

**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. FM Cohen Inaugurates the Israeli Embassy in Ashgabat

In a festive ceremony, Minister of Foreign Affairs Eli Cohen and the Minister of Foreign Affairs of Turkmenistan inaugurated the permanent building of the Israeli Embassy in Ashgabat, which is situated 17 km. from the Iranian border. The embassy will be the closest official Israeli mission to an Iranian border. Cohen's visit was the first to Turkmenistan by an Israeli foreign minister in the past 30 years. He met with Turkmenistan's President Serdar Berdimuhamedow, Foreign Minister Rashid Meredov and Agriculture and Environmental Protection Minister Allanur Altyyev.

Turkmenistan, a Muslim-majority country, established relations with Israel in the run-up to its declaration of independence in 1991. About a decade ago, in light of good relations between the two states, Israel opened a temporary embassy there with a temporary structure, now permanent. The permanent building was built specifically for the to-be-inaugurated embassy, like the Israeli mission in Azerbaijan, which also shares a border with the Islamic Republic.

Over the years, Israeli and Turkmeni senior officials have visited each other's countries, signing agreements of cooperation in the fields of politics, economy, and energy. Recently, progress has been made in the collaboration of health and cyber defense. Cohen's visit to Turkmenistan and the embassy's inauguration are intended to send a message to Iran that Israel is a present and growing influence in the region. Cohen headed a large economic delegation that included representatives of defense, cyber security, homeland security, agriculture and water management industries in Israel. (MFA 20.04)

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* 1. Electrification Plan for Israel's Buses Reaches Final Approval Stage

Israel's National Infrastructure Planning Committee decided on 25 April to approve the plan for electrification of some 300 bus terminals around Israel. The plan will now go to the government for its approval. The plan is being advanced by the Ministry of Transport via Ayalon Highways as part of a process designed to encourage a switch to public transport by improving its service and thereby contributing to reducing emissions and air pollution. The government’s target is for 60% of urban buses to be electric by 2026, and for the entire urban bus fleet to be electric by 2035.

The plan applies only to existing terminals or those in plans already approved. It adds the building and usage rights required at these terminals for charging stations and transformers. The committee says that approval of the plan will facilitate further procurement of electric busses within a short time, with a view to meeting the targets. At the same time, individual plans are being advanced for new bus terminals and depots throughout the country.

The Ministry of Transport seeks to switch 3,000 urban buses to electric power by 2026. From then on, any urban bus procured is due to be electric. Some NIS 1 billion has been invested in the plan and 450 electric buses already operate in Israel. Similar plans in the past have, however, come up against many obstacles, and even now the way to implementation of the plan, which involves connection to the power grid and cooperation of local authorities, is a long one.

Under the plan, Dimona will switch to electric buses this year and Karmiel will do so next year. Electric buses will שךדם operate in Rosh HaAyin, Bnei Brak, Rishon LeZion and Tel Aviv. (Globes 24.04)

ISRAEL MARKET & BUSINESS NEWS

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* 1. Greece Purchases Rafael's SPIKE Missiles in a €370 Million Deal

The Israeli Ministry of Defense announced that the Hellenic Ministry of National Defence is acquiring RAFAEL’ SPIKE Missiles in agreement which is valued at approximately €370 million. The Director General of the Israel Ministry of Defense and the Greek Director of the General Directorate for Defence Investments and Armaments signed a GTG agreement for the export of naval, air and land-based SPIKE missiles manufactured by Rafael Advanced Defense Systems.

Haifa's [Rafael Advanced Defense Systems](https://www.rafael.co.il/‎) is synonymous with dynamic defense, daring innovation, and technological ingenuity. For over 70 years, the company has pioneered advances in defense solutions for air, land, sea, space, and cyber. Their innovations are based on extensive operational experience and understanding of evolving combat requirements. They enable the rapid development of effective solutions for complex challenges on a variety of fronts. (RAFAEL 11.04)

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* 1. Israel Aerospace Delivers 100th US Air Force T-38 Jet Trainer

Israel Aerospace Industries (IAI) has delivered the 100th T-38 Talon Wing to the USAF during a special ceremony held at the company’s headquarters. The Israeli company said it had added additional tooling to the T-38 wing production facility to increase rates and meet the service’s requirements.

Under the Pacer Classic III structural retrofit program, the USAF will extend the airworthiness of 150 T-38Cs until 2029. The T-38 was developed by Northrop Grumman and was introduced into service in 1961. It has the same basic airframe as the F-5A/B/C Freedom Fighter and the F-5E/F Tiger II. Since 1961, more than 75,000 USAF pilots have trained on the T-38 according to the manufacturer. The T-38 is powered by two General Electric J85-GE-5 turbojet engines with afterburners.

The aircraft entered service with six countries and remains in service with Germany, Turkey and the US, with the latter country’s Air Education and Training Command being the primary user. (Shephard News Team 13.04)

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* 1. Otterize Raises $11.5 Million for its Intent-Based Access Control Paradigm

Tel Aviv's [Otterize](https://otterize.com/) has raised $11.5 million in seed funding and has unveiled its new Otterize Cloud product. The round was led by Index Ventures, Dig Ventures, and Vine Ventures, with participation by Jibe Ventures, Crew Capital, and Operator Partners. A slew of angel investors also took part in the round, including individuals from Stripe, Snyk, Robinhood, Armis, Slack and GitHub, among others.

The Otterize open source and cloud product helps growing distributed workforces that demand more self-serve solutions and quick development without coordinating between client and server teams. Its product disrupts an environment in which engineers either: can’t connect securely, have to teach everyone to connect securely to every new technology, or must tackle every new need manually within the small platform engineering team. Otterize helps alleviate these issues by adding visibility and insights from the Otterize Cloud service to the OSS product for Kubernetes.

With intent-based access control (IBAC), developers get secure access to services by declaring what calls the code intends to make. Otterize then configures automatically existing access controls and allows those calls and blocks unintended calls. Otterize was founded in 2022. It offers an open-source intent-based access control solution for DevOps and platform engineers to automate the secure connection of services to each other and infrastructures. (Otterize 13.04)

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* 1. Rupert Raises $8 Million in Seed Funding for its Analytics Distribution Platform

Rupert has raised $8 million in seed funding. The round was led by Cortical Ventures and IA Ventures with participation from Citi Ventures and Joule Ventures, as well as data leaders including AtScale CEO Christopher Lynch, founders of Stitch Jake Stein and Bob Moore, and other executives from data organizations such as Snowflake, Looker, Alteryx, Weights & Biases, Snowplow, Alation and SAP.

Rupert’s platform connects analytics sources like BI tools or semantic layers, operational applications like CRMs or campaign managers, and communication tools like Slack or Teams to enable analytics and operations teams to offer hyper-personalized insight alerts to business stakeholders at scale. Alerts are prompted by intelligent data triggers and can provide insights to make sure that every business improvement opportunity is properly capitalized.

Tel Aviv's [Rupert](https://www.hirupert.com/) is already used by companies like AppsFlyer, Coalition, GoodRx, and Mux who see up to a 14x increase in business actions triggered by analytics. The funding will help the company invest in its product, add features, and scale its go-to-market efforts. (Rupert 13.04)

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* 1. Floodlight Raises $6.4 Million to Simplify Finance for E-Commerce SMEs & Entrepreneurs

Floodlight, a smart business account for e-commerce, has raised seed funding of $6.4 million to help entrepreneurs simplify and manage finances. The round was led by Aleph and 83North, with contributions from former Shutterfly CEO and Amazon UK Managing Director Christopher North, Yuval Samet, CEO of RiseUp and former CPO of Klarna, and Juan Lobato, Founder and CEO of Ebury.

The funding comes as Small and Medium Enterprises (SMEs) face a challenging economic climate with increased interest rates and high operational costs. SMEs account for 99% of businesses in the UK and EU, but face many challenges in collecting the siloed financial data they rely on: data today is spread across bank accounts, PayPal, Stripe, Shopify, Klarna, Xero, and others, which often leads to mistakes buried in multiple spreadsheets. Floodlight helps e-commerce SMEs connect financial platforms into one dashboard to manage their finances more efficiently and help them grow their business.

Floodlight’s solution has dedicated financial insights built from the connections it builds and can provide entrepreneurs and businesses with clarity in their finances, reports on cash flow trends, and helps customers turn their insights into action.

Ramat Gan's [Floodlight](https://www.joinfloodlight.com/) was founded in 2021 and helps customers achieve financial goals through digital solutions that can ensure the management of business finances. Its platform helps streamline financial records and helps businesses become more efficient. (Floodlight 17.04)

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* 1. Shake Shack is Coming to Tel Aviv in 2024

On 19 April, Shake Shack announced that they are launching branches in Tel Aviv in 2024. The expansion is a partnership between Harel Wizel, the CEO of Fox Group, a fashion and lifestyle retail group with thousands of worldwide stores, and [Yarzin Sella Group](https://yarzin-sella.com/), which owns and manages over 30 restaurants and high-end corporate dining services in seven countries.

According to the announcement, Israelis can expect the menu to feature Shack's signature items including the ShackBurger, classic crinkle-cut fries, frozen custard ice cream and alcoholic drinks including beer and wine. ShakeShack is not kosher.

The first Shack opened in 2004 in New York City. Since, the company has expanded to over 450 locations, including over 295 in 32 the US and more than 150 international locations including London, Hong Kong, Shanghai, Singapore, Istanbul, Dubai and more. (Shake Shack 19.04)

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* 1. infiniDome Raises $9 Million in Series A Funding, Led by Hanwha Aerospace

infiniDome has secured $9 million in Series A funding led by Hanwha Aerospace, one of the largest conglomerates in South Korea, alongside Honeywell Ventures, and Next Gear Ventures. The funding from this round will support the deployment of infiniDome’s much sought after GPSdome2 to major defense forces including US DoD, Israeli Defense prime, South Korean Army (ROK armed forces), and Indian armed forces. This round is Honeywell Ventures’ third time investing in infiniDome, while Next Gear Ventures has continuously supported them since their seed round. Looking ahead, infiniDome plans to continue its partnership with its strategic investors through joint development of dedicated solutions and global commercial agreements.

Aside from this round infiniDome has raised a total of $7 million to date, on top of $1.5 million from the Israel Innovation Authority. The additional funds and support of investors, which also include VentureIsrael, Kyto, Aston Partners, and Pointman I in this round, will not only enable infiniDome to deploy GPSdome2, but also design resilient navigation solutions tailored to meet future AAM (Advanced Aerial Mobility) requirements, and play a crucial role in driving commercial regulations and enhancing the safety and security of critical operations around the world.

Caesarea's [infiniDome](http://www.infinidome.com), founded in 2016, develops disruptive GPS protection and resilient navigation solutions tailored for defending UAVs and vehicles from jamming attacks. Its technology is built on redefined EW algorithms and its proprietary RFIC (chip) allows for its protection solutions – the GPSdome product line – to have the best performance vs. C-SWaP (Cost, Size, Weight and Power) balance in the world. infiniDome disrupts the defense and government UAV and vehicles protection space and will do the same to the commercial UAV\UAM space with protection and monitoring solutions. (infiniDome 24.04)

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* 1. Quantum Source Raises $12 Million to Propel Photonic Quantum Computing

Quantum Source has raised a $12 million seed extension investment round led by Dell Technologies Capital with participation from 10D as well as existing investors Eclipse VC, Grove Ventures, and Pitango First. The extension brings Quantum Source’s seed round total to $27 million, one of the largest total seed financings in the field of Quantum Computing. This additional $12 million financing round will be used to expand the research and development team as the company scales to reach significant technical and performance milestones.

