

**The FORTNIGHTLY**

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

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ISRAEL GOVERNMENT ACTIONS & STATEMENTS

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* 1. Israel to Build Land Fiber-Optic Cable Between Mediterranean & Red Seas

On 19 June, Israel’s Finance Ministry said the country plans to construct a multi-optic-fiber cable that would stretch on land between Ashkelon all the way to the southern city of Eilat, on the Red Sea, turning Israel into a fast-communication regional hub. The Israel state-owned energy company Europe-Asia-Pipeline-Co (EAPC) will build the 254 km optic fiber on an already-existing infrastructure of oil pipelines it operates. In addition, EAPC will construct two connection stations — one in Ashkelon and one in Eilat. The idea is that the Ashkelon connection station will link Israel to Europe, and the Eilat connection station will link Israel to Gulf countries and Asia. On the Eilat side, there is also intention to link the fiber to Jordan via Aqaba.

The EAPC has been transporting crude oil between Ashkelon and Eilat since the 1960s. With its three pipelines, it is capable of transporting crude oil in both directions. In 2020, fearing significant damage to the Eilat coral reef, Israel’s Environment Ministry blocked a project between the EAPC and UAE-based MED-RED to enhance the use of the Ashkelon-Eilat pipelines, in order to link the country with Gulf countries. The East-Med natural gas pipeline project and the new initiative for an undersea electricity cable are also expected to be installed from Ashkelon.

Israel’s Finance Ministry has been negotiating the optic-fiber project with the EAPC for several months. Last year, the ministry halted the project after the EAPC and the state-owned water company Mekorot demanded authorization to install working optic fibers. The two companies were planning to rent out or lease the use of these already-operating cables to private communication/internet companies. The Finance Ministry refused, explaining that state-owned companies should not compete against private companies or take over sectors of the private market.

The EAPC said constructing a land fiber would make it easy to secure and operate. The project is expected to advance commercial and technological cooperation between Israeli companies and other companies worldwide, especially in the Abraham Accords countries. The plan approved by the Finance Ministry and the EAPC includes the use of the most advanced optic-fiber technologies used by global companies, turning Israel into an international communication corridor. (Al-Monitor 19.06)

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* 1. High Court Overturns Chief Rabbinate Ban on Tzohar Certification for Imports

On 21 June, the High Court of Justice overturned the Chief Rabbinate of Israel's ruling against rabbinical organization Tzohar that prevented it from certifying the kosher certification of food products imported to Israel from abroad. Roughly two years ago, the Chief Rabbinate's imports committee denied an initial Tzohar request to allow its certification to apply for imported goods. After the organization filed a petition to the High Court appealing the rabbinate's ruling, the latter agreed to rescind its initial rejection of Tzohar's kashrut certification following court criticism.

The Rabbinate rescinded its initial ruling from two years ago, claiming that it had refrained from holding the administrative procedure required due to discussions at the High Court and lamented that it had not been given an official response by Tzohar for the accusations the Rabbinate had leveled against it. The court ruled that the Rabbinate must hold a full and proper procedure to examine the eligibility of Tzohar's kosher supervision, also ordering the Rabbinate to pay Tzohar for the costs of the legal proceedings. The High Court's ruling appears to challenge the Chief Rabbinate's monopoly over kashrut supervision in Israel.

The Chief Rabbinate privatized the certification of imported goods' kashrut several years ago, allowing for private ultra-Orthodox bodies to certify kashrut for foreign food makers. As of June 2023, any food product imported to Israel must receive a stamp of approval from the Chief Rabbinate before it can be called kosher, including products already deemed to be kosher by Diaspora rabbis. (JP 21.06)

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* 1. Wissotzky Tea Declared Monopoly by Competition Authority

The Israel Competition Authority announced that Wissotzky Tea has been declared a monopoly. Wissotzky has been targeted by the antitrust regulator for several years and the examination that has led to the latest exceptional announcement began some 18 months ago. The announcement that the tea company is a monopoly has come after a hearing over the past few months. Wissotzky has been declared a monopoly in the green tea and herbal team markets.

The Competition Authority found that Wissotzky's share in sales of green tea and herbal tea to retailers in Israel is higher than 70%. The regulator also decided to declare Wissotzky a monopoly due to its major market power that allows it to charge higher prices than competing suppliers for green and herbal tea, which has allowed the company to maintain persistent dominance for many years. Due to its market power, the company's rivals have found it difficult to increase their sales even in cases where they offered lower prices than those offered by Wissotzky, even in situations where new brands have entered Israel that were successful abroad.

The announcement means that Wissotzky will be defined as a "large supplier" and will now be subject to all the restrictions imposed on large suppliers. These include a prohibition on intervening in the arrangement of the shelves in the marketing chains, a prohibition to condition the sale of a certain product on the purchase of another product, and a general prohibition on any type of intervention in the price of the product to the final customer in the chains and other restrictions that appear in the Food Law.

Some 61 Israeli companies are currently defined as monopolies in Israel, with most of them declared in the 1980s and 1990s. Over the last decade, only three companies have been declared monopolies, all them not in the food sector: Ashdod Mort, Delek Drilling (NewMed Energy) and Environmental Quality Services. Today, Wissotzky joins the list, which already includes the Central Bottling Co. (Coca Cola), Strauss (milk delicacies) and Elite chocolate bars, instant coffee and cocoa powder, Tnuva in the field of milk and dairy products, Osem for pasta, Tivol and Israeli Food Products Ltd. for margarine and mayonnaise. All were declared monopolies in 1988 and 1989. (Globes 26.06)

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* 1. UAE & Israel Launch Global Initiative to Fight Cyberattacks

Israel and the United Arab Emirates have established a global platform to fight against ransomware hackers, according to an announcement made on 28 June by Israel’s government. This comes a day after Israel helped the UAE fend off a major cyberattack, according to the UAE head of cybersecurity.

The Crystal Ball initiative seeks to enhance the sharing capabilities of cyber-intelligence collected by multiple countries to improve the collective defenses against digital crime. The advanced cloud platform is a collaboration between Microsoft Israel, the Israeli National Cyber directorate and the UAE Cyber Council.

The platform is designed by Microsoft as part of the International Counter Ransomware Initiative (CRI), a global enterprise led by the White House that includes 15 member states including the UAE, Germany, Great Britain, Singapore, and also the International Criminal Police Organization, better known as Interpol. The CRI was founded in late 2022 to strengthen the global response to cybercrime. The COVID-19 pandemic, and other factors that contributed to relying on cloud-based solutions, has severely heightened the exposure of government and private entities alike. (Al-Monitor 28.06)

ISRAEL MARKET & BUSINESS NEWS

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* 1. Dalia & Taavura's Bid Wins Eshkol Power Station Auction

The Eshkol Power Energies consortium, consisting of Dalia Energy and Taavura, won the auction of Israel Electric Corporation’s (IEC) Eshkol power station with a huge bid of NIS 12 billion, 43% more than the bid by under-bidder OPC Energy.

The Eshkol power station is the largest in Israel fueled by natural gas, with an installed capacity of 1,693 megawatts. It is the most important of the IEC power stations to undergo privatization, after the sales of the Ramat Hovav and Hagit East plants to Shikun & Binui and Edeltech for NIS 4.25 billion and NIS 1.6 billion respectively, and of the Alon Tavor plant, sold for NIS 1.9 billion to the MRC group. The fifth is the Reading power station in Tel Aviv, which awaits a government decision on its future.

The Eshkol power station site covers 440 dunams (110 acres) of privately-owned land, sufficient for considerable development, including construction of the planned Eshkol 2 power plant and extensive energy storage capacity. Moreover, after the government’s decision to promote a maritime power cable along the coast from Ashkelon to Tel Aviv, the Eshkol power station has great potential. (Globes 15.06)

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* 1. N-Drip Raises $44 Million in a Series C Round for Irrigation Innovation

Israel's [N-Drip](https://ndrip.com/), which develops irrigation technology, announced it successfully raised a $44 million Series C round. The company said that the round may be extended due to investor demand. Investors include the Liechtenstein Group, Hamilton Lane, and Natural Ventures as well as investors from previous rounds, Granot Group, Bridges Israel, Kibbutz Ein Harod Ihud and a group of US-based investors. N-Drip has raised a total of $80 million to date and according to estimates was valued at $200 million in this round.

The company holds a variety of patents around the world that allow farmers to irrigate their previously flood-irrigated fields using only gravity and no external energy to either filter the water or to propel it across the field. The gravity-powered micro-irrigation system which helps farmers irrigate more precisely and efficiently, optimized yields without requiring expensive pumps or pressure-based filters.

N-Drip has nearly 100 employees and currently does business in 17 countries, with a special emphasis on the U.S., India, and Australia. According to the company, farmers who switch from flood irrigation to N-Drip routinely achieve water savings of 50%, yield increases of up to 33%, fertilizer reduction of 50%, and a drop in greenhouse gasses like carbon and methane from 50% to 85%. (N-Drip 21.06)

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* 1. Romania Receives First Three Watchkeeper X UAS from Elbit

Elbit Systems has been awarded $180 million for the first purchase order of three Watchkeeper X tactical unmanned aerial systems (UASs) to the Romanian Ministry of National Defense (MoND). The contract comes under a framework agreement both parties signed in December 2021. Elbit's delivery provides three out of seven Watchkeeper X aircraft to Romania with a maximum value of approximately $410 million. Elbit will deliver the purchase order over a period of two years.

Elbit will provide upgraded Watchkeeper X UAS with advanced capabilities: including the Spectro XR multi-spectral electro-optical payload – which offers identification and tracking capabilities – and new communication capabilities. The Watchkeeper X tactical, dual payload UAS is the UK export variant of the British Army manufactured by UAV Tactical Systems (U-TacS), Elbit Systems’ UK subsidiary in co-operation with Thales, and is a derivative of the Hermes UAS family. The Watchkeeper X is compatible with NATO standards enabling essential interoperability with NATO and other allied forces.

While the Asia-Pacific region – supported by China, India, Australia, Japan, and South Korea with their multi-year procurement programs – is expected to lead the investment in the sector globally, Elbit’s contract marks its desire to meet NATO and European country demands for UAS products. The military alliance has been expanding its ties with the global defense industry as the war in Ukraine has spurred countries into a stronger defense posture. Investment in the UAS domain in Europe is primarily driven by forward-looking development programs such as the Future Combat Air System and the European MALE RPAS program and the maritime heavy lift UAS programs, among others. (Elbit 23.06)

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* 1. Ramon.Space Raises $26 Million to Fuel the New Era of Space Computing Infrastructure

Ramon.Space has raised $26 million in funding from Ingrasys, a subsidiary of Foxconn Technology Group and the world’s largest manufacturer of server and storage platforms, and the Strategic Development Fund (SDF), an Abu Dhabi-based strategic investment firm, with additional participation from existing investors, Grove Ventures, Deep Insight and UMC Capital. The investment from Ingrasys follows the recently announced strategic agreement to manufacture Ramon.Space’s computing products globally. The newly secured funding will enable Ramon.Space to grow the organization and continue to commercialize its space-resilient computing platform, reach new markets, and solidify its global presence in response to the surge in demand for advanced computing solutions in space.

Ramon.Space has developed and deployed its SW-based computing technology to store, process and analyze large amounts of data in orbit. By equipping satellites with powerful computers that have advanced storage, computing, and connectivity capabilities, Ramon.Space solutions enable data-driven applications and services in space, unlocking new business opportunities and driving growth in the space economy. The company leverages its in-house radiation-hardened technology to support reliable, future-proof missions. The Ramon.Space computing platform includes a set of products targeting storage, processing, and communication solutions, namely NuStream, NuPod and NuBox.

Hod HaSharon's [Ramon.Space](http://www.ramon.space) is a leader in space-resilient computing infrastructure. Powered by its unique AI/ML processors, Ramon.Space’s software-empowered systems enable the realization of Earth-like computing capabilities in space. The company’s proven technology has already been deployed in space and used in over 50 deep space and satellite missions across the solar system – with zero failures. Ramon.Space has offices in the United States and Israel. (Ramon.Space 28.06)

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* 1. SaverOne and IVECO Plan to Advance Collaboration Later This Year

SaverOne announced that IVECO, the commercial vehicle brand of Iveco Group (MI: IVG), and SaverOne, have signed a side-letter related to the Memorandum of Understanding (MOU) of October 2022, to document the agreed upcoming plans. The letter also provides IVECO with an exclusivity period of up to six months during which SaverOne agreed not to sell, develop or manufacture its OEM solution for SaverOne's innovative in-cabin Driver Distraction Prevention Solution (DDPS) with any other truck manufacturer.

The initial MOU with IVECO, marked the intention of IVECO to integrate SaverOne's technology into their vehicles, aimed at enhancing road safety. The goal of the collaboration is to provide IVECO with a competitive edge by offering a safer driving experience to IVECO's global customer base. It represents a key milestone in SaverOne's international cooperation with a major OEM and in SaverOne's growth trajectory.

Petah Tikva's [SaverOne](https://saver.one/%E2%80%8E) is a technology company engaged in the design, development and commercialization of OEM and aftermarket solutions and technologies, to lower the risk of and prevent vehicle accidents. SaverOne's initial line of products is a suite of solutions that saves lives by preventing car accidents resulting from distraction from the use of mobile phones while driving. SaverOne is also developing a sensor system for early location and direction detection under all visibility conditions of vulnerable road users (VRU) through their cellphone footprint. (SaverOne 26.06)

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* 1. Quantum Machines Partners with Leading Korean Investment Groups

Quantum Machines announced the signing of three significant MOUs with prominent Korean research and investment organizations. The MOUs, signed with the Korea Research Institute of Standards and Science (KRISS), Korea Quantum Computing Industry Leaders' Alliance (QCILA) and Orientom, will foster collaboration and strengthen the relationship between local Korean researchers, Quantum Machines and the Israeli Quantum Computing Center (QCC), which is being developed and managed by Quantum Machines.

KRISS, the Korea Research Institute of Standards and Science, serves as the national measurement standards laboratory for the Republic of Korea. As a government-funded institute dedicated to advancing measurement technologies, KRISS plays a crucial role in providing a broad range of national standards. This partnership with KRISS will facilitate the exchange of expertise and knowledge in the field of quantum computing, enabling Quantum Machines and KRISS to further advance quantum control systems.

Tel Aviv's [Quantum Machines](http://www.quantum-machines.co) drives quantum breakthroughs that accelerate the realization of practical quantum computers. The company's Quantum Orchestration Platform (QOP) fundamentally redefines the control and operations architecture of quantum processors. The full-stack hardware and software platform is capable of running even the most complex algorithms right out of the box, including quantum error correction, multi-qubit calibration, and more. Helping achieve the full potential of any quantum processor, the QOP allows for unprecedented advancement and speed-up of quantum technologies as well as the ability to scale to thousands of qubits. (Quantum Machines 28.06)

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* 1. NoTraffic Gets $50 Million Series B Funding for Next Generation of Mobility Infrastructure

NoTraffic announced the successful completion of a $50 million Series B funding led by M&G Investments with participation from VNV Global and UMC Capital, as well as existing investors Grove Ventures, Vektor Partners, Next Gear Ventures, North First Ventures, Meitav Investment House, Alchimia Investments and TMG. The new round allows NoTraffic to accelerate its growth momentum, increasing production, R&D and sales into new global markets including Japan, Italy, Germany, and the UK.

