Stations by 2026

In Morocco, companies in the electricity and automotive sectors have given the green light to the Intersectoral Professional Association for Electric Mobility (APIME) to install 2,500 charging stations for electric vehicles over the next three years. The initiative will contribute to the development of sustainable transport in the Cherifian Kingdom. These facilities, which will be distributed in the main Moroccan cities including Casablanca, Tangiers and Rabat, will promote the massive import of electric cars. The aim is to make Morocco an exemplary country in terms of ecological mobility in Africa.

The initiative supported by the National Federation of Electricity, Electronics and Renewable Energy (FENELEC) is also one of the main lines of the National Plan for Electric Mobility developed by the National Office of Water and Electricity (ONEE) of Morocco. This plan aims to reduce air pollution while the transport sector generates 40% of carbon dioxide (CO₂) emissions within Morocco. (Afrik21 30.03)

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* 1. UM6P & OCP Commit $200 Million to Bidra for Green Technologies in Morocco

Bidra Innovation Ventures (Bidra) announced a $200 million commitment by Mohammed VI Polytechnic University (UM6P) and the OCP Group. The initiative will expand Bidra's investment scope to include innovations in energy, water, mining and agriculture. This latest round of funding comes one year after Bidra launched a $50 million fund backed by the same investors focused on agriculture. This additional $200 million is on top of the $50 million that’s already funded. In December 2022, OCP Group announced a green investment strategy with a $13 billion commitment over the next four years to achieve full carbon neutrality by 2040.

Companies backed by Bidra not only benefit from the financial resources of UM6P and the OCP Group, but also the organizations’ domain expertise and expansive global footprint. Talent, customer, capital are the three inputs that Bidra, UM6P and OCP can assist on.

Over the past year, Bidra has backed robotics used to reduce chemical volumes (Niqo Robotics), biopesticides for deadly insects in Africa (Agrospheres), soil biology and diagnostics technology to customize fertility recommendations (Pattern Ag), a digital store-front for Kenyan farmers to access crop inputs otherwise difficult to obtain (Apollo Agriculture), as well as electrochemical technology to permanently sequester carbon and produce sulfuric acid by recycling phosphogypsum (Travertine).

[Bidra Innovation Ventures](https://bidra.vc) is a $250 million venture capital firm based in San Francisco, California and Ben Guerir, Morocco. Backed by UM6P and The OCP Group, Bidra invests in sustainable technologies for Africa and beyond. Bidra is stage-agnostic and also invests in other GPs active in energy, water, mining and agriculture sectors.

Mohammed VI Polytechnic University (UM6P) is a hub of education, research, innovation and entrepreneurship, working to build collaborations with universities around the world. Through experimentation and practice, the University’s modernized approach to education is fostering the future of development across Africa and beyond. The OCP Group is a global leader in plant nutrition solutions and the world's largest producer of phosphate fertilizers. (Bidra 05.04)

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* 1. Greece Requests an Additional €5 Billion to Finance Energy Investment Loans

Greek Alternate Finance Minister Skylakakis submitted a request to the European Commission for additional loan financing resources from the Recovery and Resilience Facility (RRF), amounting to €5 billion, in the context of REPowerEU. REPowerEU is the European Commission’s plan to make Europe independent of Russian fossil fuels well before 2030, in light of the Russian invasion of Ukraine. It is a plan for energy saving, the production of clean energy, and the diversification of the Greek energy sources.

The €5 billion will be used, primarily, for the financing of private investments in energy – through loans and venture capital – which will concern renewable energy projects (e.g. solar and wind energy, bio methane, green hydrogen; energy efficiency projects), as well as interventions in existing business buildings, upgrading infrastructure and increasing the efficiency of production processes; initiatives to promote “clean” transport; clean energy access projects such as off-grid solutions and distributed electricity networks and battery energy storage systems (BESS).

The loan part of ‘Greece 2.0’, amounting to €12.7 billion, aims primarily, at strengthening the competitiveness of the country’s businesses, contributing, financially, to the implementation of their investment plans. (AMNA 30.03)

ARAB STATE DEVELOPMENTS

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* 1. Jordan Drops 3 Places on Security and Prosperity Index

Jordan dropped three places on the [Gulf Studies and Research Centre (CSRGULF)](https://www.csrgulf.com/) index measuring security and prosperity, declining from seventh place in 2022 to 10th in 2023. According to CSRGULF, the decline in Jordan’s ranking was attributed to various factors related to the Kingdom’s socioeconomic situation. The ranking was based on the study of various indicators such as personal safety, health security, social and economic security and environmental security.

The index showed that continued debt crises, rising inflation and unemployment rates, limited natural resources and other issues reflected negatively on the country’s social and economic security and the shared prosperity of its citizens.

Weighing Jordan against other countries in the region, Qatar came first for the third consecutive year, followed by the United Arab Emirates, Oman, Kuwait and Bahrain, respectively. Sudan ranked 19th — the bottom spot on the index — due to poor performance in almost all categories.

Since the 1990s, the path to Jordan’s prosperity has receded, given the country’s “weak” economic performance, the economist said, noting that GDP per capita has steadily declined. High unemployment and growing debt have remained among the main challenges. Despite the various challenges posed by global and domestic crises, Jordan’s GDP grew by 2.9% in the second quarter of 2022. Nonetheless, Jordan’s unemployment rate went up by 0.5% during Q3/22, standing at 23.1%. (JP 29.03)

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* 1. Iraq & Kurdish Region Sign Accord to Resume Oil Exports

On 4 April, Iraq's federal government and the Kurdistan autonomous region signed an accord to allow Kurdish oil exports to resume through Turkey after they were halted 10 days earlier. The deal, signed in Baghdad, was described as temporary but signals the end of independent oil exports by northern Iraq's Kurdish regional government, and marks a clear limit to its autonomy. The agreement came two days after Iraq, Saudi Arabia, and several other major oil exporters announced a sharp reduction in their production from May that sent up global energy prices.

Turkey stopped handling Iraqi Kurdish oil last month after an international tribunal ruled in a nine-year-old dispute that Baghdad was right to insist on overseeing all Iraqi oil exports. Oil exports are the key revenue source for both the federal and regional governments, and their management has long been a sensitive topic in relations.

The government of war-scarred Iraq is betting on earning around $70 per barrel in its budget calculations for the next three years, while indignantly watching the autonomous region go it alone by exporting its oil via Turkey. In the eyes of the Kurdistan government, Baghdad was trying to profit from the region's resources while dragging its feet on paying the salaries of Kurdish civil servants and other funds for its regional public sector. (i24NEWS 04.04)

►►Arabian Gulf

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* 1. Real GDP Growth in the GCC Will Slow to 3.5% in 2023

Real GDP growth in the GCC region will moderate from an estimated 7.6% in 2022 to 3.5% in 2023, according to a new report by S&P Global Market Intelligence. The decline is expected to be more due to lower year-on-year (y-o-y) oil output and spillovers of weaker global demand on activity momentum in the non-hydrocarbon economy than to tighter financial conditions brought about by the regional central banks mirroring the US Federal Reserve's moves on interest rates.

The monetary tightening is likely to reduce lingering inflationary pressures in the GCC region and is supportive of GCC banks’ profitability, the report said, with the intelligence provider adding that it does not expect banks to be materially impacted by uncertainty in global financial markets.

Although average inflation in the GCC is likely to remain above long-term trends in 2023, it will further decline to 2.3% in 2024. Meanwhile, the latest rate hike will continue to support profitability in the GCC region’s banking sectors as loan-to-deposit interest rate spreads rise, supporting net interest income. Banking sectors with a higher proportion of non-interest earning Islamic bank deposits, like Saudi Arabia, will benefit more from the rate hikes, the report noted. (Zawya 29.03)

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* 1. Bahrain Launches 'Golden License' to Attract Major Investment & Make Jobs

On 3 April, Bahrain announced the launch of a Golden License aimed to attract major companies to invest in the Gulf kingdom, by providing incentives and streamlined services to these businesses. Bahrain’s Cabinet introduced the license in line with its October 2021 Economic Recovery Plan, to create jobs and attract greater local and foreign investment with the goal of better economic performance. Last year, Manama introduced its Golden Visa program, also aimed to attract foreign investments.

Only companies with major investment and project portfolios will be eligible for the license, with either a $50 million value or a plan to create 500 jobs in the country, according to the Bahrain Economic Development Board. Golden licensed companies will enjoy perks and privileges unavailable to others including prioritized allocation of land for investment and access to infrastructure services and utilities.

Bahrain's debt is expected to rise according to the International Monetary Fund (IMF). The island country has been one of the most indebted compared to other Gulf states and was bailed out in 2018 by its wealthier neighbors with an aid package of $10 billion. The amount was tied to reforms aimed at reaching fiscal balance by 2024. The small size of the country with 1.5 million people gives an advantage for investors who are looking for faster, more flexible decision-making with better access to regulators and policymakers.

Bahrain, which normalized ties with Israel along with the United Arab Emirates in 2020, signed a memorandum of understanding with Israel’s Start-Up Nation Central in March to promote and strengthen human capital development between the two countries. (Al-Monitor 04.04)

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* 1. UAE & Qatar Lead Middle East in 2023 Global Foreign Investment Ranking

Middle East economies ranked among the top 25 countries on Kearney's 2023 Foreign Direct Investment Confidence Index (FDICI), with the United Arab Emirates leading the region. The Kearny FDICI is an annual survey of global business executives that ranks markets according to their investment outlook over the next three years. Six countries from the Middle East and North Africa (MENA) region made it on the top 25 list of emerging markets attractive to foreign direct investment (FDI). They are, with their global rankings:

1. UAE at 3rd

2. Qatar at 4th

3. Saudi Arabia at 6th

4. Egypt at 14th

5. Turkey at 15th

6. Morocco at 16th

In 2021, Saudi Arabia introduced a new national investment strategy that set an FDI goal of more than $100 billion annually by 2030. The Dubai Economic Agenda launched in January of this year is of note. The $8.7 trillion plan aims to make Dubai a leading world city by measure of economic strength over the next 10 years. It involves an initiative to take 30 private companies to unicorn status, meaning worth more than $1 billion.

However, Kearney recognized that despite positive sentiments from investors this year, emerging markets face the risks of commodity price increases, ongoing political instability from issues like the Russia-Ukraine war and global inflation. (Al-Monitor 31.03)

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* 1. Bahrain’s Economy Expands by 4.9% in 2022 - Fastest Rate in a Decade

Bahrain’s economy grew by 4.9% in 2022, the fastest pace recorded in a decade, driven by an acceleration in non-oil growth. According to a statement from Bahrain’s Ministry of Finance, the country’s non-oil sector grew by 6.2% in 2022. It exceeded the 5% growth target set under the government’s economic recovery plan that was launched in 2021 in response to the pandemic. Non-oil sectors witnessed year-on-year growth in real terms last year, with the hospitality sector leading at 13.9%, followed by government services at 6.7% and real estate and business activities at 5.5%. Its trade activity expanded by 5.4% in 2022 while the manufacturing sector stood at 4.9%, transportation and communications at 4.5%, financial corporations at 4.1% and construction at 1.4%.

Bahrain’s oil GDP posted a remarkable 33.7% annual growth in nominal terms last year, underscoring the surge in oil prices, which saw the Brent benchmark averaging $100 per barrel compared to $70.7 for 2021. The kingdom, often seen as one of the weakest links among oil-rich GCC nations, still relies on hydrocarbon revenues to balance its books due to its high debt levels. The IMF estimates that Bahrain needs an oil price of around $122 per barrel this year, the highest among neighbors and way below current levels, to balance its budget.

Meanwhile, Bahrain’s ministry of finance in February said the preliminary financial estimates for 2022 showed the country’s deficit dropping by 85%. The country reported a mid-year budget surplus of $88 million, with revenues soaring by 52% compared to the same period last year. The current oil price outlook has also created an ideal environment for the government to proceed with its ambitious economic reforms under favorable macroeconomic and financing conditions.

