

**The FORTNIGHTLY**

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

**2 August 2023**

**15 Av 5783**

**15 Muharram 1445**

**Written & Edited by Seth J. Vogelman\***

**TABLE OF CONTENTS**

[1. ISRAEL GOVERNMENT ACTIONS & STATEMENTS](#_Toc141813223)

[1.1. Israel Signs Agreement with US to Join Visa Waiver Program](#_Toc141813224)

[1.2. Israel Passes the Angels Law to Promote Start-Up Investments](#_Toc141813225)

[1.3. BIRD Foundation Invests $8 Million in 9 New Projects](#_Toc141813226)

[1.4. Israel's Cabinet Approves Fast Link Trans-Israel Railway](#_Toc141813227)

[2. ISRAEL MARKET & BUSINESS NEWS](#_Toc141813228)

[2.1. CapStack Raises $6 Million Pre-Seed to Improve Cooperation Between Banks](#_Toc141813229)

[2.2. Vendict Raises $9.5 Million for its Generative AI GRC Tool](#_Toc141813230)

[2.3. Open-Source Programming Company Wing Cloud Raises $20 Million](#_Toc141813231)

[2.4. Padagis Acquires 17,000 Square Meter Facility in Yeruham, Israel](#_Toc141813232)

[2.5. FLORA Ventures Launches $80 Million Fund to Invest in Sustainable AgriFood Start-Ups](#_Toc141813233)

[2.6. Sompo Expands Israel Innovation Activities](#_Toc141813234)

[2.7. Microsoft Launches Israel-Developed Cloud-Server Chip](#_Toc141813235)

[2.8. L3Harris & ELTA Systems Expand Partnership for Airborne Early Warning Solutions](#_Toc141813236)

[2.9. Adaptive Shield Secures Strategic Investment from Blackstone](#_Toc141813237)

[2.10. SeismicAI Launches Activities in Oklahoma](#_Toc141813238)

[2.11. Israeli Alternative Protein Company Brevel Raises $18.5 Million](#_Toc141813239)

[2.12. Trustmi Raises $17 Million for End-to-End Payments Security Platform](#_Toc141813240)

[2.13. Spiritt Gets $13.5 Million for AI Platform that Builds Apps by Verbal Descriptions](#_Toc141813241)

[2.14. NeoLogic Raises an $8 Million Seed Round to Develop More Efficient Chips](#_Toc141813242)

[2.15. Nitrofix Raises $3.1 Million in Seed to Produce Ammonia from Water & Air](#_Toc141813243)

[2.16. Coro Acquires Network Security Startup Privatise](#_Toc141813244)

[2.17. Cyclops Emerges from Stealth to Offer a Contextual Cybersecurity Search Platform](#_Toc141813245)

[2.18. Rapyd Acquires PayU GPO to Expand Fintech and Payments Solutions Globally](#_Toc141813246)

[3. REGIONAL PRIVATE SECTOR NEWS](#_Toc141813247)

[3.1. Chipotle Mexican Food Chain is Coming to the UAE & Kuwait](#_Toc141813248)

[3.2. YallaHub Raises a $6 Million Pre-Series A Round](#_Toc141813249)

[3.3. UAE’s Wellx Raises $2 Million in Seed Funding for Expansion](#_Toc141813250)

[3.4. G42 & Cerebras Launch ‎World’s Largest AI Training Supercomputer ‎Network](#_Toc141813251)

[3.5. Germany's Delivery Hero Takes Sole Ownership of HungerStation](#_Toc141813252)

[3.6. Insurtech DESAISIV Raises $2 Million in a Pre-Seed Round](#_Toc141813253)

[3.7. Tenderd Raises Investment from Aramco's Wa'ed](#_Toc141813254)

[3.8. Saudi Aramco Acquires $3.4 Billion Stake in a China Petrochemical Firm](#_Toc141813255)

[3.9. Japan’s Automotive Supplier Yazaki to Build $33 Million Plant in Egypt](#_Toc141813256)

[3.10. Egypt’s Flash Raises $6 Million in a Seed Round](#_Toc141813257)

[4. CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS](#_Toc141813258)

[4.1. ABH & SolarEdge JV to Accelerate Solar Adoption in Saudi Arabia](#_Toc141813259)

[4.2. Fourth Solar Energy Field at Israel's Ashalim Commences Operations](#_Toc141813260)

[4.3. Brenmiller Signs MoU to Deploy Thermal Energy Storage Projects in India](#_Toc141813261)

[4.4. Green Transition Plan Sees France’s AFD Approve a €80 Million Loan for Morocco](#_Toc141813262)

[4.5. Morocco’s Wind Portfolio is Expanding](#_Toc141813263)

[4.6. Huawei & ONEE Partner to Boost Renewable Energy Integration in Morocco](#_Toc141813264)

[5. ARAB STATE DEVELOPMENTS](#_Toc141813265)

[5.1. Lebanon's Central Bank Chief Ends Term with No Successor](#_Toc141813266)

[5.2. Jordan to Establish 15 Food Industry Factories by End of 2023](#_Toc141813267)

[►►Arabian Gulf](#_Toc141813268)

[5.3. Kuwait Prohibits All Cryptocurrency Use in New Virtual Assets Ban](#_Toc141813269)

[5.4. UAE & Turkey Sign Strategic Agreements Valued at $50.7 Billion](#_Toc141813270)

[5.5. UAE Government Revenue at $31 Billion in First Quarter](#_Toc141813271)

[5.6. UAE Seeks 7% Growth to Double Economy to Over $800 Billion](#_Toc141813272)

[5.7. UAE Establishes Specialized Entities for Economic Crimes & Money Laundering](#_Toc141813273)

[5.8. Revived Cooperation Between the UAE & Korea on Nuclear Power](#_Toc141813274)

[5.9. UAE Led the World in Mobile Internet Speed in June](#_Toc141813275)

[5.10. UAE Rice Ban After Major Exporter India Stokes Global Supply Fears](#_Toc141813276)

[5.11. Dubai Explores Implementation of Common Law in Free Zones](#_Toc141813277)

[5.12. IMF Lowers 2023 Middle East Outlook as Saudi Arabia's Growth Slows](#_Toc141813278)

[5.13. Saudi Wealth Fund Sets Up Sawani to Boost Camel Dairy Industry](#_Toc141813279)

[5.14. Saudi Arabia’s PIF Sets Up Company to Promote Ajwa Dates](#_Toc141813280)

[5.15. Bahamas to Enter Agreements with Saudi Arabia](#_Toc141813281)

[►►North Africa](#_Toc141813282)

[5.16. IMF Keeps Egypt Growth Outlook Unchanged](#_Toc141813283)

[5.17. Egypt’s Current Account Deficit Narrowed](#_Toc141813284)

[5.18. Egypt Receives a $616 Million Loan from the Arab Monetary Fund](#_Toc141813285)

[5.19. Tunisia Gets a Surprise $500 Million from Saudi Arabia Amid IMF Delay](#_Toc141813286)

[5.20. Algeria has Formally Applied to Join BRICS](#_Toc141813287)

[5.21. Remittances from Moroccan Diaspora Reached $5.6 Billion in June 2023](#_Toc141813288)

[5.22. Morocco Ranks as 22nd Largest Importer of Nuts](#_Toc141813289)

[5.23. Morocco & US Expand on Renewables Tech & Innovation Cooperation](#_Toc141813290)

[6. TURKISH, CYPRIOT & GREEK DEVELOPMENTS](#_Toc141813291)

[6.1. Cypriot Inflation Stands at Two-Year Low of 2.8%](#_Toc141813292)

[6.2. Fitch Says Cypriot & Greek Banks Show Improved Credit Profiles](#_Toc141813293)

[7. GENERAL NEWS AND INTEREST](#_Toc141813294)

[\*REGIONAL:](#_Toc141813295)

[7.1. Jordanian Rights Groups Concerned Over Controversial Cybercrime Bill](#_Toc141813296)

[7.2. Nearly 9 Million Indians are Based in the GCC, led by the UAE](#_Toc141813297)

[8. ISRAEL LIFE SCIENCE NEWS](#_Toc141813298)

[8.1. Philip Morris Acquiring Syqe Medical for Some $650 Million](#_Toc141813299)

[8.2. FDA Clears MeMed BV Test Direct from Whole Blood Allowing Faster Results](#_Toc141813300)

[8.3. Insightec's Focused Ultrasound Treatment Effective Treatment to Curb Tremors](#_Toc141813301)

[8.4. Teva & Alvotech Provide Update on Strategic Biosimilars Partnership](#_Toc141813302)

[8.5. New Data Shows Advantages of Rapid Medical’s COMANECI Embolization Assist Device](#_Toc141813303)

[8.6. MetaSight Emerges from Stealth & Partners with Maccabi's Innovation Center](#_Toc141813304)

[8.7. InMode Expands Women's Health Footprint Via Acquisition of Viveve Patents](#_Toc141813305)

[8.8. Evogene's ChemPass AI Tech-Engine is Breakthrough Machine Learning Technology](#_Toc141813306)

[8.9. Health Canada Approves IceCure Medical's ProSense Cryoablation System](#_Toc141813307)

[8.10. Steakholder Foods Signs First Multi-Million-Dollar Agreement with a GCC Government](#_Toc141813308)

[8.11. Israeli VC Launches $80 Million Fund to Back Sustainable Agrifood Startups](#_Toc141813309)

[8.12. Aleph Farms Submits First Ever Application for Cultivated Meat in Europe](#_Toc141813310)

[8.13. FDA Clears UltraSight's AI-Powered Cardiac Ultrasound Technology](#_Toc141813311)

[8.14. CartiHeal Announces First Commercial Implantation of Agili-C in the US](#_Toc141813312)

[8.15. Wilk Signs MoU to Acquire Beeio Honey Technologies](#_Toc141813313)

[8.16. FeelBetter Raises $5.9 for Medication Management for Polypharmacy Patients](#_Toc141813314)

[8.17. FDA Approves MAGENTIQ-COLO, a Cutting-Edge AI Gastrointestinal Lesion Software](#_Toc141813315)

[8.18. UroGen Announces $120 Million Private Placement of Ordinary Shares](#_Toc141813316)

[9. ISRAEL PRODUCT & TECHNOLOGY NEWS](#_Toc141813317)

[9.1. Plasan North America Wins a $300 Million JLTV A2 Subcontract](#_Toc141813318)

[9.2. Mobileye's Camera-Only Intelligent Speed Assist Meets New EU Standards](#_Toc141813319)

[9.3. Perception Point Finds Hackers Steal Over $55 Million in Mexican Financial Fraud](#_Toc141813320)

[9.4. IDE Technologies Signs with CleanEdge Water for New Wastewater Plant in India](#_Toc141813321)

[9.5. Dig Security Becomes First to Provide Data Security for Generative AI Deployments](#_Toc141813322)

[9.6. Introducing ROOTS - Biodegradable 3D-Printed Designer Footwear](#_Toc141813323)

[9.7. Weebit Nano Qualifies its ReRAM Module for Automotive Grade Temperature](#_Toc141813324)