Rehovot's [Quantum Source (QS)](http://www.qs-labs.com) is developing breakthrough technology to enable a commercially viable photonic quantum computer with millions of qubits. The company was established in 2021. Quantum Source aims to build fault-tolerant quantum systems that scale to millions of qubits and that will have the potential to unleash dramatic acceleration in numerous cutting edge fields that include drug design, material development, cybersecurity, and the processing of large datasets for AI applications.

Photonic quantum computing is a type of quantum computing that uses photons as a representation of qubits. Quantum Source utilizes a unique approach for generating photons and quantum gates that is five orders of magnitude more efficient than state-of-the-art implementation. (Quantum Source 19.04)

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* 1. Avalor Emerges from Stealth with $30 Million to Make Sense of Security Data

Avalor announced the completion of a $25 million Series A investment round led by TCV, with participation from Salesforce Ventures. This investment adds to a $5 million seed round led by Cyberstarts in 2022 with participation from Jibe Ventures. Avalor will use the new funding to expand operations in the U.S. and Israel.

Avalor’s Data Fabric for Security integrates disparate data sources from legacy systems, data lakes, data warehouses, SQL databases, applications or any source of data, providing a holistic view of business performance. This market disruption is exactly what attracted early investors to Avalor.

Avalor is launching the first application powered by its security data fabric – a dedicated solution for vulnerability risk management and prioritization. Among the application’s primary benefits, security teams can now access automatically aggregated, normalized, and de-duplicated risk data from discovery to remediation, as well as a single source of truth for assets, controls, identities, vulnerabilities, security bugs, and other related data points.

Ramat Gan's [Avalor](https://www.avalor.io/) is the Data Fabric for Security, helping teams make faster, more accurate decisions by making sense of their data. Decisions can now be made with real-time access to complete, accurate, and precise information from any source in any format. (Avalor 19.04)

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* 1. CropX Technologies Raises $30 Million in Series C Funding

CropX Technologies announced the completion of a Series C financing round with $30 million in funding. The funding round was led by Aliaxis SA, a world leader enabling access to water and energy through inventive fluid management solutions. The funding will be used to build on the two pillars of CropX’s growth: the continued development of innovative capabilities for its agronomic farm management system, and the acquisition of companies with complementary technologies and market reach. Through this partnership, Aliaxis and CropX will continue to collaborate closely in the field of data-driven precision irrigation. Additional investors in the round include Edaphon, Finistere Ventures, NTT Finance Corporation, OurCrowd, Reinke Irrigation, Yair Shamir and Victrix. The financial details of this agreement will not be disclosed.

Food production accounts for roughly 70% of total freshwater withdrawals globally and efficient water usage in agriculture is clearly becoming more and more important. Users of CropX’s irrigation planning are able to conserve irrigation water and boost yields. In addition to irrigation, the CropX system also optimizes the use of energy and fertilizers, supports farmers in adopting more sustainable farming practices, and is becoming a one-stop-shop for crop management.

Tel Aviv's [CropX Technologies](http://www.cropx.com/) is an ag-analytics company that has developed the world’s most advanced adaptive irrigation service, which automatically optimizes irrigation, thereby delivering dramatic crop yield increase and water and energy cost savings to farms. CropX’s service is the world’s ﬁrst and only automated adaptive differential irrigation solution, which successfully addresses this challenge. No other product automatically generates daily, accurate, hassle-free, irrigation maps, which apply just the right amount of water to different parts of the same ﬁeld. (CropX 19.04)

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* 1. Weebit Nano Raises $40 Million for its ReRAM Development

Weebit Nano announced the successful completion of an approximately $40 million fund raising through the placements of twelve million new shares to international institutional investors, as well as an oversubscribed share purchase plan (SPP) to existing shareholders.

Proceeds will fund further development and commercial roll-out of Weebit resistive random access memory (ReRAM) technology in both the embedded and discrete markets. It will also enable Weebit to capitalize on the significant opportunities within the Non-Volatile Memory (NVM) market as the company progresses its commercialization strategy with leading foundries, integrated device manufacturers (IDMs) and potential customers. Weebit’s proven embedded ReRAM technology is first available in U.S. fab SkyWater Technology’s 130nm process, which is ideal for IoT, medical and aerospace applications.

Hod HaSharon's [Weebit Nano](http://www.weebit-nano.com) is a leading developer of advanced semiconductor memory technology. The company’s ground-breaking Resistive RAM (ReRAM) addresses the growing need for significantly higher performance and lower power memory solutions in a range of new electronic products such as Internet of Things (IoT) devices, smartphones, robotics, autonomous vehicles, 5G communications and artificial intelligence. Weebit’s ReRAM allows semiconductor memory elements to be significantly faster, less expensive, more reliable and more energy efficient than those using existing Flash memory solutions. (Weebit Nano 24.04)

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* 1. EdgeConneX Expands Israeli Data Center Footprint

Herndon, Virginia's EdgeConneX, the pioneer in global Hyperlocal to Hyperscale Data Center Solutions, announced the expansion of its data center footprint in Israel with the construction of a new facility, located in Rishon LeZion. The new data center will support the increasing demand for underground, highly secure, and resilient infrastructure in the region by hyperscalers, cloud service providers and enterprises. The new EdgeConneX facility will bring 7.5MWs to market and is planned to be operational by Q3/23. This site will complement the company's existing data center presence near Tel Aviv, including sites in Herzliya and Petah Tikva, which are now both fully operational.

The Rishon LeZion facility will offer extensive fiber and peering options with resilient access to local and international Internet service providers, enabling connectivity to global markets and services. EdgeConneX data centers are strategically located to offer proximity, security and performance. (EdgeConneX 25.04)

REGIONAL PRIVATE SECTOR NEWS

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* 1. Blaze Pizza International Expansion with New Franchise Operator in Bahrain

Los Angeles's Blaze Pizza, a leading fast-casual franchise pizza concept, announced it is entering Bahrain with a multi-unit development agreement to open two new locations and acquire an existing Blaze Pizza in Bahrain's capital, Manama. The franchise agreement marks another milestone in the brand's continued growth around the globe, with 25 international locations across Canada, Saudi Arabia and UAE.

Spearheading the latest international development is NAD Trading, a leading Bahrain-based international restaurant group and current Cinnabon® operator. As part of the deal, NAD is currently in the process of finding sites for the two new Blaze Pizza restaurants, focusing on areas with heavy foot traffic and easy consumer access. The Bahrain locations will feature Blaze Pizza's signature pizzas, including the popular Build Your Own option, as well as salads, desserts, and a selection of beverages.

Blaze Pizza's expansion in Bahrain is part of the company's commitment to fuel its development efforts outside the U.S. (Blaze Pizza 24.04)

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* 1. Oreo Cafe Opens at Doha’s Hamad International Airport

Mondelez-owned sandwich cookie brand Oreo has landed at Doha’s Hamad International Airport (HIA), with the opening of the first permanent Oreo Cafe outside of the USA and first in an airport. The cafe in the new North Node offers a wide selection of sweet inventions including Oreo milkshakes, muffins and cheesecakes and a comprehensive food and beverage menu. The Oreo cafe concept features the brand’s electric signature blue, white and black, attracting transiting passengers with giant Oreo furniture, digital walls and a retail area.

Mondelez and Qatar Duty Free ran an integrated marketing campaign, including a Qatar Airways in-flight video during October and high visibility throughout the airport. Mondelez also delivered a high-performing social media campaign featuring playful creative assets and rich culinary imagery. To celebrate Oreo Day, partners ran an airport takeover at HIA on 6 March with an end-to-end screen digital campaign across over 800 screens. (GB 24.04)

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* 1. Ryse Energy Raises $15 Million in a Round led by RWE Energy Transition Investments

Abu Dhabi based Ryse Energy, a global leader in decentralized renewable energy systems, has raised a $15 million in investment funding round. The round was led by RWE Energy Transition Investments, an investment vehicle of RWE Supply & Trading GmbH, the energy trading arm of the global renewable energy company RWE. The investment will enable Ryse Energy to accelerate its international growth and continue to diversify its business model into energy-as-a-service.

Ryse Energy is a primary manufacturer of high-performance small wind turbine technologies and provides a range of additional renewable energy systems, including solar and energy storage. Ryse Energy has sold or installed more than 4,000 units for clients worldwide. The company has manufacturing facilities in the UK and Spain, with sales offices across the globe including the USA, Europe, the UAE and India.

Ryse Energy’s renewable systems can be used as standalone technologies, grid-connected or off-grid with energy storage, or hybridized to create bespoke and reliable hybrid renewable solutions. The company works across a variety of sectors, from decarbonizing critical infrastructure such as telecoms and oil & gas networks, to marine and agriculture applications, to community power for rural electrification. (WAYA 13.04)

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* 1. Flyksoft Raises $55,000 in a Seed Funding Round

Sharjah's [Flyksoft](https://www.flyksoft.com/), which offers SAAS booking software for salons and spas, has successfully raised $55,000 in seed funding from angel investors. This funding will help the company achieve its mission of boosting brand awareness and media presence. Flyksoft's innovative platform provides an all-in-one solution for managing salon and spa operations. The software is designed to help businesses streamline their operations by offering features such as appointment bookings, point-of-sale, customer records management, marketing automation, integration with social media, loyalty programs, inventory management, and team management.

Flyksoft also plans to launch the first beta version of its SAAS booking software in May 2023 and will begin registering and onboarding clients from May onwards in the UAE and Gulf markets. The company aims to be the first salon booking software to offer a competitive pricing range and monthly subscription model. The first phase of the launch will include mobile apps for Android and iOS, a marketplace, CRM, a marketing module, an integration module, payment gateways, and staff and booking apps. In the second phase, Flyksoft will launch a website builder, accounting and finance and HR module.

Flyksoft is excited to revolutionize the salon and spa industry by providing a complete solution to simplify business operations and enhance the customer experience. With this seed funding, the company is poised to make a significant impact in the industry and provide an exceptional service to its clients. (Flyksoft 18.04)

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* 1. Hakbah Closes $2 Million in Funding

The Riyadh based fintech savings platform [Hakbah](https://hakbah.sa/?lang=en%20‎) has closed a $2 million pre-Series A funding round after it was granted approval by the Saudi Central Bank (SAMA). Global Ventures, a MENA based venture capital firm and DIFC-based Aditum Investment Management participated in the round, providing Hakbah with its first institutional capital. Proceeds will be used to accelerate Hakbah’s presence in Saudi Arabia, improve the user journey, and enhance its savings engine algorithm.

Hakbah is a promising Saudi fintech startup specialized in alternative saving and Savings Groups. Hakbah's mission is to digitize financial habits by developing innovative savings products that help increase financial inclusion, support a non-cash society, and bridge the gender gap in savings. Hakbah graduated from the DIFC Fintech Accelerator Program 2019 and part of the DIFC Fintech Hive and Fintech Saudi community. The Saudi Central Bank (SAMA) permits Hakbah to test its innovative products under the Regulatory Sandbox. (Zawya 12.04)

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* 1. Holiday Inn Express to Open First Saudi Property in Riyadh

IHG Hotels and Resorts has signed a management agreement with Al Woroud Real Estate to open the first Holiday Inn Express property in Saudi Arabia, which is set to open in 2026. Located in the capital’s central Olaya district, it will lie close to King Fahd Road – Riyadh’s major arterial road connecting the north and south of the capital, and will also be easily accessible from the King Khalid International Airport. The 200 key property will offer complimentary ‘Express Start Breakfast’ for guests. Holiday Inn Express Riyadh’s business facilities will include two meeting rooms, while its leisure facilities will feature a swimming pool and gym.