The country is also implementing a series of reforms to bolster public finances and non-oil growth, balance its budget and stem government debt, including increasing VAT, offering permanent residence to some foreigners and privatizing some government assets. Bahrain Economic Development Board (EDB), the country’s investment promotion agency, attracted a record $1.1billion in direct investment in 2022. The investments from 88 companies are expected to generate over 6,300 jobs in the country over the next three years. The investments are in key sectors including financial services, ICT, logistics, manufacturing and tourism. The EDB seeks to attract $2.5billion in direct investment this year. (GB 29.03)

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* 1. UAE Approves 24 National Initiatives, Aims to Double Re-Exports in 7 years

Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of UAE and Ruler of Dubai, chaired a UAE Cabinet meeting on 28 and approved 24 national initiatives targeted at doubling the UAE’s re-exports by 100% within a period of seven years supported by the country’s 50 commercial offices around the world.

The UAE aims to double the country’s re-exports by developing specialized areas in cooperation with local governments, establishing the International Trade Links Centre, launching supportive programs and increasing foreign investments in the service sector. They have signed 4 four comprehensive economic partnership agreements (CEPA) with India, Israel, Indonesia and Türkiye, in addition to negotiations on new CEPAs with other trading partners.

The volume of non-oil trade between India and the UAE reached Dhs79.3 billion by the end of September 2022, achieving 23% growth compared to the same period in 2021 and 133% growth compared to 2020. The volume of the country’s non-oil exports to India recorded Dhs19.7 billion in the same period, with a growth rate of 12% compared to the same period in 2021 and 154% compared to 2020.

Additionally, during the meeting, the cabinet approved the country’s accession to Arab Customs Cooperation Agreement, and to the Digital Economy Partnership Agreement. It also approved the UAE’s accession to the Agriculture Innovation Mission for Climate. In addition, the meeting approved hosting the International Union for Conservation of Nature World Conversation Congress (IUCN) in Abu Dhabi in 2025, which attracts more than 10,000 experts from more than 160 countries. (GB 29.03)

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* 1. UAE & Vietnam to Launch Free Trade Talks

The UAE and Vietnam have agreed to start talks on establishing a comprehensive economic partnership agreement (CEPA), as the two countries seek to promote collaboration in trade, investment, economy, industry, energy, logistics, agriculture and infrastructure. The UAE is Vietnam’s number one Arab trade partner, accounting for 39% of its total trade with the Arab countries. The volume of non-oil trade between the two countries reached $8 billion in 2022 while trade in goods other than mobile phones and accessories jumped by 46% from less than 36% in 2019. The trade and investment exchanges between the UAE and Vietnam totaled Dhs13.5 billion in 2022, up 9% from 2021 and with a 34 and 26% growth from 2020 and 2019, respectively.

The UAE’s investments in Vietnam totaled Dhs260 million in 2022 and companies with investments in Vietnam include DP World, Emirates Investment Authority, Mubadala and Borouge. (GB 07.04)

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* 1. New UAE-Canada Flight Agreement Boosts Emirates Capacity by 40%

Transport Canada announced an expansion of its transportation agreement with Air Emirates, adding a possible 40% more flights per week or 21 flights total for each country. The move will better accommodate the growing Canada-United Arab Emirates air transportation market, improve Canada’s global connectivity and strengthen trade activity between the two countries, stated Transport Canada.

Emirates said it will add two flights per week between Dubai and Toronto to serve its large number of travelers starting April 20, according to its press release.

Emirates’ flagship A380, operating since 2009 on this route, carries about 491 passengers per flight. Emirates has been flying the Dubai-Toronto route since 2007. It is highly popular among travelers from India, the UAE, Bangladesh, Iran, Pakistan, Saudi Arabia and Sri Lanka. (Al-Monitor 09.04)

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* 1. UAE & Costa Rica to Launch Free Trade Talks

The UAE and Costa Rica have agreed to start preliminary negotiations on a bilateral trade deal targeting a broad expansion of economic ties. The trade and investment exchanges between the two countries continue to grow as the non-oil trade reached $58.7 million in 2022, a 19% increase from a year earlier. The negotiations are expected to lay the foundation for building a significant platform to future-proof economic and trade relations between the two states. The UAE’s investments in Costa Rica span sectors such as IT, tourism, retail, advertising, media, real estate, renewable energy, air transport and logistics.

The UAE also signed an economic pact with Indonesia in July 2022 as the two countries seek to boost bilateral trade to more than $10billion by 2030. The Southeast Asia country sees its exports climbing 54% over the next 10 years, as the deal erases as much as 94% of existing tariffs. The UAE plans to finalize a deal with Ukraine and Colombia in the future. (GB 29.03)

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* 1. Expo 2020 Dubai Will Add $42.2 Billion to the UAE Economy by 2042

Expo 2020 Dubai will add $42.2 billion to the UAE economy from 2013 to 2042 and support 1 million job-years, according to a new study. The EY study said the event itself, which took place one year late, opening in October 2021 due to the COVID-19 pandemic, saw 24.1 million visits. The event and its legacy are expected to support 1.039 million full-time equivalent (FTE) job-years, equivalent to 35,000 FTE jobs per annum. The sectors contributing the most global value added (GVA) are events organization and business services (AED 75.5 billion), construction (AED 31.9 billion) and restaurants and hotels (AED 23.1 billion).

The pre-event phase contributed around one quarter of GVA, the event itself added close to 13%, while majority of the economic benefits, 62%, will be felt in the legacy phase through to 2042. Some Expo 2020 Dubai attractions, particularly the UAE’s own exhibits, Terra, The Sustainability Pavilion, Alif, The Mobility Pavilion, the Vision and Women’s Pavilions, as well as the three new Stories of Nations exhibitions have remained open. Earlier this month, it was announced that communities of apartments, townhouses and villas are to be built at the site, in developments named Expo Valley and Expo Central. (Zawya 31.03)

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* 1. Saudi Arabia Joins Shanghai Cooperation Organization as Chinese Ties Warm

On 29 March, Saudi Arabia's Cabinet approved a decision to join the Shanghai Cooperation Organization (SCO). The memorandum awards the kingdom the status of dialogue partner in the SCO, a political and security union that spans Eurasia and includes China, India and Russia. The SCO was created in 2001 to counter US hegemony in the region, and it expanded later to include India and Pakistan. Iran also joined the union with full membership last year.

The decision by Saudi Arabia to join and acquire dialogue partner status was discussed during the visit of Chinese President Xi Jinping to the kingdom in December. Riyadh’s growing ties with Beijing have raised concerns with Washington and gained momentum in recent months. Saudi Arabia is seemingly looking to diversify its global partnerships in the same way that it has been diversifying its economy into non-oil sectors and reducing its dependence on one single source.

Earlier, Saudi Aramco signed two deals to build a major refining and petrochemical complex in China valued in the billions of dollars. On 10 March, a surprise deal between Saudi Arabia and Iran took place ending seven years of political conflict, which was brokered by China. These growing ties became visually apparent with President Xi’s three-day visit to the kingdom’s capital in December, the first time in nearly seven years that China's president has visited its key energy ally. (Al-Monitor 29.03)

►►North Africa

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* 1. Egyptian Government Approves FY 2023-2024 Budget

Egypt's Madbouly government plans to increase spending on food and fuel subsidies in the coming fiscal year as it aims to cushion the impact of soaring inflation on lower-income households. The Finance Ministry will increase its spending by 28% on social safety programs and has raised allocations to food subsidies by 20% and fuel subsidies by 24% in its draft FY 2023-2024 budget, which was approved by ministers at the weekly cabinet meeting on 29 March. This will raise social spending to around EGP 455 billion, while EGP 108 billion will be spent on food subsidies and EGP 35.9 billion on fuel. The government recently announced an EGP 150 billion program of fresh social support, wage increases, and pension hikes in response to inflation, which reached fresh five-year highs last month.

The Finance Ministry trimmed its economic growth forecast and is now targeting 4.1% growth in FY 2023-2024. The ministry expects to deliver a 2.5% primary surplus and a budget deficit of 6.4%. The draft budget sees revenues increasing 31% to EGP 2 trillion and spending increasing 30.5% to EGP 2.8 trillion. The budget will be passed to the House for discussion ahead of a final vote that has to take place before the start of the next fiscal year on 1 July. (Enterprise 30.03)

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* 1. World Bank Downgrades Growth Forecasts for Egypt as Inflation Bites

The World Bank now expects Egypt’s economy to grow at 4% clip during FY 2022/23, according to its April MENA Economic Update. The forecast marks a downward revision from its October forecast of 4.8% and roughly tallies with the government’s latest estimates. Only Djibouti is expected to see higher growth among regional oil importers in 2023, at 4.4%. Egypt is also forecast to outperform all oil exporters except Oman, as weakening global oil demand sees GDP growth in the GCC moderate from 7.3% in 2022 to 3.2% this year.

The downgrade is due to household and business purchasing power constraints due to the devaluation of the EGP, imported inflation, higher fuel prices, and monetary tightening. Inflation is eroding incomes and constraining business activity. The WB is predicting inflation to average 18.9% in FY 2022-2023 before moderating to 15.0% next fiscal year and 10.0% in FY 2024-2025.

The services sector — mainly tourism and Suez Canal receipts — as well as construction, are driving growth, the WB says. GDP growth is forecast to remain steady at 4.0% next fiscal year before improving to 4.7% in FY 2024-2025.

The World Bank is now expecting the MENA region to grow at 3% during 2023, down 0.5% from its previous forecast. Oil exporters will see the biggest deceleration in growth as last year’s hot energy markets on the back of the war in Ukraine give way to a more uncertain global outlook, though the historical growth gap between oil exporters and importers in MENA is expected to persist. (WB 09.04)

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* 1. Inflation Hits 33.9% in Egypt as Food Prices Surge

Inflation in Egypt increased considerably in March, hitting 33.9%, the Egyptian government said on 10 April. The increase exceeded that of the previous month and follows the Egyptian Central Bank raising interest rates to no avail.

Annual headline inflation nearly tripled year-on-year, from 12.1% in March of 2022. Inflation is largely being driven by rising food prices. Food and beverage prices increased 62.7% on the year during March, according to CAPMAS.

Inflation has been significantly rising in Egypt for more than a year. In February, annual headline inflation increased to 32.9%. March’s figures thus indicate a worsening situation. The rising inflation comes amid the Central Bank of Egypt raising interest rates by 2% in late March, in addition to several rate hikes throughout 2022. Some economists have questioned Egypt’s recent interest rate hikes due to the failure of past ones to curb inflation. Raising interest rates can have adverse effects due to the pressure it puts on the financial system. (Al-Monitor 10.04)

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* 1. Egypt Officially Joins the BRICS Development Bank

President El Sisi signed a multilateral agreement for Egypt to become a member of the BRICS’ $100 billion multilateral lender New Development Bank (NDB), according to a Foreign Ministry decision. The president signed the decision into law on 2 February, just a few days after MPs approved the move. The NDB is a multilateral development bank set up in 2014 by the BRICS — a group of high-profile EM including Brazil, Russia, India, China and South Africa — to fund infrastructure projects in its member countries.

Membership will allow Egypt to access finance from the bank for development projects. Egypt joining the BRICS Group's New Development Bank will also help reduce demand for US dollars as bank members can use their national currencies in exchange of trade.