NoTraffic quickly transforms any signalized intersection into a cloud connected and dynamic network capable of understanding the complete traffic picture in any given area to respond instantly to all road users. The system fuses and shares data generated by NoTraffic's proprietary intelligent edge sensors together with connected and autonomous vehicles (V2X) data and other data sources to manage traffic flows in real-time. This technology is enabling a turning point for communications between road users and traffic infrastructure and is poised to be a fundamental milestone in the rise of the next generation of mobility.

Tel Aviv's [NoTraffic](https://www.notraffic.tech), the developer of the world's leading mobility platform, is on a mission to digitize the backbone of transportation and streamline the next generation of traffic mobility. The company's end-to-end, plug-and-play autonomous traffic management platform leverages AI and edge computing to reconfigure signalized city intersections into one fully automated, cloud-connected hub. In less than 2 hours of installation, the platform can classify all road users including – private vehicles, public transportation, emergency services, pedestrians and more – and respond accordingly to traffic conditions in real-time to reduce travel times and CO2 emissions and improve safety. (NoTraffic 27.06)

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* 1. Loora Leaves Stealth with $9.25 Million in Seed Funding for Virtual AI Tutor

Israeli generative AI language learning startup [Loora](https://www.loora.ai/) has exited stealth with $9.25 million in seed funding, aiming to make English conversational fluency accessible for the over one billion learners around the world. The proceeds of the seed funding will be used for further R&D of the app’s generative AI capabilities, improving its product, expanding its team of AI researchers and engineers, and ramping up marketing efforts. The learning tool, currently available for download only via the App Store for iPhone users, is expected to be made available for Android users this year.

The Tel Aviv-based startup has secured $9.25 million in seed funding, led by early-stage venture firm Emerge. US VC firm Two Lantern Ventures Partners and Tel Aviv-based private investment firm Kaedan Capital joined the early financing round, as did angel investors including Zohar Gilon and Amit Gilon, as well as founders from tech firms Lightricks and ironSource.

Founded in late 2020, Loora has developed a generative AI-based app for personalized English language coaching through audio and speech-to-text interactions, which the startup says is akin to conversing with a native speaker. The startup believes that while there is great demand for learning English — the second most widely spoken language in the world and essential to improving career and socioeconomic opportunities — current private tuition options are still too costly, while available apps are mostly “gamified” and geared to casual or basic conversation.

Loora’s virtual audio-based AI tutor vows to improve conversational English skills by responding to voice prompts on topics that range from sports to tech, business, fashion, or the latest book or show. The one-on-one virtual tutor is optimized specifically for personalized English learning and can provide real-time feedback on grammar, accent and pronunciation, the startup says. (Loora 27.06)

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* 1. Astrix Security Raises $25 Million in Series A Funding

Astrix Security secured $25 million in Series A funding led by CRV with participation from existing investors Bessemer Venture Partners and F2 Venture Capital. This new investment brings Astrix’s total funding to almost $40 million. Fueled by the increased adoption of automation and generative AI initiatives, the enterprise’s connectivity to third-party applications is growing, resulting in an increase in cyber-attacks targeting non-human app-to-app connections (via API keys, access tokens, service accounts, etc.) – as seen in high profile attacks against CircleCI, Mailchimp, GitHub, Microsoft, and Slack.

The Astrix Security Platform is the first solution to provide holistic visibility into all non-human connections and identities. Astrix provides a consolidated, comprehensive view of all the internal and third-party integrations within a business environment, as well as all access keys in use (i.e., API keys, OAuth tokens, service accounts, and webhooks) and the permissions and level of access granted to each one. With Astrix, businesses can extend their identity threat detection and response capabilities to non-human identities by continuously running behavioral analysis of internal and third-party apps connected to core SaaS, IaaS and PaaS systems to detect anomalies that may indicate compromised access tokens and automatically remediate risky connections.

Founded in Tel Aviv in 2021, [Astrix Security](https://astrix.security) helps cloud-first companies defend against a new generation of supply chain attacks. Astrix provides holistic visibility into all non-human connections and identities – automatically detecting and remediating over-privileged, misbehaving and malicious app-to-app connections to prevent supply chain attacks, data leaks and compliance violations. (Astrix Security 28.06)

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* 1. Nokod Raises $8 Million to Enhance Low-Code/No-Code App Security

Nokod Security announced its $8 million seed round, which will be used to establish a presence in the United States market, as well as to expand the R&D teams and support novel research of security vulnerabilities in the low-code/no-code domain. Funds were raised from Acrew Capital, Meron Capital and Flint Capital, firms with a successful track record of investing in top companies in the data protection, software verification and cybersecurity sectors like Exabeam, Mitiga, Laminar, Socure and others.

Founded in 2023, [Nokod Security](https://nokodsecurity.com/%20%E2%80%8E) is a Tel Aviv-based startup providing a platform that enables organizations to secure their low-code / no-code custom applications and Remote Process Automation (RPA) by scanning them for security and compliance issues and applying customized auto-remediation policies. (Nokod Security 29.06)

REGIONAL PRIVATE SECTOR NEWS

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* 1. BIGO Unveils Singapore-Jordan Incubation Program to Support Singaporean Startups

Singapore based technology firm BIGO Technology (BIGO) unveiled its Singapore-Jordan Incubation Program at the Global Connect@SBF (Singapore Business Federation) event - Globally Ready In An Open World on 21 June 2023.

The Singapore-Jordan Incubation Program aims to support Singaporean startups looking to venture into the Middle East and North Africa (MENA) region through Jordan. Through the Program, Singaporean startups can receive free co-working space, use of facilities in the BIGO office for up to six (6) months, free business matchmaking and networking opportunities, as well as assistance in employment permits and establishing a local presence in Jordan.

BIGO established its presence in Jordan in 2019 and has grown from 25 employees to 1000 by the end of 2022. Experiencing the tremendous opportunities in Jordan, BIGO strives to provide support for Singaporean businesses looking to enter Jordan and the wider MENA region. (BIGO 27.06)

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* 1. Allison Transmission Expands Presence in Saudi Arabia & Qatar

Indianapolis, Indiana's Allison Transmission, a global leader in commercial-duty automatic transmissions and propulsion solutions, has expanded its presence in Saudi Arabia and Qatar with key partnerships, underscoring the company’s dedication to providing cleaner and more sustainable transportation systems across the Middle East. Recent successes for Allison in Qatar and Saudi Arabia include a major fleet deal in the Kingdom, reflecting the company’s growing network of strategic partners and the increasing demand for its cutting-edge technology. These milestones highlight the pivotal role of the Middle East in the company’s global growth strategy.

In Saudi Arabia, Allison recently partnered with a Chinese manufacturer to supply 40 buses for the Hajj and Umrah periods equipped with Allison transmissions for the first time ever, reinforcing the crucial role the company has played in supporting the country’s transportation needs for these important religious occasions. In Qatar, Allison has partnered with Yutong & Higer, a renowned Chinese bus manufacturer, to help supply over 250 school buses. (Arab News 26.06)

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* 1. IFFCO’s 100% Plant-Based Meat Thryve Set to Debut in Saudi Arabia

The UAE’s leading FMCG brand, IFFCO Group announced that it will bring its first 100% plant-based meat – Thryve, to the Saudi market in the summer of 2023. The multi-national group set up the UAE’s first 100% plant-based meat factory in Dubai, earlier this year. It said the venture aims to provide nutritious, sustainable and healthy food products inspired by the flavors of Middle Eastern cuisine. The new factory looks to target up to 30% of the GCC population and stimulate the development of a market segment for local plant-based products.

IFFCO hence says its endeavor of producing plant-based meat products is actively aligned with the United Nations’ Sustainable Development Goals and the kingdom’s Sustainability Vision 2030. Additionally, IFFCO said that ‘Thryve” as a product showcases the group’s sustainable food security initiative while fostering innovation. The plant-based meat products will be available for Saudi consumers across the country’s stores and hypermarkets this summer.

The plant-based meat is derived from locally-consumed Fava Bean, which is a staple in the region’s diet. The group said it is actively developing and introducing solutions that have a tangible impact – on nutrition as well as consumption habits. IFFCO is a multinational group headquartered in the UAE with 20 FMCG brands under its umbrella. (IFFCO 22.06)

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* 1. NEOM & Volocopter Successfully Complete Saudi Arabia’s First Air Taxi Test Flight

NEOM, and Volocopter announced the successful completion of a series of air taxi test flights. This marks the first time an electric Vertical Take-Off and Landing (eVTOL) aircraft has received a special flight authorization and performed test flights in Saudi Arabia. The test campaign focused on the flight performance of the Volocopter aircraft in local climate and environmental conditions, as well as testing its integration into the local unmanned aircraft system traffic management (UTM) system.

The successful test flight builds on NEOM’s €175 million investment in the technology and comes a year after the giga-project developer and Volocopter founded a joint venture to scale advanced air mobility. The partnership hopes to position NEOM as a hub for the future of transportation. Volocopter said it expects to obtain type certification of its VoloCity air taxi in 2024, enabling future commercial operations. Volocopter recently announced the commencement of VoloCity serial production at its facilities in Bruchsal, Germany, with a capacity to deliver more than 50 aircraft a year under one-shift conditions.

Volocopter eVTOLs will be powered by 100% renewable energy, generated by solar and wind energy sources. They can be used in a variety of roles, including as air taxis and emergency response vehicles, and are quieter, and cheaper to operate than helicopters. They have a smaller on-ground infrastructure footprint, fewer operating restrictions, and employ smart and autonomous capabilities. (GB 21.06)

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* 1. T2S Group & GE Healthcare to Strengthen Medical Technology Cooperation

Moroccan group Techniques Science Santé (T2S) and American company General Electric (GE) Healthcare have signed a strategic partnership aimed at strengthening their cooperation that began more than three decades ago. GE Healthcare specializes in manufacturing healthcare machines, while T2S specializes in their maintenance and distribution.

T2S Group has become the exclusive representative of GE Healthcare in sub-Saharan Africa. It is also in charge of distributing health solutions and providing continuous training for technicians on the continent. The T2S group and GE Healthcare pledged to facilitate access to modern medical technology in sub-Saharan African countries and to provide them with the latest technologies and machines, which will contribute to ensuring faster and more accurate medical diagnoses. T2S Group is present in 17 African countries, including Morocco. (MWN 26.06)

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* 1. Pratt & Whitney to Establish a Subsidiary in Morocco

The American company Pratt & Whitney announced the creation of a subsidiary in Casablanca: Pratt & Whitney Morocco (PWM). The construction works of this plant will begin during Q4/23, so it is expected to be operational in 2025. The 12,075 m2 facility will be built based on efficiency and quality, while also reducing costs. Likewise, PWM will serve to bring the US company closer to African markets, which will boost the growth of the aerospace sector in the region and the continent.

PWM will be dedicated to the manufacture of static and mechanical parts for various models. This investment is essential for the strategy of the company -in charge of manufacturing the engine of the F-35 fighter. The Kingdom was chosen after a global comparative analysis, thanks to its growing aeronautical industry. The Moroccan subsidiary will create 200 high-quality jobs by 2030. (PWC 23.06)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. Bahrain to Boost Renewable Energy Share to 5% of Electricity Generation by 2025

In line with the aims of Bahrain’s National Energy Transition Plan, the state has stepped up efforts to increase the share of its renewable energy to 5% of its total electricity generation by 2025. The country’s Electricity and Water Authority said the move is part of a strategy to diversify the state’s energy resources and achieve a renewable resource share of 20% by 2035. The EWA has already taken several measures such as simplifying the applications’ connection process and setting the procedures to facilitate the process of integrating renewable energy resources to the authority’s electricity network.

Currently, there are 54 contractors and 93 consultants accredited for distributing renewable energy resources in Bahrain. Additionally, in an attempt to ensure top-notch quality of the equipment and components utilized in the renewable energy system, the authority has adopted precise technical standards. Moreover, EWA has partnered with Bahrain’s Information and eGovernment Authority to digitize all the stages of renewable energy applications through the unified portal referred to as Benayat. Benayat is an online system for the issuance of building permits in Bahrain, which ensures further simplifying and accelerating the applications’ process. So far, a total of 303 applications have been submitted for the installation of renewable energy from residential, commercial and industrial sectors. (AN 28.06)

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* 1. Morocco & Holland Set up €300 Million Fund for Renewables Projects

Morocco and the Netherlands have agreed to set up a €300 million investment fund directed to infrastructure and renewable energy projects. The fund is part of one of the two MoUs signed between the two nations to bolster cooperation in sustainable development, public infrastructure and energy transition. Some 35% of the fund will be in the form of grants, while the remainder will be loans. The fund will finance water and renewable energy projects over a span of three years, and he highlighted his country’s interest in investing in Morocco’s green hydrogen. There is a possibility of additional allocations depending on project evaluations.

The second MoU aims to develop cooperation in renewable energies and new fuels. This one would back existing and future international initiatives and alliances related to renewable energies and new fuels, as well as expedite the matching of supply and demand with regards to investment and trade between producers of new renewable fuels and buyers. It also aims to develop new clean energy sources, especially offshore wind power, and new uses of renewable energy sources like seawater desalination.

Morocco has been pushing to position itself as a hub for renewable energy due to its major solar and wind capabilities. Morocco aims to have 50-52% of its energy come from renewables by 2030, up from the current 38%, the Moroccan PM said earlier this year. Meanwhile, the Netherlands has been on a renewables hunt, signing an agreement with Saudi Arabia in May that will see Saudi Arabia establish a green hydrogen corridor to Europe with the Netherlands facilitating the entry of green fuels produced in the kingdom. (Enterprise 26.06)

ARAB STATE DEVELOPMENTS

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* 1. Jordan's GDP Rises by 2.8% in First Quarter

Jordan's Gross Domestic Product (GDP) at constant market prices grew by 2.8% in the first quarter of 2023 compared to the same period last year. The Department of Statistics' quarterly report indicated that the GDP edged up by 0.8%age points from the previous quarter (Q4 2022) and has grown by 2%.

Preliminary data showed that all economic sectors have grown during the same time frame. The agriculture, hunting, forestry, and fishing sector achieved the highest growth rate of 7.4%, followed by the construction sector at 5.9%, the transportation, storage, and communications sector at 4.8%, and the extractive industries sector at 3.5%. (Petra 04.07)

►►Arabian Gulf

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* 1. Arabian Gulf Primed to Capture More Crypto Business, But Volatility May Mute Returns

Amid an accelerating US crypto crackdown, the Middle East stands to benefit. In June 2023, the US financial regulator announced lawsuits against the world’s top two crypto exchanges, Binance and Coinbase — a development with important global implications for the embattled crypto industry. Only weeks before these lawsuits emerged, Coinbase’s CEO visited the UAE and signaled it could become a strategic hub for the US company. That would boost the UAE’s push to become a global leader in the crypto-economy and validate its continued embrace of the industry, even following FTX’s catastrophic collapse in late 2022, which erased about $200 billion from the crypto market. Other Gulf states could also capture a slice of the industry, positioning the region to capitalize on Bitcoin’s next bull run — or get burned if more industry players implode. (Al-Monitor 23.06)

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* 1. Kuwait Ranks 38th in 2023 Global Competitiveness Index

For the first time, Kuwait has made an entry in the 2023 Global Competitiveness Index, which is issued by the Global Competitiveness Center of the International Institute for Management Development (IMD) in Switzerland. Kuwait was ranked 38th in the world and fifth in the Arab world, after the UAE, Qatar, Saudi Arabia and Bahrain, while Jordan ranked last in the Arab world.

Kuwait ranked 19th in the economic performance component of the current year, 26th in the government efficiency component, 42nd in the business management efficiency component, and 49th place in the infrastructure component.