[9.8. IAI Selects Odysight.ai's Cutting-Edge Health Monitoring Solution for UH60 Helicopters](#_Toc141813325)

[10. ISRAEL ECONOMIC STATISTICS](#_Toc141813326)

[10.1. Israel's Business Demography for 2020-2022](#_Toc141813327)

[10.2. Israeli Startups Raise $230 Million in July](#_Toc141813328)

[11. IN DEPTH](#_Toc141813329)

[11.1. IRAQ: ‘Development Road” Project Transforms Baghdad into a Regional Hub](#_Toc141813330)

[11.2. BAHRAIN: Fitch Affirms Bahrain at 'B+'; Outlook Stable](#_Toc141813331)

[11.3. SAUDI ARABIA: How Saudi Arabian Shoppers Successfully Navigate a Sea of Change](#_Toc141813332)

[11.4. SAUDI ARABIA: Smaller Population Puts Key Indicators in a More Favorable Light](#_Toc141813333)

[11.5. EGYPT: Religious Elites and the Egyptian State - An Ongoing Tug of War](#_Toc141813334)

[11.6. ALGERIA: The Politics of Language in Algerian Education](#_Toc141813335)

[11.7. MOROCCO: Israeli Recognition of Moroccan Sovereignty in Western Sahara](#_Toc141813336)

ISRAEL GOVERNMENT ACTIONS & STATEMENTS

[Back to Table of Contents](#TOC)

* 1. Israel Signs Agreement with US to Join Visa Waiver Program

Israeli Foreign Minister Cohen and National Security Adviser Hanegbi announced that Israel and the United States signed a reciprocity agreement, opening the way for Israel to join the American visa waiver program. The signing does not automatically include Israel in the program, but removes the main hurdle to join it.

The agreement, signed by Israel’s Ambassador to Washington Herzog and by outgoing US Ambassador in Jerusalem Nides, will allow any American citizen to enter Israel via its airports, including Americans residing in Judea, Samaria or Gaza. Later, when the process is completed on both sides, it will enable Israelis to travel to the United States without a pre-requested visa.

The State Department said that a decision will be taken by 30 September on Israel's acceptance in the program. Until then, Israel will face a trial period, to examine its promised new stance on Palestinians of American citizenship entering Israel. All Americans, regardless of religion, origins, nationality or residency, must be treated equally. Over the years, the entrance into Israel of American Palestinians, whether living in the States, in Judea, Samaria or in Gaza, has been complicated, with Israeli security agencies screening entrance requests. The Israeli political echelon ordered the security system to make all the necessary adjustments. (Al-Monitor 19.07)

[Back to Table of Contents](#TOC)

* 1. Israel Passes the Angels Law to Promote Start-Up Investments

On 25 July the Knesset passed the "Angels Law," granting tax benefits to investors in the local high-tech industry as well as incentives for purchasing other tech companies if the intellectual property is registered in Israel and their operations are based in the country.

Past legislation already offered Israeli startups some tax benefits, such as tax reductions on startup investments in the period spanning 2012 to 2019. The new law offers the Israeli high-tech sector incentives in several domains. Private investors in startups will be eligible for considerable tax benefits. For instance, a tax credit will be available for investments of up to $1 million. Unlike under past legislation, the tax benefits take effect immediately upon investment. The idea is to encourage first investments in startups, which generally carry a high level of risk for investors.

Also, those who sell their companies and use the proceeds to invest in local startups could enjoy tax payment deferment. Large tech companies that purchase other Israeli-based companies can now spread out tax payments over five years. Investments of up to $1.5 million will be eligible for tax reductions.

On the subject of credit, the new legislation encourages foreign financial institutions to lend money to Israeli startups. It exempts these institutions from paying Israeli taxes on the interest paid by Israeli high-tech companies on their business loans. There are currently very few Israeli financial resources specializing in loans to high-tech companies, so Israeli high-tech firms and startups often turn to foreign financial institutions for loans. The loans are often expensive because of the taxes the lending institutions must pay in Israel. The Angels Law has been under discussion for the past three years. (Al-Monitor 26.07)

[Back to Table of Contents](#TOC)

* 1. BIRD Foundation Invests $8 Million in 9 New Projects

The [Israel-U.S. Binational Industrial Research and Development (BIRD) Foundation](https://www.birdf.com/) announced that it has approved $8 million in funding for nine new projects between U.S. and Israeli companies. Alongside grants from BIRD, the projects will access private-sector funding and boost the total investment in all projects to $23 million, as well as conditional grants of up to $1.5 million, the BIRD Foundation assists by working with companies to identify potential strategic partners and facilitate introductions.

The submitted projects are reviewed by evaluators appointed by the National Institute of Standards and Technology (NIST) of the U.S. Department of Commerce and the Israel Innovation Authority. They are as follows:

* Agado Live (Tel Aviv) and Adventist HealthCare (Rockville - which will develop an end-to-end remote rehabilitation platform for neurologic diseases.
* Agromentum (dba as Fieldin) (Yokneam Illit) and Manulife Investment Management Agriculture Services Inc. (Turlock, CA) - which will develop a hardware and software platform that turns tractors autonomous for operating in orchards.
* AlvaLinks (Tel Aviv) and Cobalt Digital (Champaign, IL) - which will develop a video network intelligence and observability platform for broadcasting and media companies.
* ContainerEyes (Tel Aviv) and NTELX (Tysons, VA) - which will develop a real-time tracking and risk analysis service to improve food safety and reduce food loss when shipped.
* GeneYX (Herzliya) and Ocean Genomics (Pittsburgh, PA) - which will develop a multi-omic software method, combining DNA and RNA, improving the detection of genomic variants to improve the diagnosis of diseases and the identification of drug targets.
* NeuroTrigger (Tel Aviv) and Rand Eye Institute (Deerfield Beach, FL) - which will develop a clinically validated eyelid pacemaker that restores blinking to those with facial paralysis.
* Oshi (Rehovot) and The Better Meat Co. (West Sacramento, CA) - which will develop allergen-free mycelium-based whole-cut salmon analogs.
* Quantum Machines (Tel Aviv) and QuEra Computing (Boston, MA) - which will develop a Photonic Control Unit and Photonic Integrated Circuit to be incorporated into quantum computing devices.
* Treetoscope (Mikve Israel) and The Toro Company (Minneapolis, MN) - which will develop next-generation cost-effective and scalable precision irrigation management based on direct plant sensing technology.

The BIRD Foundation promotes collaborations between U.S. and Israeli companies in various technological sectors for joint product development, provides funding of up to 50% of a project's budget, beginning with R&D and ending with the initial stages of sales and marketing. The Foundation shares the risk and does not require repayment if the project fails to reach the sales stage. (BIRD 25.07)

[Back to Table of Contents](#TOC)

* 1. Israel's Cabinet Approves Fast Link Trans-Israel Railway

On 30 July, Israel's government approved the trans-Israel rail link, which is a recycled version of Israel Railways strategic plan, although no major budget is being allocated at this stage. The plan includes high-speed trains of up to 250 kilometers per hour on new lines to Eilat and Kiryat Shmona. This plan also includes the fifth and sixth tracks alongside the Ayalon highway as well as doubling the coastal railway and electrification of the railway to Haifa, including the rail tunnel beneath the city, the Menashe railway linking the eastern railway to the Afula line, the freight line bypassing Lod, and a railway connection between Jerusalem and Beer Sheva.

The decision includes a directive to the Ministry of Transport to examine a mass transit systems in the area of Menashe Railway, connecting to Tiberias, and connections between Beit Shemesh and Jerusalem and between Elad and Rosh HaAyin, in accordance with the budget agreement signed between the Ministries of Finance and Transport and the Likud's coalition agreements with United Torah Judaism.

The cabinet decision includes an allocation of NIS 200 million for planning of tracks, while a joint team Ministry of Finance and Ministry of Transport team will be set up to examine an additional allocation of NIS 2.4 billion from Ministry of Transport budgetary sources. One plan canceled was to extend the Tel Aviv - Jerusalem fast rail link underground through Jerusalem to the Old City and increase the frequency of trains on the line. (Globes 30.07)

ISRAEL MARKET & BUSINESS NEWS

[Back to Table of Contents](#TOC)

* 1. CapStack Raises $6 Million Pre-Seed to Improve Cooperation Between Banks

[CapStack](https://www.capstack.com/) has raised $6 million in pre-Seed funding as it aims to facilitate collaborations between banks and other financial institutions, primarily in the U.S. The integrated operating system for banks is meant to provide them with visibility into one another’s portfolios and help them foster cooperation, enabling asset diversification, and enhanced profitability. The funding was raised back in March and was led by Fin Capital. It included participation from Alloy Labs, Cambrian Ventures, Cowboy Ventures, Future Perfect Ventures, Gaingels, Selah Ventures, Uncorrelated Ventures and Valor Equity Partners.

The founders identified a problem that lies in the U.S. banking landscape, comprising around 7,000 banks, each operating independently with different languages, technologies, and core systems. However, they all face common issues, such as diversifying asset portfolios to mitigate risks and meeting regulatory requirements. According to the company, over 60 different banks in the U.S. have already agreed to join the platform. CapStack currently has a team of six people, with an R&D team in Israel. (CTech 16.07

[Back to Table of Contents](#TOC)

* 1. Vendict Raises $9.5 Million for its Generative AI GRC Tool

Tel Aviv's [Vendict](https://vendict.com/) has raised $9.5 million in funding led by NFX, Disruptive AI and Cardumen Capital. The company helps technology vendors fulfill their security requirements and simplify adopting new technology by using generative AI to respond to security questionnaires.

Technology vendors are assessed by each prospect via a long series of security questionnaires. With Vendict, security and GRC teams can save time, reduce risks, and accelerate their sales cycles. Vendict draws from information in an organization’s compliance data: such as responses to past questionnaires, audit reports, policies, and procedures. Then, its AI stack provides a response to each question and questionnaire. With each user interaction, the model gets smarter and the time-saving is improved, helping AI security experts shorten their assessments.

Founded in 2021, Vendict uses generative AI to help security compliance teams with their Governance, Risk and Compliance (GRC). Additional investors include NewFund Capital, Tuesday Capital, Cyber Club London, and Andy Ellis. (Vendict 12.07)

[Back to Table of Contents](#TOC)

* 1. Open-Source Programming Company Wing Cloud Raises $20 Million

Tel Aviv based open source programming company [Wing Cloud](https://www.winglang.io/) exited stealth and announced the completion of a $20 Million in seed financing round led by Battery Ventures, Grove Ventures and StageOne Ventures, with participation from Secret Chord Ventures, Cerca Partners and Operator Partners. Wing Cloud is behind the open-source Wing Programming Language (Winglang).

Winglang is an open source programming language designed for building distributed systems that leverage cloud infrastructure as first-class citizens. The Winglang compiler produces a ready-to-deploy package that includes both infrastructure-as-code definitions for Terraform, CloudFormation, or other cloud provisioning engines; as well as Node.js code designed to run on platforms such as AWS Lambda, Kubernetes, or edge platforms. (Wing Cloud 18.07)

[Back to Table of Contents](#TOC)

* 1. Padagis Acquires 17,000 Square Meter Facility in Yeruham, Israel

Allegan, Michigan's Padagis, a leading provider of extended topical and other specialty pharmaceuticals, announced the acquisition of a facility formerly operated by Emilia Cosmetics in Yeruham, Israel.