IHG Hotels and Resorts currently operates 37 hotels across five brands in Saudi Arabia, including: InterContinental, Crowne Plaza, Holiday Inn, Staybridge Suites and voco, with 31 hotels in the development pipeline set to open within the next three to five years. Although there are over 3,000 Holiday Inn Express hotels globally, the brand hadn’t yet entered into Saudi Arabia. Earlier this month, Holiday Inn opened a new 295-key property in Saudi Arabia – the Holiday Inn and Suites Al-Khobar – in partnership with the Saudi Tourism Development Company. (GB 18.04)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. Mubadala Commits to Invest $2.5 Billion in Clean Fuel in Brazil

Abu Dhabi’s Mubadala Capital plans to invest $2.4 billion over 10 years to build a green diesel and sustainable aviation kerosene factory in Brazil’s northeastern state of Bahia. The investment will be made through the company’s Acelen unit in Brazil, and the company expects to start production in Q1/26.

A MoU to this end was part of several other agreements signed during a state visit of Brazil’s President Lula da Silva to Abu Dhabi. He was received by Sheikh Mohammed bin Zayed Al Nahyan, President of the UAE, for an iftar — a meal celebrated after sunset during Ramadan. Members of the Brazilian delegation and the UAE government also signed agreements covering trade, sports and artificial intelligence. Lula made a stopover in Abu Dhabi after a three-day official trip to China. (Bloomberg 17.04)

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* 1. Oman Activates First Floating Desalination Plant

Oman announced the activation of the country's first floating desalination plant. Installed by the Oman Water and Wastewater Services Company, the four mobile plants are positioned in the waters of the Musandam Governorate, which lies on a peninsula and is separated from the rest of the country by the United Arab Emirates (UAE). The $17.33 million water purification project was built by contracting company Al-Tayer and uses reverse osmosis to remove salt and minerals from sea water.

Nama Water Services, the parent company of Oman Water and Wastewater Services, said the project seeks to provide a supply of high-quality drinking water, in addition to supporting agriculture, commercial, tourism and fishing activities. The mobile desalination plants are meant to service 70 seaport villages and are the first of their kind in the Arab world, according to the company that installed them.

In February, the Food and Agriculture Organization (FAO) of the United Nations stressed the need to strengthen ties with Oman in the water sector in order to support the county’s water conservation efforts. Oman’s agriculture production is significantly affected by groundwater salinity, according to the FAO’s 2021 Aquastat country profile. (Al-Monitor 13.04)

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* 1. Egypt to Build Three Waste Recycling Plants in the Suez Canal

The Suez Canal Economic Zone (SCZone) in Egypt is making progress in implementing its sustainability policy. On 11 April 2023, three of its companies signed $21.64 million in financing agreements with the Egyptian Environmental Affairs Agency (EEAA) for the construction of new waste recycling plants. These are El Nasr for Fertilizers and Chemical Industries (Semadco), Flex P Films and Huhtamaki Egypt. The signing of these agreements is the first component of the cooperation protocol between the Egyptian Ministry of Environment and the General Authority for the SCZone.

The EEAA will finance these companies under the third phase of the Egyptian Pollution Abatement Program (EPAP) with €11.8 million to finance the SCZone wastewater treatment plant project. The future plant, whose overall cost is estimated at €13.57 million, will handle industrial wastewater in order to reduce pollution. The SCZone comprises an industrial zone extending over 4,000 hectares for light and medium industry, commercial and business activities with the capacity to support 80,000 jobs.

The over $148 million EPAP program also aims to improve the performance of Egyptian industry, their compliance with environmental laws and regulations, as well as reduce their energy and resource consumption in order to promote sustainable development. It is financed through loans from the European Union (EU), the European Investment Bank (EIB), the French Development Agency (AFD) and Kreditanstalt für Wiederaufbau (KfW), the German development agency. (Afrik21 17.04)

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* 1. Morocco Gets €5 million for Two New Drinking Water Plants

Morocco has obtained new financing for the implementation of its drinking water supply policy. The loan of €5 million was granted by the Government of Spain, through the Fund for the Internationalization of Enterprises (FIEM). This funding comes just a few months after the Kreditanstalt für Wiederaufbau (KfW) granted a loan of €52.6 million. The German development agency’s funding is intended for the rehabilitation and extension of the National Water and Electricity Officer’s (ONEE) drinking water facilities.

The Moroccan state-owned company will use the FIEM funding to build two new drinking water plants in Zag, a town in the Guelmim-Oued Noun region, and in Moulay Brahim in the Marrakech-Safi region.

The stations will be of modular systems for rapid deployment. The reverse osmosis technique will be used in the installations. The aim is to purify the water to reduce the mineral content. The FIEM loan will also finance the maintenance and upkeep of the future Zag and Moulay Brahim water treatment plants for five years. For the Spanish government, this project is also of strategic importance, as it represents a new step in commercial relations with Morocco. (Afrik21 20.04)

ARAB STATE DEVELOPMENTS

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* 1. IMF Says MENA Economies to Expand at a Slower Pace in 2023

Growth in the Middle East and North Africa (MENA) economies is projected to slow to 3.1% this year, from 5.3% last year, according to the IMF. Despite the series of global shocks, the MENA region surprised on the upside last year. The IMF estimates that real GDP grew by 5.3%, reflecting strong domestic demand and a rebound in oil production. However, growth is projected to slow this year to 3.1% due to tight policies to restore macroeconomic stability, agreed OPEC+ production cuts and the fallout from the recent deterioration in global financial conditions.

Among MENA oil exporters, growth is expected to slow from 5.7% in 2022 to 3.1% this year with the main growth driver shifting from oil to non-hydrocarbon activities in most countries. In the region’s emerging markets also, growth is set to slow, falling from 5.1% last year to 3.4% this year, while low-income countries will continue to lag growth at 1.3% this year, as they struggle with high commodity prices, macroeconomic instability and country-specific fragilities.

The OPEC+ production cuts will lower growth for the GCC but will have a positive outcome on the fiscal and external positions as higher oil prices offset the impact of lower growth. However, higher oil prices are likely to increase fiscal and external strains in MENA oil importers. Inflation is forecast to remain unchanged at about 15% this year after surging last year, before declining modestly in 2024. (Zawya 14.04)

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* 1. SIPRI Finds Saudi Arabia Has Risen to World's 5th Largest Military Spender

Saudi Arabia was ranked the 5th biggest military spender in 2022, jumping from eighth to fifth place in one year and surpassing the United Kingdom, Germany and France. The kingdom was the only Middle Eastern country to make the top 10 global list, according to a report released by the Stockholm International Peace Research Institute (SIPRI).

Total Middle East expenditures reached an estimated $184 billion in 2022, an increase of 3.2% from the year before, mainly due to Saudi Arabia’s significant increase. This total does not include the Palestinian territories nor Arabic-speaking North African countries including Egypt, Morocco and Algeria. It also does not include the UAE, which has an estimated defense budget worth $23.2 billion in 2023, according to data analytics company Global Data. SIPRI reported that the organization has not acquired data on the United Arab Emirates’ military spending since 2014. The ranking of Middle East countries among SIPRI’s top 40 global military spenders and their global rankings follows:

* Saudi Arabia, $75 billion (5th)
* Israel, $23.4 billion (15th)
* Qatar, $15.4 billion (20th)
* Turkey, $10.6 billion (23rd)
* Algeria, $9.1 billion (26th)
* Kuwait, $8.2 billion (30th)
* Iran, $6.8 billion (34th)
* Oman, $5.8 billion (36th)

The Middle East also had the highest military burden in 2022, according to SIPRI, with spending making up 3.9% of GDP on average. Europe had the second highest burden at 2.5% and Africa had the third highest at 1.7%. Middle East countries saw a slight drop in military spending of 0.4% in 2022 compared to the year before that could continue as the region has seen a gradual increase in normalization with states previously considered rivals, particularly countries of the GCC. (Al-Monitor 24.04)

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* 1. Jordan Gets $650 Million in Loan Agreements from the World Bank

Jordan and the World Bank (WB) have signed two loan agreements worth $650 million to finance two projects targeting climate responsive public and private investments and improvements to the country’s electricity sector. The agreements were signed on the sidelines of the World Bank Spring meetings in Washington.

The bank will provide some $400 million to support the country’s climate responsive public and private investments to promote jobs for women and boost the government’s effectiveness through data and evidence-based policy making. The financing will strengthen the quality of public investment and prioritize climate responsive public investment, including through public-private partnerships. It will also promote the possible issuance of sovereign green bonds and the implementation of a National Green Taxonomy.

Jordan’s electricity infrastructure will also get a boost as $250 million will be earmarked for improving the efficiency of the country’s electricity sector by introducing reforms with a focus on cost saving and revenue enhancement measures. Despite the country’s achievements of increasing the share of renewables in the electricity supply mix and introducing private investments to the sector, Jordan’s electricity sector still faces hurdles that hinder long-term growth, the statement notes, including losses by Jordan’s National Electric Power Company, a rise in electricity purchase costs, and an increase in debt service costs. (WB 20.04)

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* 1. Middle East Debt Issuances Nearly Triple in First Quarter as Saudis take the Lead

Middle East and North Africa (MENA) debt issuances nearly tripled year-on-year from January to March 2023 to $26.9 billion compared to the previous quarter, marking the highest start to a year by proceeds since 2011. This is a major shift since last year’s total of $37.3 billion, the lowest full-year amount since 2011, according to American-British financial data company Refinitv.

In Q1/23, Saudi Arabia was the leading debt issuer in the MENA region. The largest MENA debt issuers based on total bond proceeds in the first quarter were Saudi Arabia 67% and the UAE 17%, followed by Morocco 9% and Egypt 6%. For all of 2022, the biggest debt issuer was the UAE (42%), followed by Saudi Arabia (40%), Qatar (10%) and Bahrain (3%).

During Q1/23, government and agency issuers accounted for 55% of proceeds raised while financial issuers accounted for the remaining 45% of the market share. Sukuk, or Islamic bonds, made up 23% of total bond proceeds raised in the region during Q1/23, amounting to $6.3 billion, a 57% increase year-on-year and a three-year high. Among sukuk issuance, finance accounted for the bulk at $4.8 billion, while government and agencies issued $1.5 billion. (Al-Monitor 12.04)

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* 1. Qatar's Economic Growth to Slow Slightly to 4% This Year

Qatar's economy is set to grow at 4% in 2023, which is lower than the 4.75% growth clocked in 2022, but is not worrisome as it is temporary, Standard Chartered said in a report. The bank said Qatar should be able to successfully leverage the World Cup to expand its tourism sector and its standing as a sporting hub. It is hosting 14 sporting events in 2023, including Formula 1. The authorities plan to raise the tourism sector’s GDP contribution to 12% by 2030 from 7% currently, by attracting 6 million visitors per year by 2030.