According to the Global Competitiveness Index for 2023, Saudi Arabia has advanced seven places this year to reach the 17th rank in the world and third in the Arab world, followed by Qatar, which advanced six places to take the 12th place in the world and the second in the Arab world. Bahrain advanced five places and came in the 25th place in the world and the fourth in the Arab world. The UAE advanced only two places but remained the leader in the Arab world at tenth place. Jordan also advanced two places and came in the 54th place in the world and the last in the Arab world at the sixth place.

Globally, Denmark maintained the top position in the Global Competitiveness Index for the current year, followed by Ireland, which advanced nine places. Switzerland came in third place globally, down one place from last year. Singapore also fell to fourth place this year, followed by the Netherlands in fifth place, which also fell one position compared to the 2022 index. Six South American countries occupied 10 bottom positions in the index. Venezuela ranked last at 64th place, preceded by Argentina at 63rd, Mongolia at 62nd, South Africa at 61st, Brazil at 60th, Botswana at 59th, Colombia at 58th, Bulgaria at 57th, Mexico at 56th and Peru in 55th place. (Arab Times Kuwait 25.06)

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* 1. Qatar Dominates Fragmented Middle East LNG Growth Amid Global Competition

Future Middle East and North Africa liquefied natural gas (LNG) is really a story about Qatar’s LNG program. Qatar LNG could be as much as 70% of MENA LNG exports by 2025, increasing thereafter. In the 2030s, MENA LNG will be almost exclusively Qatar LNG, with much of North Africa a graveyard for liquefaction trains.

The abrupt departure of Russian pipeline gas from most European markets in 2022/23 created opportunities for LNG producers globally. But mostly the opportunity is for spot cargoes and shorter-term contracts (less than 10 years). European states want price stability but are uncertain regarding needs past 10 years due to the pace of the energy transition.

Longer term, Russia’s LNG exports will not be a competitive threat to MENA (Qatar) LNG expansion due to the reaction to the continued invasion of Ukraine. Coal demand in China, India and other Asian markets is the biggest challenge to Qatar’s LNG expansion, less so the continued rise of US LNG. As long as Qatar LNG maintains access to finance and technology, and offers equity access to Chinese and other Asian partners, it will be competitively advantaged. (Al-Monitor 27.06)

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* 1. UAE’s 2022 GDP Grows by 7.9% - Driven by Non-Oil Activities

The UAE’s gross domestic product (GDP) expanded by 7.9% in 2022, driven by innovative economic initiatives related to the non-oil sectors and activities. The preliminary data from the Federal Competitiveness and Statistics Centre (FCSC) shows that the UAE’s GDP in 2022 hit the $441.1 billion (Dhs1.62tn) mark at constant prices while at current prices it reached Dhs1.86tn, up 22.1% from Dhs337 billion in 2021.

The UAE’s GDP per capita has grown during the past six years by an unprecedented rate of 24.7% despite the annual increase in the population, while the 2022 GDP per capita grew by 21.1% compared to 2021, which reaffirms the success of the economic policies pursued by the government.

The World Trade Organization (WTO) said in April that the UAE’s trade in goods with the rest of the world hit $1.02 trillion in 2022 as the share of both exports and imports increased on the back of higher crude oil prices. Imports accounted for 22% of that amount while exports grew by 41%. Exports grew 41% to $599 billion in 2022, accounting for 2.4% of the global merchandise exports share while imports were $425 billion, accounting for 1.7%. (GB 25.060

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* 1. UAE Simplifies Recognition Process for Foreign University Degrees

The UAE Ministry of Education (MoE) has unveiled its ‘University Certificates Recognition’ system, replacing the ‘University Qualification Equivalency’ system, which was in place for degrees issued by foreign higher education institutions (HEIs). The ministry has enhanced flexibility and streamlined the recognition process to be efficient and simple, while ensuring efficiency across all its services. The updated system for recognizing certificates from foreign HEIs aims to offer students streamlined and adaptable services in completing their educational or employment procedures.

The updated system highlights the need for attesting previous degrees and complying with a minimum physical presence requirement of 30 days for master’s graduates and 168 days for bachelor’s graduates. It has also eliminated other criteria and conditions such as credit transfer limits and distance learning credit caps. Obtaining certificates entirely through distance learning (or e-learning) is now permitted. Certificates related to certain specializations and issued by foreign HEIs are immediately recognized once their validity is verified and if the university is accredited, without any additional conditions or criteria. (GB 21.06)

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* 1. UAE’s Airports Received 31.8 Million Passengers in First Quarter

The UAE airports received as many as 31.8 million passengers in Q1/23, an increase of 11.5 million passengers from the same period in 2022, when about 20.4 million passengers were recorded, according to the Quarterly Economic Review issued by the Central Bank of the UAE (CBUAE).

Indicating that the civil aviation sector has managed to restore pre-pandemic passenger traffic levels, the apex bank mentioned that the size of cumulative investments in the UAE’s civil aviation sector exceeded AED1 trillion, while the size of investments in the development and expansion of airports hit AED 85 billion to accommodate over 300 million passengers annually. As of 2022, the aviation sector in the UAE contributes, directly or indirectly, to about 14% of GDP, compared to 2-3% in major emerging markets and advanced economies. (WAM 22.06)

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* 1. Abu Dhabi Targets 24 Million Tourists for 2023

The Department of Culture and Tourism – Abu Dhabi (DCT Abu Dhabi) has outlined its roadmap for 2023 following a strong performance the previous year. Abu Dhabi said it plans to increase overall visitation to more than 24 million, from 18 million in 2022.

With the rise of the culture-seeker segment, about four million visitors are expected at DCT Abu Dhabi’s cultural sites this year – more than one million additional visitors compared to 2022. DCT Abu Dhabi also promotes the Arabic language, with the Abu Dhabi Arabic Language Centre (ALC) promoting Arabic proficiency among the UAE community, while supporting the growth of the Arabic publishing industry through key projects like Kalima and Isdarat.

DCT Abu Dhabi revealed that figures for 2022 showed a 17% growth in international tourists annually. The report also listed the three most-visited venues managed by DCT Abu Dhabi as Louvre Abu Dhabi, Cultural Foundation and Qasr Al Hosn. The department was also successful in listing two new Cultural Heritage (ICH) elements into the UNESCO ICH lists; Alheda’a, the ancient art of camel calling, and the date palm.

In order to reach its target of more than 24 million visitors in 2023, DCT Abu Dhabi said it will continue to build on its destination offering such as SeaWorld Yas Island, Abu Dhabi, Pixoul Gaming, Adrenark Adventure and Snow Abu Dhabi. (GB 23.06)

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* 1. Dubai’s Population Crosses 3.6 Million - Marking 2.3% Growth in First Quarter

Dubai’s population has crossed 3.6 million, growing 1.43% year-to-date 2023, according to the Dubai Statistics Centre’s latest data. The emirate’s population reached 3,600,879 as of 26 June, compared to 3,550,186 on 31 December 2022. The population rose by 2.3% to 3,575,962 as of 31 March 2023, compared to 3,496,097 as of 31 March 2022. In 1975, Dubai’s population stood at only 183,187. According to the statistics center, it crossed the 3- million mark in 2018.

Dubai’s 2040 Urban Master Plan, which includes expanding green spaces, parks and other recreational areas in the emirate, envisions the population to grow to 5.8 million by 2040. The plan seeks to raise population density and increase the scale of development and investment to benefit from the existing infrastructure and services by providing 80% of the daily population’s needs within 20 minutes or less by walking, cycling or riding soft mobility means. (Zawya 26.06)

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* 1. Dubai's Sheikh Hamdan Launches Digital Strategy & New Digital Projects

Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai, has launched Dubai’s Digital Strategy. The launch took place during Sheikh Hamdan’s visit to the Digital Dubai HQ, where he was briefed on the progress of its various initiatives, the work carried out by various teams in preparation for upcoming phases of Dubai’s Digital Strategy, and the latest projects Digital Dubai is developing in collaboration with government entities, reported Dubai Media Office.

The city’s new Digital Strategy is centered on seven key pillars, namely, the digital city, digital economy, data and statistics, digital talent, digital infrastructure, cybersecurity, and digital competitiveness. The strategy also aims to equip over 50,000 professionals with advanced digital qualifications. The strategy represents an advanced stage and a new milestone in the emirate’s digital transformation journey. The digitalization rate of government services is now at 99.5%, while the paperless government objective has been achieved 100% and digital transactions account for 87% of total government service transactions.

Moreover, over 120 government smartphone applications have been developed, while government entities have recorded a compliance rate of over 80% with cybersecurity indicators and 100% compliance with the Dubai Data Law. (GB 22.06)

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* 1. Dubai Free Zone Reports 24% Increase in Chinese Companies

The Dubai Multi Commodities Center (DMCC) announced a 24% year-to-date increase in the number of Chinese companies setting up in its free trade zone. The DMCC has signed a memorandum of understanding with the Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone (LGSAC). The deal was struck on the sidelines of the DMCC’s in person roadshow in the commercial trade hubs of Shanghai, Guangzhou and Chongqing in China. The agreement will allow Shanghai and Dubai to streamline requirements and processes for companies looking to set up in either region.

The UAE is drawing more interest from Chinese businesses as the Gulf state courts investment from the world’s second-largest economy. Over 6,000 Chinese companies have set up operations in the Emirates in the last few years. In May, the UAE Central Bank pledged to expand cooperation with the Hong Kong Monetary Authority to form a joint working group on financial infrastructure, financial market connectivity between the UAE and Hong Kong and virtual assets regulation. Dubai’s state-owned DP World, the fourth-largest operator in container terminal activities, signed agreements with China's Ningbo-Zhoushan port and Zhejiang Seaport during the same month to cooperate on automotive industry chain services and logistics. Ningbo-Zhoushan said it will boost the deal as part of China’s signature investment project the Road and Belt Initiative. (Al-Monitor 16.06)

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* 1. Oman's GDP Growth Rate to Slip This Year Due to OPEC+ Cuts

Oman is forecast to see real GDP growth 1.7% this year, down from 4.3% in 2022, according to Emirates NBD. The Dubai-based lender said that while this is a downgrade from their earlier forecast of 2.8% growth it is in line with the voluntary oil production curbs being implemented as part of the OPEC+ grouping. On the other hand, the outlook for the non-oil sector remains positive, buoyed by government infrastructure spending, a surge in tourist arrivals, and falling inflation, which the bank forecast will average 1.0% this year, from 2.8% in 2022.

Oman's strong growth in 2022 was driven by the hydrocarbon sector which expanded 10.2%. The non-oil sector was the laggard in 2022 as it grew 1.6%: standout sectors were restaurants & hotels which recorded growth of 17.3%, while manufacturing expanded 28.9%, with manufacturing of chemical and petroleum products growing at a far slower rate.

For this year the lender says the dynamics of growth in Oman will be reversed due to the voluntary cut of 40,000 barrels per day that the country began in May and intends to continue through to the end of 2024 as things stand. Crude oil production averaged 1.07 million b/d in the first quarter, some 30,000 b/d greater than in Q1 last year, but the expectation over the year is now that oil production will be 3% lower in 2022, so hydrocarbon GDP will contract by 2.0%.

For non-oil GDP, Emirates NBD forecasts growth of 3.5% this year, with positive momentum in a range of sectors. One of these is tourism, with the sector bouncing back from the COVID-19 pandemic with 2.9 million visitors, marking an increase of 348% year-on-year (YoY) and contributing to the 17.3% growth in restaurants & hotels GDP. This year the budget will be only moderately negative, at -0.1% in 2023, returning to surplus at 1.0% in 2024, the report said. (Zawya 23.06)

►►North Africa

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* 1. World Bank Lends Tunisia $268 Million for its Planned Interconnector with Italy

On 21 June, the World Bank Group (WBG) approved a $268.4 million loan to Tunisia to finance its planned electrical interconnection project with Italy. Called Elmed, the 600 MW subsea interconnector would link the Tunisian and EU power grids, enabling trade in renewable energy between Tunisia and Europe. The project is estimated to cost €850 million, although the project’s launch date has not been revealed.

The funds will be used to build a main converter station and accompanying substations on the Tunisian side as well as support the implementation of the interconnector. The Elmed interconnector — which is set to receive an additional $25 million in concessional loans from the Green Climate Fund — is backed by the EU, Italy, the German Development Bank KfW, the European Bank for Reconstruction and Development, and the European Investment Bank. (Enterprise 25.06)

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* 1. Domestic Demand in Morocco Stagnates in 2023

Morocco’s domestic demand is stagnating in 2023, according to data from the Higher Commission for Planning (HCP). In a quarterly report published, HCP explained that domestic demand stagnated in Q1/23, showing little change compared to a decline of 1.7% a year earlier. While domestic demand did not show any significant signs of recovery, it has increased by a modest 0.1%, against a forecasted 1.3% drop, notes the HCP report.

Regarding investment, the growth rate of gross investment (including gross fixed capital formation, change in inventories, and net acquisition of valuables) continued to decline, experiencing a 2.6% decrease in the first quarter of 2023, following a 6.9% drop in the same quarter of the previous year.

Morocco’s economy at large is entering a phase of slow recovery. After last year’s severe drought and consecutive external shocks, economic growth would have averaged 3.5%, up from 0.5% a year earlier. According to the HCP report, the improved economic prospects are largely supported by the recovery in agriculture activities. At the end of the first quarter of 2023, agriculture activities rose by 6.6% after contracting by 11% a year earlier. Meanwhile, non-agriculture activities rose by 3.2%, up from 2.4% a year earlier.

HCP explained that inflation remains a pressing challenge to the national economy. A recent report from Morocco’s central bank, Bank Al-Maghrib (BAM), suggests that inflation in 2023 is set to average 5.5%, down from 6.6% a year earlier. Despite this, inflation remains above the recommended 2%. (HCP 03.07)

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* 1. China’s Tinci to Open Electric Vehicle Battery Plant in Morocco

Guangzhou Tinci Materials Technology, one of China's leading manufacturers of materials for electric vehicle batteries, will open a plant in Morocco. The construction of this future unit necessitates an investment of $282 million. Materials that this plant will produce will be used to supply the European market. The company is simultaneously planning to open another plant in Texas, with the aim to supply North American markets.

With an annual production capacity of 200,000 tonnes, this lithium battery electrolyte plant should be operational in thirty months' time. Guangzhou Tinci Materials Technology is enjoying growth in the market for materials for electric batteries. The group achieved sales of $3.1 billion in 2022, more than double those of the fiscal year 2021.

However, Guangzhou Tinci Materials Technology is not the first Chinese group to invest in the manufacture of materials for electric vehicle batteries in Morocco. Last April, its compatriot Yahua Industrial Group signed an agreement with Korea's LG Energy Solution (LGES), the world's second largest manufacturer of batteries for electric vehicles, to produce lithium hydroxide at a plant in Morocco. This joint venture will enable LGES to strengthen its supply chain for this material to serve the US market, a country connected by a free-trade agreement with Morocco. (MWN 28.06)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Cypriot Tourism Revenues Increase by 30% in April

Revenue from Cyprus' key tourism sector reached €418 million in the first four months of 2023, marking an increase of 30% from last year and up 11.3% on the pre-COVID record-breaking 2019. According to the results of the Passenger Survey, revenue from tourism in April was €217.6 million, up by 17.6% compared with April 2022, while compared with April 2019, revenue improved by 16.6%. The average expenditure per person was slightly down at €634.89 in April compared to €639.65 in April 2022, recording a decrease of 0.7%.