Egypt is set to contribute around $1.2 billion to the lender’s capital, giving it ownership of c.2.3% of its shares. Egypt will have the option to up its share of the lender’s capital and ultimately its share ownership and voting rights within the next few years. The two other shareholders — the UAE and Bangladesh — currently each own less than 2% of the bank’s shares. (Enterprise 02.04)

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* 1. Japan Invests $336 Million in Egypt’s Health Insurance System

Egypt and the Japan International Cooperation Agency (JICA) signed a $335.5 million agreement to develop the Universal Health Insurance System. The agreement aims to enhance the efforts of comprehensive health coverage in Egypt and help complete the UHIS’ objectives in the next seven years, according to pre-set timetables. JICA, the World Bank (WB), the World Health Organization (WHO) and French Development Agency (AFD) pledged to offer Egypt with $1 billion to finance the country’s Universal Health Insurance System. In December 2022, JICA approved a $301 million loan to Egypt for developing the country’s fourth metro line in December 2022. (WAYA 29.03)

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* 1. Construction of Dabaa Nuclear Plant’s Third Reactor Approved

The Egyptian Nuclear & Radiological Regulatory Authority (ENRRA) has granted permission for the construction of the third 1.2 GW reactor at Egypt’s 4.8 GW Dabaa nuclear power plant. No timeline has been released on when construction will begin. The approval comes after construction of the second reactor began in November.

Egypt and Rosatom began construction on the $30 billion plant in July 2022, starting an eight-year construction timeline that is expected to see it come online at the beginning of the next decade. The plant’s construction had faced delays in schedule in recent years due to the COVID-19 pandemic. Rosatom was contracted in 2015 to handle the construction and provide fuel for the plant which features four 1.2 GW reactors. 85% of the facility’s financing is through a $25 billion loan from Russia, with Egypt scheduled to begin repaying the sum in October 2029. (Enterprise 03.04)

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* 1. InstaPay Transactions Reach EGP 112.7 Billion Within One Year

The Central Bank of Egypt (CBE) said that 2.16 million customers registered on the “InstaPay” payments application during the first year of its establishment, reporting 20.3 million transactions during the first year, with a value of EGP 112.7 billion. The ideal timing of transactions through the application were 70% after the official working hours and 30% during the official working hours.

The maximum limits for financial transactions, taking place through the application, were amended to raise the maximum transaction value from EGP 50,000 to EGP 70,000, according to the CBE. (WAYA 27.03)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkey Deports Nearly 28,000 Foreign Nationals This Year

Nearly 28,000 foreign nationals have been deported in 2023 so far, Turkey's Interior Ministry’s Directorate of Migration Management announced. The directorate elaborated that nearly 2,500 irregular migrants were caught, while more than 1,800 were deported between 31 March and 6 April. Since the beginning of this year, a total of 27,900 foreign nationals were deported, while deportation procedures of 18,200 continue, it added.

Turkey has become one of the key transit points for migrants looking to cross into Europe to start new lives, especially those fleeing war and persecution. The number of illegal migrants deported since 2016 surpassed 430,000. While the deportation success rate is around 11% in Europe, this figure reached 70% in Turkey.

A total of more than 60,000 Afghan citizens were returned to their country last year, including more than 40,000 with charter flights and nearly 16,000 with scheduled flights. In addition, more than 11,000 Pakistanis were also deported. Thanks to the security measures taken at the border gates, over 270,000 illegal migrants were prevented from entering the country in 2022. (HDN 10.04)

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* 1. Turkey's Automotive Exports Reach a Record $3.3 Billion

The Turkish automotive sector’s export revenues reached a monthly record of $3.3 billion in March, rising by nearly 23% from a year ago. This made cars Turkey's biggest exporting industry, with a 13.9% share in the country’s export revenues last month. In the first three months of 2023, local carmakers generated $8.7 billion in export revenues, up 15.8% year-on-year.

Germany was the main export market for the local automotive industry. Exports to this country amounted to $475 million, while shipments to France grew by 97% to $434 million. The U.K. increased imports from Türkiye by 15% to $309 million.

Passenger car shipments to foreign markets grew 47% in March compared with the same month of 2022 to $1 billion, while exports by the parts industry increased 15% to $1.3 billion. Parts exports to Germany rose by 13%, while the increase in shipments to Italy and France was 9% and 29%, respectively. Exports to Russia soared 350%. The EU absorbed 70% of the Turkish automotive exports, with shipments to the bloc rising 29% to $2.3 billion. The share of other European countries was 12%. (OIB 11.04)

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* 1. Indirect Taxes Account for 60% of All of Greece's Tax Revenue

In 2022 indirect taxes brought revenues of 33.2 billion euros to the state budget, compared to €28.1 billion in 2021. Within just one year revenues increased by €5 billion, so that the ratio of indirect taxes from all tax revenue exceeded 60% for the first time in at least 20 years.

Soaring inflation, the increase in consumption due to growth, but also the familiarity of consumers with electronic payments – which also assisted with the reduction of VAT evasion – contributed to this collection record, as well as opening the debate on what should be done with indirect tax rates in the coming years. Greece’s basic VAT rate is among the three highest in Europe. (eKathimerini 11.04)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. Yom HaShoah - Holocaust Martyrs' & Heroes' Remembrance Day 2023

Israel will mark Holocaust Martyrs' & Heroes' Remembrance Day (*Yom HaZikaron HaShoah ve-‎laGvura* in Hebrew) on Monday evening, 17 April and Tuesday, 18 April. Holocaust ‎Remembrance Day (*Yom HaShoah*) is a national day of commemorating the six million Jews ‎murdered in the Holocaust. It is a solemn day, usually beginning at sunset on Hebrew date of ‎‎26 Nisan and ending the following evening. The internationally recognized date comes from the ‎Hebrew calendar and corresponds to the 27th day of Nisan on that calendar. It marks the ‎anniversary of the 1943 Warsaw ghetto uprising. Some years the observance can be moved by a day later to prevent the desecration of the Sabbath in preparation for the memorial services.‎

Places of entertainment are closed and memorial ceremonies are held throughout the country. ‎The central ceremonies, in the evening and the following morning, are held at Yad Vashem and ‎are broadcast nationally on television. Marking the start of the day, in the presence of the ‎President and the Prime Minister, dignitaries, survivors, children of survivors and their families, ‎gather together with the general public to take part in the memorial ceremony at Yad Vashem in ‎which six torches, representing the six million murdered Jews, are lit. The following morning at ‎‎10:00, the ceremony at Yad Vashem begins with the sounding of a siren for two minutes ‎throughout the entire country. For the duration of the sounding, work is halted, people walking ‎in the streets stop, cars pull off to the side of the road and everybody stands at silent attention ‎in reverence to the victims of the Holocaust. Afterward, there is a central ceremony at Yad ‎Vashem, while other sites of remembrance in Israel, such as the Ghetto Fighters' Kibbutz and ‎Kibbutz Yad Mordechai, also host memorial ceremonies, as do schools, military bases, ‎municipalities and places of work. Throughout the day, both the television and radio broadcast ‎programs about the Holocaust.

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* 1. Eid Al Fitr May Give the UAE a Four-Day Weekend

Depending on the sighting of the moon, the Eid al Fitr break in the UAE will begin on 20 or 21 April. Combined with the UAE’s regular weekend, these dates will give residents a four-day break from 20 to 23 April. Confirmed dates will be announced only at the end of Ramadan.

Eid Al Fitr (the festival of breaking the fast) signals the end of the month-long fasts of Ramadan and the first day of Shawwal – the tenth month of the Islamic Hijri calendar. It is one of the significant Muslim celebrations globally and is marked by families and friends sharing gifts and coming together for lavish meals. A special Eid prayer takes place in the morning of Eid Al Fitr, after the regular dawn prayers. The holy month of Ramadan began on 23 March this year.

Saudi Arabia limited working hours to five hours, starting from 10:00 until 15:00 during Ramadan. In Oman, official working hours are from 9:00 to 14:00. Private establishments have implemented reduced working hours for Muslim workers, with employees working six hours per day with no more than 30 hours per week. Qatar declared the official working hours to be five hours a day for city employees. (GB 29.03)

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* 1. UAE President Names New Vice President, Crown Prince of Abu Dhabi

Sheikh Mohamed bin Zayed Al Nahyan, President of the UAE, in his capacity as Ruler of Abu Dhabi, issued an Emiri decree appointing Khaled bin Mohamed bin Zayed Al Nahyan as the Crown Prince of the emirate. Sheikh Khaled bin Mohamed has served as a member of the Abu Dhabi Executive Council and chairman of Abu Dhabi Executive Office.

In other major appointments, the UAE President also issued two Emiri decrees appointing Hazza bin Zayed and Tahnoun bin Zayed as Deputy Rulers of Abu Dhabi. Sheikh Mohamed also issued resolutions, with the approval of the UAE Federal Supreme Council, to appoint Sheikh Mansour Bin Zayed Al Nahyan, Deputy Prime Minister of the UAE and Minister of Presidential Court, as UAE Vice President, alongside Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. (GB 29.03)

ISRAEL LIFE SCIENCE NEWS

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* 1. PainReform Completes Clinical Trial in Patients Undergoing Bunionectomy

PainReform announced completion of treatment for the first part, of its two-part Phase 3 clinical trial of PRF-110, in which 15 patients were enrolled and administered PRF-110 intra-operatively to review surgeon’s handling of PRF-110, optimize drug product placement, enabling tools and measure peak blood concentration. The Phase 3 trial is a randomized, double-blind, placebo- and active-controlled, multicenter study to evaluate the analgesic efficacy and safety of intra-operative administration of PRF-110 following unilateral bunionectomy. PRF-110 is an oil-based, viscous, clear solution that is deposited directly into the surgical wound bed prior to closure to provide localized and extended post-operative analgesia.

The first part of the Phase 3 trial was conducted at two clinical sites in Texas (First Surgical Hospital in Bellaire Texas and Endeavor Clinical Trials in San Antonio Texas). This first part of the study also served to train surgeons in best practices for administering PRF-110, optimally covering inner wound surfaces for most efficient analgesia. Initial pharmacokinetic data on the first 15 patients is expected in May 2023. Following the successful conclusion of this part of the trial the second, larger, part of the trial will start recruiting patients.

Tel Aviv's [PainReform](http://www.painreform.com) is a clinical-stage specialty pharmaceutical company focused on the reformulation of established therapeutics. PRF-110, the Company's lead product, is based on the local anesthetic ropivacaine, targeting the post-operative pain relief market. PRF-110 is an oil-based, viscous, clear solution that is deposited directly into the surgical wound bed prior to closure to provide localized and extended post-operative analgesia. The Company's proprietary extended-release drug-delivery system is designed to provide an extended period of post-surgical pain relief without the need for repeated dose administration while reducing the potential need for the use of opiates. (PainReform 28.03)

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* 1. BrainsWay Confirms Clinical Benefits of Deep TMS in Treating Depression

BrainsWay announced the publication of an expansive post-marketing data analysis demonstrating high response and remission rates for depression and anxious depression patients undergoing Deep Transcranial Magnetic Stimulation (Deep TMS) treatment. The data showed the substantial benefits of Deep TMS treatment for depression, with patients who had received 30 or more treatments achieving an 82% response rate and a 65% remission rate.

In the study, BrainsWay collected an aggregate data set from 1,753 patients across 21 clinics, of which 1,351 patients met the inclusion criteria for the analysis. All patients were treated with the Deep TMS H1 Coil utilizing either a standard protocol (typically 18Hz, 20-minutes long) or a shorter intermittent theta burst (iTBS) protocol. Outcomes were measured with clinician-based scales (HDRS-21) and/or patient self-administered questionnaires designed specifically for depression (PHQ-9, BDI-II). This analysis showed that the average patient achieved sustained response at 16 sessions, or 21 days after beginning treatment. The evidence also showed that efficacy rates were similar between the standard and iTBS protocols. Data from questionnaires which are not specific to depression, and thus less relevant for assessing depression changes, were intentionally excluded.