Qatar is also working to increase capacity at the North Field, to take natural gas output to 126 million tonnes by 2026 from 77 million currently. Investments in gas expansion is likely to support activity in other sectors, including private-sector credit growth, which accelerated to 17% year-on-year in January from high single digits throughout 2022, said Standard Chartered. Other Gulf markets are expected to grow between 2%-3.5% in 2023, the report added. (Zawya 17.04)

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* 1. UAE Banks Have $67 Billion Worth of Saving Deposits

Saving deposits in the UAE banking system, excluding interbank deposits, increased to AED245.537 billion by the end of January 2023, a YoY growth of approximately AED2.023 billion, or 0.92%, from about AED243.31 billion in January 2022, statistics by the Central Bank of the UAE revealed.

Savings deposits in the UAE banks have grew remarkably over the recent years, from AED152 billion at the close of 2018 to AED172.2 billion in 2019 and to AE215.2 billion in 2020; and AED241.8 billion in 2021, according to the statistics of the apex bank. Demand deposits grew to AED 914.74 billion by the end of January 2023, a YoY growth of 5.6% from AED866.16 billion in January 2022, added the bank's statistics.

Term deposits surged to AED611.69 billion by the end of last January, a YoY growth of 19.5% from AED512.04 billion in January 2022. (WAM 14.04)

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* 1. UAE's Masdar Acquires 50% Stake in US Project from EDF Renewables

State-owned Masdar, the UAE's biggest renewables company, has completed the acquisition of a 50% stake in a combined solar and battery storage project in California. The financial details of the deal were not disclosed. The stake in the Big Beau project, which was first negotiated in 2020, was acquired from EDF Renewables North America and comprises a 128 MW photovoltaic (PV) solar plant and a 40 MW/160 MWh battery energy storage system. It is one of eight projects that Masdar and EDF Renewables have agreed to jointly partner in, with a combined capacity of 1.6 gigawatts (GW). Masdar is owned by the Abu Dhabi National Oil Company (ADNOC), Mubadala Investment Company, and Abu Dhabi National Energy Company PJSC (TAQA).

In January, UAE and US officials announced that $20 billion will be allocated to fund 15 GW of clean energy projects in the US before 2035, led by Masdar and a consortium of US private investors, under the Partnership for Accelerating Clean Energy (PACE) between the two countries. (Masdar 12.04)

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* 1. Dubai Issues Law Regulating Autonomous Vehicles

Dubai is moving closer to deploying autonomous vehicles after Sheikh Mohammed bin Rashid Al Maktoum, Prime Minister of the UAE and Ruler of Dubai, issued a new law that regulates the use of self-driving cars in the city. The new law is expected to accelerate the city’s smart mobility ambitions, attract investments and provide a regulatory environment that facilitates the use of artificial intelligence (AI) in the mobility transport or industry.

It outlines how the Roads and Transport Authority (RTA) will regulate the use of driverless vehicles in Dubai, including the issuing of licenses and transfer of ownership. Under the law, RTA is tasked with demarcating the roads, areas and routes that self-driving cars operate in, setting their speed limits and providing the framework for managing other aspects of their operations. The authority is mandated with the development of the infrastructure necessary for the operation of self-driving cars as well as the traffic solutions necessary to ensure road safety and avoid traffic disruptions, among others.

Dubai’s transit authority is also tasked with issuing licenses for autonomous vehicles. The law outlines conditions for obtaining a license for activities related to self-driving cars and breaching the provisions of the law attracts fines ranging between Dhs500 and Dhs20,000. The law is part of a broader strategy to transform the city into a model for cities of the future and the best city in the world to live, work and visit.

Meanwhile, the RTA and General Motors’ Cruise said a fleet of five electric cars had mapped out the roads in parts of Dubai. The five Chevrolet Bolt electric cars that were deployed in the Jumeirah 1 district tested the vehicles’ technology and gather data on traffic signals, signage and driver behavior. RTA and Cruise joined forces in 2021 to run the maiden autonomous taxi service in Dubai with plans to begin deploying its robotaxis in the city this year – making the Middle East tourism and business hub the first non-US city to commercialize Cruise self-driving cars. Dubai plans to deploy 4,000 self-driving taxis by 2030 and Cruise will be the exclusive robotaxi service provider in the city until 2029. The rollout of autonomous vehicles will alleviate traffic congestion, reduce the number of traffic accidents and cut emissions. (GB 17.04)

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* 1. Dubai May Break Tourism Records in 2023

Dubai received 3.1 million visitors in the first two months of 2023, with numbers exceeding pre-pandemic levels in the month of February. Dubai may even break its 2019 record of 16.73 million visitors this year, according to Emirates NBD. The number of visitors in January was up 50% year-on-year (YoY), but was still 9% below pre-pandemic levels. In February however, there were 1.63 million visitors, up 35% year-on-year and up 7% on pre-pandemic levels.

Western Europe was the largest source of visitors overall in January and February, making up 22% of the total volume, followed by the GCC countries and South Asia, each making up 16%. India was the largest source of tourists, with 401,000 visitors in January and February, followed by Russia with 229,000, Oman with 201,000, the UK with 196,000 and Saudi Arabia with 183,000.

Visitor numbers from Saudi Arabia are still around one-third below pre-pandemic levels for January and February, while visitors from Oman were 15% above Jan-Feb 2019 levels. China, one of the largest sources of visitors to Dubai in the last decade, recorded 52,000 visitors in January and February, down 75% for the same period in 2019.

The average hotel occupancy for January and February of 2023 rose to 84.4%, a 6.4% increase YoY and 0.2% higher than 2019, although the guests’ length of stay declined from 4.3 nights to an average of 4 nights, and the average daily rate declined by 2% to AED 623 ($169.64). (Zawya 17.04)

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* 1. Dubai Metro Hits New Milestone With Over Two Billion Riders

Dubai’s Roads and Transport Authority (RTA) said the number of Metro train riders has surpassed two billion since it first opened to the public in September 2009. The metro’s Red Line transported 1.342 billion commuters while the Green Line served 673.531 million commuters. RTA said the Dubai Metro has maintained a punctuality rate of 99.7%, surpassing international safety standards and demonstrating exceptional operational efficiency. The metro’s average daily ridership surpassed 616,000 riders in 2022. The RTA has a fleet of 129 modern trains that caters to the mobility needs of the community across the city’s 53 metro stations.

During the first four months after its inauguration, the metro served 6.089 million riders. By 2010, the number of riders surged from 38.089 million in 2010 to 69.007 million in 2011, the year the Green Line was inaugurated. In 2012, the metro ridership jumped to 109.049 million, reflecting a 58% growth compared to the previous year. In 2013, ridership clocked 137.759 million, and by 2014, the number soared to 164.307 million, a growth rate of over 19%. Metro ridership continued to grow, reaching 178.646 million in 2015, and the upward rise clocked 191.325 million riders in 2016 and crossed the 200.752 million barriers in 2017. By the end of 2017, the total number of metro users since its launch exceeded one billion.”

The Dubai Metro’s ridership continued to grow steadily hitting 204.405 million riders in 2018 and 202.978 million in 2019. However, in 2020, when the world was hit by the COVID-19 pandemic, metro ridership declined due to lockdowns and precautionary measures, resulting in 113.626 million riders that year. As recovery commenced and life returned to normalcy, the ridership jumped to 151.255 million in 2021. In 2022, the Dubai Metro set a new record and the highest since its launch by serving 225.142 million riders, a remarkable growth rate of nearly 49%. The total number of Dubai Metro users since its inauguration through January of 2023 exceeded two billion. (GB 24.04)

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* 1. Saudi Crown Prince Launches Four New Special Economic Zones

Saudi Arabia's Prince Mohammad bin Salman, Crown Prince, Prime Minister and Chairman of the Council for Economic and Development Affairs, launched four new Special Economic Zones in Saudi Arabia, in line with his commitment to strengthening the Kingdom's position as a global investment destination. The new Special Economic Zones are located in Riyadh, Jazan, Ras al-Khair and King Abdullah Economic City. The new Special Economic Zones will significantly impact how business is done in the country, create tens of thousands of jobs and contribute billions of riyals to the GDP.

The new zones draw on the Kingdom’s strategic location at the heart of global trade, creating new hubs for businesses across key growth sectors to launch and scale the companies and technologies that will shape the future. The Special Economic Zones (SEZs) will support existing national strategies and create new linkages with international frameworks, building on the competitive advantages of each region to support key sectors including logistics, advanced manufacturing, technology and other priority sectors for the Kingdom. Benefits for companies operating in the new SEZs include competitive corporate tax rates, exemption from customs duties on imports, production inputs, machinery and raw materials, 100% foreign ownership of companies, and flexibility to attract and hire the best talent worldwide.

These four Special Economic Zones build on previous free zone initiatives in the Kingdom, including the recent launch of the integrated logistics special zone in King Salman International Airport in Riyadh. Together, they represent the first phase of a major, long-term program aimed at encouraging foreign direct investment, attracting the most talented professionals from around the world and promoting entrepreneurship and economic development within the Kingdom. (SPA 14.04)

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* 1. Saudi Arabia Transfers 4% of its Aramco Stake to PIF

Saudi Arabia completed the transfer of 4% of Aramco shares worth nearly $80 billion to Sanabil Investments, a wholly owned company of the Public Investment Fund (PIF). The transfer of part of the kingdom’s shares in Aramco is a continuation of the country’s long-term initiatives to boost and diversify the economy and expand investment opportunities under Vision 2030. Following the transfer, the state remains the largest shareholder in Aramco after the transfer, as it retains more than 90% of the company’s shares. Saudi Arabia first announced plans to transfer Aramco’s stake to the state wealth fund in February 2022.

Aramco said the transaction would not affect the number of issued shares nor its operations, strategy, dividends distribution policy or governance framework. Aramco completed the world’s largest initial public offering in late 2019, raising $29.4billion with the proceeds transferred to the PIF.

Meanwhile, PIF is Crown Prince Mohammed bin Salman’s vehicle of choice to transform the kingdom’s economy and diversify it away from heavy reliance on oil revenues. Crown Prince said the state fund is tasked with stimulating inward investment, accessing new technologies, developing local industries and addressing widespread underemployment in the country. PIF is funding a host of new cities in the desert under Vision 2030 including the $500billion futuristic NEOM City, the Red Sea Development Company’s mega tourism project and the Qiddiya entertainment park. (Various 16.04)

►►North Africa

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* 1. Suez Canal Revenues Rise by $2.3 Billion in First Quarter

Suez Canal revenues jumped to $2.3 billion in the first quarter of 2023, up 35% y-o-y, according to an Egyptian presidency statement. The number of ships transiting the canal during the quarter increased by 20% y-o-y. The first quarter of 2023 saw an all-time record for monthly revenues of more than $830 million in March, while some 107 vessels transited the canal on 13 March, marking a daily record for traffic. (SCA 13.04)

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* 1. Agriculture, Mining & Industry Offer Best Path for Algeria's Economic Diversification

In a bid to diversify its economic revenue sources, Algeria has been attempting to raise domestic and foreign investment in non-energy sectors. The increase in non-hydrocarbon exports, which went from $1.7 billion in 2019 to $7 billion in 2022, suggests how other sectors of the economy are improving their performances and finding markets abroad. Authorities have set the target of reaching $10 billion in non-hydrocarbon exports in 2023.