Tourists from Israel, the second largest market with 9.9% of tourist arrivals in April, showed the highest expenditure per day with an average of €120.23. They were followed by tourists from the UK (the island’s largest tourist market with a 36.3% share of April arrivals) who spent, on average, €79.51 daily. Tourists from Poland (the third largest market with 6.7%) spent an average of €77.67 per day, while Greeks spent the least with a daily budget of €35.63. The average length of stay during April was 7.9 nights, down from 8.7 nights a year ago.

Revenue from tourism last year reached €2.43 billion from €1.51 billion in 2021 and €39 million in COVID-ravaged 2020. Pre-coronavirus 2019 was a record year for the Cypriot tourism industry, seeing 3.97 million tourists arrive on the island and spending €2.68 billion. Tourism is a key driver of the economy, contributing around 15% of Cyprus’ GDP. (FM 04.07)

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* 1. Greek State Budget Shows Primary Surplus of €2.3 Billion in January-May

The Greek state budget recorded a deficit of €1.116 billion in the January-May period this year, significantly lower than the budget target for a deficit of €4.44 billion and a shortfall of €4.06 billion in the same period last year. The budget recorded a primary surplus of €2.3 billion in the five-month period, up from a budget target for a surplus of €1.39 billion and a deficit of €1.49 billion in the same period in 2022. Net revenue was €26.25 billion, 12.6% above the target, reflecting higher tax revenue, higher Public Investment Program revenue and the collection of €603 million from ANFAs. Regular budget revenue was €28.96 billion, 13.3% above the target.

Tax revenue was €22.86 billion, 9.2% above the target; VAT revenue was €9.42 billion, €516 million above the target; special consumption tax revenue was €2.63 billion, €73 million below the target; property taxes totaled €1.30 billion, €59 million above the target; and income tax revenue was €6.16 billion, €633 million above the target. Tax returns totaled €2.71 billion, €459 million above the target, while Public Investment Program revenue was €1.95 billion, €243 million above the target.

Budget spending in the January-May period was €27.37 billion, against a €383 million target, while regular budget spending was €470 million below the target. Public Investment Program spending was €3.88 billion, €87 million above the target.

In May, net budget revenue was €5.19 billion, €436 million above the monthly target, while regular budget revenue was €5.77 billion, €506 million above the target. Tax returns totaled €579 million, €70 million above the monthly target, while Public Investment Program revenue was €197 million, €98 million below the target. (Various 27.06)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. A Rising Number of Israeli Students are Completing Academic Degrees

Israel's Central Bureau of Statistics announced that for the 2021/22 academic year, a total of 88,200 Israeli students successfully graduated in 2021/22. Approximately 39,000 of these students are from universities, around 29,000 of them from academic colleges, 4,400 from the Open University, and 1,400 from teacher colleges.

Of particular interest is that the number of master's degree recipients has significantly increased. The report reveals an overall 4.5% rise in master's degree graduates. Notably, teacher colleges saw a surge of 34.4% in master's degrees. Universities saw a more moderate rise of 7.8%, while academic colleges saw a decline of 14.5%.

Women also outnumbered men among this academic year's graduates, comprising 62.2% of bachelor's degrees, 63.9% of master's degrees, and 50.4% of PhDs.

The Central Bureau of Statistics also reported that over 13,000 Arab Israeli students received academic degrees, with 8,600 graduating with a bachelor's degree, 3,900 earning a master's degree and 102 achieving a PhD. Among the Haredim (ultra-Orthodox), the rate of degree recipients stood at 5.4%, while among Ethiopians, the total number was 1.1%. (CBS 28.06)

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* 1. Nine Middle East Universities Listed Among the World’s Leading 300 Schools

The 2024 edition of the QS World University Rankings ranked 1,500 universities in 104 locations around the globe based on various metrics including employability, sustainability and international research networking.

In the Middle East and North Africa region, 121 universities from 18 countries featured in the ranking, with nine universities making it into the top 300 institutions. While Saudi Arabia dominated the list with three universities, institutions from Israel, Lebanon, Qatar and the UAE were also among the top 300. The list of the universities in the Middle East and North Africa region in the top 300 and their global rankings are as follows:

143 - King Abdulaziz University (Saudi Arabia)

173 - Qatar University (Qatar)

180 - King Fahd University of Petroleum & Minerals (Saudi Arabia)

203 - King Saud University (Saudi Arabia)

215 - Tel Aviv University (Israel)

226 - American University of Beirut (Lebanon)

230 - Khalifa University (UAE)

251 - Hebrew University of Jerusalem (Israel)

290 - United Arab Emirates University (UAE)

Israel had six universities ranked this year, including Tel Aviv University, which ranked 215th, followed by the Hebrew University of Jerusalem in 251st place. Another 15 universities from Egypt and 11 from the UAE made the top 500. Cairo University ranked 371st, jumping from 551st out of 560 universities featured in last year’s ranking. Jordan and Lebanon also ranked high with nine and eight universities, respectively, featured on the list.

Other schools including one Moroccan, two Sudanese, four Tunisian, three Bahraini, five Iraqi, three Kuwaiti, one Omani, three in the Palestinian territories, two Qatari and one Syria university made it to the list. According to the index, the world's top three universities are the Massachusetts Institute of Technology, which has been named the top university for its 12th consecutive year, followed by the University of Cambridge. The Oxford ranked third, moving up from fourth place last year. (Al-Monitor 29.06)

\*REGIONAL:

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* 1. Mitsotakis Remains as Greece's PM After Landslide Election Victory

On 26 June, Greece's Prime Minister and leader of the New Democracy party, Kyriakos Mitsotakis, won an election victory, gaining 40.5% of the vote and 158 seats in the 300-seat parliament. The center-right politician embarked on his second four-year term, after his party gained the widest winning margin in almost 50 years. Hailing the strong mandate, Mitsotakis said that major reforms will proceed rapidly, adding that he had "ambitious" targets for his next four years in power that could "transform" Greece.

Among his pledges was pouring money into Greece's public health system - which was stretched to its limits by the COVID-19 pandemic - and improving railway safety after the deaths of 57 people in a February train collision that was Greece's worst rail disaster. The 55-year-old former McKinsey consultant and Harvard graduate said that he "constantly strove to improve and learn from my mistakes."

His party’s nearest rival, the left-wing Syriza party of former premier Alexis Tsipras, saw a loss of tens of thousands of voters compared to just a month ago. Tsipras, acknowledging a "serious political defeat", said he was leaving his political fate to the "judgment" of Syriza members. (Various 26.06)

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* 1. VVT Medical receives FDA 510(k) clearance for its ScleroSafe System

VVT Medical announced the receipt of a 510(k) clearance for its ScleroSafe platform by the U.S. FDA. ScleroSafe is a novel medical device specifically created for efficient, Non-Thermal, Non-Tumescent (NT-NT) treatment and management of varicosities in superficial veins. Its unique, inverse-action dual syringe injects a sclerosing substance into the vein through one syringe while simultaneously aspirating blood and substance residuals through the second syringe – all within a single motion and with single-hand operation.

ScleroSafe has received approval in multiple regions, including Europe, Australia, Southeast Asia and South America. It has a well-established history of being safe and effective in treating varicosities in superficial veins, benefiting numerous patients globally. Varicose veins, a prevalent condition impacting millions in the United States, often result in considerable discomfort, pain and potential disability.

Kfar Saba's [VVT Medical](https://www.vvtmed.com‎) is a medical device company, founded with the aim of becoming the new standard of care in vein treatments, by introducing novel solutions for both aesthetic and medical indications. VVT Medical has been dedicated to offering simpler, faster and more efficient minimally invasive non-thermal non-tumescent (NT-NT) procedures, maximizing safety and patient comfort and achieving superior clinical results. The company specializes in the research, development, manufacturing and commercialization of its products and is dedicated to improving patients' lives! (VVT Medical 21.06)

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* 1. Clinical Study Evaluated Safety of Using Nerivio for Treating Migraine in Pregnant Women

Theranica announced the results of a study recently published in Headache demonstrating the safety of the Nerivio migraine bioband, a novel Remote Electrical Neuromodulation (REN) wearable, as a drug-free treatment for pregnant women with migraine.

The study found no statistically significant differences in critical pregnancy outcomes between women with migraine who used the Nerivio migraine bioband during pregnancy throughout three months postpartum, and those who did not use the device during this period. The study demonstrates the Nerivio migraine bioband's safety as a migraine treatment for pregnant women while reinforcing its efficacy as seen in previous studies.

Controlled by a smartphone app and self-administered, the Nerivio migraine bioband wraps around the upper arm and uses non-painful REN to activate nociceptive nerves fibers in arm to send signals that activate a natural pain management mechanism in the brain called conditioned pain modulation (CPM). This triggers the brain to turn off migraine pain and associated symptoms without medication. Each Nerivio treatment lasts 45 minutes and is used once every other day for prevention, or at the start of a migraine attack for acute treatment. Nerivio is FDA-cleared for acute and/or preventive treatment of migraine with or without aura in individuals 12 years and older.

Netanya's [Theranica](http://www.theranica.com) is a prescribed digital therapeutics company dedicated to creating effective, safe, affordable, low-side effect therapies for idiopathic pain conditions. The company's award-winning flagship wearable, Nerivio®, is the first FDA-cleared prescribed REN armband for acute and/or preventive treatment of migraine in adults and adolescents, and already serves more than 45,000 people with migraine in the USA, including adolescents and veterans. (Theranica 21.06)

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* 1. Fairtility Unveils CHLOE OQ Expanding its Offering into Fertility Preservation

Fairtility launched of CHLOE OQ, bringing Oocyte Quality Insights to CHLOE's core technology suite of capabilities and expanding the applicability of its AI-driven decision support tool to fertility preservation. The new Oocyte Quality Insights capability offers IVF professionals comprehensive information to support decision making as patients undergo fertility preservation or assisted reproductive journeys. CHLOE OQ delivers predictions of an oocyte's potential to reach the blastocyst stage post-fertilization.

Oocyte potential prediction for reaching blastulation and pregnancy commonly relies on statistical methods based on a woman's age. Embryologists analyze oocyte quality based on oocyte maturity and characteristics including size, texture, shape, discoloration and fragmentation. However, these factors have proven to be subjective and lack correlation with the actual quality of the egg. CHLOE OQ brings the power of AI to oocyte assessment, replacing generalized decision making with personalized, data-driven AI analysis that reveals the potential of each oocyte backed by biological data.

Tel Aviv's [Fairtility](https://fairtility.com/) is powering reproductive care through transparent AI to improve outcomes. Its core technology, CHLOE, equips clinicians and their patients with unparalleled visibility into fertility treatment. CHLOE is a single, intelligent product suite with an expanding set of capabilities. It can automatically quantify established biomarkers and discover novel ones at scale throughout embryo development and oocyte assessment, all with the intention of setting a new standard in reproductive care. (Fairtility 26.06)

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* 1. Escala Medical Awarded €5.5 Million to Revolutionize Pelvic Organ Prolapse Treatment

Escala Medical was selected as a recipient of a €5.5 million in grant and equity investment from the European Innovation Council. Escala Medical's breakthrough device brings incision-free pelvic organ prolapse treatment to women suffering from this widespread and debilitating condition, affecting approximately 50% of women worldwide. With a procedure that can be performed under local anesthesia in 5-8 minutes, Escala's innovative approach addresses a significant market need. FDA-cleared, Escala's revolutionary technology is now commercially available in the United States, marking a major milestone for the company.

Current surgical treatment options for POP are invasive and principally suitable for advanced stage prolapse. Until now, there have not been effective incision-free alternatives for women experiencing early-stage symptoms or for those patients who are not eligible for surgery. Escala Medical is changing POP treatment with its much-needed solution for these underserved populations, while also providing a faster and easier solution for clinicians addressing patients with advanced stage POP.

[Escala Medical](https://escalamedical.com/) is a portfolio company of The Trendlines Group. Escala offers its groundbreaking repair alternative for women at all stages of pelvic organ prolapse. By shifting the point of care from the hospital to the doctor's office, Escala's innovative system will transform the treatment paradigm for pelvic organ prolapse. Escala received regulatory clearance from the US FDA. (Escala Medical 26.06)

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* 1. Bayer Collaborates with Fermata on Increasing Crop Sustainability with AI

Bayer Crop Science has just concluded a collaboration with Fermata on a project designed to validate a model for reducing the use of pesticides through the application of artificial intelligence. The project involved conducting a feasibility study of Fermata’s automated pest & disease detection platform, Croptimus, with the goal of verifying the capabilities of this computer vision system, and proving how early detection of pests and disease increases sustainability. To this end, Croptimus was installed to monitor melons growing in mesh covered tunnels within this harsh environment.

The system employs AI to analyze thousands of images collected daily by cameras installed within the facility to detect the tiniest indications of both pests and pathogens which, left untreated, quickly get out of hand — leading to crop loss and a reduction of produce quality. Early detection being key, Croptimus is designed to substantially reduce crop loss, crop inputs (including pesticides), and dramatically reduce scouting time — in aggregate a significant savings.

Tel Aviv's [Fermata](http://www.fermata.tech) is focused on the application of data science and computer vision solutions to challenges faced by commercial agriculture. Engaged in extensive research since the company’s inception in 2020, Fermata has now developed an adaptive computer vision platform designed to automatically detect pests and diseases at their earliest stages. This early-detection platform enables growers to reliably mitigate these issues well in advance of the point crop loss becomes inevitable, and further reduces the amount of time and money spent on traditional scouting. (Fermata 27.06)

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* 1. Augmedics Raises $82.5 Million to Promote Augmented Reality Spine Surgery

Augmedics announced the successful close of an $82.5 million Series D financing. The round was led by Dallas-based CPMG and adds Evidity Health Capital as a syndicate partner, with participation from current investors H.I.G. Capital, Revival Healthcare Capital, Almeda Ventures and others. The funds will support Augmedics’ rapidly expanding US commercial footprint as well as the delivery of next-generation platform advancements which will enable mass-scale adoption of the xvision technology.

Named for its ability to give surgeons "x-ray vision,” xvision made history in December 2019 as the first FDA-approved AR navigation system for surgery. The cutting-edge technology superimposes critical data onto the surgical field, allowing surgeons to visualize patient anatomy through skin and tissue and to accurately navigate instruments and implants during spine surgery. Unlike traditional navigation systems, which require surgeons to continually look away to an ancillary screen, xvision allows surgeons to keep their eyes directly on the patient, lending better visualization, control, and accuracy during spine procedures.

Yokneam Illit's [Augmedics](http://www.augmedics.com) pioneers cutting-edge augmented reality technologies to improve surgical outcomes. The company’s revolutionary xvision Spine System allows surgeons to see patients’ anatomy as if they have “x-ray vision” and accurately navigate instruments and implants during spine procedures. The first-of-its-kind, FDA-cleared xvision has been used to treat over 4,000 patients and implant more than 20,000 pedicle screws across 21 US states. xvision has consistently demonstrated 97-100% accuracy of pedicle screw placement across multiple patient studies. (Augmedics 27.06)

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* 1. CarobWay Introduces Its Low Glycemic Sweetener

CarobWay will introduce its clean-label, low glycemic index (GI) sweetener at IFT FIRST 2023 in Chicago. The company will demonstrate the new sweetener in a gummi and an energy bar prototypes to illustrate the new sweetener's capabilities. Bringing the nutritional treasures of the ancient carob fruit to the modern table, CarobWay's new sweetener is derived from whole carob fruit and promotes well-being as well as providing sweetness.