Padagis operates two manufacturing facilities to serve its customers in the United States and Israel. One facility is in Yeruham, Israel and specializes in extended topical products, including nasal sprays and hormone products for the U.S and Israel markets. The second facility in Minneapolis, Minnesota produces a wide array of dosage forms, including controlled substances, primarily for the U.S. market.

In parallel to this transaction, Padagis is seeking top talent to work at its Yeruham, Israel facility. Padagis is dedicated to improving the well-being of patients and consumers by providing high quality, affordable, specialized healthcare products. The company is a leading provider of extended topical and other specialty pharmaceuticals to its primary markets of the US and Israel. (Padagis 20.07)

[Back to Table of Contents](#TOC)

* 1. FLORA Ventures Launches $80 Million Fund to Invest in Sustainable AgriFood Start-Ups

Tel Aviv's [FLORA Ventures](http://www.floravc.com) launched its $80 million fund, and its first closing with commitments of $50 million, making it the largest Israeli-based AgriFood VC. It is the largest Israeli new VC fund to have completed a first closing during 2023 across all tech investment verticals.

FLORA Ventures invests in early-stage start-ups from two of the leading AgriFood ecosystems, Israel and Europe, that are building a healthier, more sustainable and resilient AgriFood system; and supports those ventures in scaling globally. The fund's model is unique in that it is the first VC fund to tap the world's 'original' innovative agriculture pioneers – the Israeli kibbutzim – as anchor investors and partners.

FLORA Ventures already completed its first investment in Arrakis Bio, a stealth-mode Israeli startup, developing a breakthrough technology poised to revolutionize the production and utilization of human collagen and gelatin, that is animal free, high quality & pure. (FLORA Ventures 19.07)

[Back to Table of Contents](#TOC)

* 1. Sompo Expands Israel Innovation Activities

The Israel Innovation Lab of Japanese insurance giant Sompo, which has been operating in Israel since 2018, is opening a cybersecurity center and establishing a software development group in Israel, as part of the expansion of the activities of the company’s innovation lab. The aim of the cybersecurity center is to develop ways to assist Sompo in securing its products against cyber threats and provide solutions to the various units of the company around the world.

The company is also establishing a software development group in Israel. The group will focus on creating new engines of growth, including solutions in the fields of insurance and health based on feedback from the company’s customers as well as developing ideas that come from Sompo’s business units and collaborations with various startups. The teams will be comprised of programmers, product and design staff. Sompo, which is one of the three biggest insurance companies in Japan, operates in 30 countries and is listed on the Tokyo Stock Exchange with a market cap of $15 billion. (Globes 20.07)

[Back to Table of Contents](#TOC)

* 1. Microsoft Launches Israel-Developed Cloud-Server Chip

On 18 July, Microsoft launched a chip and electronic card for its cloud servers, developed in Israel, which aims to allow it to make adjustments to the Azure cloud system for customers on demand, while saving on the costs of buying chips from external suppliers, such as Nvidia and Intel. In addition to Microsoft and Amazon, Google is also developing its own chip operations.

The launch of the electronic card was also the biggest moment so far for Microsoft's chip development center in Israel, most of which is located in Haifa and has been working for four years on developing hardware technologies for the Azure cloud system. Although it has been responsible for a small number of products already integrated into Azure, this is the first major launch of a product from the development center. The acceleration card was launched last night as part of Microsoft announcements entitled "Azure Boost" - hardware developments launched alongside new managed services that allow it to more quickly adapt their service to enterprise customers, according to the needs of each customer and the price they are willing to pay, such as management for networks (networking), information storage and backup, cyber and hosting services (hosting). In this way, clients can also be upgraded more quickly without waiting for hardware improvements.

According to LinkiedIn, Microsoft has 20 hardware engineers in Israel hired from companies like Intel, Mellanox (Nvidia), Qualcomm, nTrig and IBM. In its Haifa activities, Microsoft employs some university graduates with no previous experience. Microsoft's hardware operations in Israel also employ a small number of engineers at its branch in Tel Aviv. Microsoft's hardware operations are managed from the company's headquarters in Redmond, near Seattle. (Globes 19.07)

[Back to Table of Contents](#TOC)

* 1. L3Harris & ELTA Systems Expand Partnership for Airborne Early Warning Solutions

L3Harris Technologies and Israel Aerospace Industries’ ELTA Systems Group (ELTA) are expanding their teaming agreement to provide leading-edge, U.S. and NATO interoperable Airborne Early Warning and Control (AEW&C) solutions based on ELTA’s proven Conformal AEW, installed on a high-performance business jet. The companies are offering a missionized Bombardier Global 6500, integrated by L3Harris, with ELTA’s latest next-generation AEW systems and operationally-proven Battle Management Command and Control Suite. The solution also includes L3Harris’ interoperable communications suite. The Global 6500 AEW&C will fly higher, faster, longer and at a lower cost to sustain, operate and maintain than existing AEW&C platforms.

The companies are proposing, in cooperation with Korean Air Lines, this leading edge Global 6500 AEW&C solution for the Republic of Korea Air Force’s AEW&C Program, NATO’s interim Allied Future Surveillance and Control (AFSC) Program and to several other NATO partners. (L3Harris 11.07)

[Back to Table of Contents](#TOC)

* 1. Adaptive Shield Secures Strategic Investment from Blackstone

Adaptive Shield announced a new investment from Blackstone Innovations Investments, Blackstone's strategic investment arm, bringing its total capital raised to $44 million. This investment will be used to accelerate Adaptive Shield’s mission to protect companies as the number of SaaS applications used by enterprises has continued to grow rapidly. This growth is creating a new and complex mesh of business-critical applications that are increasingly being targeted by attackers.

With Adaptive Shield, organizations can prevent, detect, and respond to identity-centric SaaS threats through Misconfiguration Management, SaaS-to-SaaS Access and Discovery, Identity & Access Governance, Device-to-SaaS User Risk Management, and Identity Threat Detection & Response (ITDR).

Tel Aviv's [Adaptive Shield](http://www.adaptive-shield.com), leader in SaaS Security, enables security teams to gain deep visibility and control over all business-critical SaaS applications and secure their entire SaaS stack through threat prevention, detection, and response. Adaptive Shield works with many Fortune 500 enterprises and has been named Gartner Cool Vendor 2022. (Adaptive Shield 25.07)

[Back to Table of Contents](#TOC)

* 1. SeismicAI Launches Activities in Oklahoma

SeismicAI, a provider of high-precision early warning systems for earthquakes and tsunamis (EEW), has set foot in Oklahoma, on a variety of fronts. The company has joined The Petroleum Alliance of Oklahoma in order to facilitate the implementation of innovative EEW advanced technology in the oil and gas industry. Additionally, SeismicAI is working with the Oklahoma Geological Survey to apply the SeismicAI early-warning techniques with data from a real-time statewide seismic network.

Since 2009, Oklahoma has been experiencing a surge in seismicity. Currently, approximately 50 minor earthquakes occur in Oklahoma each year, and one or two are reported to be felt annually.

Tel Aviv's [SeismicAI](http://www.seismicai.com/), established in 2014, is a provider of innovative early warning (EEW) systems for earthquakes and tsunamis. Its EEW as-a-service solutions support business continuity and damage mitigation for business and public organizations. SeismicAI offers a unique, cost-effective SaaS model that can potentially save billions for the organization. Leveraging groundbreaking seismic algorithms, SeismicAI provides swift, reliable alerts. The system covers the full early warning cycle – from monitoring and reporting, through alerts, to triggering automated preventive actions. (SeismicAI 24.07)

[Back to Table of Contents](#TOC)

* 1. Israeli Alternative Protein Company Brevel Raises $18.5 Million

Moshav Shekef's [Brevel](https://brevel.co.il/) announced the completion of an $18.5 million seed financing round. The funds raised will be used to provide an alternative protein that is neutral-tasting, functional, highly sustainable and affordable to the mainstream food industry. The round was led by NevaTeam Partners and supported by the EU's EIC Fund, as well as other leading food and climate funds and strategic partners from within the food industry.

Brevel's technology combines sugar-based fermentation of microalgae with high light concentrations at industrial scales to produce a protein that will be incorporated by food manufacturers into plant-based products. This technological breakthrough tackles the primary barriers to market penetration for new protein sources: taste, functionality, and cost, creating the most suitable protein for the plant-based industry. As a result, Brevel’s proteins are increasingly in demand by food manufacturers for a wide variety of applications, and will enable the development of healthier, tastier and environmentally friendly non-animal food products.

The company is primarily targeting the dairy alternative sector, which faces a significant challenge in protein content. Other plant-based protein sources such as soy are allergenic and often have overpowering flavors, making them less efficient for use in plant-based milk and cheese products. In contrast, Brevel's protein can be seamlessly incorporated, significantly boosting nutritional value and enhancing texture without compromising on taste, color or cost. (Globes 25.07)

[Back to Table of Contents](#TOC)

* 1. Trustmi Raises $17 Million for End-to-End Payments Security Platform

On 26 July, Trustmi announced that it has raised $17 million, led by Oren Zeev and Cyberstarts, along with other investors such as Chen Amit, co-founder and CEO of Tipalti, Assaf Rappaport, co-founder and CEO of Wiz, and Eynat Guez, co-founder and CEO of Papaya Global. The round was concluded in January of this year. Among the company's clients are Fortune 500 companies, including Takeda Pharmaceutical, Colgate-Palmolive and CNA. Trustmi, which raised $4 million from Cyberstarts in 2021, currently employs 40 people in Tel Aviv and the United States.

Trustmi has developed a product that assesses the safety of financial transactions, warns against suspected fraud in real-time, and identifies potential flaws in the process that may result from human error.

Founded in 2021, [Trustmi](https://www.trustmi.ai/) is the only end-to-end payment security solution that helps businesses protect their bottom line by eliminating losses from cyberattacks, internal collusion, and human error and ensuring payments go to the right place. (Trustmi 26.07)

[Back to Table of Contents](#TOC)

* 1. Spiritt Gets $13.5 Million for AI Platform that Builds Apps by Verbal Descriptions

Spiritt has extended its Seed funding round to $13.5 million. The investors in the round include Square Peg and Disruptive AI, with participation from SVB. Spiritt initially announced a $5.5 million Seed round in July 2022. Spiritt's platform allows individuals with no programming knowledge or access to programmers to independently develop end-to-end complex applications. Users can verbally describe their ideas to the computer in their own language, without requiring prior knowledge of designing and building applications.

The application creation process begins with a chat conversation with artificial intelligence, where the user discusses their business idea and design preferences. From there, the AI gathers all the relevant information and creates a comprehensive application for mobile and desktop use. Afterward, users can continuously edit and make changes to the application within the same chat interface. The company reports that some of its customers have already secured capital on their own using the applications they developed through the platform.