While this can be seen as an improvement, non-hydrocarbon exports continue to be dwarfed by the country’s exports of oil and gas, which accounted for $38.6 billion in 2021 and $60 billion in 2022. High energy prices and bigger orders for Algerian hydrocarbons following Russia’s invasion of Ukraine in February 2022 have allowed the North African country to muster vast financial reserves over the past couple of years. But to translate this current increase in revenues emanating from oil and gas into meaningful economic diversification would require addressing three longstanding challenges: easing investment regulations, reducing the role of the state and bolstering domestic production. (Al-Monitor 18.04)

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* 1. Sonatrach Announces Six New Oil Discoveries in Algeria

Sonatrach, Algeria’s state-owned energy company, has announced six new oil discoveries in the North African country. Sonatrach, one of the world’s largest oil companies, said that the discoveries were made in the first quarter of this year. Two wells were discovered in Amguid in east-central Algeria, with one yielding around 5,599 barrels per day of crude oil and over 170,000 cubic meters of gas per day.

Two other sites were discovered in southern Algeria, in Berkine. The first well had an output of 129,048 cubic meters per day of gas and 239 bpd of condensates in the first well, according to the statement. The second pumped 1,905 bpd of crude and 137,484 cubic meters of gas. The other discoveries were made in Ohanet in the southwest, with gas production of more than 336,000 cubic meters and 1,504 bpd of condensates.

Algeria’s oil exports reached a record 56 billion cubic meters in 2022, with officials saying that the number will likely be higher this year. Algeria's Ministry of Energy and Mines said in December that Sonatrach will double its gas production to 100 bcm from 2023. In June 2022, Sonatrach announced three major oil and gas discoveries in the Sahara desert.

Following Western sanctions on Russia for its invasion of Ukraine in February 2022, Algeria has been emerging as a leading alternative supply of oil and natural gas to Europe. Some 90% of Algeria’s gas exports go to Europe. European leaders have been quick to attempt to strengthen ties with the Maghreb country. Italy also has sought to strengthen energy ties with Algeria in recent weeks. (Al-Monitor 12.04)

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* 1. US Approves a $524 Million HIMARS Artillery Sale to Morocco

On 11 April, the Biden administration approved a $524 million sale of HIMARS mobile artillery systems for Morocco, along with a $250 million sale of guided precision air-to-ground bombs. The State Department notified Congress of the two proposals that include 18 high mobility artillery rocket systems (HIMARS) launchers, 40 army tactical missile systems (ATACMS), 72 guided multiple launch rocket systems (GMLRS) munitions, 9 HMMWV vehicles and 40 AGM-154C joint standoff weapons (JSOW).

If approved, the sale would pave the way for the first transfer of HIMARS systems to a North African country. Among Arab states, only Jordan and the United Arab Emirates possess the Lockheed-made system.

HIMARS systems have been pivotal in enabling Ukraine's military to claw back its territory from Russia, but not even Kyiv has earned US approval to receive the long-range ATACM missiles, which can reach nearly 200 miles. The announcement of the Biden administration's planned HIMARS sale comes as Morocco draws closer to Washington amid the Abraham Accords and Russia's war in Ukraine.

Morocco normalized relations with Israel in December 2020, after which the Trump administration recognized Morocco’s sovereignty over the disputed Western Sahara. The Biden administration has sought to build on that diplomatic momentum while remaining ambiguous on the Western Sahara dispute and deferring the matter to the United Nations. The announcement of the proposed US arms sale also came as Algeria’s President Abdel Majid Tebboune is expected to visit Moscow next month to cement his country’s decades' long strategic ties with Russia. (Al-Monitor 11.04)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkey Plans to Attract 90 Million Tourists Annually

Turkish President Erdogan says he plans to increase the country’s foreign trade to $1 trillion and plans to attract 90 million tourists per year to his country. Launching his re-election campaign, he said he also plans to generate $100 billion in tourism sector. Erdogan said with an annual growth rate of 5.5%, the national income will be $1.5 trillion with a target of $2 trillion, creating six million jobs in five years and reducing unemployment to 7%. Unemployment in Turkey currently stands at 10%, according to the Turkish Statistical Institute. (Zawya 12.04)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. Israel Marked its Memorial Day on 24/25 April

On 24/25 April, Israel marked this year's Memorial Day. Fifty-nine Israeli soldiers fell in the line of duty since the last Memorial Day and an additional 86 disabled veterans died due to their condition. Overall, 24,213 soldiers have lost their lives in service to the nation since 1860.

It began in the evening when a one-minute siren sounded across the country. Commemorations took place at 52 military cemeteries and memorial sites during the following 24 hours, with the main ceremony held at the Western Wall in Jerusalem. President Herzog and Israel Defense Forces Chief of Staff Lt. Gen. Halevi addressed the central event.

On Tuesday at 11:00, a two-minute siren sounded, followed immediately thereafter by an air force flyover of the Memorial Hall at Mount Herzl. Another state ceremony took place there, with Prime Minister Netanyahu in attendance. Memorial Day ended Tuesday night, when Israel began celebration of its 75th Independence Day. (Various 24.04)

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* 1. On Independence Day Eve 2023 Israel's Population Surpasses 9.7 Million

Israel's Central Bureau of Statistics announced that Israel's population has reached 9.727 million on the eve of Israel's 75th Independence Day. The population has grown by 2.3% or 216,000 since last Independence Day. Over the year, 183,000 babies were born, 79,000 people immigrated to Israel and 51,000 people died. The Central Bureau of Statistics projects that Israel's population will reach 11.1 million by 2030, 13.2 million by 2040, and 15.2 million by 2048, which will be the country's 100th anniversary.

Israel's population comprises 7.145 million Jews (73.5%). 2.048 million Arabs (21%) and 534,000 others (5.5%). Israel's population has increased 12-fold from 806,000 since the rebirth of the state in 1948. Since the re-establishment of the state, 3.3 million people have immigrated to Israel, 1.5 million (43.7%) of them since 1990. (CBS 24.04)

* 1. Israel’s Independence Day – 75 Years After Sovereignty was Regained

Celebrations for the 75th anniversary of Israel's regaining its independence will begin on Tuesday evening, 25 April throughout the country, continuing to Wednesday, 26 April. The official observance starts when the state flag is raised to full mast at a national ceremony on Mount Herzl in Jerusalem. Israel Independence Day is celebrated annually on 5 Iyar, which corresponded to 14 May 1948, the date the British mandate ended over the Land of Israel. A religious and national holiday, *Yom HaAtzmaut* - Independence Day is a celebration of the renewal of the Jewish state in the Land of Israel, the birthplace of the Jewish people. In this land, the Jewish people developed its distinctive religion and way of life. In the Land of Israel, the Jews preserved an unbroken physical presence, for centuries as a sovereign state, at other times under foreign domination. Throughout their long history, the yearning to return to the Land has been the focus of Jewish life. With the rebirth of the State of Israel, in 1948, Jewish independence, lost 1,879 years earlier, was restored.

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* 1. Israel's Druze Population Rises to 150,000

On 23 April, the Central Bureau of Statistics announced that at the end of 2022, the Druze population in Israel numbered 150,000, a figure ten times higher than when the state was re-established.

The Druze live in two main districts: the northern district (about 81% of the Druze population) and the Haifa district (about 19%). Some 98% of the Druze in Israel live in 19 villages, 17 of which are in the Northern District and two localities (Daliat el Karmel and Usfiya) are in the Haifa District. The three localities with the largest number of Druze in 2021 were: Dalit al-Karmel, Yarka and Magar.

Over the past decade, the growth rate of the Druze population has gradually decreased. In 2010, the growth rate was 1.7% in 2015, 1.4% in 2020, and 1.2% in 2021. This rate is lower than the Muslim population (2.3%) and the Jewish population (1.6%), but higher than the growth rate of the Arab-Christian population (0.8%).

Among Druze students pursuing a bachelor's degree, the social sciences (29.8%) were the most common field of study, followed by humanities (24.6%, more than half of which were in education) and engineering and architecture (20.9%). The median age of Druze students who studied for a bachelor's degree was 23 years, which is higher than the average age of all Arab undergraduates (22.1) and lower than the age of all students (24.6). (CBS 23.04)

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* 1. Israel's Druze Celebrate the Pilgrimage of the Prophet Shu’ayb

On 25 April, Israel's Druze marked Ziyarat al-Nabi Shu’ayb (Pilgrimage of the Prophet Shu’ayb) holiday. This festival is recognized as a public holiday in Israel, whereby workers and soldiers are allowed vacation and schools are closed in the Druze sector.

The holiday is marked by festivities at the Maqam (Shrine of) al-Nabi Shu’ayb, near Kfar Zeitim, not far from Tiberias. According to Druze tradition, the Prophet Shu’ayb retreated to a cave in this area and was later buried there. On Ziyarat al-Nabi Shu'ayb, Druze sheiks visit the prophet's tomb, ritually kiss the grave and gather for prayers at the adjoining compound, where they lay covered with blankets.

While central to the Druze religion, Nabi Shu’ayb (the prophet Shu’ayb) is also a respected figure in Judaism. In the Torah, he is known as Yitro (Jethro), the father in law of Moshe (Moses), who joins the Israelites in the desert and provides them with critical and much needed advice.

Israeli President Herzog visited the Tomb of Jethro in honor of the Druze festival and spoke at the festive occasion. At the start of the event, President Herzog was welcomed by Shaykh Mowafaq Tarif, the spiritual leader of the Druze community in Israel. (Various 25.04)

\*REGIONAL:

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* 1. Qatar & Bahrain Say They Will Resume Diplomatic Ties

On 12 April, Qatar and Bahrain announced that they will resume diplomatic ties, the move coming over two years after an Arab boycott of Qatar was lifted. Saudi Arabia, the United Arab Emirates, Bahrain and Egypt in January 2021 ended a 3-1/2-year embargo of Qatar, but all but Bahrain restored travel and trade links in 2021. In January, Bahrain's crown prince spoke with Qatar's emir by telephone, in a sign the two Gulf states were moving towards repairing relations.

The row that led the quartet to cut all ties with Qatar in 2017 centered on its support for Islamist movements deemed a threat by Arab neighbors and its ties with Shi'ite Muslim power Iran and Turkey. The four states also had their own disagreements with Qatar.

Regional heavyweight Saudi Arabia has led efforts to rebuild ties with Qatar and, along with Egypt, re-established diplomatic relations. Bahrain, a Sunni Muslim-ruled monarchy with a restive Shi'ite population, has deep unease over Qatar's relations with Iran. Bahrain also has territorial disputes with Qatar. (Al-Monitor 13.04)

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* 1. Turkey Bans Armenian Genocide Commemoration Ahead of May Elections

On 24 April, Turkish authorities banned the commemoration of the 1915 Armenian Genocide for the second year in a row in a decision condemned as “unacceptable” by organizers. The blocking of a memorial event in Istanbul came as issues affecting Turkey’s minorities took hold ahead of next month’s elections, following opposition leader Kemal Kilicdaroglu’s earlier declaration of his Alevi faith.

The date marks the 108th anniversary of the deportation and killing of hundreds of Armenian community leaders and intellectuals from Istanbul in a prelude to the mass killing of Armenians across Anatolia. An estimated 1.5 million people were killed in the events that are widely viewed by scholars at the first genocide of the 20th century. Turkey denies that the deaths constituted genocide, saying the toll has been inflated and that those killed were victims of civil war and unrest in the Ottoman Empire during World War I.