CarobWay strives to live in harmony with our planet and its inhabitants. By nature, carob has high carbon storage capabilities and flourishes in marginal lands. It supports ecosystem diversity and even helps prevent wildfires. The company runs a vertically integrated operation from farm to fork and is committed to fair-trade practices while ensuring a stable supply chain. Eliminating waste and preserving all the goodness of carob, it uses the entire fruit—seeds and pulp—to create innovative ingredients for food, food supplements, and cosmetics, with efficacy backed by science.

The unique composition of the novel sweetener includes various sugars, plus the polyol D-pinitol, as well as trace soluble fibers and polyphenols. D-Pinitol, with a sweetness about 50% that of sucrose, is a naturally occurring compound found in plants, and in particular in carob fruit. The bioactive and wellness benefits of D-pinitol have been reported in dozens of scientific publications. To date, more than 30 beneficial activities of D-pinitol have been revealed.

FoodTech start-up, Kiryat Shmona's [CarobWay](http://www.carobway.com) is on a mission to reintroduce carob's secret nutritional benefit and flavor treasures. Researching and selecting the ideal source plants, developing science-backed ingredients, and leveraging innovation from seed to table, CarobWay introduces nutritious bioactive carob ingredients with a minimal footprint. CarobWay is the brainchild of food and nutrition entrepreneur Udi Alroy, whose vision is to return this ancient superfruit to the mainstream. The company has forged a whole new path in the industry, building a robust, sustainable, vertically integrated food system that benefits all supply chain partners. (CarobWay 28.06)

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* 1. PathKeeper Surgical Commercializes Spine Navigation System with First U.S. Cases

PathKeeper Surgical, dedicated to improving the health of individuals around the world suffering from all spinal issues requiring surgery while making navigation-guided surgery available to any patient in all operating rooms, announced the first commercial use of the PathKeeper, 3D optical navigation system in the United States. The surgical debut of the PathKeeper System took place during two lumbar spinal fusion surgeries for degenerative disc disease at VHC Health in Arlington, VA. The surgeries were performed by an orthopedic spine surgeon at Washington Orthopedics and Sports Medicine, Chevy Chase, MD.

The PathKeeper system was designed to replace traditional navigation technology with a 3D optical navigation system that offers active, independent, pinpoint tracking of patient anatomy and surgical instruments, accuracy of implantation to less than a millimeter, more efficient surgical workflow, elimination of radiation exposure during the surgical procedure and a more economical price so both hospital and ambulatory-surgical center operating rooms can incorporate this new technology.

Founded in 2018, Kfar Saba's [PathKeeper Surgical](http://www.path-keeper.com) is a medical technology company that has established a solution to combat the high failure rates seen in spinal surgeries. PathKeeper Surgical received its FDA 510k clearance earlier this year for the PathKeeper system. The name PathKeeper effectively describes the essence of the system - a 3D optical navigation system that 'keeps' the surgical 'path' on course throughout the surgery. (PathKeeper 27.06)

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* 1. QLOG Secures Seed Funding to Transform Healthcare Operations

QLOG announced the successful completion of its seed funding round of $2.5 million, led by eHealth Ventures and Sanara Capital. This investment will be used to support QLOG's expansion of international commercial activities. QLOG's Healthcare Operations Platform has gained widespread adoption by over 40 hospitals in Israel and Europe. Now, with the newly secured funds, the company is poised to expand its market presence in the US, UK and EU.

The QLOG Healthcare Operations Platform redefines the communication pathways between healthcare providers and their workforce. QLOG creates real time, crowed-sourced data flow and visibility, enabling everyone better control, less waste, and an improved work environment. The system enables seamless asset tracking, staff workflow optimization and enhanced patient safety. QLOG's solution encompasses Real-Time Location Systems (RTLS) and next generation Enterprise Resource Planning (ERP) systems. Combined with ultra-lightweight RTLS technology, the platform facilitates improved coordination and compliance, ultimately delivering better patient outcomes.

Committed to driving excellence in patient care, Binyamina's [QLOG Technologies](https://www.qlog.co/) is an innovative healthcare technology provider, disrupting the healthcare management space. Specializing in crowd-sourced ERP and RTLS Hospital and Clinic Resource Management solutions, QLOG's revolutionary solution provides healthcare institution managers and stakeholders full data visibility. (QLOG 27.06)

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* 1. X-trodes Awarded €5.2 Million to Advance Home Sleep Monitoring Solution

X-trodes is a recipient of a €5.2 million award from the European Innovation Council Accelerator (EIC). This grant aims to propel the development and commercialization of X-trodes' revolutionary home sleep monitoring solutions.

By leveraging groundbreaking technology, X-trodes is paving the way for a new era of home sleep monitoring. Their innovative solution empowers physician, sleep experts and even the individuals to track sleep patterns and vital physiological signals, eliminating the need for restrictive laboratory environments. This breakthrough brings unparalleled convenience and accuracy to sleep monitoring, revolutionizing the field and providing valuable insights for both individuals and healthcare professionals. The €2.5 million grant and additional €2.7 million equity investment from the EIC stand as a resounding validation of X-trodes' unwavering commitment to pioneering innovation in the field. By enabling the integration of lab-level monitoring capabilities within the confines of patients' homes, X-trodes is empowering physicians and healthcare systems with an unprecedented level of accessible and comprehensive sleep tracking.

Herzliya's [X-trodes](https://xtrodes.com/) has developed the world's first multimodality dry wearable technology for advanced bio-signals monitoring and analytics that can be used by individuals in their natural environment. The solution monitors EEG (brain activity), EOG (eye movement), EMG (muscle stimulation), and ECG/EKG (cardiac monitoring). X-trodes technology - smart skin, conforming to otherwise inaccessible areas of the body to provide a user-friendly solution that encourages compliance and generates reliable data. (X-trodes 27.06)

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* 1. ansā Brings a Fresh Perspective and a Greener Outlook to the Coffee Break

ansā Roasting is applying new green technology to redefine the way coffee lovers indulge in their favorite beverage. Its sleek, fully autonomous mini-roaster, designed to elegantly perch on any office countertop, introduces on-demand roasting of raw green coffee beans. ansā's pioneering initiative offers a more Earth-friendly approach to savoring coffee and promises a new dimension to the enjoyment of the world's most beloved aromatic brew.

ansā is paving a greener path to the coffee experience, one that bypasses the intermediary and the need for capsule packaging and delivers bespoke raw green coffee beans directly to the consumer in 100% recyclable boxes. Under the ansā system, consumers have the option to select from a range of specialty, single-origin cultivars consisting exclusively of 100% Arabica beans. These beans are delivered directly from the grower's farm to the consumer in their raw green state for roasting on-demand in the ansā variety e23 micro-roaster.

Established in 2020, Ramat Gan's [ansā](https://www.ansacoffee.com/) pioneered on-demand roasting with its ground-breaking variety e23 Micro-roaster. This sleek cutting-edge device enables on-demand roasting of raw green coffee beans, for preparing the perfect cup of fresh coffee in the office environment. ansā is a proud member of the Special Coffee Association (SCA) demonstrating the start-up's dedication to both exceptional coffee and environmental welfare serving the conscious consumers that value their coffee experience as much as they value the planet. (ansa 27.06)

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* 1. A High-Resistance ToBRFV Tomato Variety is Within Reach

NRGene and Philoseed announced major progress toward widespread commercialization of ToBRFV (Tomato Brown Rugose Fruit Virus) high resistance trait in tomatoes. Tests on the ToBRFV-resistant tomato plants have been completed by several seed companies that licensed the high-resistant lines. Early adopters, both in Europe and the USA, observed high levels of virus resistance in plants infected with local variants. Furthermore, NRGene’s DNA markers (PCR-based) showed excellent correlation with the resistance trait, making them ideal for developing resistant tomato varieties. Based on the company’s experience, it is estimated that the implementation phase of the high-resistance trait will take up to 18 months.

Back in February 2022 NRGene and Philoseed announced that they had successfully mapped DNA regions in wild tomato plants that enhance their resistance to ToBRFV. To date, ten seed breeding companies have licensed and incorporated the seeds harboring the resistance into their elite tomato varieties. Besides Europe, the highly contagious ToBRFV disease is spreading rapidly in Asia, Africa, parts of Mexico, and the United States, endangering the tomato industry worldwide.

Ness Ziona's [NRGene](http://www.nrgene.com) is a Genomics company that provides turnkey solutions. Relying on a vast proprietary database and AI-based technologies, we provide the largest seed and food companies in the world with the computational tools they need to maximize their crop yield, significantly saving them time and cost. Moshav Yashresh's [Philoseed](http://www.philoseed.com) is a tomato breeding company with vast experience in tomato seeds and produce marketing and was established by a group of senior experts from Israel’s leading seed companies. Philoseed integrates tomato seed state-of-the-art know-how in breeding, agro-technology, and production. The company’s goal is to lead the global seed industry in the breeding of novel superior tomato varieties. (NRGene 28.06)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Peugeot Revolutionizes Car Interior Design with Stratasys 3DFashion Technology

Stratasys announced that Peugeot has integrated Stratasys’ innovative 3DFashion technology into the interior of its new Inception concept, achieving a level of resolution that would not have been possible with traditional embellishment methods. Heralding a new era for the Stellantis-owned Peugeot brand and embodying its vision for future electric vehicles. It represents a major change for the marque. The car incorporates an interior design described by the company as ‘revolutionary’, and features advanced materials produced exclusively using Stratasys J850 TechStyle 3D printers.

The vehicle interior of the Inception concept is aligned with Peugeot’s new design architecture for electric vehicles. It features a minimalistic cockpit designed to support the car’s overall objective of reinventing the driver experience. Integral to this experience are immersive seats covered with a velvet made from 100% recycled polyester. This velvet extends onto the floor and features stunning 3D patterns created with Stratasys’ 3D printing technology.

Rehovot's [Stratasys](http://www.stratasys.com) is leading the global shift to additive manufacturing with innovative 3D printing solutions for aerospace, automotive, consumer products, healthcare, fashion and education industries. Through smart and connected 3D printers, polymer materials, a software ecosystem and parts on demand, Stratasys solutions deliver competitive advantages at every stage in the product value chain. (Stratasys 22.06)

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* 1. Cato Networks Recognized as Global Security Service Edge (SSE) Leader

Cato Networks has been awarded the 2023 “Product Leadership Award” by Frost & Sullivan for its Cato SSE 360, a key component of the Cato SASE Cloud platform. The Cato SSE 360 is a cloud-native security platform built using the Cato Single Pass Cloud Engine (SPACE) architecture and converges SWG, NGFW, IPS, NGAM, CASB, DLP, RBI, and ZTNA. The Cato SSE 360 is the only SSE architecture to provide total visibility, optimization, and control of all traffic in all directions while offering enterprises a seamless migration path to a full SASE transformation.

Tel Aviv's [Cato](https://www.catonetworks.com/) provides the world’s most robust single-vendor SASE platform, converging Cato SD-WAN and a cloud-native security service edge, Cato SSE 360, into a global cloud service. Cato SASE Cloud optimizes and secures application access for all users and locations everywhere. Using Cato, customers easily replace costly and rigid legacy MPLS with modern network architecture based on SD-WAN, secure and optimize a hybrid workforce working from anywhere, and enable seamless cloud migration. Cato enforces granular access policies, protects users against threats, and prevents sensitive data loss, all easily managed from a single pane of glass. (Cato Networks 21.06)

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* 1. Outbrain Launches “Onyx” – a New Branding Platform Built to Maximize Attention

Outbrain announced Onyx by Outbrain, a new branding platform designed to maximize business impact of awareness and consideration campaigns. Onyx runs exclusively within dedicated, in-article environments across Outbrain’s premium publisher partners.

Onyx is designed to meet brand objectives and deliver value beyond traditional ‘ad views’ by leveraging Outbrain’s +15 years of technology built to predict user engagement through AI. Onyx features custom large ad formats designed to drive high attention from contextual Pre-Roll Video and High-Impact Display experiences. Initial launch partners include Ford via Xaxis among other brands across the automotive, tech, retail, health and CPG categories. Launched in partnership with Adelaide, a leader in the rapidly growing field of attention-based media quality measurement, Onyx aims to increase campaign effectiveness and ROAS (Return on Ad Spend) for enterprise brands and agencies.

Founded in 2006, Netanya's [Outbrain](http://www.outbrain.com) is a leading technology platform that drives business results by engaging people across the open internet. Outbrain predicts moments of engagement to drive measurable outcomes for advertisers and publishers using AI and machine learning across more than 7,000 online properties globally. (Outbrain 14.06)

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* 1. IAI's MMR Radars Pass Czech Army Military Tests

Israel Aerospace Industries MMR radars, the most advanced air surveillance and air-defense radars in the world, have successfully passed Czech Army military tests. A radar deal was signed with the Czech Defense Ministry in December 2019, and included close industrial cooperation between Israel Aerospace Industries (IAI) and local Czech companies RETIA and VTU. The joint production includes the transfer of technology to local Czech industries for production and lifetime maintenance, and upgrading existing systems to incorporate the world’s most advanced technologies.

The systems supplied to the Czech Republic and those still to be delivered in the coming months are intended to safeguard the Czech people, providing them with the most advanced defense against airborne threats. IAI-ELTA and the local Czech companies have succeeded to develop path-breaking solutions, transferring both knowledge and technology. The radar was successfully integrated into NATO C@ echelons through the Czech C2. The advanced radars to the Czech Republic can simultaneously identify and classify hundreds of targets, drones, missile barrages, rockets, and other new threats in the arena. Israeli radars are compatible with NATO systems and will replace the previously-used but now obsolete radar technology of Russian origin.

An important part of the project is Czech industry involvement in a contract worth some 30% of the total value, which was signed together with the main supply agreement between the Czech and Israeli Ministries of Defense. Under this contract, ELTA Systems has transferred the capability to produce modules that make up the radar antenna, using gallium nitride technology, to its Czech industrial partner, RETIA. The state-owned Military Technical Institute (VTU) is also a partner. An assembly line four radar modules was established in retia which will also provide these modules for call CZ. (IAI 21.06)

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* 1. Nexite Expands Physical Store Digitalization With Latest Connected Retail Platform

Nexite announced new updates to its Connected Retail Platform. This includes improved software and hardware platforms, upgrades to Connected Merchandise, expanded features in Connected Operations, and new offerings in Connected Stores. The new updates will contribute to Nexite's mission to reinvent physical retail stores into live digital experiences that drive profitability, efficiency, and brand loyalty.

Nexite's new features span across important integrations such as mobile self-checkout that enables customers to skip the hassle of checkout lines and staff task management that gives retailers detailed, real-time visibility into stock count on the item level across the chain. These updates allow for optimized store efficiency, inventory management that goes beyond RFID's current abilities, cost reduction, increased localization and better understanding of how customers are interacting with merchandise at the local store level. It also addresses the current challenges around retail employee retention through its ability to empower store associates with the automated tools they need to eliminate tedious, manual tasks.