The raised capital will be utilized to expand the team, with a focus on recruiting marketing and performance personnel for expansion in the U.S. market, as well as designers, engineers, and customer managers to support clients in their business growth.

Founded in June 2020, [‎Spiritt](https://spiritt.io/#hero) is a human-assisted AI platform that lets you build complex apps like Instagram, Pin, etc. It is an innovative subscription-based solution that allows entrepreneurs and early-stage start-ups to build full-scale software applications without prior knowledge in coding, design and deployment. In days. (Spiritt 20.07)

[Back to Table of Contents](#TOC)

* 1. NeoLogic Raises an $8 Million Seed Round to Develop More Efficient Chips

Founded in 2021, Netanya's [NeoLogic](https://www.neologicvlsi.com/) has developed a chip technology for higher computing power. Today it raised $8 million in Seed led by Maniv Mobility venture capital fund with lool Ventures and M-Ventures. The company’s Quasi-CMOS design reduces the transistor count of a microprocessor by up to a third of its originally designed number of transistors, making it possible to develop processors of higher computing power and more energy-efficient while reducing their price. According to NeoLogic, the processor market for data centers is currently estimated at $110 billion and the company has filed three patent applications so far. It aims to meet accelerating workloads of AI tasks, machine learning, video processing, and data science in data centers and at the edge. (NeoLogic 26.07)

[Back to Table of Contents](#TOC)

* 1. Nitrofix Raises $3.1 Million in Seed to Produce Ammonia from Water & Air

Rehovot's [Nitrofix](https://nitro-fix.com/), which produces zero-emission ammonia through a novel electrochemical process, announced $3.1 million in Seed financing. The startup plans to accelerate the production of green ammonia from just water and air for the agriculture, hydrogen, and maritime fuel markets. The round was led by Clean Energy Ventures, with participation from SOSV, Zero Carbon Capital, UM6P Ventures and High House Investments.

Nitrofix’s technology provides a cost-effective and zero-emission electrochemical approach to ammonia production. Unlike traditional carbon-intensive ammonia methods, the company’s low-cost and selective catalyst for ammonia enables the reaction at low-voltage and low-power consumption, producing green ammonia from water and air and reducing gigatons of carbon emissions at cost parity.

By using water as a source of protons instead of fossil fuels, the technology reduces the activation energy needed to combine nitrogen with hydrogen – using half as much electricity as peers in the sector – enables decentralized production of ammonia and has the advantage of scaling to a distributed model. With ammonia demand expected to increase threefold by 2050, Nitrofix aims to create a more sustainable use of ammonia for industries, such as fertilizers for food, coolants in air conditioning, and maritime fuel for the transport of essential goods. (Nitrofix 20.07)

[Back to Table of Contents](#TOC)

* 1. Coro Acquires Network Security Startup Privatise

New York's Coro, the modern cybersecurity platform for mid-market organizations, announced the acquisition of Jerusalem's [Privatise](https://www.privatise.com/), an Israeli supplier of network security solutions for in-office and remote work. The acquisition adds critical SASE capabilities to Coro’s all-in-one platform and is part of an aggressive growth strategy, fueled by Coro’s $155M funding over the last 12 months, to expand the capabilities of Coro’s cybersecurity platform both organically and through strategic acquisitions.

With the Privatise acquisition, Coro now offers a single source of comprehensive security and protection -- all managed through a unified, cloud-based platform -- for any organizational configuration. Coro’s SASE solution includes military grade VPN, Secure RDP, ZTNA, Next Generation Firewall, DNS Filtering and is fully integrated into Coro’s holistic security architecture, eliminating security gaps caused by siloed approaches to SASE. Whether a company’s assets are cloud first, on-prem, or hybrid, Coro can protect the user, the device they use, the network they connect through, their emails, and the data they access, use and share, all while ensuring compliance. (Coro 27.07)

[Back to Table of Contents](#TOC)

* 1. Cyclops Emerges from Stealth to Offer a Contextual Cybersecurity Search Platform

Cyclops announced its emergence from stealth with $6.4 million in seed funding. The funding round was led by Merlin Ventures, Magnolia Capital (a subsidiary of Insight Partners), Tal Ventures and toDay Ventures, with participation from CrowdStrike's strategic investment vehicle, CrowdStrike Falcon Fund.

The Cyclops platform is built on a cybersecurity mesh architecture (CSMA), and powered by generative AI to create an intuitive, user-friendly experience. Security teams can quickly and easily query Cyclops through a natural language search bar to gain meaningful insights about their environment and address vulnerabilities, security incidents and governance, risk and compliance scenarios. Cyclops enables security teams to get the most value out of their existing technology stack, improve mean time to detection (MTTD) and mean time to response (MTTR) by 80%, and help CISOs more effectively manage their cybersecurity strategy.

The funding will help scale the company to meet demands from its growing customer base, hire more developers to continue product innovation and expand capabilities, and fuel its go-to-market strategy. Cyclops is generally available now and already serves existing customers in the fintech, insurance, hi-tech, and manufacturing verticals by significantly improving their efficiency around risk validation, vulnerability prioritization, posture management and compliance monitoring.

Tel Aviv's [Cyclops](http://www.cyclops.security) is the first Contextual Search Platform for cybersecurity. Powered by the cybersecurity mesh architecture (CSMA) approach and Generative AI, Cyclops allows security practitioners and security teams, on any level, to ask any question about their security data in natural language - and receive accurate, actionable answers. (Cyclops 26.07)

[Back to Table of Contents](#TOC)

* 1. Rapyd Acquires PayU GPO to Expand Fintech and Payments Solutions Globally

Rapyd announced the acquisition of PayU Global Payment Organisation of Netherlands-based Prosus, a global consumer internet group and one of the largest technology investors in the world. PayU GPO, a leading provider of best-in-class payment solutions to both enterprise and SMB segments in emerging markets, operates in over 30 countries worldwide. Rapyd will purchase PayU GPO for $610 million.

Rapyd’s industry-leading fintech platform, extensive global payments network, and local markets expertise, coupled with the acquisition of PayU GPO, further solidifies Rapyd’s position as a dominant global fintech leader continuing the company’s trajectory towards an IPO. The acquisition is a strategic move that continues the company’s global expansion across emerging markets in Central and Eastern Europe and Latin America.

The acquisition of PayU GPO expands Rapyd’s global reach, strengthening its position in key vertical markets including eCommerce, logistics and transportation. It also reduces the complexity of building and launching new applications with some of the most comprehensive cross-border payments and commerce technology available to businesses globally. The completion of the transaction is subject to receipt of regulatory approvals in various countries.

Tel Aviv's [Rapyd](https://www.rapyd.net/) lets you build bold. Liberate global commerce with all the tools your business needs to create payment, payout and fintech experiences everywhere. From Fortune 500s to ambitious business and technology upstarts, their payments network and powerful fintech platform make it easy to pay suppliers and get paid by customers—locally or internationally. (Rapyd 01.08)

REGIONAL PRIVATE SECTOR NEWS

[Back to Table of Contents](#TOC)

* 1. Chipotle Mexican Food Chain is Coming to the UAE & Kuwait

US fast-food chain Chipotle announced it will open locations in the Arabian Gulf in a move that will expand the heavy presence of American fast food in the region — but the company will need to adjust its menu due to restrictions on pork in the region. Chipotle signed a partnership with Kuwaiti franchise operator Alshaya Group to open its restaurants in Dubai and Kuwait early next year. Chipotle will then seek to expand to other parts of the region. The company will open two restaurants in Dubai, and two in Kuwait, albeit it has not yet released the exact location.

Chipotle is a US-based fast-food chain that specializes in Mexican-style cuisine, chiefly burritos. Chipotle’s restaurants are primarily in the US, but the company also has locations in Canada, the UK, France and Germany. Dubai and Kuwait City already have numerous American fast-food chains, including McDonald’s and KFC. Kuwait City notably has Chipotle competitor Taco Bell, which likewise specializes in Mexican food. Taco Bell is not in Dubai. (Al-Monitor 20.07)

[Back to Table of Contents](#TOC)

* 1. YallaHub Raises a $6 Million Pre-Series A Round

Dubai marketplace aggregator, with its quick delivery service YallaHub, has secured $6 million in a pre-series A funding round. As a B2B e-commerce startup, YallaHub enables brands to scale up across the GCC region and achieve global omnichannel sales with a “single-window service”. The company is built upon the foundations of YallaMarket, a Dubai-based ultra-fast grocery delivery service, leveraging its robust infrastructure and cutting-edge technologies. The platform charges businesses a monthly subscription fee, an onboarding fee and a commission for managing brand sales and promotions. The new round was co-led by numerous MENA-focused private investors, entrepreneurs and syndicates.

The funds will be used to refine the IT platform for order aggregation and expand the network of partner marketplaces, with plans to accelerate the company's expansion into Saudi Arabia and Qatar in the near future. These are both fast-growing markets with a flourishing fintech sector, economic stability, young and tech-savvy populations, impressive levels of internet penetration up to 99.0% and a drive toward digitalization. (YallaHub 18.07)

[Back to Table of Contents](#TOC)

* 1. UAE’s Wellx Raises $2 Million in Seed Funding for Expansion

Dubai's [Wellx](https://www.wellxai.com/), the pioneering health and wellness-focused InsurTech platform that launched in 2022, announced the successful completion of a $2 million seed funding round. The investment will enable the UAE startup to catalyze regional growth, drive technological innovation and realize Wellx’s mission to create healthier, happier, and more resilient communities.

This seed round of funding, led by Dubai Future District Fund (DFDF), also saw participation from a diverse group of investors including MENA-focused DASH Ventures, Annex Investments, KSA based Sanabil 500 MENA Seed Accelerator, Plus VC, alongside international VC’s including Aditum Investments (Luxembourg), Loyal VC (Toronto) and Plug and Play Ventures (Silicon Valley). The round was also supported by notable Angel Investors, with significant experience in this sector and geography. The investment from well-established investment institutions further solidifies the confidence in Wellx's strategic position as a trailblazer, industry leader, and frontrunner in the digital insurance sector.

This $2 million seed funding secured, when technology funding has been declining since the COVID-19 pandemic boom, will play a pivotal role in fueling Wellx’s growth trajectory, permitting it to continue orchestrating innovation in new technologies. By investing in intuitive design, and emerging tech including AI coaching, Wellx will strengthen its customer-centric approach, disrupting the insurance industry and providing seamless, personalized insurance experiences that deliver exceptional value to its customers. The funding infusion will propel Wellx's ambitious expansion plans, which include attracting global talent into the region. ((Wellx 26.07)

[Back to Table of Contents](#TOC)

* 1. G42 & Cerebras Launch ‎World’s Largest AI Training Supercomputer ‎Network

[G42](https://www.g42.ai/), the UAE-based technology holding group, has partnered with Sunnyvale, California's Cerebras Systems, a pioneer in accelerating generative Artificial Intelligence (AI), to launch Condor Galaxy, a network of nine interconnected supercomputers, offering a new approach to AI compute that aims to significantly reduce AI model training time. The launch revolutionizes AI and helps to address global concerns, including energy and sustainability, supporting Abu Dhabi’s climate effort and digital transformation initiatives.