Commemoration ceremonies to mark the genocide, euphemistically referred to as “the events of 1915” in Turkey, were publicly held between 2010 and 2019 and online during COVID-19 shutdowns. Many see the Turkish stance on the genocide as emblematic of its relationship with minority groups within its borders.

One such group is the Alevis, whose numbers in Turkey vary from 10% to 30% of the population due to the lack of official data on ethnicity and faith. Alevis faced violent persecution during the Ottoman period and again more recently. Pogroms in Malatya, Kahramanmaras and Corum between 1978 and 1980 saw hundreds murdered by mobs. In 1993, some 37 mostly Alevi intellectuals were killed in an attack on a conference at a hotel in Sivas. For decades Alevis have campaigned against discrimination, calling for their faith to be recognized by the state rather than being classed as a cultural community.

Kilicdaroglu, head of the Republican People’s Party (CHP) and the leading challenger to President Erdogan in the 14 May elections, released a video in which he proclaimed his Alevi background. In the video, which has been viewed nearly 30 million times on Twitter, Kilicdaroglu called for an end to division and equal rights for the minority group. (Al-Monitor 24.04)

ISRAEL LIFE SCIENCE NEWS

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* 1. MeMed Technology Improves Diagnosis of Pediatric Patients with Fever

MeMed and Schneider Children’s Medical Center, the only comprehensive, tertiary care hospital of its kind in Israel, announced that clinical data from the independent, prospective Rosetta study, recently published in PLOS One, showed that the MeMed BV test provides an accurate diagnosis of bacterial versus viral infection and reduces Emergency Department (ED) physician error.

Fever is a common symptom in children presenting to the ED and owing to limitations of real-time decision-making, attending physicians often make presumptive diagnoses. This diagnostic uncertainty can result in sub-optimal patient management, including the precautionary use of antibiotics. There is an urgent need for a rapid and accurate test that can assist physicians in distinguishing between bacterial and viral infections, enabling improved diagnosis and reducing the incidence of unnecessary antibiotic prescriptions. To address the unmet need, MeMed developed the world’s first US FDA-cleared advanced host-response technology that differentiates between bacterial and viral infection in 15 minutes – the MeMed BV test.

MeMed BV showed high diagnostic accuracy, with an area under the curve (AUC) of 96%, sensitivity of 89%, specificity of 92%, and negative predictive value (NPV) of 99%. Furthermore, comparing physician suspicion to MeMed BV and to the reference standard, and assuming full adoption, the study found that MeMed BV has the potential to improve physician diagnosis and reduce errors by around two-fold, from 16% to 8%.

At Haifa's [MeMed](https://www.me-med.com/), their mission is to translate the immune system’s complex signals into simple insights that transform the way diseases are diagnosed and treated, profoundly benefiting patients and society. (MeMed 18.04)

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* 1. Meat.The End Announces First-In-World Chickpea Meat

[Meat. The End (MTE)](https://www.meattheend.tech/), a meat alternative company based in Tel Aviv, announced that it had developed a meat analog out of chickpea protein - the first in the world. The firm creates technological solutions that enhance the texture properties of alternative protein products. Its latest innovation behaves exactly like meat.

MTE combines protein and data science with food engineering. Using all-natural products and processing, the company is working to re-invent alternative protein ingredients that achieve the textures they should have. The company already makes soy and pea burgers, sausages and chicken nuggets. Introducing texturized chickpea protein as a meat alternative application is a first-of-its-kind breakthrough. But, if pea protein is a precedent, chickpeas can potentially make a billion-dollar impact.

MTE was founded in 2020, just before the coronavirus pandemic. The team consists of several well-known technologists from across the food industry. The company recently closed a seed round of about $3 million. Six months ago, it signed a contract and started selling its soy products at Burger King Israel branches. It just received approval from Burger King International to sell them to other franchises worldwide. MTE is only one of three companies approved to provide a plant-based whopper. (MTE 20.04)

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* 1. Emet Surgical to Improve Surgery by Better Surgeon- Pathologist Collaboration

Emet Surgical, in consultation with medical professionals in the US and Israel, has developed solutions that serve as the foundation for more efficient and effective surgeon and pathologist communication. TrueMargin, an investigational product, currently awaiting U.S. FDA 510(k) clearance, is an easy-to-use tumor margin-marking system that requires no new tools and no new training for surgeons and can be simply added to the surgical and pathology workflows.

TrueMargin overcomes conventional tumor marking that is often incomplete by providing specific in-vivo and ex-vivo location and orientation details. The result aligns both the surgical and pathology teams and enables effective and specific communication. Healthcare systems will achieve measurable productivity improvements and cost savings with the use of TrueMargin.

Emet Surgical has filed multiple patent applications for tools, how they are produced and how they are packaged. The company’s goal is to secure FDA 510(k) clearance as well as other country registrations during Q3/23, at which point, it will begin shipping TrueMargin in volume. In addition to its first investigational product, Emet Surgical has additional products ready for introduction by the end of the year pending regulatory approval.

Taking its name from the Hebrew word for “truth,” [Emet Surgical](https://www.emetsurgical.com‎) is enabling true surgeon/pathologist collaboration. Emet Surgical’s TrueMargin tumor margin marking tools, now under regulatory review, provide surgeons and pathologists with specific in-vivo and ex-vivo tumor margin, location, and orientation details. TrueMargin tools for open, minimally invasive, and robotic procedures enable communication and collaboration not seen before. Founded in 2022, the company is headquartered in Denver with significant operations in Tel Aviv and Haifa, Israel. (Emet Surgical 19.04)

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* 1. Aleph Farms Launches New Product Brand Aleph Cuts

Aleph Farms announced the launch of its first product brand, Aleph Cuts. Under the Aleph Cuts brand, the company will market its first product, the Petit Steak, the world’s first cultivated steak anticipated to launch in Singapore and Israel later this year, pending regulatory approvals. This branding initiative distinguishes Aleph Farms’ products and builds momentum ahead of commercialization and subsequent engagement with customers and end consumers.

The visual identities for Aleph Farms and Aleph Cuts are part of a unified system designed to support the scale of Aleph Farms’ growing product portfolio. The brands are related through visual elements such as the wordmark, icon, and color palette but evoke different aspects of the Aleph ethos: Aleph Farms is more pragmatic and focuses on technology and innovation, while Aleph Cuts is more emotional and focuses on educating about the product and celebrating culture through the lens of food. They share a new icon inspired by the company’s previous ox head symbol, reflected in the letter A in Aleph but flipped, creating a mirror effect that compels the viewer to see familiar things in a new way.

Rehovot's [Aleph Farms](http://www.aleph-farms.com) is designing new ways to grow quality animal products that improve sustainability, food security and animal welfare in food systems. Founded in 2017, the company utilized cellular agriculture technology to unveil the world’s first cultivated thin-cut steak in 2018, the world’s first cultivated ribeye steak in 2021 and cultivated collagen in 2022. Under its product brand, Aleph Cuts, the company will launch its first product, the Petit Steak, grown from the non-modified cells of a premium Angus cow. (Aleph Farms 19.04)

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* 1. Steakholder Foods' 3D Bio-Prints First Ready-to-Cook Cultivated Grouper Fish

Steakholder Foods has successfully printed the first ready-to-cook cultivated grouper fish product. As part of the strategic partnership between the two companies, Steakholder Foods customized its bio-inks utilizing grouper cells provided by Umami Meats Pte Ltd.

The printing and bio-ink customization are steps on the path to commercializing Steakholder Foods' 3D printer, proving its bioprinting and bioink technologies to be a sophisticated production platform for structured hybrid and cultivated products, that can facilitate various species and therefore various companies and industry players. The collaboration with Umami Meats, which is backed by a grant from the Singapore-Israel Industrial R&D Foundation, aims to develop a scalable process for producing structured cultivated fish products using Steakholder Foods' proprietary 3D bio-printing technology and customized bio-inks.

Since receiving grouper fish cells from Umami, the Steakholder Foods team has been hard at work creating customized bio-inks and optimizing the taste and texture of its printed grouper, towards finalizing a prototype. The 3D fish printing represents a successful and meaningful milestone in the partnership between Umami Meats and Steakholder Foods.

Rehovot's [Steakholder Foods](https://steakholderfoods.com) is an international deep-tech food company at the forefront of the cultured meat revolution. The company is developing a slaughter-free solution for producing a variety of beef, and seafood products — both as raw materials and whole cuts — as an alternative to industrialized farming and fishing. (Steakholder Foods 24.04

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* 1. Volvo Invests in Israeli Brain Monitoring Firm CorrActions

Swedish multinational vehicle manufacturer Volvo's cars tech fund has announced an investment in Israeli driver monitoring company CorrActions. Volvo's strategic investment in CorrActions is part of a Series A financing round expected to reach $6 million. Other investors in the round include OurCrowd and Next Gear Ventures. CorrActions, which graduated from the OurCrowd Labs/02 Jerusalem incubator raised $2.7 million in a seed financing round in 2021.

Volvo said that the CorrActions technology has the potential to be a highly relevant complement to its future safety systems.

Jerusalem's [CorrActions](https://www.corractions.com/‎) provides a software-only, motion based, driver monitoring product. CorrActions uses unconscious, uncontrollable, muscular submovements to monitor brain activity. By tracking these movements from sources like steering wheels or smartphones, CorrActions can detect a wide range of cognitive states. For example, fatigue, inattention, anxiety, alcohol/ drugs, etc. (Various 24.04)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Satori Wins Data Security Solution of the Year in 2023 Data Breakthrough Awards

Satori has been selected as the winner of the Data Security Solution of the Year Award in the fourth annual Data Breakthrough Awards program. Conducted by Data Breakthrough, an independent market intelligence organization, these awards recognize top companies, technologies, and products in today’s global data technology market.

Satori's revolutionary data security platform was selected for its transformative approach to data access, sharing, and security that enhances productivity, shortens time-to-value from data, reduces risk, and ensures compliance. Satori automates just-in-time data access while enforcing security policies and offering real-time visibility into the location of sensitive data. This approach boosts data democratization and promotes innovation while ensuring that sensitive data is kept secure. Satori’s approach also minimizes the risks associated with over-privileged access to sensitive data stored across multiple databases.

Rehovot's [Satori](http://www.satoricyber.com) is revolutionizing data security. Its data security platform seamlessly integrates into any environment to automate access controls and deliver complete data-flow visibility utilizing activity-based discovery and classification. The platform provides context-aware and granular data access and privacy policies across all enterprise data flows, data access, and data stores. With Satori, organizations and their data teams can confidently ensure that data security, privacy, and compliance are in place – enabling data-driven innovation and competitive advantage. (Satori 13.04)

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* 1. Alarum Launches New White Label Enabled Privacy Application

Alarum Technologies announced the launch of a new white-label consumer internet access privacy solution. The new white label privacy solution maximizes branding, security, and control by offering private validators for exclusive use by each customer. It empowers users with the freedom to choose which browsing devices or applications are tracking them directly through encryption, without compromising direct access to the internet with other devices. Users of the privacy application can also choose which data they want to hide by directing it through encryption tunnels as well as selecting which traffic to direct through local networks.

The application employs advanced encryption that prevents the access to a user data by internet service providers, man-in-the-middle attacks, advertisers, third parties, or anyone trying to spy on a user network or track users’ online activities.