Jerusalem's [BrainsWay](http://www.brainsway.com) is a global leader in advanced noninvasive neurostimulation treatments for mental health disorders. The Company is advancing neuroscience with its proprietary Deep Transcranial Magnetic Stimulation (Deep TMS) platform technology to improve health and transform lives. BrainsWay is the first and only TMS company to obtain three FDA-cleared indications backed by pivotal clinical studies demonstrating clinically proven efficacy. Additional clinical trials of Deep TMS in various psychiatric, neurological, and addiction disorders are underway. (BrainsWay 28.03)

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* 1. Trobix Bio Raises $3 Million to Advance Precision Microbiome Oncology Therapeutics

Trobix Bio announced the successful closing of a $3 million equity investment by Chartered Group, a well-established global private investment group. The proceeds from this Series A extension round are being utilized to advance the development of Trobix Bio's products and cutting-edge proprietary platform technology, which addresses the gastrointestinal side effects of oncology treatments and other gastrointestinal diseases impacted by the microbiome.

The Trobix TBX platform technology converges computational, synthetic, and synthetic biology technologies in a proprietary way to engineer phages as medicines that reprogram, with exceptional precision, targeted microbiome bacteria, resulting in a robust and durable therapeutic effect. TBX201 is an orally available capsule designed to specifically alter the gut microbiome to reduce the incidence and severity of severe diarrhea caused by irinotecan. TBX301 is an orally available capsule designed to specifically alter the gut microbiome to reduce the incidence and severity of colitis in patients receiving immune checkpoint inhibitors (ICI).

Netanya's [Trobix Bio](http://www.trobix.bio) is a biotech company pioneering the field of human microbiome via its TBX platform technology to develop cancer supportive care therapeutics to reduce life-threatening side effects associated with leading oncology therapeutics. The company’s products may enable physicians to complete more oncology treatments at optimal doses while improving cancer patients' quality of life. (Trobix Bio 30.03)

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* 1. Israeli Doctors Make History with Gene Therapy Treatment to the Brain

Doctors of the Sheba Tel-HaShomer Medical Center made history by performing for the first time in Israel a surgery that delivers gene therapy directly to the brain. The procedure, which involved injecting the gene directly into the brain of the patient – 4-year-old Adiroop Kumar from India – lasted seven hours, and with the cost of $2.7 million per vial was the single most expensive single surgery ever performed in Israel.

The groundbreaking treatment was conducted as part of a global study on the Upstaza gene therapy medicine, with 30 more children participating in Taiwan, Japan, China, Germany, England, France and the US.

Adiroop had arrived with his mother from India especially for the procedure. which was conducted as part of the study, free of charge. A few years earlier, he was diagnosed with AADC deficiency, an incredibly rare genetic disease that is caused by changes in the gene that produces the AADC enzyme needed to produce certain substances vital for the normal functioning of the brain and nerves, such as dopamine and serotonin. The condition makes it nearly impossible for a child to lift his or her head, let alone walk and talk. Until now, there has been no cure for AADC deficiency, which most often leads to death by the age of 10.

Upstaza is a first-of-its-kind treatment that involves introducing a healthy gene into the patient's brain, into the area that misses the necessary gene. It has already been authorized in Europe, with Israel and the United States to follow. (IH 04.04)

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* 1. Stratasys & CollPlant Transform Healthcare with Bioprinting of Tissues and Organs

Stratasys and CollPlant announced a joint development and commercialization agreement to collaborate on the development of a solution to bio-fabricate human tissues and organs using Stratasys’ P3 technology-based bioprinter and CollPlant’s rh-Collagen-based bioinks. The first project focuses on the development of an industrial-scale solution for CollPlant's regenerative breast implants program.

The new bioprinter, based on Stratasys’ precise P3 3D printing technology in combination with CollPlant's flagship bioinks, will enable the production of CollPlant’s state of the art breast implants, which are being designed to regenerate an individual’s natural breast tissue without eliciting immune response, providing a potentially revolutionary alternative for both aesthetic and reconstructive procedures. Under the agreement, both companies have agreed to cross-promote each other’s bioprinting products. Stratasys’ bioprinter will be offered to customers together with CollPlant’s bioinks, and similarly Stratasys’ bioprinter will be offered to CollPlant’s business partners and customers.

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

Rehovot's [CollPlant](http://www.collplant.com) is a regenerative and aesthetic medicine company focused on 3D bioprinting of tissues and organs, and medical aesthetics. CollPlant's products are based on its recombinant human collagen produced with its proprietary plant based genetic engineering technology. These products address indications for the diverse fields of tissue repair, aesthetics, and organ manufacturing, and are ushering in a new era in regenerative and aesthetic medicine. (Stratasys 04.04)

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* 1. Aleph Farms Joins the United Nations Global Compact

Aleph Farms has joined the United Nations Global Compact, a voluntary leadership platform for the development, implementation and disclosure of responsible business practices. As a Participant in the UN Global Compact, Aleph Farms will publish an annual Communication on Progress (COP) to demonstrate the company’s ongoing commitment to responsible business action in support of broader societal goals.

Launched in 2000, the UN Global Compact is the largest corporate sustainability initiative in the world, with more than 15,000 companies and 3,800 non-business signatories based in over 160 countries and more than 69 Local Networks. In addition to their commitment to The Ten Principles, which focus on areas like human rights, labor, environment and anti-corruption, UN Global Compact Participants also take action to further Sustainable Development Goals (SDGs).

Aleph Farms is working closely with regulatory agencies around the world as it prepares for the commercial launch of its first product, a cultivated thin-cut steak. The company also plans to produce different cuts of steak as well as other products based on animal cells, such as cultivated collagen, through additional proprietary capabilities. From a single fertilized egg, Aleph Farms can grow thousands of tons of cultivated meat, serving as part of an inclusive transition to sustainable and secure food systems.

Founded in 2017, Rehovot's [Aleph Farms](http://www.aleph-farms.com) grows cultivated steaks from cells that are isolated from a living cow and not immortalized or genetically modified, avoiding slaughter and achieving reduced environmental impact at scale. (Aleph Farms 04.04)

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* 1. Better Juice Technology Reduces Sugar Loads in Berry Fruit Juices

Better Juice announced its highly successful completion of a series of pilot trials for reducing simple sugars in natural berry and other fruit juices. In partnership with GEA Group, one of the largest suppliers for food processing technology, Better Juice hosted several prominent berry fruit juice manufacturers from the Europe, USA, Australia and Brazil to give their personal brands a sugar-reduction makeover using their groundbreaking sugar-reduction technology.

The trials were conducted at the pilot innovation unit established last year in GEA's innovation center in Ahaus, Germany. Accommodating the GEA Better Juice Sugar Converter Skid, the state-of-the-art site is equipped with continuous flow columns containing Better Juice's sugar-reducing beads. During the trials, the team was able to reduce the simple sugar content by 30% and 50% across a range of fruit juices, including strawberry, cherry, and blueberry, while preserving their characteristic flavors and textures.

Rehovot's [Better Juice](https://www.better-juice.com/) was founded in 2018 as one of the first start-ups to be nurtured by The Kitchen FoodTech Hub. Better Juice brings a new hope for juice manufacturers and consumers, by reversing the perception of natural fruit juices as overly sugary products and turning juices into better-for-you beverages. The company offers a truly better juice product by reducing the sugars while maintaining their natural profile of vitamins, minerals and fibers. (Better Juice 04.04)

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* 1. The Best Whisky in the World Title Awarded to Israeli Company

On 30 March, at the World Drinks Awards in London, an Israeli whisky surprised everyone by winning the prestigious title of “Best Single Malt in the World.” The Israeli distillery, Milk & Honey, won the award for its Milk & Honey Classic Single Malt, a whisky with sweet and warm tones. “Smooth to the taste and heavy on the palate, this whisky has flavors of golden syrup, vanilla, tropical fruit and iced tea, followed by a finish of oak tannins with hints of aniseed and lemon peel;” these were the aromas that tipped the judges. But Milk & Honey also received eight other awards for the quality of its whisky, including Craft Producer of the Year, Brand Innovator of the Year and Master Distiller of the Year.

Founded in 2013 in the middle of Tel Aviv, Milk & Honey is Israel’s first whisky distillery. Only ten years after its creation, it has earned worldwide recognition. The adventure began in the early 2010s, when the wine and microbrewery industries started to take off. A few whisky lovers then decided to take on the challenge themselves.

[Milk & Honey](https://mh-distillery.com/) is a delectable whisky thanks to, among other things, the favorable weather: a Mediterranean climate with 300 days of sunshine per year. The malts mature quicker, growing into excellence after three years. In Scotland it takes at least eight years to obtain a quality whisky. (Various 05.04)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Skyhawk Security Embeds ChatGPT Functionality into the Threat Detection Process

Skyhawk Security announced it is using ChatGPT to enhance cloud threat detection and make it faster and easier for customers to find and understand security incidents that might otherwise fly under the radar. Tests run by Skyhawk on the new ChatGPT features showed measurable improvements in the speed of detecting breaches based on anomalous activities, doing so at a much lower operational cost. According to Skyhawk’s tests on various datasets, in 78% of cases the platform produced alerts earlier when adding ChatGPT to the scoring process. This capability is generally available to Skyhawk customers today at no additional charge.

Tel Aviv's [Skyhawk Security](https://skyhawk.security/) is the originator of Cloud Threat Detection and Response (CDR), helping hundreds of users map and remediate sophisticated threats to cloud infrastructure in minutes. Skyhawk Security evolves cloud security posture management far beyond scanning and static configuration analysis. Instead, using advanced ML sequencing of context-based behaviors, Skyhawk provides CDR within a ‘Runtime Hub’ to quickly detect and remediate malicious activities across multiple cloud platforms as they happen. (Skyhawk Security 29.03)

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* 1. POLYN Introduces VibroSense for Pre-Processing Chip Design

POLYN Technology introduced VibroSense, a tiny AI chip solution for vibration monitoring sensor nodes. VibroSense greatly reduces the amount of sensor data transmitted to the cloud, saving on power consumption and enabling energy-harvesting designs.

VibroSense extracts unique patterns from a sensor’s raw signal and passes the valuable data only for classification at the next compute point. It smoothly and simply integrates into existing solutions to improve the ROI and OPEX of the deployment. It is particularly suited to Industry 4.0 applications.

Caesarea's [POLYN](http://www.polyn.ai) provides a framework for trained neural networks conversion into an analog neuromorphic chip for inference. It supports a hybrid architecture where unique patterns of the specific signal are extracted in the analog portion, leaving classification for the digital element. In this way VibroSense supports flexibility along with power consumption savings and specific machine adaptation to allow various deployments within the same chip. (POLYN 29.03)

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* 1. InnovizTwo LiDAR Selected to Power Commercial Vehicle OEM's Fleet

Innoviz Technologies has received a several hundred unit purchase order from a commercial vehicle original equipment manufacturer (OEM) for its InnovizTwo LiDAR as part of advanced discussions for a new series production award. The order will be delivered to the customer throughout 2023, beginning in the second quarter.

Innoviz currently has four series production awards, including major automotive platforms with Volkswagen, BMW and an Asia-based electric vehicle OEM, along with a cutting-edge Level 4 autonomous shuttle program with a leading Tier-1 automotive supplier. As discussions for this new commercial vehicle platform are progressing, the Company believes it has the potential to represent the Company's fifth series production award and could be additive to the long-term outlook.

Rosh HaAyin's [Innoviz](innoviz-tech.com) is a global leader in LiDAR technology, working towards a future with safe autonomous vehicles on the world's roads. Innoviz's LiDAR and perception software "see" better than a human driver and reduce the possibility of error, meeting the automotive industry's strictest expectations for performance and safety. Operating across the U.S., Europe, and Asia, Innoviz has been selected by internationally recognized premium car brands for use in consumer vehicles as well as by other commercial and industrial leaders for a wide range of use cases. (Innoviz 05.04)

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* 1. AI21 Labs Integrates Generative AI Capabilities into Google Docs

AI21 Labs' popular Wordtune generative AI feature - Spices - is now available on Google Docs through a Chrome extension. Using a selection of 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, along with citing it back to its original source.