Tel Aviv's [Nexite](https://nexite.io/)'s pioneering Connected Retail Platform delivers invaluable, first-of-its-kind real-time in-store sales intelligence aligned to customer behavior analytics for sales optimization. Leveraging world class engineering expertise, Nexite's platform comprises battery-free, long-range communication technology that provides a continuous stream of data, automatically and in real-time. Nexite maximizes merchandise performance to drive store revenues for all physical retail markets, and enables completely frictionless shopping including seamless checkout and returns. (Nexite.io 26.06)

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* 1. Electreon Wins the First Electric Road Tender in Norway

Electreon announced that the Transportation Authority of Trøndelag County has selected Electreon's wireless Electric Road System (ERS) as the sole tender winner for charging a bus wirelessly. This tender was planned specifically to evaluate wireless charging products for AtB's BRT routes, and the unique geographic and climatic conditions of Trondheim. The project deployment will begin in the summer of 2024. The initial phase will include an Electric Road section, located on a public road next to AtB AS main bus depot, and will involve a comprehensive series of tests, and thorough evaluation of Electreon's charging capabilities in both drive and stop modes. These meticulous tests aim to demonstrate Electreon's resilience and reliability, guaranteeing its ability to perform optimally in real-world conditions as a key energy provider for AtB's BRT lines. This project marks the initial phase of AtB's preparation for its Metro/BRT bus contract.

While some bus models are well-suited for the extensive local public bus network ridership in Trondheim, electrifying these vehicles in the city presents unique localized challenges. The long routes require the double-articulated e-bus model to carry several tons of batteries, which adds to their cumbersome nature and minimizes the environmental benefits of transitioning to e-buses. Moreover, the hilly terrain of the region significantly increases vehicle energy consumption. Additionally, Trondheim, situated around 650 km from Oslo in Norway, experiences substantial climatic variations, ranging from a humid continental to a subarctic climate. This fluctuating weather poses an additional obstacle to the electrification of the e-bus fleet, as the vehicles require extra energy for heating and cooling. However, by utilizing Electreon's ERS product to electrify the bus route, it becomes possible to reduce the size of the bus's battery, increasing the sustainability of the project. Furthermore, the system is designed to charge the buses reliably in any weather or terrain conditions, enhancing the overall efficiency and resilience of the electrification endeavor.

Beit Yannai's [Electreon](http://www.electreon.com) is a provider of wireless charging solutions for electric vehicles (EVs), providing end-to-end charging infrastructure and services, to meet the needs and efficiency demands of shared, public, and commercial fleet operators and consumers. The company's proprietary inductive technology dynamically (while in motion) and statically (while stopped) charges EVs quickly and safely, eliminating range anxiety, and reducing battery capacity needs-making it one of the most environmentally sustainable, scalable, and compelling charging solutions available in the market today. (Electreon Wireless 26.06)

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* 1. Beamr Announces Beta Release of its Video Optimization Service

Beamr Imaging announced the first beta version of its highly anticipated video optimization service. Beamr’s new file-to-file optimization service aims to bring cutting-edge technology. As part of the beta launch, Beamr is offering a free trial for users to test the service. During this phase, users will have the opportunity to process video content for free until reaching savings of 100GB. This will enable them to experience the remarkable benefits of the Beamr optimization service first hand. To access the beta version, users can register for the cloud-based application programming interface (API) and find the accompanying documentation on the Beamr service. These APIs will make our service easy and safe to use and also enable our customers with automation at large scale.

One of the key advancements that sets Beamr's service apart from others is the integration of the Emmy award-winning CABR technology which guarantees video quality while reducing the video file size significantly.

Herzliya's [Beamr](http://www.beamr.com) is a world leader in content adaptive video solutions. Backed by 53 granted patents, and winner of the 2021 Technology and Engineering Emmy® award and the 2021 Seagate Lyve Innovator of the Year award, Beamr's perceptual optimization technology enables up to a 50% reduction in bitrate with guaranteed quality. (Beamr Imaging 26.06)

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* 1. Weebit Nano’s ReRAM IP Fully Qualified in SkyWater Technology’s S130 Process

Weebit Nano Limited and Bloomington, Minnesota's SkyWater Technology, the trusted technology realization partner, confirm Weebit Resistive Random-Access Memory (ReRAM) IP has been fully qualified for industrial temperatures employing SkyWater’s 130nm CMOS (S130) process, including third party processing.

The full qualification confirms the quality, repeatability and reliability of Weebit’s embedded ReRAM module, when SkyWater customers use Weebit’s proven non-volatile memory (NVM) IP in volume production. The qualification used demo chips produced by SkyWater which integrate Weebit ReRAM IP. The tests were performed per the JEDEC industry standards for NVMs which impose rigorous testing of many silicon die blindly selected from three independent wafer lots.

Weebit ReRAM IP is an embedded module with a complete set of EDA views and collateral compatible with the industry leading design flows to enable smooth integration by SoC architects. The module in S130 includes a 256Kb ReRAM array, control logic, decoders, IOs (Input/Output communication elements) and error correcting code (ECC). Its scalable, modular design enables customization according to a customer’s specific design requirements (e.g., memory density, word size, system interface).

Hod HaSharon's [Weebit Nano](http://www.weebit-nano.com) is a leading developer of advanced semiconductor memory technology. The company’s 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 and artificial intelligence. (Weebit Nano 28.06)

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* 1. Israel Unveils the Namer 1500 Next-Generation APC Armored Personnel Carrier

In a significant development, the Israeli Ministry of Defense (MoD) introduced its newest addition to the Namer APC (Armored Personnel Carrier) family: the Namer 1500. This state-of-the-art vehicle has been recently delivered to the Israeli Defense Forces (IDF). The Ministry believes that this new addition to the Namer APC family will significantly boost the operational efficiency of the IDF and ensure superior protection for its personnel.

The Namer 1500 is the result of extensive work from the Tank & APC Directorate at the Israeli MoD. Highlighting a leap forward in military vehicle technology, the Namer 1500 is equipped with a powerful 1500 horsepower engine, marking a significant increase in power and speed over its predecessor. Besides the impressive power upgrade, one of the most striking features of the Namer 1500 is its cutting-edge touchscreen technology. The vehicle offers a significant technological upgrade designed to enhance the operator's interface, ensuring more efficient and effective vehicle control in the most challenging conditions.

The introduction of the Namer 1500 demonstrates the Israeli MoD's ongoing commitment to innovation and enhancing the capabilities of the IDF. As conflict scenarios evolve and technology advances, the need for more robust, versatile, and technologically advanced military equipment becomes even more paramount. With the Namer 1500 now in service, the IDF is more equipped than ever to navigate the complex challenges of modern warfare, maintaining Israel's reputation as a leader in defense technology.

The advanced protection capabilities of the Namer 1500 are one of its standout features. With an enhanced armor design that surpasses even the heavily fortified Merkava IV tanks, the Namer 1500 joins the ranks of the most heavily armored vehicles worldwide. This strategic improvement ensures maximum safety for its personnel in contemporary battlefields. Boosting its maneuverability and response speed, the Namer 1500 boasts a robust 1500 horsepower engine, a significant upgrade from previous models. This enables the APC to efficiently traverse diverse terrains and rapidly respond to escalating situations. (IMOD 23.06)

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* 1. Red Access Features the World's First Agentless Secure Browsing Platform

Red Access announced the world's first true agentless secure browsing platform suited for hybrid work environments. The Red Access agentless browsing security platform is browser-agnostic, giving company workforces the ability to use any web browser they want and benefit from enterprise-grade secure browser defense capabilities. Red Access' agentless architecture also extends the same defense capabilities to desktop web applications, which are also susceptible to browsing risks.

The Red Access agentless browsing security platform grants defense capabilities and coverage that secure enterprise browsers and secure browsing extensions simply cannot match. As an agentless solution, Red Access does not require additional remote enablement tools such as VPN and VDI to operate outside of a company's security perimeter.

Tel Aviv's [Red Access](https://redaccess.io/%E2%80%8E) secures the hybrid enterprise with the first agentless browsing security platform, introducing a non-disruptive way to protect devices and browsing sessions in and outside of the office. Red Access helps companies secure all their employees' browsing activities, across any browser, web app, device and cloud service enabling a fully agnostic, seamless user experience and easy management, without hampering productivity or requiring the installation of a browser or extension. (Red Access 28.06)

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* 1. OTORIO Transforms OT Security with Advanced Attack Graph Analysis

OTORIO announced a significant advancement in OT security with the availability of its Attack Graph Analysis technology, integrated into the company's powerful Cyber Digital Twin (CDT) model. By leveraging the capabilities of the CDT, organizations can now gain dynamic visual network topology and advanced risk assessment, enabling the proactive management of vulnerabilities in their OT infrastructure. This announcement follows the company's recent securing of a patent from the U.S. Patent and Trademark Office (USPTO) for its risk management model and attack graph analysis algorithm.

OTORIO's Cyber Digital Twin and Attack Graph Analysis overcome challenges. The CDT consists of an automated, secure, and logical representation of the operational network, its entities, and their interrelationships. It acts as a sandboxed model of the operational environment, enabling safe breach and attack simulations (BAS) as well as data-driven impact analysis. Once the relationships between the entities have been established, the CDT algorithm generates an Attack Graph: a visualization of all network assets, vulnerabilities, and connections that show segmentation gaps and potential attack vectors targeting critical assets and processes. By calculating risk across all assets, threats, and scenarios, it enables businesses to continuously assess, monitor, and proactively protect their critical OT systems. Attack Graph Analysis empowers organizations to prioritize their security efforts by providing actionable insights into the most critical vulnerabilities and potential attack vectors. By identifying and visualizing the high-risk areas within their OT infrastructure, businesses can allocate resources more efficiently and stay ahead of emerging threats.

Tel Aviv's [OTORIO](http://www.OTORIO.com) has pioneered an industrial-native OT security platform that enables its customers to achieve an integrated, holistic security strategy for industrial control systems (ICS) and cyber-physical systems (CPS). Together with its partners, OTORIO empowers operational security practitioners to proactively manage cyber risks and ensure resilient operations. (OTORIO 28.06)

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* 1. Cato Networks Revolutionizes Network Security with Machine Learning Protection

Cato Networks introduced real-time, deep learning algorithms for threat prevention as part of Cato IPS. The algorithms leverage Cato's unique cloud-native platform and vast data lake to provide highly accurate identification of malicious domains, which are often used in phishing and ransomware attacks. In testing, the deep learning algorithms identified nearly six times more malicious domains than reputation feeds alone.

Cato's real-time, deep-learning algorithms prevent access to DGA-registered domains by identifying those new domains infrequently visited by users and with letter patterns common to DGAs. They block cybersquatting by hunting for domains with letter patterns similar to well-known brands. The algorithms stop brand impersonation by examining parts of the webpage, such as the favicon, images and text.

[Cato](https://www.catonetworks.com/) provides the world's most robust single-vendor SASE platform, converging Cato SD-WAN and a cloud-native security service edge, Cato SSE 360, into a global cloud service. Cato SASE Cloud optimizes and secures application access for all users and locations everywhere. Using Cato, customers easily replace costly and rigid legacy MPLS with modern network architecture based on SD-WAN, secure and optimize a hybrid workforce working from anywhere, and enable seamless cloud migration. (Cato Networks 27.06)

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* 1. Tabnine's Chat Boosts Developer Productivity Through AI

Tabnine announced it is extending its platform with Tabnine Chat, an AI code assistant that writes code and answers questions against organizations’ codebase. Built with security at the forefront, Tabnine Chat combines the latest large language models (LLMs) with codebase familiarity to transform organizations’ entire software development experience and help developers create business outcomes faster. This comes on the heels of Tabnine being highlighted as one of the two leading AI developer tools in the market in Stack Overflow’s 2023 Developer Survey.

With the launch of Tabnine Chat, Tabnine now brings the capabilities of chat into a secure and managed solution for organizations. Tabnine Chat allows organizations to train on permissive code only and run isolated, all while leveraging enterprise knowledge. This reflects the next step as Tabnine continues to expand beyond code completion to bolster developer productivity, and deliver on its vision to support developers with AI at every step of the development lifecycle.

Tel Aviv's [Tabnine](https://www.tabnine.com) is the pioneer in AI-powered software development. With more than one million monthly users and hundreds of thousands of daily active users, Tabnine boosts code quality and developer happiness using generative AI technology to automate the coding workflow. (Tabnine 29.06)

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* 1. Perception Point Unveils New AI Model to Thwart Generative AI-Based BEC Attacks

Perception Point revealed its latest detection innovation, developed to counter the emergent wave of AI-generated email threats. The AI-powered technology leverages Large Language Models (LLMs) and Deep Learning architecture to effectively detect and prevent Business Email Compromise (BEC) attacks, a cyber threat which is currently undergoing a seismic shift due to the rise of Generative AI (GenAI) technologies.

In response to escalating threats, Perception Point has developed an LLM-based detection model, innovatively harnessing the power of Transformers, AI models capable of understanding the semantic context of text - mirroring the technology behind popular LLMs like OpenAI's ChatGPT and Google's Bard. This approach enables Perception Point's solution to identify the unique patterns in LLM-generated text, a critical factor in detecting and thwarting GenAI-based threats - a task traditional security vendors fail to achieve using contextual and behavioral analysis.

The model processes incoming emails at an average of 0.06 seconds, aligning with Perception Point's ability to dynamically scan 100% of content in near real-time. It has initially been trained on hundreds of thousands of malicious samples caught by Perception Point and is continuously updated with new data to maximize its effectiveness.

Tel Aviv's [Perception Point](https://perception-point.io/%E2%80%8E) is a Prevention-as-a-Service company for the fastest and most accurate next-generation detection and response to all attacks across email, cloud collaboration channels, and web browsers. The solution's natively integrated incident response service acts as a force multiplier to the SOC team, reducing management overhead, improving user experience and delivering continuous insights; providing proven best protection for all organizations. (Perception Point 29.06)

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* 1. SuperCom Incorporates Advanced AI Capabilities in Its Electronic Monitoring Offerings

SuperCom announced the integration of cutting-edge Artificial Intelligence (AI) capabilities into its PureSecurity electronic monitoring platform. The new AI incorporated abilities, once launched to customers, can empower them to achieve unparalleled levels of efficiency and effectiveness through new real-time data insights and enhanced decision-making processes.

SuperCom is leveraging its extensive technology expertise to implement groundbreaking AI technologies into various parts of its core offerings. By leveraging the power of AI, SuperCom's PureSecurity platform can offer new abilities such as amplified data analysis, predictive modeling, and streamlined automation, geared towards optimizing decision-making and operational efficiency. These new AI capabilities, on top of Supercom's existing state-of-the-art monitoring solutions, can help SuperCom further revolutionize tracking and monitoring offender processes by automating tasks, providing advanced data analysis, and enabling predictive monitoring to enhance operational efficiency and program effectiveness.

Since 1988, [SuperCom](https://www.supercom.com/%E2%80%8E) has been a global provider of traditional and digital identity solutions, providing advanced safety, identification and security solutions to governments and organizations, both private and public, throughout the world. Through its proprietary e-Government platforms and innovative solutions for traditional and biometrics enrollment, personalization, issuance and border control services, SuperCom has inspired governments and national agencies to design and issue secure Multi-ID documents and robust digital identity solutions to its citizens and visitors. (SuperCom 29.06)

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* 1. SmartShooter Unveils a New Counter-Drone Solution

Kibbutz Yagur's [SmartShooter](https://www.smart-shooter.com/) unveiled a new technology combination it says could effectively counter small unmanned aerial systems (sUAS). The new counter-drone system features the integration of the Hopper Remote Controlled Weapon Station (RCWS) with DRS RADA’s MHR radar. According to the firm, the Hopper RCWS provides military operators with the ability to remotely engage sUAS, keeping them out of harm’s way. Meanwhile, the MHR, or Multi-Mission Hemispheric Radar, can detect drones more than 25 kilometers (15.5 miles) away.

SmartShooter says both systems are already operational separately, but combining them can offer a new counter-drone solution that meets the needs of armed forces around the world. Although it has already been shown to the public, the solution is reportedly not yet operational as additional work needs to be done.