Tel Aviv's [Alarum Technologies](http://www.alarum.io) is a global provider of internet access solutions. The Company operates in two distinct segments: solutions for enterprises and solutions for consumers. The solutions by NetNut, their Enterprise Internet Access arm, are based on their fastest and most advanced and secured hybrid proxy network, enabling customers to collect data anonymously at any scale from any public sources over the web. Their Consumer Internet Access arm offers privacy and cybersecurity solutions to end users. These solutions are designed to allow users to take charge of their online privacy with a powerful, secured, and encrypted connection. (Alarum Technologies 13.04)

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* 1. Dig Security Recognized as Leading Cloud Data Security and DSPM Solution

Dig announced that it was named a winner in three categories of the Cyber Defense Magazine (CDM) 2023 Global InfoSec Awards: Most Comprehensive Cloud Security Solution, Most Comprehensive Data Security Solution, and Most Comprehensive Cybersecurity Startup. The CDM Global InfoSec Awards honor information security innovators who provide unique and compelling products and services.

The recognition from Cyber Defense Magazine is a testament to the effectiveness of their solution and the robust capabilities built into the platform. No other solution can keep up with the speed and complexity of the cloud. Dig Security created the DDR category to add real-time protection on top of their DSPM and DLP capabilities to deliver comprehensive visibility, control, and protection of data assets across any cloud and cloud data store. Now these capabilities have become essential to enterprise cloud data security and Cyber Defense Magazine recognizes the importance of these innovations to the market.

[Dig Security](https://www.dig.security) helps organizations discover, classify, protect, and govern their cloud data. With organizations shifting to complex environments with dozens of database types across clouds, monitoring and detecting data exfiltration and policy violations has become a complex problem with limited fragmented solutions. Dig's cloud-native and completely agentless approach re-invents cloud DLP with DDR (Data Detection & Response) capabilities to help organizations better cope with cloud data sprawl. (Dig Security 24.04)

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* 1. Toho & Wi-Charge Partner to Promote Wireless Charging at Manufacturing Sites

Nagoya, Japan's Toho Technology Corporation, a leading manufacturer and solution provider of electronics for factory equipment in Japan, and Wi-Charge announced a partnership under which Toho will embed wireless charging in its solutions, including sensors and radio devices. The goal of the Toho and Wi-Charge partnership is to deliver greater efficiencies and improved productivity for manufacturers in Japan and around the world.

Wi-Charge over-the-air charging technology can charge devices in a 30-foot range, extending the value and capabilities of a wide range of devices. It eliminates the complexities and inconvenience of cables and batteries to give product developers free rein to design a new generation of mobile and smart devices and end-users the freedom they crave from hassle-free devices. Wi-Charge systems and devices are already deployed in multiple commercial venues in North and South America, Europe, Israel and more.

Rehovot's [Wi-Charge](http://www.wi-charge.com) is a long-range wireless power company founded to enable automatic charging of cell phones and other smart devices. Their patented infrared wireless power technology can safely and efficiently deliver several watts of power to client devices over room-sized distances. Giving end-users freedom and product designers the power they need for the next generation of mobile smart devices, Wi-Charge is the power of the future, beyond batteries and power cords. (Wi-Charge 24.04)

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* 1. Storedot & Vines to Accelerate Development of Extreme Fast Charging Batteries

StoreDot concluded a joint development agreement with VinES, a transformative energy solution provider and a member company of Vingroup, the largest private conglomerate in Vietnam. The agreement follows the already announced strategic investment of VinFast into StoreDot (Series D, January 2022); marking a new milestone in the cell technology development between both companies and helping them to promote advanced battery technology and prepare to introduce XFC battery solutions for the green mobility market, including VinFast's smart electric vehicles.

The agreement will see both companies embark on a collaboration to jointly research, develop and offer extreme fast charge (XFC) battery cells in different form-factors, in preparation for XFC battery mass production and supply. StoreDot will license and share its proprietary XFC technology whereas VinES will provide and contribute its know-how and experience with multiple form factor development, manufacturing, validation and global supply chain network. The first generation of this XFC battery cell is expected to be commercially available in 2025 and immediately adopted by VinFast vehicles.

Herzliya's [StoreDot](http://www.store-dot.com) is the pioneer and leader of extreme fast charging (XFC) electric vehicle batteries that overcome the critical barriers to mainstream EV adoption – range and charging anxiety. The company has revolutionized the conventional Li-ion battery by designing and synthesizing proprietary organic and inorganic compounds, optimized by Artificial Intelligence algorithms, making it possible to charge an EV in under ten minutes. (StoreDot 21.04)

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* 1. Zero Networks Connect Provides Enhanced Remote Access Security and Flexibility

Tel Aviv's [Zero Networks](https://zeronetworks.com), the leading network security provider, today launched Zero Networks Connect, a powerful zero trust network access (ZTNA) solution. Zero Connect provides secure, flexible, and scalable remote access to corporate resources without the usual drawbacks that come with ZTNA solutions.

Zero Networks Connect addresses the flaws of VPNs and ZTNA, today's most commonly deployed remote access technologies. Historically, VPNs were capable of direct and reliable networking performance; however, to do so required leaving the VPN server ports open and vulnerable to potential attackers. While ZTNA can solve that weakness by hiding itself through a reverse proxy, it suffers degraded performance as a result. In addition, obfuscating the identity of all the users connecting through it creates a security blind spot.

Zero Networks Connect, a modern next generation ZTNA, combines the benefits of VPN and ZTNA. With Zero Networks Connect, organizations gain a unique connectivity service inside the organization that is hidden from the internet using multi factor authentication (MFA) based segmentation so that only approved internet devices and connections see the required service port. This ensures direct connectivity with superior performance and an exceptional user experience while also achieving "zero trust" without any downside. (Zero Networks 20.04)

ISRAEL ECONOMIC STATISTICS

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* 1. Israel's Inflation Rate Rises by 0.4% in March

The Central Bureau of Statistics announced on 14 April that Israel's CPI increased by 0.4% in March 2023 compared to February 2023. The CPI excluding vegetables and fruit and the CPI excluding energy increased 0.5% each and were 103.3 and 103.1 points, respectively. The CPI excluding housing increased 0.3%.

Prices of clothing and footwear 4.1%, culture and entertainment 0.9% and housing 0.6% increased, while decreases were seen in fresh fruit 2.8%, furniture and materials and products for household maintenance 1.6%.

Since the start of the year the CPI, the CPI excluding fruit and vegetables and the CPI excluding housing increased 1.2% each and the CPI excluding energy increased 1.1%. Over the past 12 months (March 2023 compared to March 2022) the CPI and the CPI excluding energy increased 5.0%, each. The CPI excluding vegetables and fruit increased 5.1% and CPI excluding housing 4.4%.

Based on the trend data for the period December 2022 – March 2023, the annual pace of increase in the CPI was 3.9%, the annual pace of increase in the CPI excluding housing and the annual pace of increase CPI excluding vegetables, fruit and housing was 3.3%, each. (CBS 14.04)

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* 1. New York Now Home to 30 Israeli-Founded Unicorns

A record 30 Israeli-founded unicorns – privately held companies valued at $1 billion or more – now have their global or U.S. headquarters in New York State, according to the United States – Israel Business Alliance. All 30 are based in New York City, which continues to be the city with the most Israeli-founded tech unicorns outside of Tel Aviv. The current number of Israeli-founded unicorns marks a 15% increase from 2022.

The presence of Israeli-founded unicorns in New York has risen steadily. In 2019, five Israeli-founded unicorns had their global or U.S. headquarters in New York. In 2020, that number increased to nine. In 2021, the unicorn count jumped to 21. The current number of Israeli-founded unicorns marks a 15% increase from 2022, when 26 Israeli-founded unicorns called New York their global or U.S. home.

The 30 companies have combined to create some 14,717 direct jobs around the world. The three largest direct job creators are Via (1,200), Verbit (1,000), and Wiz (833). The total valuation for all 30 unicorns amounts to $67.5 billion. That puts the average current value for Israeli-founded unicorns in New York at $2.25 billion. The three companies with the highest valuations are Wiz ($10 billion), Fireblocks ($8 million), and Melio ($4 billion).

New York trails California as the state with the most Israeli-founded unicorn headquarters. Massachusetts, with 10 Israeli-founded unicorns, ranks third. (USIBA 24.04)

IN DEPTH

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* 1. ISRAEL: Moody's Changes Outlook to Stable from Positive, Affirms A1 Ratings

On 14 April, [Moody's Investors Service (Moody's)](http://www.moodys.com/) changed the outlook on Government of Israel's ratings to stable from positive and affirmed the A1 foreign-currency and local-currency senior unsecured and foreign-currency and local-currency long-term issuer ratings. The foreign-currency senior unsecured shelf and senior unsecured MTN program ratings have been affirmed at (P)A1.

Israel's backed senior unsecured rating has been affirmed at Aaa. The related issuances benefit from an irrevocable, on-demand guarantee provided by the government of the United States (Aaa stable).

The change of outlook to stable from positive reflects a deterioration of Israel's governance, as illustrated by the recent events around the government's proposal for overhauling the country's judiciary. While mass protests have led the government to pause the legislation and seek dialogue with the opposition, the manner in which the government has attempted to implement a wide-ranging reform without seeking broad consensus points to a weakening of institutional strength and policy predictability.

As a result, the risks on Israel's rating are now balanced, leading to a stable outlook. On the downside, while the deliberations about the exact form of the judicial reform continue, the government has reiterated its intention to change how judges are selected. This means that the risk of further political and social tensions within the country remains. On the upside, if a solution is reached without deepening these tensions, the positive economic and fiscal trends that Moody's had previously identified remain. All in all, the recent events offset the positive developments that had led Moody's to assign a positive outlook in April 2022, which related to strong economic and fiscal performance and the implementation of structural reforms by the previous government.

The affirmation of the A1 ratings reflects Israel's strong economic growth and improving fiscal strength which Moody's expects to continue in its baseline scenario. The economy has proven resilient to many economic and geopolitical shocks over the past decades and has grown at a rapid clip, helped by Israel's globally competitive high-tech industries. Moody's baseline projections assume continued robust growth in the medium term. The government's fiscal metrics have also improved rapidly after the pandemic-induced temporary shock, with the public debt-to-GDP ratio declining by 10% of GDP within two years to 60.7% of GDP in 2022. Moody's expects a further decline towards 55% by the end of next year.

Israel's local currency (LC) and foreign currency (FC) country ceilings remain unchanged. The LC country ceiling at Aaa, four notches above the sovereign rating, balances the limited government footprint in the diversified Israeli economy and external stability against some political and geopolitical risks and the current challenges to the predictability and reliability of institutions and government actions. The FC country ceiling at Aaa, in line with the LC ceiling, reflects very low transfer and convertibility risks, given the very open capital account, strong policy effectiveness as well as the central bank's very large foreign currency buffers of 36% of GDP.

**RATINGS RATIONALE**

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

The outlook change to stable from positive is driven by Moody's assessment that the recent events around the government's plans for an overhaul of the judiciary point to a deterioration of Israel's institutional and governance strength, which balances previously identified positive credit trends.

More specifically, the government's plans for an overhaul of the judiciary and the manner in which this reform has been handled have exposed some weakness in Israel's executive and legislative institutions. Compared to many other countries, Israel's institutional set-up relies to an important extent on judicial oversight and review. The country has a unicameral parliament in which the government has a majority, a largely ceremonial role for the president and comparatively weak lower levels of government.