AI21 Labs Launched Spices, Wordtune's text generation feature, in January of 2023 with its cues or "spices", including Core writing, which helps the user create the main messaging and arguments of their text. Examples: explanation, counterargument; Additional writing, which helps the user enrich their core ideas with informational expressions. Examples: analogy, statistical fact; and Awesome writing, which helps the user add some zing to the text with creative expressions. Examples: joke, inspirational quote.

Wordtune's Spices feature is a landmark generative AI tool, the first in its class to attribute 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. Along with the integration of Spices into Google Docs, AI21 Labs is also introducing two new features, including a grammar corrector as well as new sentence recommendations that edit the user's text to better explain themselves.

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 04.04)

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* 1. CardinalOps Launches MITRE ATT&CK Security Layers for Measuring Detection Posture

CardinalOps announced a new approach for measuring detection posture and identifying gaps using the MITRE ATT&CK framework. As the standard framework for understanding adversary playbooks and behavior, MITRE ATT&CK now describes more than 500 techniques and sub-techniques used by threat groups such as APT28, the Lazarus Group, FIN7, and LAPSUS$.

Developed by CardinalOps, MITRE ATT&CK Security Layers dramatically extends the concept of ATT&CK coverage by measuring the "depth" of detection coverage for the first time. It does this by mapping each detection to a specific security layer – such as endpoint, network, email, cloud, containers and IAM – and then enumerating the number of distinct layers covered for a given technique. This enables SecOps teams to ensure they have "detection-in-depth" at multiple layers for the techniques that matter most to them.

Founded by security experts with nation-state expertise and led by executives from leaders such as Palo Alto Networks, Microsoft Security, and IBM Security, Tel Aviv's [CardinalOps](http://www.cardinalops.com) is focused on maximizing the effectiveness and efficiency of your existing security stack. (CardinalOps 04.04)

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* 1. Sentrycs Doubles Down on Secure Drone Economy

Sentrycs' counter drone solution has the unique capability to command, redirect and complete craft takeover when required. This best-in-class, holistic countermeasure can easily be installed and quickly deployed in any terrain. It can protect all manner of facilities, infrastructure, or convoy - large or small. Sentrycs protocol-based system is the only solution suited for dense urban areas as it does not depend on line of sight, is less affected by noise, does not interfere with communications and navigation systems and does not inflict any collateral damage. Equally important, it is a mandatory complement to any Unmanned Traffic Management system as it protects against unwanted commercial drones without disrupting the operation of authorized drones.

Tel Aviv's [Sentrycs](http://www.sentrycs.com) automatically detects, tracks, identifies, takes over and safely mitigates drones' threats, with zero collateral damage and no interference. Sentrycs is perfectly suited for urban and sensitive environments, where disrupting ongoing communication signals, GNSS or compromising people and infrastructure safety isn't an option.

As the usage of commercial drones continues to proliferate, security officers to sensitive sites are facing escalating threats. To safeguard their sky perimeters against unauthorized drones, they are seeking an effective response that is tailored to their specific needs without compromising any existing security frameworks. Recognizing the critical nature and complexity of this challenge, the Sentrycs team of Communications and Radio Frequency experts embarked on a mission in 2017 to develop modular solutions that can be fully customized to precisely meet the unique security requirements and drone ecosystems of each partner. (Sentrycs 04.04)

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* 1. Fordefi & StarkWare Integrate Unlocking Institutional Access to StarkEx dApps

Fordefi, alongside blockchain scaling company StarkWare Industries, announced an integration bringing MPC support to StarkEx dApps for the first time. The new integration enables institutions to sign transactions on StarkEx dApps with Fordefi's Wallet API adjusted to STARK signatures, without running the risk of improperly storing or exposing the private key. This integration between Fordefi and Starkware Industries will enhance the access of institutions to StarkEx dApps, enabling end users to benefit from a secure MPC wallet solution. In addition to MPC signing, institutional clients will also gain access to Fordefi's security platform, offering granular policy control, smart contract clarity, and dApp verification.

Tel Aviv's [Fordefi](http://www.fordefi.com) is the first institutional MPC wallet and security platform built for decentralized finance (DeFi). Fordefi was founded in 2021 by crypto custody and cybersecurity experts and designed in close collaboration with industry-leading trading firms, funds and custodians. Fordefi is a financial technology and software company with offices in New York and Tel Aviv.

Netanya's [StarkWare](http://www.starkware.co), founded in 2018, offers a cryptographic compression service which allows blockchains to scale by orders of magnitude. The service is based on a class of cryptographic technologies, known as STARK proofs. (Fordefi 04.04)

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* 1. Atrinet Unveils Cloud-Native NetACE TONAS Platform for Streamlined Telecom Ops

Hod HaSharon's [Atrinet](http://www.atrinetOSS.com), a leading provider of network automation and digital operations solutions, unveiled its latest offering: the NetACE TONAS line of cloud-native, modular Operations Support System (OSS) products. This comprehensive solution is designed to address the rapidly evolving telecom market, which is experiencing a major shift towards 5G technologies for Communication Service Providers (CSPs).

NetACE TONAS stands out due to its modular design, collaboration with customers and Atrinet teams, full automation, and seamless integration. The solution offers versatile, low-code modules for various fixed and mobile networks, including 5G and legacy systems. Aligned with TM Forum ODA, ETSI, and 3GPP standards, it ensures a robust foundation for future 5G network growth and services.

NetACE TONAS revolutionizes telecom by significantly reducing Total Cost of Ownership (TCO), accelerating time-to-market for new products and services, and enhancing operational efficiency. NetACE TONAS is built on a containerized cloud-native architecture, open-source software, TM Forum Open APIs and streamlined continuous integration and continuous delivery (CI/CD), which makes it highly scalable, flexible and lightweight, allowing it to be rapidly integrated and put into operation. (Atrinet 10.04)

ISRAEL ECONOMIC STATISTICS

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* 1. First Quarter Tourism to Israel Nears pre-COVID Levels

The Central Bureau of Statistics announced on 9 April that 966,200 foreign visitors entered Israel in the first three months of 2023. This compares with 309,700 visitors in the corresponding period of 2022, when COVID restrictions were still in force, and the record 1.1 million visitors in 2019, before the pandemic.

In March 2023, 375,600 foreign visitors entered Israel including 351,900 tourists who stayed at least one night. This compares with 172,300 foreign visitors in March 2022 (170,700 stayed at least one night) and 456,400 (425,800 stayed at least one night) in March 2019, before the pandemic.

Israel recorded 2.9 million entries into the country in 2022, of which 2.7 million were tourists who stayed at least one night, according to figures from the Central Bureau of Statistics. Restrictions on the entry of foreign tourists into Israel were only fully removed in May 2022 and as a result tourist numbers still have a long way to go to surpass the record 4.9 million entries into Israel in 2019 before the pandemic including a record 4.5 million tourists who stayed at least one night.

At the same time the number of Israelis traveling abroad exceeds pre-pandemic levels. In the first three months of 2023, Israelis made 1.9 million trips abroad, reports the Central Bureau of Statistics. In February 2023, Israelis made 746,300 trips abroad. (Globes 04.04)

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* 1. Israel's Foreign Exchange Reserves Grow in March

The Bank of Israel announced that Israel’s foreign exchange reserves at the end of March 2023 stood at $200.49 billion, an increase of $4.211 billion from their level at the end of February 2023. The level of the reserves relative to GDP was 38.4%. The Bank of Israel said that the increase was the result of a revaluation of the reserves by $4.282 billion, offset by government transfers from abroad totaling $42 million and private sector transfers totaling $29 million.

The Bank of Israel has continued in 2023 making no foreign currency purchases, as was also its practice last year, when it purchased only $356 million in foreign currency. In 2021, the Bank of Israel purchased $35 billion in foreign currency to help exporters, by moderating the strengthening of the shekel. Israel's foreign exchange reserves reached a record $213 billion in December 2021. (BoI 10.04)

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* 1. Average Salary in Israel Rises by 6.1% in January 2023

The average monthly salary for an employee in January 2023 was NIS 12,471, up 6.1% from January 2022, the Central Bureau of Statistics reports. After taking into account inflation - the rise in the Consumer Price Index (CPI) - the average salary rose 0.7% over the past year. However, an initial estimate of the average salary in February 2023, shows that it has only risen 4% since February 2022, lower than the rate of inflation. Generally salaries now seem to be rising at a lower rate than inflation although they are still higher than in 2019.

In the tech sector, the average monthly salary in January 2023 was NIS 28,772, up 5.4% from January 2022. The number of salaried jobs in Israel's tech sector in January 2023 was 4.5% higher than in January 2022 but 0.4% lower than in December 2022.

The number of salaried jobs in Israel in 2023 was 3.985 million, up 3.2% from January 2022 but down 0.3% from December 2022. Initial estimates show the number of salaried jobs in February 2023 at 3.959 million. There are currently 392,000 salaried jobs in Israel's tech sector, representing 9.8% of all the salaried jobs in Israel. Some 52% of the jobs in the tech sector are in software with an average monthly salary of NIS 31,767. (CBS 03.04)

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* 1. Israel's Ben-Gurion Airport Records Busiest-Ever Month

Israel's Ben-Gurion Airport saw its busiest month in history, the Israel Airports Authority revealed on 9 April, with more passengers passing through it in March 2023 than any other month ever. During this month, a total of 1,983,428 passengers passed through Ben-Gurion Airport on 13,490 international and domestic flights. This is a 57% increase in passenger numbers compared to March 2022.

It was also found that El Al flew its highest number of passengers yet, a total of 432,365 passengers in March 2023. This is an almost 50% increase compared to March 2022. El Al also had the highest percentage (22.9%) of the total traffic at the airport. They were followed by the Hungarian budget airline Wizz Air, which flew 11.5% of all the passengers – a total of 221,798 people.

This was followed by Irish budget airline Ryanair, which flew 134,993 passengers, or 7.05% of the total figure, followed by Turkish Airlines with 109,978 passengers and EasyJet with 83,246.

The most popular travel destination in March 2023 was Dubai, with 117,239 passengers heading for the Emirati city. This is an increase of almost 60% compared to last March. However, the most popular travel destination by country was the US, where 190,249 passengers were headed – nearly 10% of all passenger traffic. (IAA 09.04)

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* 1. Israel Becomes the Third Largest Importer of Chinese Vehicles

In early April Chinese customs authority published export figures for Chinese cars in the first two months of 2023. Israel was the third largest market with 15,500 vehicles exported, behind Russia 20,100 and Mexico at 18,700. Israel has leapfrogged important markets for China like Australia, Chile, Thailand and Saudi Arabia. The top Western European country on the list is France in 11th place. The 15,500 Chinese vehicles exported to Israel in January and February 2023 represented 8.4% of all China's vehicle exports. Israel imported more vehicles from China in the first two months of 2023 than the entire EU.

The Chinese vehicles were mainly four brands: BYD, SAIC - MG, Geely Geometry, and Chery. Some 80% of the cars were electric vehicles or plug-ins with the exception of Chery, which exported 2,500 cars to Israel fueled by gasoline.