The first AI supercomputer on this network, Condor Galaxy 1 (CG-1), has 4 exaFLOPs and 54 million cores. Cerebras and G42 are planning to deploy two more such supercomputers, CG-2 and CG-3, in the US in early 2024. With a planned capacity of 36 exaFLOPs in total, this unprecedented supercomputing network will revolutionize the advancement of AI globally. CG-1 links 64 Cerebras CS-2 systems together into a single, easy-to-use AI supercomputer, with an AI training capacity of 4 exaFLOPs. Cerebras and G42 offer CG-1 as a cloud service, allowing customers to enjoy the performance of an AI supercomputer without having to manage or distribute models over physical systems. (G42 27.07)

[Back to Table of Contents](#TOC)

* 1. Germany's Delivery Hero Takes Sole Ownership of HungerStation

Berlin, Germany's Delivery Hero purchased all outstanding minority shareholdings – a total of 37% – in HungerStation Holding Limited, the sole shareholder of HungerStation Company Ltd in Saudi Arabia, which operates Delivery Hero’s Saudi business. The transaction came to a total of $297 million, which Delivery Hero considered a highly attractive purchase price. In FY 2022, HungerStation generated revenue growth of 36% to €609 million and achieved a positive EBIT, including group costs, of more than €50 million.

HungerStation is the leading food delivery player in Saudi Arabia, connecting more than 10,000 partners with customers. Its strong position and reputation as a local brand make it a valuable asset for Delivery Hero. This will allow Delivery Hero to build stronger ties between HungerStation and the rest of its ecosystem, including greater opportunities for knowledge and tech integration. (Delivery Hero 21.07)

[Back to Table of Contents](#TOC)

* 1. Insurtech DESAISIV Raises $2 Million in a Pre-Seed Round

DESAISIV, an InsurTech startup specializing in health insurance, has successfully raised $2 million in a pre-seed funding round. The company aims to reshape the entire insurance sector through visionary leadership and the unparalleled potential of the next-generation insurance customization platform, powered by state-of-the-art artificial intelligence (AI). DESAISIV's vision goes beyond disruption; it strives to lead a paradigm shift in the insurance industry. By leveraging cutting-edge AI solutions developed in collaboration with top machine learning scientists from the University of Oxford, the company pioneers a future where AI becomes the driving force behind all insurance decisions.

The pre-seed funding round was led by 500 Global, Terra VC, Oqal angel investors, family offices, and influential investors with backgrounds in top insurance companies across the MENA, UK, and USA. This capital infusion will fuel DESAISIV's growth in the MENA region, empowering them to develop further groundbreaking AI products, expand their operations and teams, and venture into new markets. Additionally, DESAISIV is backed by various international and regional organizations, including Sanabil 500, IPSD, TAQADAM KAUST, USAID, CrossBoundary, TASMU, and The CORE HTU.

Founded in 2022, Riyadh's [DESAISIV](https://desaisiv.com/) is a B2B company offering a state-of-the-art AI SaaS product for medical insurance companies & TPAs. DESAISIV started in the UK nearly 3 years ago and then expanded to Jordan, KSA, and UAE. DESAISIV currently works with a few major insurance players in the MENA and covers nearly 70% of Jordan's insurance market. (DESAISIV 26.07)

[Back to Table of Contents](#TOC)

* 1. Tenderd Raises Investment from Aramco's Wa'ed

Wa’ed Ventures, the Saudi based venture capital arm of Aramco, announced a strategic investment in Dubai's [Tenderd](https://www.tenderd.com/), a startup specializing in AI-enabled technologies for real-time emissions intelligence. The platform provides customers with AI-generated insights to increase asset utilization and reduce emissions, targeting heavy industries such as construction and logistics.

Tenderd is backed by top investors, including Y Combinator, Peter Thiel, BECO Capital and Dynamo Ventures. The investment from Wa’ed comes at a time when the world is demanding more sustainable practices from heavy industries. Tenderd is serving industries that constitute 40% of the global GDP. These companies spend $2 trillion annually operating capital equipment, but a lack of operational intelligence leads to only 50% utilization, resulting in an excess of 1 billion tons of CO2 and $500 billion in costs each year.

Tenderd's technology addresses these issues by providing companies with real-time insights to make better operational decisions. Ultimately, this results in cost savings, better resource utilization, and a smaller environmental footprint. Technologies offered by companies like Tenderd are increasingly becoming necessary for companies operating in Saudi Arabia's new economic landscape, with a paramount focus on efficiency and sustainability. (Tenderd 18.07)

[Back to Table of Contents](#TOC)

* 1. Saudi Aramco Acquires $3.4 Billion Stake in a China Petrochemical Firm

Saudi Aramco has acquired a 10% stake in China’s Rongsheng Petrochemical Co. for $3.4 billion, through its subsidiary Aramco Overseas Company BV, based in the Netherlands. The deal marks the world’s biggest oil exporter making further inroads in China, which is Saudi Arabia’s top customer for crude. Saudi Arabia, which leads the influential OPEC group, recently moved to extend oil production cuts in a bid to stabilize the market, which has seen a dampened demand from China this year due to its slower-than-anticipated economic recovery from the coronavirus pandemic.

Rongsheng owns 51% of Zhejiang Petroleum and Chemical Co. (ZPC), which produces and sells crude oils, petroleum and other chemical products. The agreement, which was first announced by Aramco in March, also includes 480,000 barrels per day of Arabian crude to ZPC’s integrated and chemicals complex.

Aramco is mostly state-owned and said it earned profits of $161.1 billion last year. It has regional headquarters in Beijing, called Aramco Asia. The company also has a research center in the Chinese capital, as well an office in Shanghai and joint ventures in Xiamen. (Al-Monitor 21.07)

[Back to Table of Contents](#TOC)

* 1. Japan’s Automotive Supplier Yazaki to Build $33 Million Plant in Egypt

Japan’s global automotive parts supplier Yazaki announced the signing of land allocation contracts with Egypt for the construction of a new factory with $33 million in investments. The project marks the first fully foreign factory to be established in the investment-free zone in Fayoum City, southwest of Cairo. The new plant will provide around 3,500 direct and indirect jobs.

The governor of Fayoum said that the project’s implementation comes within Egypt’s vision for 2030 for achieving sustainable development goals. The Vice President of Yazaki Egypt said that the factory’s production will be exported, adding that the company targets annual exports worth $110.4 million annually as well as providing new creative Japanese technology.

Choosing Egypt to expand their projects resulted from the huge development the country witnesses in the infrastructure and logistics fields. The construction phase will start next October, and it is scheduled to be complete by December 2024, with production to start in July 2024, he said. (WAYA 25.07)

[Back to Table of Contents](#TOC)

* 1. Egypt’s Flash Raises $6 Million in a Seed Round

Founded in 2021, [Flash](https://www.useflash.app/), Egypt’s new cashless payments app, has completed a $6 million seed round led by Addition with participation from Flourish Ventures and other strategic angel investors. This funding will be used to accelerate the startup's product development and customer & business acquisition in Egypt. Flash has also obtained approval from the Central Bank of Egypt in partnership with Banque Misr to operate as a technical payment aggregator.

Backed by the approval of the Central Bank of Egypt, Flash is a payment application that provides cashless payment solutions for consumers and businesses through a scan-and-pay service. The application allows consumers to make a purchase with their phones by adding any existing bank card or digital wallet on the app once and scanning a QR code that is presented by a business, in-store or on delivery. Businesses can accept payments directly from consumers without the need for point-of-sale (POS) systems or technical integration.

According to Mordor Intelligence, around 80% of goods purchased online in Egypt are paid cash-on-delivery. Amongst other factors driving this, consumers prefer to receive the product before paying; however many businesses do not provide a POS option on delivery. Hence “Flash on Delivery”, whereby customers can simply scan a QR code presented by a delivery representative at the door. Customers ordering from businesses such as Homzmart, Rabbit Mart, Mori Sushi and many others will soon be able to pay using Flash on Delivery. (Flash 17.07)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. ABH & SolarEdge JV to Accelerate Solar Adoption in Saudi Arabia

SolarEdge Technologies signed a joint venture with Ajlan & Bros Holding (ABH), one of the largest private sector conglomerates in the Middle East and North Africa region. The JV entity will be established in Riyadh, Saudi Arabia.

The JV is being formed to support the deployment of smart renewable energy solutions in Saudi Arabia, in-line with the Saudi Vision 2030 initiative that aims to reduce the country’s dependence on oil by the end of this decade. Leveraging the established position of ABH in Saudi Arabia and the vast experience accumulated by SolarEdge in smart energy technology, the JV will offer enterprises in the country solutions from SolarEdge’s portfolio of systems for energy generation, storage, and management as well as site modeling and energy transition consultancy. The JV will be jointly managed by a team of professionals from both companies, with ABH as the majority shareholder.

Herzliya, Israel's [SolarEdge](https://www.solaredge.com/en) is a global leader in smart energy technology. By leveraging world-class engineering capabilities and with a relentless focus on innovation, SolarEdge creates smart energy solutions that power our lives and drive future progress. SolarEdge developed an intelligent inverter solution that changed the way power is harvested in photovoltaic (PV) systems. (SolarEdge 31.07)

[Back to Table of Contents](#TOC)

* 1. Fourth Solar Energy Field at Israel's Ashalim Commences Operations

In a joint statement, Israel's Ministry of Finance, the Ministry of Energy & Infrastructure Ministry and Israel Electricity Authority announced that construction at the fourth solar power plant in Ashalim had been completed and it will begin sending electricity to the grid.

The Ashalim solar field, in the Negev Desert, will supply power at a record low price in the electricity market. The field of photovoltaic panels will supply electricity at 2.2 cents per kilowatt hour (1 KW of power sustained for one hour), significantly cheaper than any other power plant generating electricity from solar energy in the country. The government said that the set price is cheaper than electricity production using polluting fossil fuels and lower than similar projects around the world.

[Negev Energy Ashalim Thermo-Solar](http://www.negevenergy.co.il/en/), led by the Israeli arm of the French company EDF Renewables, and the winner of the government tender for the construction and operation of the 40 MW photovoltaic solar power plant, completed the acceptance tests for the facility and obtained a permanent production license to start commercial operation. Ashalim already operates two thermo-solar power fields producing 120 MW per year each and one photovoltaic facility that generates 30 MW yearly. Together, the four stations in Ashalim will supply electricity totaling more than 300 MW annually. (Various 19.07)

[Back to Table of Contents](#TOC)

* 1. Brenmiller Signs MoU to Deploy Thermal Energy Storage Projects in India

Brenmiller Energy signed an Memorandum of Understanding (MoU) with Waaree Energies, India’s largest manufacturer of solar panels, to implement bGen TES in India. This announcement marks Brenmiller’s entrance into the Indian market, adding to the Company’s growing global presence including Israel, Europe, and the U.S. Under the terms of the MoU, Brenmiller and Waaree will jointly explore, develop, and deploy solar-powered TES systems in India, subject to entry into a definitive agreement.