The Hopper RCWS, which can be fitted to a tripod, vehicle, or maritime vessel, utilizes a 5.56-millimeter or 7.62 caliber rifle to engage targets based on a remote operator’s commands. The MHR radar can help target acquisition by alerting combat units and providing a prioritized queue of targets based on range to identify which to engage first. (SmartShooter 30.06)

ISRAEL ECONOMIC STATISTICS

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* 1. Israeli Startups Raised Only $1.78 Billion in Second Quarter

Israeli tech companies raised $1.78 billion in the second quarter of 2023, down 65% from the second quarter of 2022, [IVC-LeumiTech](https://www.ivc-online.com/) reported in their Israeli Tech Review for Q2/23. IVC-LeumiTech reported that the money in the second quarter of 2023 was raised in just 100 deals, 48% lower than in the second quarter of 2022. However, the amount raised in the second quarter of 2023 was 2% higher than the $1.75 billion raised by tech companies in the first quarter of 2023 - the first time in six consecutive quarters that the downward trend has been halted.

The report also mentions the scarcity of very large financing rounds with very few financing rounds above $100 million. The exception in the second quarter was Upstream Bio, which raised $200 million. Despite the general downward trend, the data indicate that investments in Israeli tech companies has not completely stopped, and there are still smaller-scale transactions taking place. (IVC-LeumiTech 28.06)

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* 1. Israeli Exports of Carrots & Potatoes Breaking Records

The export of carrots and potatoes from Israel is breaking record numbers this year. The impressive export figures are a result of global warming that is causing drought in Spain, Portugal and Italy, and provided a wet winter that was enjoyed by Israeli farmers. Israel's potato exports grew from 140,000 tons to 200,000 tons and the price for farmers rose by 10%. Meanwhile, carrot exports jumped from 15,000 tons to 50,000 tons and the prices were up by 20% compared to last year.

Russia had been Israel's largest export market for potatoes and carrots until the invasion of Ukraine in February 2022, but due to the war the produce was not able to arrive at its destination, the Russian ruble plummeted and importers were unable to pay in foreign currency. Tomato paste exports also rose this year and farmers supplying the local markets saw a growth in sales after Turkish President Erdoğan opted to export his produce to Europe.

Israel's vegetable industry is spread over approximately 550,000 dunams, and includes a wide variety of crops in open areas and under protected conditions in green houses in all regions of the country and in all seasons, which allows continuous vegetable production throughout the year, according to the Agricultural Ministry. In 2020, the volume of vegetable production was about 2.3 million tons, intended for fresh consumption in the domestic market, for industrial processing and export. (Ynet News 22.06)

IN DEPTH

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* 1. LEBANON: IMF Executive Board Concludes 2023 Article IV Consultation with Lebanon

On 29 June, the Executive Board of the [International Monetary Fund (IMF)](http://www.imf.org/) announced its conclusion of Article IV consultations with Lebanon.

Lebanon has been facing an unprecedented sovereign-banking-currency crisis, which is ongoing for more than three years. Since the onset of the crisis, the economy has contracted by about 40%, the Lebanese lira has lost 98% of its value, inflation has been at triple-digits, and the central bank has lost two thirds of its foreign exchange (FX) reserves.

Although the economy showed some signs of stabilization in 2022, it remains severely depressed. The stabilization was supported by the expiration of COVID measures, a rebound in tourism, strong remittances inflows, and a gradual improvement in terms of trade in the second half of the year. Still, high uncertainty, banking sector restrictions, and expensive and very limited electricity supply continue to hinder economic activity. Following the dramatic exchange rate depreciation in Q1/23, cash dollarization increased and inflation accelerated to 270% y-o-y in April 2023. The fiscal deficit is estimated to have widened to 5% of GDP in 2022, due to collapsing revenues. The current account deficit is estimated to have widened to almost 30% of GDP on account of surging imports, while foreign domestic investment (FDI) has remained depressed, as have been other financial inflows.

The economic outlook is highly uncertain and depends on the authorities’ policy actions. Decisive implementation of a comprehensive economic recovery plan could steadily reduce imbalances and provide a policy anchor that will help restore confidence and facilitate return to growth. However, the continuation of the status quo presents the largest risk to the outlook. Further delays of reforms will keep confidence low and cash dollarization of the economy will increase. The exchange rate will continue to depreciate, keeping inflation high. Economic activity will move into informal sectors, further complicating the collection of fiscal revenues. BdL, saddled with unaddressed losses and a lack of credibility, will continue to lose international reserves. Emigration, especially among skilled professionals, may gain pace, undermining future growth. Investment into physical capital will be limited. Banks will not be able to meaningfully extend credit and real growth will remain subdued. The external position will be highly volatile, with limited aid from multilateral and regional partners. Public debt will remain unsustainable as restructuring is unlikely to proceed in the absence of reforms, severely limiting the government’s ability to borrow. Provision of services by the state will be limited, as low revenues and lack of financing will force further expenditure compression (capital investment, employment, and wages). Social conditions will become increasingly untenable.

**Executive Board Assessment**

Executive Directors agreed with the thrust of the staff appraisal. They expressed serious concern that, for more than three years, Lebanon’s deep and multifaceted crisis has led to a dramatic deterioration in economic and social conditions. While acknowledging the complex political setting, Directors regretted the very limited policy action taken to address the crisis. They highlighted the risks and surging costs from further delays and urged decisive implementation of a comprehensive reform plan to resolve the crisis and bring about a sustainable recovery. Directors stressed the critical role that donor support could play in stabilizing and reviving the economy, once reforms start to be implemented. They looked forward to deeper engagement with the Fund and other key stakeholders to support the urgent reform efforts and humanitarian needs.

Directors underscored that credible restructuring of the financial system is the key to restoring its health and viability. They called for upfront actions to address the exceptionally large losses and stressed the importance of protecting small depositors to the extent possible. A number of Directors saw merit in exploring additional options to provide some additional protection to depositors within the agreed principles, which could support restructuring efforts. Directors emphasized that the recourse to public resources should be limited and consistent with the debt sustainability objective. They underscored the importance of addressing weaknesses in the Banking Secrecy Law and strengthening the institutional framework of the central bank.

Directors stressed the criticality of reducing high inflation, addressing the sharp exchange rate depreciation and rebuilding the credibility of the central bank. They recommended tight monetary policy and strong efforts to prohibit central bank financing to the government. Directors underscored that unifying the official exchange rates would support more orderly monetary policy, reduce pressures on central bank reserves, and help increase fiscal revenue.

Directors emphasized that medium-term fiscal consolidation, accompanied by debt restructuring, is necessary to restore fiscal sustainability and create space for social and development spending. They called for prompt adoption of a credible 2023 budget underpinned by tax and revenue administration measures to support urgent social and development spending. Going forward, Directors highlighted the need for comprehensive revenue mobilization measures and efforts to improve public administration and spending efficiency. They underscored that a modern PFM law would help define stronger practices and support consolidation.

Directors called for ambitious structural reforms to address Lebanon’s long-standing weaknesses and engender stronger growth. Noting the importance of limiting fiscal risks, Directors recommended measures to improve the governance and operational viability of state-owned enterprises and reform the pension system. They underscored the need to implement electricity sector reforms and improve the operational performance and financial sustainability of the electricity provider. Directors highlighted that regaining public trust would necessitate steps to enhance governance, anti-corruption, and AML/CFT standards and practices. (IMF 29.06)

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* 1. IRAQ: How China Dominated Iraq's Solar Energy Market

Al-Monitor reported on 26 June that Iraq's continuing struggles to provide domestic electricity are connected to geopolitics, including relations with Iran, the US and the Gulf States.  China has recently joined this scramble, albeit differently. As China’s climate change strategy evolves at home, the country dominates the world market for solar energy, especially in the global south. This shift, according to John Calabrese, a senior fellow at the Middle East Institute, “could portend a larger role for China in the MENA region’s growing renewables sector, especially in solar power production.” Thanks to China, solar energy in Iraq and Iraqi Kurdistan is becoming a reality on the official government levels as well as on corporate and individual levels.

The Iraqi government wants to produce up to 12 GW of solar energy by 2030. The current Iraqi cabinet approved a $520.23 million proposal for a solar power plant with Power China in the country's southern Muthanna and Basra provinces. In May, Kurdistan Regional Government Prime Minister Barzani laid the foundation for a 25 MW power plant. Earlier, the Kurdistan region signed two deals for solar power projects in Erbil and Duhok. When the former consul general of China to Erbil met with the Kurdistan region minister of electricity, he remarked that Chinese companies are ready to invest in solar energy in the region.

Iraqi Kurdistan became more aware of solar energy around 2016, when China’s solar technology was coming to the international market. Chinese policies and growing domestic demand have enabled economies of scale and supported continuous innovation throughout the supply chain. The resulting cost decline of more than 80% has made China the only source for most solar technologies.

The chronic inability of the Iraqi and Kurdistan governments to cope with the soaring demand for electricity made solar a viable alternative source. Since the materials are affordable, accessible, and easy to import from China,  small and medium-sized solar companies have mushroomed, especially in installation and supplies.

Iraq and Kurdistan still need big companies to invest in this area, but there are a number of legal, cultural and bureaucratic barriers. The absence of a public-private partnerships law hinders companies from investing. Consumers resent paying a higher price, and the current price is not profitable. Red tape is another problem. As an Iraqi official put it, "Acquisition procedures in Iraq are extremely complicated. It needs authorizations from at least 16 ministries and government bodies — Heritage, the Ministries of Culture, Environment, Defense, etc."

Chinese advances in solar technology will alter China's reputation in a variety of ways, such as by increasing trust in Chinese high-tech. This will strengthen China's soft power strategy, and extend its economic influence — already prevalent in Iran, Syria and the Gulf — into Iraq. (Al Monitor 26.06)

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

On 26 June, the Executive Board of the [International Monetary Fund (IMF)](http://www.imf.org/) announced it concluded the 2022 Article IV consultation with the United Arab Emirates.

UAE economic growth strengthened in 2022, benefitting from a rapid and effective COVID response, supportive fiscal measures, and the benefits of earlier social and business-friendly reforms. Overall growth is expected to reach 6.9% in 2022, with non-hydrocarbon GDP growth of 5.3% and hydrocarbon GDP is expected to grow by 11.1% in 2022, following the OPEC+ agreement.

Inflation has risen with global trends but is expected to ease to 3.4% in 2023. Fiscal and external surpluses are expected to remain high on the back of elevated oil prices. Banks are adequately capitalized and liquid overall, but nonperforming loans remain elevated, albeit down from recent peaks, and real estate prices have risen sharply in some segments. Major efforts have been advanced under the National AML/CFT Strategy and Action Plan to further strengthen the regulatory regime to ensure its effectiveness, in line with the enhanced monitoring under the Financial Action Task Force recommendations.

The economic outlook remains positive, supported by strong domestic activity. Overall GDP is projected to grow at 3.6% in 2023, with non-hydrocarbon growth of 3.8% driven by continued tourism activity and increased capital expenditure. Nevertheless, the outlook is subject to significant global uncertainties, including weaker growth, tighter financial conditions and geopolitical developments. The implementation of enhanced UAE reform efforts poses upside risks to medium-term growth.

Strong reform efforts continue under the UAE 2050 strategies. Advancement on Comprehensive Economic Partnership Agreements (CEPAs) will boost trade and integration in global value chains and further attract Foreign Direct Investment (FDI). In addition, the benefits of artificial intelligence and digitalization and investments in enabling infrastructure will further support economic diversification, foster a smooth energy transition, and help address vulnerabilities from global decarbonization efforts. Long-term vulnerabilities from global decarbonization efforts are being addressed through commitments to climate initiatives and a balanced approach to energy transition.

**Executive Board Assessment**

Executive Directors commended the authorities’ effective COVID response, timely policy actions and structural reform implementation, leading to strong growth, further supported by high oil prices. However, in the context of significant global uncertainties and risks, Directors encouraged the authorities to further solidify the fiscal position and further strengthen the financial sector, diversify the economy, and continue implementing reforms necessary to achieve the UAE’s ambitious green transition goals.

Directors encouraged maintaining a prudent fiscal stance in the near term, while ensuring targeted support to those most in need and considering a well-communicated withdrawal of remaining crisis-related macro-financial support. They noted that additional fiscal reforms would broaden and diversify the revenue base and support a smooth adjustment to a lower carbon future. In this regard, Directors welcomed progress to enhance non-hydrocarbon revenue, including through the corporate income tax, and called for continued improvements to expenditure efficiency. They underscored the importance of embedding fiscal reforms in a credible medium-term fiscal framework, underpinned by stronger coordination of emirate-specific fiscal frameworks, including to support modest growth-friendly annual consolidation. Directors also stressed the importance of continuing efforts to improve fiscal transparency and strengthen governance and accountability by publishing general government, emirate- and federal-level fiscal data.

Directors stressed that ensuring financial system health is critical to guard against risks and foster medium-term growth. Although overall bank balance sheets remain healthy, continued close monitoring of financial stability risks and further strengthening of macroprudential frameworks is warranted, including given the high level of nonperforming loans, tightening financial conditions and banks’ exposures to the real estate sector. Directors welcomed the major efforts under the National AML/CFT Strategy and Action Plan and encouraged continued actions to further strengthen the regulatory regime in line with the enhanced monitoring under the Financial Action Task Force. To further assess the resilience of the financial sector, they encouraged the authorities to request a Financial Sector Assessment Program update.

Directors welcomed the UAE’s ambitious structural reform agenda, including significant investment in digital and green initiatives to further advance diversification and support a smooth energy transition to a lower carbon future. These efforts could be further enhanced with additional measures to improve the business environment and modernize the labor market, including by continuing to encourage greater female participation. Directors welcomed the ongoing development of trade and economic partnerships, which are expected to boost the UAE’s productivity and competitiveness over time. They encouraged continued improvements in the collection and timely dissemination of economic data to buttress the authorities’ reform efforts. (IMF 26.06)

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* 1. OMAN: Oman Set to Be a Middle East Leader in Green Hydrogen

Jack Dutton reported in [Al-Monitor](https://www.al-monitor.com) on 22 June that the International Energy Agency said earlier this month that Oman is looking to significantly increase its domestic production of hydrogen from renewable electricity.

Hydrogen Oman (Hydrom) has signed agreements to develop two green hydrogen projects worth $10 billion, the Oman News Agency reported, as the sultanate expands its presence in the sustainable energy sector. Hydrom is a subsidiary of Energy Development Oman, an organization established in December 2020 at the behest of the sultan to focus on growing the country’s energy sector.

The first agreement was signed between the POSCO-ENGIE (MESCAT Middle East DMCC) consortium and other consortium partners including Samsung Engineering, Thai national petroleum company PTTEP and Korean utility companies Korea East-West Power Co. and Korea Southern Power Co. The other green hydrogen deal was with the Hyport Duqm consortium, comprising Belgium-based international contractor and developer DEME and Omani energy company OQ. The total estimated production of the two projects will be 250,000 metric tons of green hydrogen or 6.5 gigawatts of renewable energy capacity.

Earlier in June, Hydrom signed three deals granting the first green hydrogen blocks in Oman, with total investments projected to exceed $20 billion.

Green hydrogen has many uses. It can be transformed into electricity or synthetic gas in a much more sustainable way than traditional methods. With these projects, Oman is positioning itself as one of the world’s leaders in green hydrogen, in a region with ample potential to develop the product. The International Energy Agency (IEA) said earlier this month that Oman, a country whose economy has traditionally been dependent on hydrocarbons, has a net zero target by 2050 and looks to significantly increase its domestic production of hydrogen from renewable electricity.