These figures are exports and not sales, and therefore a large part of these vehicles are still in the stocks of the importers in Israel. Furthermore, the figures do not include Tesla's very significant exports from its factory in Shanghai, which averages over 40,000 vehicles per month. This is an important point because government officials in China sometimes add the electric vehicle giant to the list of Chinese exports, and this significantly increases exports to Europe. (Globes 10.04)

IN DEPTH

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* 1. ISRAEL: IVC Israeli Tech Review for First Quarter of 2023

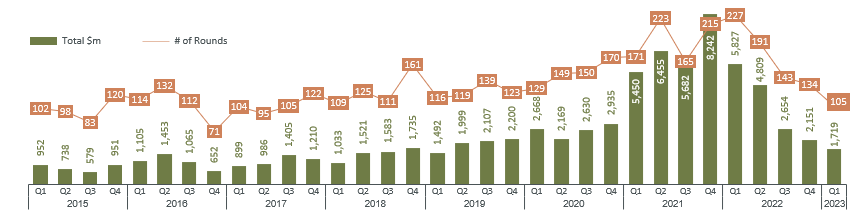
On 2 April, [IVC](http://www.ivc-online.com) and [LeumiTech](https://www.leumitech.com/) announced that in Q1/2023, Israeli high-tech companies raised $1.72 billion in 105 deals. The outcome was a 70% drop from Q1/2022 and 79% from the peak in Q4/2021. This included Three Mega deals (over $100 million each) inflated the total amounts in Q1 by $660 million.

According to **Timor Arbel-Sadras, CEO of LeumiTech**: “The year began with a significant slowdown in investments, both in terms of the volume of transactions and the number of transactions. In addition, we see that 38% of the investments in the quarter were made in a small number of companies. Clearly, investors as well as funds are still hesitant to make investments or make mergers and acquisitions.

The root cause is probably the high level of uncertainty around companies’ valuations in the current macroeconomic terms. We anticipate that in the second half of the year we will see higher levels of such activity, and hope that this will lead to a renewed growth in the long term".

**Marianna Shapira, Research Manager at IVC,** stated: “The decline in the Israeli high-tech capital market activity in the beginning of 2023 followed the trend in the second half of 2022, which reflects fluctuations on global financial markets. The capital volume from foreign sources, that provides the major financial support for Israeli startups, has weakened. Companies experienced a notable drop in capital investments from their existing investors, and the number of early startups that raised capital has decreased considerably. On top of that, the mega-rounds trend is in a major decrease, compared to previous years. All these trends lead us to a modest projection regarding capital volume for 2023, in case the financial conditions and trends will not change in the course of this year.”

**Graph 1: Israeli Tech Capital Raised Totals, Q1/2015–Q1/2023**

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***Source: IVC-LeumiTech Israeli Tech Review Q1/2023***

Mega deals (over $100 million each) are back to being a valuable part of the raised amounts, following several quarters during which this deal type was less effective. However, this time around, the numbers alongside the mega deals are much less impressive, hence the mega deals seem more like an anomaly. The Q1/2023 mega deals include: $300 million investment in Wiz, $250 million in eToro and $110 million raised by Via.

**Graph 2: Israeli Tech Capital Raised in Mega Deals – Over $100M, Q1/2018–Q1/2023**

**Chart

Description automatically generated**

***Source: IVC-LeumiTech Israeli Tech Review Q1/2023***

Early rounds (pre-seed, seed and A series) amounted to $531 million, 62% lower than the capital raised in Q1/2022. This change in trend, revealed first in Q4/2022, stands in contrast to the trend we saw in 2022, where early rounds seemed more tempting for investors.

Seed deals took the biggest hit in Q1/2023, losing 40% of the funding level compared to Q4/2022.

**Graph 3: Israeli Tech Early Rounds Capital Raising, Q1/2018–Q1/2023**

**Chart, bar chart, histogram

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***Source: IVC-LeumitTech Israeli Tech Review Q1/2023***

**Israeli High-Tech Exits**

In Q1/2023, 23 Israeli high-tech exits accounted for a total capital proceeds of $1.087 billion. These exit proceeds were driven up by 4 M&As over $100 million each, capturing $925 million in total, or 85% of total amount. Only 2 IPOs took place in Q1/2023, raising $18 million.

**Graph 4: Israeli Tech Exits, 2015–Q1/2023**

**Chart, bar chart

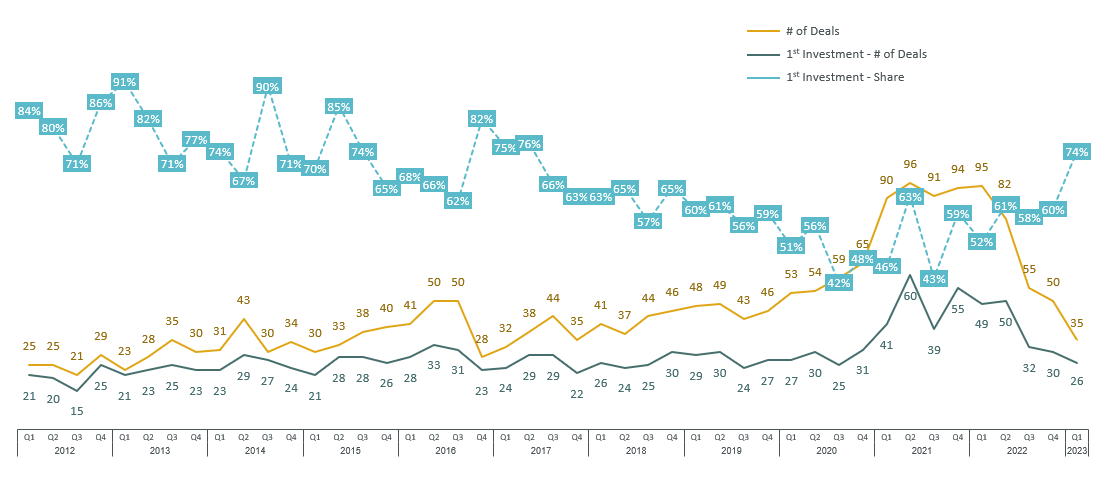
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*Source: IVC-LeumiTech Israeli Tech Review Q1/2023*

**Foreign VC Activity**

Foreign venture capital is the most influential group in the Israeli tech funding. With the growth in company valuations since 2018, these funds increased their participation in follow-on deals to keep up their portfolios’ needs. This pattern changed in 2022, and in Q1/2023 the most active foreign VCs were much more active in first investment deals - which means more focus in opportunistic good deals and shying away from high valuation companies - while the big money of mid-later rounds follow-on investments was on pause.

**Graph 5: Top 20 Foreign VC Deals Activity**

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***Source: IVC-LeumiTech Israeli Tech Review Q1/2023***

**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](https://www.ivc-online.com/Portals/0/RC/FundPRs/METHODOLOGY_Funding%20Rounds%20Deals%20Projection.pdf?ver=2021-04-08-125243-423&timestamp=1617875586242).

The report summarizes the Israeli high-tech companies and companies associated with Israel in the years 2015–Q1/2023. The number of deals and their volume may change throughout the reported year due to ongoing online IVC database data updates.

**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 9,350 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. (IVC 02.04)

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* 1. ISRAEL: OECD Israel Economic Snapshot for 2023

The OECD's [Israel Economic Snapshot](https://www.oecd.org/economy/israel-economic-snapshot/) for April 2023 stated that helped by its dynamic high-tech sector, Israel’s economy has rebounded strongly from the pandemic and has proven resilient to the economic impact of Russia’s war of aggression against Ukraine. Reforms to reduce labor market disparities and boost productivity would help to sustain, broaden and further boost gains in living standards.

Israel posted strong growth of 6.4% in 2022. The latest OECD Economic Survey of Israel projects GDP growth at a more moderate but still robust pace of 3% in 2023 and 3.4% in 2024. Inflation is projected to remain elevated in 2023 at an average 3.8%, but is expected to gradually fall within the target range, averaging 2.2% in 2024.

However, global and domestic uncertainty remain high. The Survey recommends maintaining tight monetary policy along with prudent fiscal policy until inflation is durably back within the target range. Ongoing support to vulnerable households and firms affected by higher costs of living should be targeted and temporary and maintain energy saving incentives.

Sustaining and strengthening growth will require efforts to tackle underlying structural challenges such as Israel’s dual-speed economy, which exacerbates labor market disparities with a highly productive tech sector providing well-paid jobs and low-productivity traditional sectors employing the majority of the workforce in generally lower-paid jobs. The Survey recommends speeding up the adoption of digital technologies in traditional sectors and lowering barriers to competition, investment and foreign trade across the economy, for example through less restrictive business regulations and more streamlined trade procedures.

More needs to be done to reduce labor market disparities. Israel’s rise in living standards since the 1990s has been driven by steady growth in employment which is now tapering off due to an ageing workforce and a rising share in the population of groups with lower levels of employment and wages such as Arab-Israelis, where female participation in the labor market is low, and Haredim, where male participation is low.

Stepping up efforts to integrate these groups into the labor market, raising their labor productivity and removing barriers for women to fully participate in the labor market would support future growth in living standards, ensure fiscal sustainability and help to reduce socio-economic divides. These efforts should focus on raising educational outcomes among groups that are lagging behind, providing vocational and digital skills training, improving work incentives, including support for working parents, and removing barriers to job mobility to foster participation in high-productivity jobs.

Sustaining good health outcomes requires increasing the number of domestically trained doctors, especially in some regions, to meet the demands of strong population growth and ageing.

Finally, the Survey notes that while the carbon intensity of Israel’s economy has declined, meeting national emissions targets will require stepping up climate policy efforts. Boosting renewable energy, in particular to harness Israel’s solar energy potential, would help to accelerate the green transition. (OECD 03.04)

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* 1. ISRAEL: Israel’s Offshore Gas Attracts Foreign Energy Giants

Simon Henderson posted on 29 March in [The Washington Institute](http://www.washingtoninstitute.org) that a joint BP/UAE takeover bid for Israel’s NewMed Energy reflects increasing demand for East Mediterranean gas and confidence that there is more to be found.

The renewed luster of investing in the East Mediterranean’s offshore energy resources is perhaps best summed up in a recent comment by Chevron CEO Mike Wirth, who told investors last month, “It’s a beautiful asset.” As well, Chevron’s rivals BP and the Abu Dhabi National Oil Company (ADNOC) made a bid to acquire 50% of the Israeli firm NewMed Energy, but Wirth’s company will be closely involved if the deal goes through.

In 2020, Chevron purchased Houston-based Noble Energy, thereby acquiring a stake in Israel’s Leviathan natural gas field. NewMed Energy (formerly Delek Drilling) owns 45.3% of this field—the largest stake—while Chevron’s stake became 39.7% when it took over as operator.

When it first bought Noble, Chevron is believed to have received a discreet message of “no objection” from both Saudi Arabia and the United Arab Emirates, ADNOC’s owner. Along with BP and other majors, Chevron had historically avoided doing business with Israel for fear of jeopardizing its activities in the Arab world. However, in the years since the Noble purchase Gulf Arab states have been doing such business themselves—the UAE sovereign investment fund Mubadala took a 22% stake in Tamar, Israel’s other major offshore gas field, while Israel’s links with Saudi Arabia have increased as well (though they have yet to become official and open).

If the NewMed bid goes through, BP will bring its enormous exploration experience to the East Mediterranean, which is thought to have more reserves waiting to be discovered. BP recently reduced climate targets and announced a fresh emphasis on oil and gas. Abu Dhabi has some of the largest oil reserves in the world and is expanding production of gas, of which it has several times the reserves held by Egypt and many multiples more than Israel’s discoveries.

Talks about a deal have been ongoing for months. According to Bloomberg, the bid’s announcement was threatened with delay because of Israel’s political crisis, “but the companies decided to push ahead.” The bid valued NewMed shares at 12.05 shekels; the closing price the day before the announcement was 7 shekels.

Meanwhile, the Leviathan partners announced earlier this month that they would be boosting production and exports by 2025, in part by laying a third subsea pipeline from the field (located eighty miles west of Haifa) to the production platform where the gas is processed (a few miles off Israel’s coast). Some of this gas will be exported to Jordan and Egypt, and some will be used domestically in Israel. The longer-term plan is to almost double Leviathan’s volume by the end of the decade.