Brenmiller’s award-winning bGen TES system is a mature, scalable, and cost-effective solution that enables 24/7 renewable management for industrial processes and power production. The bGen can store energy in the form of heat for minutes, hours, or days, and produce steam, hot water, or hot air on demand. In addition to decarbonization, Brenmiller’s TES technology provides critical reliability and protection from renewable intermittency and fluctuations in energy market prices.

Rosh HaAyin's [Brenmiller Energy](https://bren-energy.com) delivers scalable thermal energy storage solutions and services that allow customers to cost-effectively decarbonize their operations. Its patented bGen thermal storage technology enables the use of renewable energy resources, as well as waste heat, to heat crushed rocks to very high temperatures. They can then store this heat for minutes, hours or even days before using it for industrial and power generation processes. (Brenmiller 26.07)

[Back to Table of Contents](#TOC)

* 1. Green Transition Plan Sees France’s AFD Approve a €80 Million Loan for Morocco

The French Development Agency (AFD) approved an €80 million loan for Morocco, saying this is part of the agency’s pledges to contribute to Morocco’s green transition plan. The agency’s statement also included the announcement of a technical assistance grant worth €2 million to “support the public policy of “green budget transition." Initially approved on 5 July, the loan also seeks to support Morocco’s plan to accelerate the achievement of its energy transition objectives.

The loan comes in line with Morocco’s programs pledging to commit to the fight against climate challenges. Morocco’s strategy to transition to clean, efficient energy in the next decade has been applauded by a number of countries and observers in the international community, with many having touted the country’s renewable energy assets and efforts against climate change. The latest country to commend Morocco’s approach to energy transition is Germany, which last week recalled that Rabat and Berlin have shared goals when it comes to energy efficiency.

The North African country’s positive rankings in clean energy indexes have been attributed to its plans to boost production capacity for solar, wind, and green hydrogen. Specifically, Morocco’s plan is to increase the share of green energy in its overall energy consumption to 52% by 2030. (MWN 12.07)

[Back to Table of Contents](#TOC)

* 1. Morocco’s Wind Portfolio is Expanding

Nareva Enel Green Power (NEGP) — a JV between Morocco’s electricity company Nareva and Italian renewable energy developer Enel Green Power — has begun operations on its 300 MW Boujdour wind farm in Morocco. Activation of the Boujdour wind farm brings the number of operational wind farms in the country to 17.

The wind farm — estimated to have cost some $400 million — is expected to generate 1.59 GWh of clean energy and offset some 1.1 million tons of carbon emissions annually. ONEE will offtake the power generated by the energy plant under a PPA at one of the world’s lowest tariffs, the statement notes, without disclosing the price. ONEE also announced the commissioning of the Boujdour II 400/225 kV transformer station which aims to improve the electricity transmission capacity from renewable energy projects to the power grid of southern Morocco. Siemens Wind Power — the exclusive supplier of wind turbines for the project — manufactured a large part of the wind turbine components locally at its Tangier blade production plant. The Boujdour wind farm is part of NEGP’s 850 MW Integrated Wind Project (IWP), which seeks to deploy an additional 100 MW from the onshore Tiskrad wind farm in Laayoune and 270 MW from the Jbel Lahdid onshore wind farm in Essaouira.

Morocco wants renewable energy to account for 80% of its total power generation by 2050. The country plans to more than triple appropriations for renewables projects to $1.4 billion between 2023-2027 as part of a target to have 50% of its energy come from renewables by 2030. Morocco’s installed capacity of renewables stood at more than 4 GW as of 2022. (Enterprise 31.07)

[Back to Table of Contents](#TOC)

* 1. Huawei & ONEE Partner to Boost Renewable Energy Integration in Morocco

Chinese telecommunication company Huawei and Morocco’s National Office of Electricity and Drinking Water (ONEE) have joined forces to strengthen renewable energy integration in the Moroccan electricity system. With a shared commitment to innovation, Huawei Morocco and ONEE signed a Memorandum of Understanding (MoU) with the aim of harnessing innovative electricity storage technologies for the massive integration of renewable energies. Under the partnership, Huawei will provide the ONEE Center for Electricity Sciences and Techniques with state-of-the-art equipment for technical testing and demonstration laboratories. In addition, the MoU will include the design and implementation of projects to enhance the performance of renewable energies in the national electricity system by promoting continuous innovation in the sector.

The signing ceremony emphasized the commitment of both parties to drive innovation in the field of renewable energy. The partnership highlighted the importance of introducing innovative technologies into the Moroccan electricity system to maximize the integration of renewable energies, further solidifying public-private partnerships as a driving force for promoting renewable energy initiatives.

In addition, the move underlined that the MoU aligns with Morocco’s energy transition policy, which has seen massive investments in renewable energies over recent years. ONEE argued that its partnership with Huawei is set to contribute to an increase in technical and technological skills within the sector, opening the door for the exploration of new and advanced solutions in renewable energy deployment. The partnership also reflects Huawei’s commitment to promoting renewable energy and sustainable development in Morocco. (MWN 20.07)

ARAB STATE DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Lebanon's Central Bank Chief Ends Term with No Successor

The central bank chief of crisis-torn Lebanon, Riad Salameh, who is wanted for alleged financial crimes in several European countries, handed over his post on 31 July with no designated successor in place. First Vice Governor Wassim Manssouri, who will temporarily take over, urged politicians to implement reforms demanded by the IMF in return for a bail-out loan. Lebanon's deeply divided political class has failed to agree on a permanent replacement for Salameh, 73, creating another power vacuum in a country that also has no president and is ruled by a caretaker government. Salameh, who held the post for 30 years, is a key figure of the Lebanese political elite widely blamed for the country's economic meltdown that has seen the currency collapse and poverty rates soar.

The central bank has extended credit lines from its depleted coffers to the cash-strapped state mainly to pay government employees, subsidize some medicine and finance the country's security forces. Manssouri proposed to cut all central bank funding for the state while reforms are implemented, to save what is left of its depleted cash reserves. Manssouri said halting funding was crucial to preserve the central bank's depleted reserves, which have plunged from $36 billion in 2017 to $10 billion. Authorities must meanwhile implement reforms, including passing a 2023 budget, a capital control law and bank restructuring in the next six months, Manssouri said. Lebanon has been governed by a caretaker government with limited powers for over a year, and has been without a president for nine months. (AFP 31.07)

[Back to Table of Contents](#TOC)

* 1. Jordan to Establish 15 Food Industry Factories by End of 2023

Jordan's Ministry of Agriculture launched a plan aimed to establish 15 factories for food industries, by the end of 2023. The announcement was made during the signing of 3 agreements with King Hussein Bin Talal Development Area (KHBTDA) and a number of investors, as part of a project to stimulate the Kingdom's agricultural industries in the industrial and development estates to achieve Jordan's food security.

The food processing plants would create job opportunities and promote local products to replace imported items, while achieving monitoring over the local product aimed to reach the highest quality and competitive price, which would absorb surplus production of vegetables and fruits. The two factories in the southern Jordan Valley are 80% complete so far, while 7 plants will be completed by the end of next week in a number of the Kingdom's governorates, bringing the total number to 9 factories.

The first agreement, which was signed with KHBTDA, aims to provide this area with incentive programs for investment in the agricultural sector and food industries, while the other deals will be signed with investors in KHBTDA next week, according to a Ministry of Agriculture statement. The other two agreements were signed to manufacture "half-fried" potatoes in southern Tafila governorate, to absorb the local potato surplus, as Jordan annually imports up to 100,000 tonnes of industrial potatoes. These factories would contribute to achieving the added value aspect locally, reducing imports and absorbing surplus, as the ministry will pay factory fees for a 5-year period. (Petra 20.07)

►►Arabian Gulf

[Back to Table of Contents](#TOC)

* 1. Kuwait Prohibits All Cryptocurrency Use in New Virtual Assets Ban

On 18 July, Kuwait banned all virtual asset transactions, investments and mining, according to a statement released by the country’s Capital Markets Authority (CMA). The CMA statement further clarifies that mining cryptocurrencies, a function needed to verify and process transactions, is also prohibited. Based on these definition, this means that Kuwaiti residents are also banned from selling or buying non-fungible tokens, gaming tokens and other similar assets that are digital, decentralized and hold financial value. However, digital representations of paper currencies, securities and other financial assets are excluded from the ban.

The authority also issued a warning about virtual assets being high risk with prices based on speculation that expose them to sharp and sudden declines.

Users of cryptocurrencies and other virtual assets in Kuwait would be subject to Kuwait’s 2013 money laundering and terrorist financing laws, which if breached “could subject the parties to all penalties, financial or sentences of imprisonment, which are stipulated in Article (20) of the ministerial resolution.” Other Middle East and North African countries that have heavy restrictions or full official bans on the use of cryptocurrencies include Algeria, Egypt, Morocco, Tunisia, Saudi Arabia, Qatar, Jordan, Turkey, Iran and Iraq, according to Texas-based firm Freeman Law, American personal finance brand Money and also government sources.

Bahrain and the UAE are among the few countries in the region to allow the use of cryptocurrencies to build their virtual asset markets and draw in high-net worth individuals. (Al-Monitor 20.07)

[Back to Table of Contents](#TOC)

* 1. UAE & Turkey Sign Strategic Agreements Valued at $50.7 Billion

The UAE and Turkey signed a joint accord to establish a high-level strategic council, further cementing ties between the two nations. The accord was signed in the presence of UAE President Sheikh Mohamed bin Zayed Al Nahyan and Turkish President Erdogan, who was in the UAE on an official visit. The two leaders also witnessed the exchange of several agreements and memoranda of understanding (MoUs).

The deals – estimated to be worth $50.7 billion – will expand and diversify the framework of the UAE-Turkey Comprehensive Economic Partnership Agreement, deepening investment between both nations across strategic sectors. During his official visit, President Erdogan also presented a Turkish-made electric car Togg to the UAE President. (GB 20.07)

[Back to Table of Contents](#TOC)

* 1. UAE Government Revenue at $31 Billion in First Quarter

UAE’s total revenues reached Dhs115.6 billion in the first three months of the year, driven by robust domestic demand in the tourism, real estate, construction, transportation and manufacturing sectors, according to the preliminary results of the UAE Government Finance Statistics Report. The report said that total revenues included Dhs63.5 billion of tax revenues, Dhs3.9 billion of revenues from social contributions and Dhs48.2 billion of other revenues from property income, sales of goods and services, fines and penalties, and transfers not elsewhere classified.

The Government Finance Statistics shows the total volume of government operations in the country and measures the financial activities of the government in an economy, and the government’s allocation of resources.