Many in Israel are supportive of some change to the judicial system – businesses complain about the length of court proceedings, and there is a recognition that the role of the Supreme Court could be better defined and its composition be more diverse. The government's initial proposals would not address these concerns effectively. Instead, the wide-ranging nature of the originally proposed changes and the speed with which the government attempted to push them through the Knesset, Israel's parliament, without an attempt to achieve broad consensus point to a weakening of institutions. Also, the predictability of the country's executive and legislative institutions has declined. The proposed changes have triggered mass protests, the calling of a general strike by the General Federation of Labor on 27 March and the refusal of some reserve soldiers and officers to turn up for training.

The bill has now been paused for a month, to give time to find a compromise with opposition parties, under the auspices of the President, consistent with Moody's assessment that despite some weakening the executive and legislative institutions remains strong by global standards. While Moody's does not expect the reforms to be passed in their originally proposed form, it is far from clear whether a compromise can be found; the government has reiterated its intention to change the selection process for judges, implying that the risk of renewed protests remains high.

While the events since the start of the year have shown the strength of civil society, they have also exposed divisions in Israeli society, which run deeper than the judicial changes and will likely keep social and political risks elevated for some time. Greater polarization would risk undermining policy effectiveness and economic strength over the medium term. Hence, the recent events offset the positive developments that led Moody's to assign a positive outlook in April 2022, which related to strong economic and fiscal performance and the implementation of structural reforms.

**Rationale for Affirming A1 Ratings**

The decision to affirm the A1 ratings reflects Israel's very robust growth potential and proven resilience to repeated economic and geopolitical shocks over many years as well as the government's improving fiscal and debt metrics.

The Israeli economy has grown at a rapid rate over the past several years, averaging 4.1% over the decade to 2022, helped to an important extent by the globally competitive and increasingly diversified high-tech industries. The Bank of Israel estimates the growth potential of the economy at close to 4%, better than that of most other OECD countries.

Even before the current turmoil erupted, growth was generally expected to slow, given the more moderate global environment and significant monetary tightening; the key interest rate now stands at 4.5% compared to 0.1% in March 2022. In its baseline scenario Moody's expects real GDP growth to slow to around 2.6% this year, before accelerating again to around 3.5% in 2024. While a prolongation of the current events poses significant risks to the outlook for Israel's economy, there is so far no indication of material capital outflows or a reconsideration of investments from abroad in Israeli high-tech companies.

Israel benefits from several structural factors underpinning its good growth potential, namely rapid population growth, very strong export capabilities of its high-tech sectors, strong demand for its defense-related exports as well as growing export potential from its natural gas resources. Also, the previous government introduced a series of credit-positive structural reforms which we expect to be maintained and which are supportive of longer-term growth.

Also, Israel's fiscal and debt metrics have improved rapidly after the pandemic-induced temporary shock, with the public debt-to-GDP ratio declining by 10% of GDP within two years to 60.7% of GDP in 2022. Last year, the government recorded a budgetary surplus of around 0.6% of GDP, helped by strong revenue growth and contained expenditure growth as most pandemic-related spending ended. The new government has presented a prudent 2023-24 budget, which targets a budget deficit of just below 1% of GDP for the two years and which has just passed its first reading in the Knesset. Even somewhat higher deficit assumptions, due to lower GDP and revenue growth, will still result in a further decline in the public debt ratio this year and next towards 55% of GDP.

* GDP per capita (PPP basis, US$): 46,659 (2021) (also known as Per Capita Income)
* Real GDP growth (% change): 8.6% (2021) (also known as GDP Growth)
* Inflation Rate (CPI, % change Dec/Dec): 2.8% (2021)
* Gen. Gov. Financial Balance/GDP: -4% (2021) (also known as Fiscal Balance)
* Current Account Balance/GDP: 4.4% (2021) (also known as External Balance)
* External debt/GDP: 33.2% (2021)
* Economic resiliency: a1

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

Reflecting the change in outlook back to stable from positive, there is limited upside rating potential over the near term. The outlook could return to positive and the rating be upgraded if the current turmoil were to be resolved in a manner that does not deepen the social tensions between the various demographic groups and secures Israel's strong growth potential. A continuation of the positive fiscal and debt trends would also be a prerequisite for a positive outlook and eventually a higher rating.

Israel's ratings would come under downward pressure if the current tensions were to turn into a prolonged political and social crisis with material negative impact on the economy, possibly linked to substantially lower capital inflows into the important high-tech sector and relocation of Israeli firms abroad. While geopolitical tensions have traditionally not had a major or lasting impact on Israel's economy, a serious escalation of tensions with the Palestinians could endanger Israel's improved relations with some of its neighbors and potentially lead to increased international isolation with negative implications for the export-orientated economy and Israel's economic strength. (Moody's 14.04)

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* 1. SAUDI ARABIA: Fitch Upgrades Saudi Arabia to 'A+'; Outlook Stable

On 5 April 2023, [Fitch Ratings](http://www.fitchratings.com) upgraded Saudi Arabia's Long-Term Foreign-Currency Issuer Default Rating (IDR) to 'A+' from 'A'. The Outlook is Stable.

**Key Rating Drivers**

**Balance Sheet Strength Drives Upgrade:** The upgrade of Saudi Arabia's ratings reflects its strong fiscal and external balance sheets, with government debt/GDP and sovereign net foreign assets (SNFA) considerably stronger than both the 'A' and 'AA' medians, and significant fiscal buffers in the form of deposits and other public sector assets. The upgrade also assumes ongoing commitment to gradual progress with fiscal, economic and governance reforms. Oil dependence, weak World Bank governance indicators and vulnerability to geopolitical shocks remain relative weaknesses, although there are some indications of improvement in these factors.

**External Finances Formidable:** Foreign reserves excluding gold remained broadly stable in 2022, at $459 billion, as financial account outflows in the form of investments and deposits abroad offset the substantial current account surplus (13.6% of GDP; $150 billion). Saudi Arabia has one of the highest reserve coverage ratios among Fitch-rated sovereigns at 18 months of current external payments. We forecast reserves to decline marginally to $445 billion in 2023-2024, as the current account surplus falls close to 7.5% of GDP in 2023 and 4% in 2024, due to lower oil revenue, but that outward investments by large institutions such as the Public Investment Fund (PIF) and pension funds moderate.

We forecast SNFA to remain above 55% of GDP in 2023-2024, large relative to the 'A' median (3.1% of GDP) and the 'AA' median (33% of GDP), although substantially lower than regional peers in the 'AA' rating category. SNFA include central bank foreign reserves as well as the foreign assets of pension funds and the PIF, minus the foreign liabilities of the government, central bank and the PIF.

**Low Government Debt:** Gross government debt/GDP declined to 23.8% in 2022, half the 'A' median of 51%. We forecast that government debt/GDP will increase to 24.7% in 2023 and rise but remain below 30% in 2024-2025. Government deposits at the Saudi Central Bank, comprising the government current account and the fiscal reserve, increased to SAR463 billion (11.1% of GDP) in 2022. This put net government debt at just 12.7% of GDP. Furthermore, pension funds held around 4.5% of GDP (SAR184 billion) of domestic government debt in Q3/22 and could increase their holdings if needed.

**Budget Close to Balance:** We forecast the budget surplus to reduce to balance in 2023, from 2.5% of GDP in 2022, as lower oil prices (Brent crude at $85/barrel from $99/barrel in 2022) and lower production (10.14m b/d) offset higher non-oil revenue. We assume that after a sharp increase in 2022, total spending will decline by 1.9% y-o-y. This implies spending will be 2.5% above budget, while we also expect non-oil tax revenue to be higher than budgeted.

We forecast a budget deficit of 1.2% of GDP in 2024, assuming average oil prices fall to $75/b, partially offset by higher production. Non-oil revenue will increase, but not sufficiently to outweigh lower oil revenue, while total spending will be contained, up by around 1% overall, helped by lower capex. We assume the VAT rate remains at 15%.

**Non-Oil Economy Gains Traction:** We project real growth of 5% in the non-oil private sector in 2023 (5.4% in 2022), supported by higher government capex, investments by the PIF including giga projects, robust credit growth, ongoing development of retail and entertainment sectors and employment gains among Saudis and expats. In 2024-2025, we forecast non-oil private sector growth to slow closer to 4%, with the dampening impact of lower forecast oil prices set against ongoing economic reforms and high public sector investment spending.

**Oil Dependence Remains High:** Oil dependence remains a rating weakness. Oil revenue will account for around 60% of total budget revenue in 2023-2024 (albeit down from 90% 10 years ago) and oil GDP 30% of total nominal GDP. We estimate that a $10/bbl movement in oil prices would change our budget forecast by just over 2% of GDP.

**Gradual Improvement in Fiscal Structure:** We expect gradual improvements in fiscal structure, despite deterioration in 2022 and a higher spending profile for 2023-2025. In 2022, the fiscal break-even oil price increased, to $86/b, and the non-oil primary deficit to non-oil GDP widened. However, in large part, government decision-making appears to have been strategic, reflecting a policy balance between supporting Vision 2030 projects and responding to higher inflation on the one hand and remaining fiscally prudent. For example, the wage bill (44% of total spending) increased by just 3.5%, minimal growth in real terms.

We forecast the fiscal break-even oil price to fall to $76/b in 2025 (higher than our previous projection below $70/b) and for the non-oil primary balance to non-oil GDP to resume a trend of improvement, narrowing to 23% in 2025 from 31% in 2022 (and 41% in 2016).

**Vision 2030 Risks and Returns:** Rising public-sector spending outside the budget, including on ambitious giga projects, and the potential for higher debt of state-owned and government-related entities (GREs), as Saudi Arabia presses ahead with its national investment strategy as part of Vision 2030, is a medium-term risk to the sovereign's balance-sheet strengths, in Fitch's view. However, it may bring returns, in the form of sustained higher non-oil GDP growth and job creation to meet the expanding national labor force.

**Political Risks Persist:** Relatively weak governance scores continue to constrain the rating and risks from geopolitical tensions persist, in Fitch's view. Nonetheless, governance is improving with social and economic reforms and efforts to bolster effectiveness across government institutions. Iran's progress with its nuclear program and missile capabilities continue to present regional risks that could impact Saudi Arabia and the conflict in neighboring Yemen remains unresolved. However, steps towards Saudi-Iranian détente, which is partly driven by the Kingdom's desire to reduce risks from Yemen, hold the hope of reduced regional risks.

**RATING SENSITIVITIES**

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

* Public Finances: Deterioration in the overall public finance position reflected in government debt/GDP trending firmly above our forecasts or marked drawdowns of government assets, including government deposits at the central bank.
* Public Finances: Significant increases in contingent liabilities that undermine the strength of the public-sector balance sheet offsetting improvements in narrower government measures, for example, as a result of a sustained rise in GRE debt, particularly if this might not result in productive investments in the economy.
* Structural Features: A major escalation of geopolitical tensions that affects key economic infrastructure and activities over an extended period.

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

* Public Finances: Fiscal reforms that increase the budget's resilience to oil price volatility, for example greater non-oil revenue generation or lower expenditure, while also maintaining the strength of the wider public-sector balance sheet.
* Structural Features: A marked trend of improvement in governance scores, helping to boost prospects for greater economic diversification

(Fitch 05.04)

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**\* END \***