Increased Israeli exports are currently hampered by the fact that Egypt only uses Israeli gas domestically rather than re-exporting it abroad. Cairo prefers to liquefy Egyptian-produced surplus gas for export via tankers, since such shipments have attracted premium prices during the Ukraine crisis. The Leviathan partners have been debating how to circumvent this bottleneck. One idea is to invest in an expensive floating liquefaction vessel moored off Israel’s coast, which could then load LNG onto tankers for export anywhere in the world. An alternative is to build a subsea pipeline to Europe; the Italian energy group Edison stated that it would make a final investment decision on such a project by year’s end, though the U.S. government has repeatedly cast doubt on its viability.

While the BP/ADNOC bid for NewMed suggests confidence in the area’s energy future, policymakers and other observers should keep in mind that energy projects—especially expensive, deep-sea ones—have a typical investment horizon of twenty years ahead. Anticipating demand that far into the future is a challenge. Indeed, before the Ukraine crisis, many were skeptical about the role of gas on the global energy supply spectrum even ten years ahead. That timeline has now been reassessed, but demand will inevitably remain a hostage to political and economic fortunes. Such uncertainties and challenges illustrate why energy companies like BP and ADNOC tend to share the risk—and why Israel’s government should be cautious with its investment laws.

*Simon Henderson is the Baker Fellow and director of the Bernstein Program on Gulf and Energy Policy at The Washington Institute*. (TWI 29.03)

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* 1. JORDAN: Moody's Assigns B1 Rating to Jordan's USD-Denominated Notes

On 3 April, [Moody's Investors Service (Moody's)](http://www.moodys.com/) assigned a rating of B1 to the USD-denominated senior unsecured notes to be issued by the Government of Jordan under its multicurrency global medium-term note program. The notes will rank *pari passu* with all of the Government of Jordan's current and future senior unsecured external debt. The proceeds of the notes are intended for permitted purposes under the Jordanian Public Debt Management Law.

The rating mirrors Jordan's long-term issuer rating of B1. The outlook on the issuer is positive.

**Ratings Rationale**

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

The positive outlook reflects Moody's assessment that the government's strong commitment to wide-ranging structural reforms and track record of effective implementation at least on the fiscal front have the potential to raise Jordan's credit resilience. Besides the ongoing widening of government revenue that provides greater fiscal flexibility in the face of still elevated global inflation, the latest set of economic and administrative reforms announced in 2022 – namely the Economic Modernisation Vision and Public Sector Modernisation Roadmap – may also increase the economy's growth prospects over time and increase its shock absorption capacity.

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

Given the B1 rating assigned to the notes mirrors the B1 issuer rating of the Government of Jordan, the same factors and considerations apply. The rating could be upgraded if the ongoing implementation of wide-ranging reforms raises prospects of increased economic competitiveness and growth potential, fostering confidence that stronger growth outcomes will eventuate over the medium term. A rapid reduction in the government's debt burden and contingent liabilities, particularly from the water and electricity sectors that significantly increases its ability to spend on longer-term economic and social development would also exert upward pressure on the rating. In addition, a sustained improvement in regional geopolitical dynamics that creates a conducive environment for longer-term development could lead to a rating upgrade.

The positive outlook on the issuer signals that a rating downgrade is unlikely over the near term. The outlook would likely be changed to stable if reform progress stalls, weakening prospects of stronger economic competitiveness and improved growth outcomes over the medium term. Indications that the government's debt burden is likely to rise markedly without prospects for reversal, in turn pointing to weaker commitment to and effectiveness of its fiscal consolidation plan would also exert downward pressure on the rating. (Moody's 03.04)

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* 1. QATAR: Fitch Revises Qatar's Outlook to Positive; Affirms at 'AA-'

On 28 March 2023, [Fitch Ratings](http://www.fitchratings.com) revised the Outlook on Qatar's Long-Term Foreign-Currency Issuer Default Rating (IDR) to Positive from Stable and affirmed the IDR at 'AA-'.

**Outlook Revised to Positive:** The revision of the Outlook reflects Fitch's expectation that debt to GDP will remain in line with or below the 'AA' peer median, while Qatar's external balance sheet will strengthen from an already strong level. The additional LNG export capacity that will be brought online as a result of the North Field expansion will bring down Qatar's already low fiscal breakeven hydrocarbon price.

Qatar's 'AA-' ratings are supported by large sovereign net foreign assets, one of the world's highest ratios of GDP per capita and a flexible public finance structure. Rating weaknesses include higher government debt/GDP than oil-dependent highly-rated peers and substantial contingent liabilities, heavy hydrocarbon dependence and below average scores on some measures of governance.

**Sustained Fiscal Surpluses:** We forecast Qatar's general government (GG) budget surplus at about 10% of GDP in 2023 (2022: 13% of GDP), including estimated investment income on Qatar Investment Authority (QIA) external assets, and about 8% without. Oil and gas revenue will fall by 14% under our assumption that the Brent oil price will average USD 85/bbl in 2023 (2022: 98.6). However, the end of 2022 Football World Cup outlays, less spending on large projects and restrained current spending trends will allow Qatar to maintain budget surpluses until 2025, despite lower hydrocarbon prices.

We project the first phase of the North Field expansion to start supporting fiscal revenue fully from 2026 and phase two in 2027, assuming no construction delays, and to bring down Qatar's fiscal breakeven oil price below USD50/bbl from around USD 57-58/bbl in 2023-24, excluding estimated QIA investment income. The government is likely to find new spending outlays aimed at diversifying the economy, but we expect Qatar to retain surpluses under our long-term oil price forecast of USD 53/bbl at 2025 prices.

**LNG Expansion on Track:** Qatar Energy (QE) plans to expand liquefied natural gas (LNG) production capacity from 77 million tonnes per year (mtpa) to 110 mtpa by end-2025 and to 126 mtpa by end-2027. We assume that QE will cover $12.5 billion of core project costs out of its 2021 bond issuance and a similar amount from its cash flow, spread until 2028, on top of contributions by partners. QE will also cover a significant share of the costs of the ancillary projects associated with the expansion. QE owns 70% of the Golden Pass LNG project (16mtpa) in Texas which will start production in 2024, bringing new revenue to the budget via QE dividends.

**Debt Ratio Reaching Peers:** We project debt/GDP to fall to about 45% of GDP in 2023 and 42% in 2024, from a peak at 85% in 2020. This reflects our expectation that the government will continue to repay maturing external debt in 2023 ($7.5 billion) and 2024 ($4.8 billion) and to gradually pay down some of its domestic debt. Large surpluses will still allow Qatar to transfer new funds to the QIA.

The subsequent debt path will depend on how the government chooses to deploy its fiscal surpluses. The persistence of a high global bond yield environment could encourage Qatar to continue to allocate a share of its surpluses to deleveraging beyond 2024, although our baseline assumes that external debt is rolled over. Our debt metrics include government overdrafts with local banks (QAR61 billion at end-2022), which the government does not include in its headline figure.

**Banks Represent Large Contingent Liability:** Qatar's banks have assets in excess of 220% of GDP and net foreign liabilities of over $110 billion (47% of GDP) in 2022. Following the central bank's introduction of measures increasing the cost for banks of short-term foreign financing, banks' gross foreign liabilities declined to $186 billion at end-2022 or close to 35% of total assets, from $197 billion at end-2021.

The sovereign has a record of supporting the sector. In the event of loss of confidence by non-resident depositors and investors, the government could be forced to repatriate foreign assets to support banks, with negative implications for the sovereign's own external balance sheet. The structure of non-resident funding remains skewed towards the short term, with the share of funding with a maturity of over one year standing at 25% for non-resident deposits and 29% for liabilities due to banks abroad.

**Non-Bank Contingent Liabilities Significant:** We estimate the debt of non-bank government-related entities (GRE) at over 40% of GDP. The biggest GRE borrowers are Qatar Airways, QatarEnergy (AA-/Stable, with a Standalone Credit Profile (SCP) of aa+) and the telecoms operator Ooredoo Q.P.S.C. (A-/Stable, with a SCP of bbb), together accounting for over a third of Qatar's GRE debt. Qatar Airways posted a profit in the financial year ending March 2022 (FY22) after receiving a $3 billion equity injection from its shareholder (the QIA) in FY21.

**Assets Mitigate Contingent Liability Risks:** We estimate that SNFA/GDP declined to 125% ($297 billion) in 2022 from 180% ($321 billion) in 2021. This reflects the strong rise in nominal GDP, a fall in the QIA's estimated assets, which we assume were hit by negative asset market returns and a reduction of banks' external liabilities. Sovereign net foreign assets (SNFA) stand to rise amid fiscal surpluses in the coming years, although they remain vulnerable to financial market fluctuations.

We estimate that Qatar's economy-wide net external debt position declined to13% of GDP at end-2022, reflecting the rise in nominal GDP and the reduction in banks' foreign liabilities, from about 30% at end-2021. Qatar has been a net external debtor since 2018 in contrast to 'AA' rated peers and in particular highly rated GCC hydrocarbon exporters.

**Geopolitical Risks Abate:** Normalization of political and economic relations between Qatar and the GCC has continued. The UAE President visited Qatar for the first time since the blockade and a deal was reached with neighbors over the administration of Qatar's airspace. Qatar's importance in global energy markets is being magnified by Europe's push to reduce its dependence on Russian gas, with Germany and Qatar reaching a gas supply deal. Qatar continues to position itself as a mediator in relations between Western powers and Iran and the Taliban, among others.

**Moderating Growth:** We forecast GDP growth of 0.7% in 2023 after Fitch's estimate of 4.8% in 2022. Our forecast has non-oil growth declining to 1% reflecting a negative base effect following the 2022 World Cup and the post-pandemic recovery. Hydrocarbon output will be broadly flat until 2025, reflecting Qatar's mature oil fields and that its LNG facilities are operating near capacity. There could be some growth in gas output depending on the pace of local consumption.

**Country Ceiling Upgraded:** Fitch has upgraded Qatar's Country Ceiling to 'AA+' from 'AA', reflecting an improvement in the Country Ceiling Model score, lower net external debt and the precedent of Qatar's decision to keep its current account open during the blockade.

**Rating Sensitivities**

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

-External Finances: A deterioration in Qatar's external balance sheet, for example, due to renewed increases in net external debt, pressure on non-resident funding for banks requiring liquidity injections by the sovereign, or signs of sustained unfavorable investment returns on sovereign assets.

-Public Finances: Failure to stabilize GG debt/GDP at a level close to or below the 'AA' median, for example, due to a return to fiscal deficits, or an assessment that contingent liabilities are likely to crystallize on the sovereign balance sheet.

-Structural Features: A sharp escalation of regional geopolitical tensions that threatens Qatar's economic and financial stability, for example, if it caused capital flight from banks or prolonged disruptions of Qatar's hydrocarbon and transport sectors.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

-Public Finances: Greater confidence that government debt will remain at a level close to or below the 'AA' median, for example, as a result of a prolonged period of fiscal surpluses, combined with a reduction of the risks associated with large contingent liabilities.

-External Finances: A substantial improvement in Qatar's external balance sheet to a level more in line with the levels of 'AA' rated regional peers, for example, through the build-up of sovereign assets combined with increased transparency on investments and a reduction in bank and other sector net external debt.

-Structural Features and Macroeconomic Policies: Improvement in structural factors such as reduction in hydrocarbon dependence and a strengthening in governance, while maintaining strong fiscal and external balance sheets. (Fitch 28.03)

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* 1. UAE: Home Furniture Markets, Competition, Forecast & Opportunities to 2027

The "UAE Home Furniture Market, By Product Type Raw Material, Room Type, Price Range, Distribution Channel, Region, Competition Forecast & Opportunities, 2027" report has been added to [ResearchAndMarkets.com](http://www.ResearchAndMarkets.com‎)'s offering.