The latest data from the Ministry of Finance shows that total expenditures amounted to Dhs92.5 billion comprising net investment in non-financial assets and current expenses, including employees’ wages, use of goods and services, consumption of fixed capital, paid interest, subsidies, grants, social benefits, and other transfers as reported in the UAE Government Finance Statistics Report for Q1. Net lending/net borrowing, an indicator of the financial impact of government activity on other sectors of the economy, stood at Dh23.2 billion. (GB 26.07)

[Back to Table of Contents](#TOC)

* 1. UAE Seeks 7% Growth to Double Economy to Over $800 Billion

The United Arab Emirates is looking to accelerate economic growth as it seeks to double its gross domestic product to over $800b by the end of the decade. The focus is to grow by 7% to reach $817 billion in output by the end of 2030. The UAE saw its economy expand almost 8% in 2022, thanks in part to higher crude prices and production. This year, the IMF projects GDP growth will slow to 3.5%.

The UAE is seeking bilateral trade deals and partnerships to achieve its goals and is confident it has the policies in place to navigate any potential challenges such as slower Chinese growth or disruptions to the global financial system. The UAE, OPEC’s third-largest producer, has been pushing to develop its position as a global hub for business and finance, especially as it faces growing regional competition from larger neighbor Saudi Arabia. It signed trade deals worth billions of dollars over the past two years with countries including India, Indonesia and Turkey.

Recently, during Turkish President Erdogan’s visit to Abu Dhabi, the UAE pledged to ramp up financial help for Turkey with deals that could be worth more than $50 billion. The financial commitments include the signing of several MOUs, buying $8.5 billion of bonds and a $3 billion pact by Abu Dhabi wealth fund ADQ with Turkey’s Export Credit Bank to finance companies planning to export goods to the UAE and other markets. The two countries are still working on finalizing the details. (Bloomberg 22.07)

[Back to Table of Contents](#TOC)

* 1. UAE Establishes Specialized Entities for Economic Crimes & Money Laundering

The UAE Federal Judicial Council approved the Attorney General’s proposal to establish federal prosecution entities specialized in economic crimes and money laundering. This to develop the UAE’s judicial system to keep pace with global economic shifts and introduce specialized judicial entities.

The creation of prosecution offices specialized in economic crimes and money laundering is a part of the transformative projects (government accelerators) on which the Ministry of Justice is currently working in coordination with the Federal Judicial Council to improve the professional and legal performance in the UAE. The establishment of these entities also represents a first step towards investigating and cracking down on economic crimes and money laundering, including those that fall on economic interests such as corporate crimes, bankruptcy, regulation of competition, financial markets, intellectual property and trademarks, or that violate the UAE’s financial rights, such as customs evasion crimes.

The project’s significance lies in protecting the economy and reducing the impact of financial crimes on the economy and society, as well as growing the UAE’s economy and enhancing its competitiveness as a global financial and business hub for investment and improving the efficiency and quality of criminal investigations. The UAE is intensifying its efforts to combat economic crimes, taking steps to strengthen the legislative and legal structure and to protect the national economy. (UAE Barq 30.07)

[Back to Table of Contents](#TOC)

* 1. Revived Cooperation Between the UAE & Korea on Nuclear Power

The UAE and South Korea held high-level talks to strengthen cooperation in the nuclear sector, UAE Energy and Industry Minister Al Mazrouei and South Korea’s Second Vice Foreign Minister Oh Young-ju agreed during the meeting to develop a cooperation model to export nuclear reactors to a third unnamed country based on Seoul’s completion of construction of four nuclear reactors in Barakah nuclear plant near Abu Dhabi under a $20 billion contract. The contract was awarded to a Korea Electric Power Corp (KEPCO) led consortium in 2009. They also agreed to explore new areas of cooperation, including in the small modular reactor sector, according to the ministry. (Enterprise 31.07)

[Back to Table of Contents](#TOC)

* 1. UAE Led the World in Mobile Internet Speed in June

The UAE has ranked first globally in mobile internet speed for the month of June, with a download speed of 204.24 Mbps and an upload speed of 22.72 Mbps, according to the Speedtest Global Index published by Ookla, a web service that provides analysis of internet access performance metrics. According to the index, the UAE topped the global rankings during the first half of 2023 (January, February, March, May, and June), while it ranked second in April.

As for fixed broadband speed, the UAE ranked second globally and first regionally and among Arab countries in June, with a download speed of 239.2 Mbps. Singapore topped the list with a speed of 247.29 Mbps.

Quarterly reports issued by Ookla showed that etisalat by e& recorded the fastest median download speeds across both mobile and fixed, at 216.65 Mbps and 261.98 Mbps, respectively, in Q2/23. etisalat by e& also had the fastest median 5G download speed at 680.88 Mbps and the lowest median mobile multi-server latency at 35 ms. (Various 19.07)

[Back to Table of Contents](#TOC)

* 1. UAE Rice Ban After Major Exporter India Stokes Global Supply Fears

The United Arab Emirates’ rice exporting ban issued on 28 July came about a week after India issued its major prohibition on non-basmati rice exports, heavily affecting the local markets of the Gulf country that imports 90% of its food. The UAE was the 16th-largest importer of rice in the world in 2021, according to the Observatory of Economic Complexity, importing $484 million in rice that year. It also imported the majority of its rice from India ($301 million) and is therefore critically impacted by the new Indian policy.

The UAE Ministry of Economy announced a temporary suspension of rice exports and re-exports to foreign markets for four months. The ban covers various types of rice and their products that do not originate from India. The UAE rice ban follows one issued less than two weeks before from India, which saw the South Asian country and leading global rice supplier completely prohibit the export of non-basmati white rice on 20 July. This is an amendment to a 20% export duty tax imposed on non-basmati white rice in September 2022. The complete ban with immediate effect was issued to ensure adequate availability of Non-Basmati White Rice in the Indian market and to allay the rise in prices in the domestic market.

Middle East countries are directly impacted by India’s July ban on basmati rice and also increasing prices. Iran, Saudi Arabia and the UAE were the leading importers of basmati rice from India from April to December 2022. India had exported basmati rice worth $3.33 billion during that period, and its top importer Iran spent $777.78 million, followed by Saudi Arabia with $666.91 million, and the UAE with $236.13 million on basmati rice imports from India. Local suppliers and food stores in the UAE are expecting prices to temporarily rise. Some local media reported that the domestic UAE market expects to see a 40% increase in overall prices as a result of the Indian ban. (Al-Monitor 31.07)

[Back to Table of Contents](#TOC)

* 1. Dubai Explores Implementation of Common Law in Free Zones

The government of Dubai is actively exploring the application of ‘common law’ within the emirate’s free zones to bolster the city’s business ecosystem and enhance its global appeal and efficiency. The potential adoption aims to complement the emirate’s future-forward strategy to foster a dynamic, responsive legal framework that supports investors’ ambitions and bolsters global competitiveness. The initiative supports the economic objectives outlined in the Dubai Economic Agenda D33, which aims to position Dubai among the top three global economic hubs.

Last year, the Dubai Free Zones Council forecasted that the contribution of these trade zones to the emirate’s GDP is on track to reach Dhs250 billion by 2030.

According to the UAE Ministry of Economy, the country offers investors more than 40 multidisciplinary free zones, in which expatriates and foreign investors can have full ownership of companies. Businesses operating in these zones are also exempted from the 9% corporate business tax introduced on 1 June. The Ministry of Finance said qualifying entities in the country’s economic free zones – which export tens of billions of dollars of goods to neighboring states – are subject to a zero per cent rate, even when dealing with the mainland on certain strategic activities such as manufacturing, goods processing and logistics services. (GB 26.07)

[Back to Table of Contents](#TOC)

* 1. IMF Lowers 2023 Middle East Outlook as Saudi Arabia's Growth Slows

The Middle East and North Africa’s growth projections for 2023 slumped compared to last year, according to the International Monetary Fund’s latest World Economic Outlook (WEO) report. In 2022, the IMF estimated that the region’s GDP grew by 5.4%. This year, it said that it would grow by only 2.6%, a downward adjustment of 0.5% from the fund's April economic forecast. The IMF's 25 July WEO update also projected the region's economy to grow by 3.1%, a downward revision of 0.3% on April's estimate.

Saudi Arabia saw a huge fall in growth projections for its economy, from 8.7% last year to 1.9% in 2023. The IMF said the country showed a “steeper-than-expected growth slowdown," resulting in a negative revision of 1.2% for 2023. The IMF forecasts that the kingdom's economy will grow by 2.8% in 2024, a negative adjustment of 0.3% compared with April's forecast.

Economic projections for other MENA region countries were not included in the latest WEO update, but the deputy director of the IMF’s research department said the fund maintained its April projections for 3.7% growth of Egypt’s GDP in 2023. However, the fund has raised Egypt’s inflation projections this year from 21.6% to 24.4%. (IMF 26.07)

[Back to Table of Contents](#TOC)

* 1. Saudi Wealth Fund Sets Up Sawani to Boost Camel Dairy Industry

Saudi Arabia’s Public Investment Fund (PIF) has launched Sawani Company to advance the growth of the country’s camel farming industry and actively contribute to its sustainable development. Sawani aims to become the biggest producer of camel dairy products to support Saudi Arabia’s wider food and agriculture sector while helping to diversify the economy in line with Vision 2030. The company will partner with players in the private sector to boost the production capacity of the camel dairy industry. It seeks to elevate the standards of the domestic production ecosystem by modernizing operations, improving the localization of knowledge and investing in the sector’s latest technologies.

Saudi Arabia’s wealth fund has invested extensively in the country’s food and agriculture sector to help diversify the economy and support its produce industries. PIF’s investments in the sector include the launch of Saudi Coffee Company and the Halal Products Development Company – to augment growth in the halal products industry.

PIF said Sawani will focus on increasing knowledge of the camel farming industry to preserve it and drive sustainable growth through the introduction of the best scientific practices. It will place sustainability at the center of all stages of production, distribution and marketing while raising awareness of the health benefits of camel dairy products. The company will also showcase the unique history and cultural heritage of camel husbandry within Saudi Arabia. (Various 21.07)

[Back to Table of Contents](#TOC)

* 1. Saudi Arabia’s PIF Sets Up Company to Promote Ajwa Dates

Saudi Arabia’s sovereign wealth fund, the Public Investment Fund (PIF), has launched a company to foster the growth and development of the kingdom’s date industry. The new company, Al Madinah Heritage Company (MHC), will play a key role in improving the quality and production capacity of Ajwa dates in the Madinah region. The fund said the launch of MHC is expected to support the further development of Saudi Arabia’s food and agriculture sector while driving the diversification of the economy.

MHC will focus on promoting and distributing Ajwa dates both within Saudi Arabia and internationally in addition to other date varieties to meet growing global demand. It will also contribute to the wider development of sustainable agriculture in Saudi Arabia’s Madinah region through the adoption of the latest agricultural technologies. The date industry is a key component of the kingdom’s food and agriculture sector and has an important role to play in the realization of Vision 2030. (Zawya 24.07)

[Back to Table of Contents](#TOC)

* 1. Bahamas to Enter Agreements with Saudi Arabia

I. Chester Cooper, Bahamas Deputy Prime Minister and Minister of Tourism, Investments & Aviation led a delegation of tourism officials to Saudi Arabia for three days of meetings culminating in the signing of a multi-million-dollar contract with the Saudi Fund for Development to enhance economic tourism development in The Bahamas.