“The country is well placed to produce large quantities of renewable hydrogen and hydrogen-based fuels like ammonia thanks to its high-quality renewable resources,” the IEA said in a report. “Oman has also vast amounts of land for large-scale project development and existing fossil fuel infrastructure that can be used or repurposed for low-emission fuels,” it added. “Oman can become a competitive producer and exporter of renewable hydrogen and ammonia already by the end of this decade, while simultaneously increasing the share of renewables in its power mix.”

Karen Young, a senior research scholar at the Center on Global Energy Policy at Columbia University, said there were several projects in the region to generate green hydrogen and create derivative products, most importantly ammonia, from green hydrogen. Young, who recently released her book "The Economic Statecraft of Gulf Arab States," pointed out that Oman is not yet the most significant green hydrogen player in the region. “If you look at project plans by expected investment dollars, Egypt has actually the largest in the planning and procurement phases and there are sizable projects in Saudi Arabia, UAE and Morocco as well,” Young told Al-Monitor, referring to data from MEED.

That data shows that Egypt has a green hydrogen project pipeline of investment worth $83.45 billion, with Oman following at $55.41 billion. Morocco, Saudi Arabia and the UAE follow, with $16.85 billion, $13 billion and $12.08 billion of investment, respectively. One example of significant green hydrogen investment is in Saudi Arabia’s giga project NEOM, which in May closed $8.4 billion in financing to create green hydrogen-based ammonia. The deal involves industrial gases company Air Products buying the green ammonia for 30 years at an agreed-upon price.

Robin Mills, CEO of Qamar Energy, told Al-Monitor, “Saudi Arabia has the most advanced MENA green hydrogen project (NEOM), but Oman has more in number and total volume under development, depending on how many actually make it through to investment decisions. We are currently tracking nearly 3.2 million tons of Oman green hydrogen capacity, while NEOM is 0.22 million tons per year.”

He said that although the IEA report is encouraging for Oman, the country is already active in this sphere and the key hydrogen players are already aware of its potential. Oman has projects under development by Shell, BP, Acme (India), Intercontinental, POSCO-ENGIE and others, Mills said.

Young said that the market for green hydrogen will continue to develop in tandem with large projects that may decide to create zero-carbon or low-carbon ammonia or even methanol, depending on how the technology evolves to use these as transportation fuels and in other products. But she noted that Oman’s new green hydrogen projects have already attracted a diverse set of international investors with a consortium including Belgian, South Korean and Thai companies. (Al-Monitor 22.06)

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* 1. MOROCCO: New Prospects for Clean Energy Development

Anas Mazour wrote on 20 June in [Sada](https://carnegieendowment.org/sada/) that researchers in Morocco are studying ways to use solar and wind energy for a faster transition to a green economy.

With a favorable environment for climate-friendly investment, Morocco will likely soon become a center for green industrial energy production. This comes following decades of high energy dependence on external energy sources, which even in 2022 accounted for 90% of Morocco’s energy needs. Currently, Morocco is betting on renewables to strengthen its energy sovereignty, reduce the cost of energy, and position itself in the carbon-free economy in the coming decades.

According to Abderrahim Ksiri, national coordinator of the Moroccan Coalition for Climate and Sustainable Development and a member of the Moroccan Economic, Social and Environmental Council, Morocco has made a great effort in the field of renewable energies compared to other developing countries. In 2009, Ksiri initiated the development of the country’s energy transition strategy. As he explains in the, this strategy was designed to enable Morocco to exploit its unique potential: the country can produce 500 terawatts hours of clean energy every year, between wind energy (350 terawatt hours) with a minimum storage rate of 5000 hours per year, and solar energy (150 terawatt hours) with a minimum storage rate of 2500 terawatts per hour.

Experts at the Moroccan Economic, Social and Environmental Council believe that the energy transition, with its various components, cannot succeed unless it is accompanied by real industrial integration. In general, when developing and implementing industrial projects, it is necessary to ensure technological ownership and utilize local expertise. To achieve this goal, several scientific research teams at Moroccan universities are seeking to devise ways to produce sustainable, low-cost electricity.

Led by Professor Abdelkader Otzogit at Cadi Ayyad University in Marrakech, one of these teams is developing new innovative projects in the field of green technology industries. Preliminary research enabled the team to manufacture solar cells—which absorb sunlight and convert it into electrical energy—from low-cost local natural materials, but they are not yet efficient enough to be marketable for electricity production.

Idriss Ait El-Hajj, a self-financed Moroccan inventor, has also designed and manufactured solar cells for products that citizens and professionals in various sectors can use in their daily lives. These include a solar-powered cleaning cart, for which El-Hajj became well-known in Morocco. Commenting on this achievement, Ksiri says that many sources of innovation must all be mobilized. It is not enough, he explains, just to produce energy and supply it directly to homes or to the national electricity grid, because many machines operate by consuming energy directly.

Morocco is currently one of the most water-scarce countries in the world, where annual supplies are falling to 500 cubic meters of water per person per year—the threshold of absolute water scarcity. More frequent and severe droughts are also a major source of macroeconomic volatility: decreased crop yields due to climate change could lead to a 6.5% decline in GDP.

Yet Morocco has exceptional resources of wind and solar energy on land, and there is as much, if not more potential for the development of off-shore wind energy. Investing in this potential will place Morocco among the ranks of the largest clean energy-producing countries.

*Anas Mazour is a journalist and the producer of Sada’s documentary, “Morocco: New Prospects for Clean Energy Development”.* (Sada 20.06)

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* 1. MOROCCO: Dry Winters and Scorching Springs: Climate Change in Morocco

Soukina Nait El-Rayes posted in [Sada](https://carnegieendowment.org/sada/) on 22 June that as one of the most-affected countries in North Africa, Morocco has moved to adapt to and mitigate the effects of climate change, but many difficulties lie ahead.

This past spring, Morocco witnessed an unprecedented heat wave. While the season is usually characterized by gradual warming, starting from the last week of April and continuing through May, temperatures ranged between 37 and 45 degrees Celsius in the kingdom’s central and southern provinces. According to data issued by the General Directorate of Meteorology, the intense heat recorded in some Moroccan cities exceeded the seasonal average by 5 to 13 degrees Celsius.

The immediate cause of these unusually high temperatures was a southeastern current that brought hot, dry air from the Sahara to Morocco. The heat wave was also preceded by a notably dry winter, in addition to a significant decline in annual rainfall over the past five years. As a result, Moroccan dams are currently only filled to a third of their capacity, according to official government data released this month.

**Closely Correlated with Climate Change**

Mostafa Benramel, an environmental and development expert in Morocco, believes that these disturbing conditions—especially the lack of rainfall during the winter and high temperatures in the spring—are primarily caused by climate change.1

According to Benramel, sporadic precipitation during the winter months has not been sufficient to meet the needs of the country. This exacerbates an already worrisome situation of water scarcity, where the little rainwater Morocco receives is lost to river runoff that drifts into the sea. The rise in temperatures, on the other hand, is linked to the increase in the proportion of human-emitted greenhouse gases in the atmosphere, as well as the disappearance of a large proportion of carbon-absorbing forests and the high rate of urbanization.

Drought and disappearing natural resources—the direct outcome of extreme weather phenomena in Morocco—has also negatively impacted the agricultural sector, including irrigation and animal husbandry practices, not to mention the wider loss of biodiversity. The variety and intensity of the effects of climate change in Morocco necessitate urgent, concrete measures to confront it.

**Towards Climate Resiliency**

To withstand the effects of climate change, Morocco has made a significant effort to promote the use of renewable energy. The Noor Power Station in Ouarzazate, for example, is one of the largest solar projects in the world, and the government has also encouraged the provision of clean energy from wind and hydraulic sources. These projects aim to reduce greenhouse gas emissions by 42% in Morocco by 2030, while also motivating citizens to use clean modes of transportation. Additionally, the country is working to enhance the infrastructure required to detect and warn against extreme weather, including by improving ground and air monitoring networks and remote sensing tools.

These efforts will enable Morocco to be relatively resilient in the face of climate crises, but there is still a long way to go. The kingdom also must adopt climate policies that take into account the environmental specificity of each of the country’s regions, just as local municipalities must incorporate climate resiliency into their agendas.

In the face of increasingly dire water scarcity, Morocco needs to strengthen its management of water resources and develop advanced water-conservation technologies, as well as support sustainable agriculture and agricultural diversification to improve productivity and sustainability. So too must it adapt urban planning, especially in coastal areas, to face the effects of climate change.

To achieve climate resiliency, climate policies in Morocco must be people-centered. Raising awareness of environmental issues among various segments of society, especially by incorporating them into educational curricula and programs, is of critical importance. The government must also stimulate clean technology innovation and mobilize civil society associations and non-governmental organizations interested in environmental affairs.

The implementation of these proposals is still somewhat far away: limited financial resources and poor infrastructure have delayed climate adaptation, as have competing economic and development priorities in the kingdom. Nevertheless, Morocco has made notable progress towards climate resiliency—and with the growing frequency of extreme weather events, it has no choice but to do more.

*Soukina Nait El-Rayes is a Moroccan journalist with a master's degree in journalism and media. She is interested in environmental, gender and migration issues.* (Sada 22.06)

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* 1. TURKEY: Turkiye’s Anticipated Economic Policy Shift Will Take Time to Assess

On 13 June, [Fitch Ratings](http://www.fitchratings.com/) said Turkiye’s (B/Negative) new government has signaled a change in economic policy direction since May’s presidential elections. Policymakers face complex challenges in unravelling imbalances and potentially unwinding targeted regulatory measures, meaning that it will take some time to determine the impact and durability of any policy change, Fitch Ratings says.

Fitch had anticipated some kind of post-election policy adjustment due to the extent of the economic distortions caused by the unconventional policy mix under the New Economic Model. But it was unclear what form this would take if President Erdogan were re-elected, as the authorities (including the President) had said they would maintain policy settings, including low interest rates.

The appointment of Mehmet Simsek as Treasury and Finance Minister and the change leadership at the central bank indicate a potentially sharp policy shift. Simsek, who enjoys credibility in financial markets following his performance in previous Erodgan governments, has pledged a return to a “rational handling of the economy” with price stability as its main target.

Another potential sign of policy intent is the lira’s recent depreciation (16% against the US dollar since the first round of presidential elections) that could ease pressure on international reserves, which were being eroded to support the currency; central bank foreign assets recovered mildly last week. A weaker lira should also help to reduce the large current account deficit.

Moreover, a weaker lira could reinforce the expectation of a shift away from using the exchange rate as nominal anchor to reduce inflation and promote de-dollarization, towards more conventional monetary policy. We expect the policy interest rate will once more be available as a tool for policymakers to ease pressures on the lira and reserves, and battle inflation.

However, a weaker lira could aggravate still-strong inflationary pressures, given the increased magnitude and the speed of the pass-through in Turkiye in recent years. Excessive lira volatility could also create concerns regarding bank deposit stability (as during December 2021), although existing capital flow-management measures can still manage the pace of depreciation from local FX demand in the near term.

The timing and sequencing of policy adjustments, for example monetary tightening, removal of capital flow-management measures and/or targeted regulatory measures affecting the banking sector, will be important in determining their impact, due to distortions created by exceptionally loose monetary policy, pent-up FX demand, and increased linkage between public finances – especially long-term local-currency bond prices – and banks.

Turkiye maintained a prudent fiscal stance through the COVID-19 pandemic, but new spending and revenue measures widened the fiscal deficit in the run-up to elections. Fiscal accounts are exposed to higher interest rates, a weaker exchange rate and greater inflationary pressures on spending, as well as reconstruction costs after the February earthquake, but have some space to absorb these and the costs associated with a potential economic adjustment.

Our sovereign credit analysis remains focused on the strategy of the new economics team and policy measures to bring inflation under control, manage FX pressures, and rebuild external buffers. These could be announced in the near term, but rebuilding policy credibility and predictability is likely to take time given a record of policy reversals and premature policy easing, as well as repeated changes in central bank leadership.

President Erdogan’s more central role in the conduct of monetary and broader economic policy in recent years was reflected in the New Economic Model that articulated some of his economic views. The previous central bank governor remains in the economic management team as head of the financial regulator. Hence, it will take time to determine the durability of any policy shift, especially as Turkiye faces local elections in March 2024. (Fitch 13.06)

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* 1. GREECE: Economic Reform Will Continue Following Election

On 28 June, [Fitch Ratings](http://www.fitchratings.com/) observed that the outcome of Greece’s general election, in which New Democracy (ND) secured a parliamentary majority, significantly reduces risks from potential political instability and allows policy continuity. This means that economic reforms and fiscal consolidation, which have supported growth and benefitted public finance sustainability in recent years, are expected to continue.

ND leader Kyriakos Mitsotakis will form his second administration after being sworn in as Prime Minister on Monday. His center-right party had received the most votes in elections held on 21 May, but fell short of a parliamentary majority, and fresh elections were called after no coalition government was formed. ND won a similarly high share of the vote (about 40%) on 25 June, and the reinstatement of ‘bonus seats’ for the winning party resulted in ND being awarded 158 of 300 seats, thereby avoiding a longer period of political uncertainty.

Another parliamentary majority will enable ND to continue its policies of 2019-2023, including rapid reduction of public debt, and economic reforms, including those tied to the Recovery and Resilience Facility (RRF), intended to boost investment. Mitsotakis said that “major reforms will go ahead with speed.

When we recently affirmed Greece’s ‘BB+’/Stable sovereign rating, our economic forecasts were underpinned by the assumption that the authorities would keep meeting milestones and targets under the RRF, which is the key anchor for unlocking public and private investment in the short to medium term. The Greek authorities estimate disbursements of RRF grants and loans of €3.6 billion (1.7% of GDP) in 2023, €7.1 billion in 2024 (3.4% of GDP) and more than €6 billion (2.8% of GDP) in both 2025-2026. This will help replace the capital stock lost in the past decade, and could encourage faster private-sector investment, helping to maintain real GDP growth at Fitch’s forecast level of 2.0%-2.5% in 2023-2026, higher than the Eurozone as a whole. The restatement of the incoming government’s commitment to reforms suggests growth could exceed these forecasts.

The election result underscores our belief that fiscal policy will continue to target debt reduction, which exceeded expectations under the previous Mitsotakis administration. Greece’s stability program aims to further improve the public finances, with primary surpluses driving down public debt/GDP. Fitch forecasts the primary surplus rising to 1% of GDP this year and to 2% in 2024, from 0.1% in 2022. Under the baseline scenario at our June rating review, characterized by an improving fiscal stance and solid nominal growth, the public debt/GDP ratio falls to 162.2% in 2023 and 154.4% in 2024, a projected 50pp decline from the high of 206% in 2020, although still well above the ‘BB’ category median.

Near-term risks of fiscal underperformance are largely contained given the absence of any significant slowdown in revenues and a primary surplus in cash terms of €2.4 billion in January-April. Indeed, combined with the easing of domestic policy risks, these data suggest scope for further outperformance. ND pledged €9 billion in spending over the next four years in its election campaign, but about three-quarters of this is already factored into the existing budget and stability program. If revenue growth continues at its current pace, some of these measures could be brought forward without leading to a wider deficit.

In the longer term, debt reduction may become more challenging due to social spending pressures, and interest costs could rise if Greece increases its use of market financing. Structural reforms in more politically sensitive areas, such as healthcare, may also be harder to achieve. (Fitch 28.06)

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