UAE home furniture market is anticipated to witness potential growth in the forecast period, 2023-2027. Ready-to-assemble (RTA) furniture is gaining traction among homeowners and renters, owing to the lower costs and compact designs which propel the market growth. RTA furniture, also known as flat-pack furniture, is not assembled by the manufacturer and is available in parts, with instructions on how to assemble it.

With continuous technological advancements and product innovations, mid-size and smaller companies in the UAE are expanding their market presence, by securing new contracts and tapping into new markets. E-commerce is also supporting market growth and many e-commerce giants such as Amazon, Wayfair, and Home Depot provide a wide range of furniture products from many key brands as a part of their product portfolio.

The escalating demand for multifunctional furniture is projected to stimulate market growth. Real estate prices have plummeted significantly which resulted in a considerable reduction in house sizes. As rooms are getting smaller these days, customers are increasingly looking for furniture that is compact and easily movable to enable efficient use of the available space. To meet such kind of requirements; vendor organizations have introduced multifunctional furniture with storage facilities.

Numerous beds that have included additional storage spaces are gaining more prominence across UAE. The inflating need for convertible furniture in the country has functionality beyond traditional furniture use. All these factors support the market growth.

The rising number of consumers shifting their preference towards quality and stylish furniture products on account of the inflating disposable income levels and better lifestyle requirements is significantly propelling the growth of the home furniture market. Along with this, the expanding domestic furniture sales and international furniture exports are among the significant growth-inducing factors. The growing average annual expenditure on furniture per consumer unit has increased which is reflecting the healthy growth of the market. This, in turn, is projected to drive the growth of the home furniture market across the UAE in the forecast period.

The escalating demand for home furniture, on account of the growing population and the elevating levels of urbanization across the UAE region, is primarily accelerating the growth of the market. This is leading to extensive investments in infrastructure renovation activities and the higher rate of adoption of aesthetic furniture solutions among consumers is fueling the growth of the market. Furthermore, the inflating disposable income levels and enhanced living standards are also propelling consumers to invest in household decor enhancement solutions. All these factors are expected to aid the market growth in the upcoming years.

[ResearchAndMarkets.com](https://www.researchandmarkets.com) is the world's leading source for international market research reports and market data. We provide you with the latest data on international and regional markets, key industries, the top companies, new products and the latest trends. (Research and Markets 04.04)

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* 1. CYPRUS: IMF Concluding Statement of the 2023 Article IV Mission

An International Monetary Fund (IMF) mission met with the Cypriot authorities from 16–28 March 2023 to discuss recent economic developments and policy priorities. At the conclusion of the visit, the IMF mission chief for Cyprus, made the following statement:

Activity held up better than expected in 2022, but is projected to decelerate this year, before picking up again in 2024. Growth last year was supported by pent-up domestic demand, strong tourism revenues despite a significant drop in arrivals from Russia and Ukraine, and an expanding Information and Communication Technology (ICT) sector. High energy prices contributed to inflation, transmitting to core prices amid a tight labor market. Lower disposable income and tighter financial conditions are expected to slow growth this year. Policies should focus on locking-in the gains achieved over the last decade—including by continuing prudent fiscal policies and safeguarding financial stability—while resolving remaining legacy issues, especially high non-performing loans (NPLs) through effective implementation of the foreclosure framework. The reforms embedded in the Recovery and Resilience Plan (RRP) continue to provide an anchor to progress further on strengthening governance, addressing skill mismatches, closing the digital divide, and greening the economy.

**Context and Outlook**

**1. Cyprus’s economy has proved resilient to the fallout from Russia’s invasion of Ukraine, but surging energy prices pushed up inflation**. Output grew by 5.6% in 2022 as consumption recovered on the back of post-COVID pent-up demand, tourist arrivals rebounded (despite the impact of the war on arrivals from Russia and Ukraine), and the ICT sector continued expanding supported by an influx of new companies. Employment has recovered to pre-COVID levels and unemployment has dropped to a post-financial-crisis low. However, high energy prices contributed to a pickup of inflation, transmitting to other prices amid the tight labor market.

**2. Real GDP growth is projected to decelerate this year, but the medium-term outlook is robust.**  Growth is projected to slow to around 2½% in 2023, reflecting mostly the expected erosion in households’ disposable income from inflation, tighter financial conditions, and a delayed impact from sanctions against Russia on financial and professional services. Growth will gradually pick up from 2024 and average 3% in the medium-term, supported by public investments and structural reforms under the RRP, large ongoing and planned private investment projects, and a further expansion of the ICT sector.

**3. High inflation is expected to gradually recede, but pressures remain.** With the normalization of energy prices, headline inflation is projected at around 4% this year and 2½% in 2024. Core inflation is expected to be stickier on account of elevated short-horizon inflation expectations, the gradual closing of the positive output gap, and labor market tightness generating wage pressures.

**4. Risks are tilted to the downside for growth and to the upside for inflation.** A recession in Europe could adversely impact tourism. Intensification of the war in Ukraine and additional sanctions against Russia could weigh on sentiment and services exports, while another spike of energy prices would increase import costs. Should inflation expectations rise further and the pass-through to wages intensify, risks of a wage-price spiral will increase. Despite high liquidity and solid capital buffers, tightening of financial conditions could amplify macro-financial risks given high private sector debt and material exposures to the real estate sector.

**Rebuilding Fiscal Buffers**

**5. The fiscal policy response to war-related pressures struck the right balance between providing much-needed support and safeguarding sustainability.** Measures to address the cost-of-living crisis were mostly well-targeted and came at a limited cost to the budget (below 1% of GDP). Thanks to higher-than-projected revenue collection and contained expenditures, the primary balance reached 3.8% of GDP (from 0.1 in 2021), and public debt declined to below 87% of GDP.

**6. In the near-term, fiscal policies should aim at helping to contain price pressures while safeguarding social cohesion:**

* Spending plans in the 2023 budget remain appropriate. Under current spending plans, the mission projects a moderately lower primary surplus than in 2022, but given the projected slowdown in GDP growth, the mission considers the fiscal stance sufficiently tight to help contain inflation pressures from aggregate demand.
* Support policies should fully leverage Cyprus’s well-targeted social protection system. As energy-related support measures are scheduled to expire later this year, the authorities may want to consider adjusting the Minimum Guaranteed Income to improve its effectiveness and protect the purchasing power of vulnerable households, while any remaining horizontal measures (such as the reduction of excise taxes effective until April this year) should be terminated.
* In case downside risks materialize, automatic stabilizers should be allowed to operate and further targeted support provided to vulnerable groups. If necessary, any extension of energy support measures should be temporary, targeted and not distort price signals. The fiscal policy stance should be relaxed only if sizeable slack emerges.

**7. Over the medium term, fiscal policy should aim at maintaining the public debt ratio on a firm downward path**. Prudent fiscal management in the past created fiscal space that later helped cushion the impacts from the COVID-19 pandemic and from Russia’s invasion of Ukraine. Rebuilding this space by maintaining the public debt ratio on a downward path would be commensurate with challenges that Cyprus may face in the future given its size, reliance on services exports to a few markets, and remaining vulnerabilities in private sector balance sheets. Key policy objectives include keeping the public sector wage bill under control and piloting the National Health System (NHS) with a view to ensuring financial sustainability.

**8. RRP investments in energy connectivity, renewables, and digitalization can unlock a higher growth dividend**. The positive preliminary assessment of meeting the first set of milestones paved the way for payment of €85 million of grants in December 2022. Demanding verification procedures may require further strengthening administrative capacity to ensure smooth absorption of the next tranches, and the mission welcomes steps in this direction. The authorities should also explore amending the detailed investment milestones, as supply bottlenecks may well render some of them unattainable.

**Safeguarding Financial Stability**

**9. Significant progress has been achieved in improving banks’ resilience, but vulnerabilities remain.** Banks remain highly liquid, and capital ratios are comfortably above regulatory requirements; higher interest rates, as well as progress in lowering fixed costs through voluntary staff exits, helped raise traditionally low profitability. But the strong capital position is encumbered by still-high NPL ratios, and household and corporate sector indebtedness, although on a declining trend, remain among the highest in the euro area, pointing to borrower-side vulnerabilities.

**10. The potential impact of financial tightening on credit quality calls for enhanced monitoring.**  Spillovers from recent turmoil in international financial markets have so far been muted, thanks to limited exposure and a stable funding base. However, high inflation and gradually rising borrowing costs are likely to increase credit risk amid elevated private sector debt levels, while significant exposure to the real estate sector exposes banks and credit acquiring companies (CACs) to collateral revaluation risks. In addition to risk monitoring, banks should proactively use all available tools to enable timely restructuring of viable businesses in financial difficulties; this should be helped by the recent transposition of the EU Restructuring Directive into national legislation.

**11. An effective foreclosure framework remains key to resolving legacy NPLs.** The effectiveness of the Foreclosure Law has until now been hindered by repeated suspensions. The law is now in effect, which is critical for addressing strategic defaulters and providing incentives for borrowers to engage in restructurings. Alongside the unperturbed operation of the foreclosure framework, the planned mortgage-to-rent scheme for vulnerable households—with safeguards to minimize fiscal risks—may help resolve socially-sensitive NPLs. Separately, good progress has been made in improving the working environment for CACs and Credit Servicers by granting them online access to land registry databases; transparency should be enhanced by publicly disclosing CAC statistics and data.

**12. The mission welcomes the revision of the macroprudential policy strategy.** To strengthen banking sector resilience, the Central Bank of Cyprus (CBC) increased the countercyclical buffer (CCyB) rate from zero to ½% (beginning end-November 2023) at a time when risks are assessed as broadly neutral. This initial rate is somewhat lower than in other jurisdictions with positive neutral CCyBs, and increasing the rate and buffers over time—considering bank capital-generating capacity—could provide more policy space during periods of stress. Besides, the CBC’s holistic approach to assessing cyclical risks—based on a range of indicators, including credit dynamics and real estate developments—provides a good basis for guiding macroprudential policy decisions.

Structural policies to enhance competitiveness and living standards

**13. The mission recommends against any upward revision to the Cost-of-Living Allowance (CoLA) mechanism, which would weaken economic resilience and competitiveness.** For the public sector, further increases in the relatively high wage bill would reduce fiscal space, while a stronger automatic link between wages and inflation would also make fiscal policy more pro-cyclical. For the private sector, the mechanism does not account for productivity developments and reduces the ability to adjust to adverse shocks, weighing on resilience and competitiveness. Moreover, higher CoLA would deepen duality in the labor market, as it mostly benefits public sector employees and around a third of private sector employees covered by collective agreements.

**14. The implementation of structural reforms in the RRP and improving business environment would enhance medium-term growth prospects**. Structural reforms in the RRP are aligned with the ‘Vision 2035’—a strategic development plan garnering broad political consensus and a focal point for policies of the new government. Key reform areas include strengthening governance and the rule of law, including by combating corruption, improving judicial services to reduce the backlog of court cases, and strengthening the AML/CFT framework. The government also started efforts to strengthen governance and accountability of state-owned enterprises to exercise public ownership more effectively. In the area of education, reforms aim at modernizing the education system to address skill mismatches and future-proof the workforce, including by enhancing digital skills. Cyprus is already successfully leveraging its strategic location to attract foreign companies, but overcoming capacity constraints and procedural hurdles in immigration would make it a more desirable destination for investors. The related housing affordability concerns emerging in some areas (residential housing prices are generally aligned with economic fundamentals) could be addressed by supply side measures like strategic rezoning and reinstatement of the immovable property tax.

**15. Integration of Cyprus into the regional electric grid and expansion of renewables will underpin energy security and greener growth**. Cyprus has in place an ambitious strategy to develop regional electricity interconnections and expand its renewable energy capacity. Planned measures go a long way to achieve Cyprus’s ambitious emissions reduction targets, but financing plans should be firmed up in the context of the ongoing review of the National Energy and Climate Plan. (IMF 30.03)

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