While in Riyadh, the Deputy Prime Minister met with Ahmed Al Khateeb, Minister of Tourism, and toured King Abdulaziz City for Science and Technology (KACST), which is an independent scientific organization that is responsible for the promotion of science and technology in Saudi Arabia. (BMTIA 21.07)

►►North Africa

[Back to Table of Contents](#TOC)

* 1. IMF Keeps Egypt Growth Outlook Unchanged

The IMF left its 2023 growth forecast for Egypt unchanged in its latest projections released alongside its updated World Economic Outlook. The Fund is still expecting growth to slow to 3.7% this year from 6.6% in 2022, a forecast initially made in April.

The Fund now expects the economy to expand at a 4.1% clip next year, down from its 5.0% forecast in April. This lower growth in 2024 is mostly because of the lack of foreign exchange rate flexibility and the shortages that have developed in the FX market in Egypt, which makes it difficult to import. It also has dampened investor confidence.

The IMF is now projecting inflation to average 24.4% this year and rise further to 32% in 2024. This is a significant shift from its April forecast which saw inflation averaging 21.6% this year and slowing to 18% in 2024. This is mostly due to the depreciation of the Egyptian pound and the lack of policies that restore the macroeconomic balances. Inflation accelerated at a record pace in June as the impact of multiple currency devaluations combined with higher seasonal demand to send food prices soaring. Annual urban rate of inflation rose to 35.7% y-o-y during the month. (Enterprise 26.07)

[Back to Table of Contents](#TOC)

* 1. Egypt’s Current Account Deficit Narrowed

Egypt’s current account deficit narrowed by 40% y-o-y to $3.5 billion in 3Q 2022-2023 on the back of falling imports, according to Enterprise calculations of central bank figures released on 25 July. The deficit came in at $3.4 billion during the January-March quarter, down from $5.8 billion in the same period last year and compared to a $1.4 billion surplus in Q2, the country’s first since 2014. On a nine-month basis, the current deficit narrowed more than 60% to $5.3 billion from $13.6 billion last year.

The value of imports fell 25% y-o-y during Q3, helping to narrow the trade deficit despite a decline in exports. The country spent $17.5 billion on imports during the three-month period, down from $23.6 billion in the same period last year, as the ongoing shortage of hard currency constrained importers’ ability to pay for overseas goods. This caused the trade deficit to narrow more than 30% to $8.1 billion, offsetting an 18% fall in exports, which came in at $9.6 billion.

Egypt's oil and gas exports fell almost 40% y-o-y to $3.2 billion during the quarter. Non-oil exports declined at a slower rate, bringing in $6.4 billion compared to $6.6 billion in the same period last year. Tourism revenues rose 25% y-o-y to $3 billion during the quarter from $2.4 billion last year, which the central bank attributed to a “rise in the numbers of both tourist nights and tourist arrivals.” Meanwhile, Suez Canal revenues saw a 29% increase to $2.2 billion from $1.7 billion a year prior due to an increase in the net tonnage of vessels passing by. (Enterprise 26.07)

[Back to Table of Contents](#TOC)

* 1. Egypt Receives a $616 Million Loan from the Arab Monetary Fund

The [Arab Monetary Fund (AMF)](https://www.amf.org.ae/en) is extending a $615.6 million loan to Egypt to help improve the efficiency of the cash-strapped North African nation’s financial and banking sectors. The AMF said the agreement is aimed at bettering the payment-systems infrastructure, financial inclusion and the regulatory framework.

Egypt is awaiting a review by the International Monetary Fund about a 46 month, $3 billion rescue program, though it may be dependent on the country enacting more wide-ranging reforms pledged in return. The IMF deal is a vital component of Egypt’s efforts to turn around an economy that was tipped into crisis in the aftermath of the Russia-Ukraine crisis. The country is experiencing its worst foreign-currency crunch and fastest inflation rate in years. (AMF 31.07)

[Back to Table of Contents](#TOC)

* 1. Tunisia Gets a Surprise $500 Million from Saudi Arabia Amid IMF Delay

Saudi Arabia offered Tunisia $500 million in financial aid that could buy time for the North African country as it struggles to secure a bailout from the IMF. The surprise announcement of a $400 million soft loan and a $100 million donation came during a visit to Tunis by Saudi Finance Minister Aljadaan.

Tunisia intends to use the funds “to support the budget,” Tunisian Finance Minister Boughdiri said. The money comes at a sensitive time for Tunisia, which risks defaulting on its debt unless it wins final approval from the IMF for a $1.9 billion bailout agreed in principle last year. The IMF has waited months for authorities in Tunisia to submit a revised package of reforms and spending cuts.

But President Kais Saied has rejected what he called the “diktats” of the Washington-based lender and said an austerity program could spell more instability and hardship for Tunisians, throwing the deal into doubt. Tunisia’s coffers could also get some help from local lenders. Parliament will vote lately on a $131 million loan from local banks to help fund the budget pending an IMF deal. The Saudi aid comes after Tunisia’s top diplomat toured the Gulf earlier this week, meeting regional leaders and officials at sovereign wealth funds and economic development vehicles. (Bloomberg 22.07)

[Back to Table of Contents](#TOC)

* 1. Algeria has Formally Applied to Join BRICS

Algeria has formally applied to join the BRICS group with a contribution of $1.5 billion, Algerian President Tebboune said. The country aims to access new economic opportunities through this move, as Algeria seeks to diversify its economy and strengthen ties with nations like China. Several countries from the region have been looking to join BRICS — which consists of Russia, Brazil, India, China and South Africa. These include the UAE, Egypt and Saudi Arabia. (Enterprise 24.07)

[Back to Table of Contents](#TOC)

* 1. Remittances from Moroccan Diaspora Reached $5.6 Billion in June 2023

Remittances from the Moroccan diaspora reached approximately $5.6 billion by the end of June 2023, Morocco’s Office Des Changes reported. The figure represents a significant increase compared to the $4.9 billion recorded in the same period last year. The Moroccan diaspora has long been an integral part of the nation’s identity, with their financial contributions through remittances playing a crucial role in boosting the country’s economy. The importance of the diaspora’s remittances goes beyond the economic aspect, as sending money back home is often a testament to their strong attachment to their homeland.

The diaspora’s remittances have proven to serve as a counterbalance to economic challenges, offering stability during times of crisis. In 2020, remittances accounted for 6.5% of the country’s GDP. According to the World Bank Group’s Migration and Development Brief, remittances from the Moroccan diaspora are among the highest in Africa. The same report indicated that Morocco is the second top recipient of remittances in the Middle East and North Africa (MENA) region. (MWN 31.07)

[Back to Table of Contents](#TOC)

* 1. Morocco Ranks as 22nd Largest Importer of Nuts

Morocco is the 22nd largest importer of nuts in the world, new statistics has shown. According to the agriculture-focused news website East Fruit, Morocco imported over 20,000 tonnes of nuts in the first four months in 2023. Morocco spent over $186 million on nut imports last year. The US is the largest supplier of nut exporters to Morocco, albeit suppliers include China and Chile. (MWN 22.07)

[Back to Table of Contents](#TOC)

* 1. Morocco & US Expand on Renewables Tech & Innovation Cooperation

Morocco and the US extended a joint agreement on scientific and technological cooperation in the fields of climate change, renewable energies, artificial intelligence and sustainable development. The new agreement extends an earlier 10-year agreement that went into effect in February 2012, which aims to expand opportunities for Moroccan and American institutions and companies to build contacts and strengthen research in the fields of science and technology. The agreement also provides joint protection of intellectual property rights. The agreement will remain in effect until 26 July 2033. (Enterprise 31.07)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Cypriot Inflation Stands at Two-Year Low of 2.8%

Cyprus' harmonized inflation plunged in June to 2.8% compared to last year, falling to the lowest level in nearly two years due to a significant drop in energy prices. A year earlier, the annual inflation rate in Cyprus was 9.0%, which stood at 8.6% in the Eurozone and 9.6% in the EU. In June, the annual inflation rate dropped in Cyprus (from 3.6% in May to 2.8%), in the Eurozone (6.1% to 5.5%), and in the EU (7.1% to 6.4%), according to Eurostat.

Cyprus’ Harmonized Index of Consumer Prices (HICP) rose by 2.8% between June 2022 and June 2023. Compared to the previous month, the HICP went up by 0.3%, and for January – June, it rose by 4.9% compared to the previous year. Compared to June 2022, the largest changes were noted in Food and Non-Alcoholic Beverages, which went up by 10.6%) and Transport dropped by 7.2%. Compared to May 2023, the largest changes were recorded in Restaurants and Hotels, up by 2.8% and Housing, Water, Electricity, Gas and Other Fuels, down by 2.8%.

For January – June 2023, compared to the previous year, the largest changes were in Housing, Water, Electricity, Gas and Other Fuels, which rose 9.7%; Food and Non-Alcoholic Beverages went up 8.9%, and Restaurants and Hotels increased by 7.1%. In the second half of 2022, inflation increased by 4.75% and in the first half of the same year by 4.36%. (FM 20.07)

[Back to Table of Contents](#TOC)

* 1. Fitch Says Cypriot & Greek Banks Show Improved Credit Profiles

Fitch Ratings said the credit profiles of Greek and Cypriot banks have significantly improved over the past year due to de-risking and restructuring. The rating agency has taken positive rating actions on all Greek and Cypriot banks in the last twelve months, reflecting improved profitability and the resilience of the Greek and Cypriot economies in 2023. Further positive rating actions will depend on structural profitability gains, leading to stronger capitalization and ongoing improvements in asset quality.

One key factor contributing to their improved credit profiles is the significant reduction in non-performing exposures (NPEs) since 2020. Fitch expects NPEs to decrease further, driven by the recent deconsolidation of a large NPE portfolio by Hellenic Bank and upcoming NPE transactions from Alpha Bank and Piraeus Bank. Some banks, it is added, may utilize their stronger profitability to write off more NPEs or increase NPE coverage. Fitch expects NPE formation in Greece to increase in the second half of 2023 as the economy slows.

Cypriot banks are expected to maintain stable asset quality in H2/23, supported by Cyprus’s positive economic outlook and improved control over NPE inflows. Fitch also anticipates that higher interest rates and cost-cutting initiatives will boost average operating profitability/risk-weighted assets to over 2% for Greek banks. Liquidity remained unaffected by the market turmoil in Q1/2023. (FM 18.07)

GENERAL NEWS AND INTEREST

\*REGIONAL:

[Back to Table of Contents](#TOC)

* 1. Jordanian Rights Groups Concerned Over Controversial Cybercrime Bill

A group of rights organizations urged Jordan to scrap a controversial draft cybercrime law, joining activists opposing the bill that they say would further undermine freedom of speech in the kingdom. The Jordanian Parliament is currently discussing amendments that the government has recently introduced to the country’s already existing cybercrime law. The bill includes 41 articles compared to 15 in the 2015 law, and imposes hefty penalties and criminal charges for crimes such as using the internet to “undermine national unity,” “inciting immorality,” spreading “fake news” and publishing “hate speech.” Legal experts have warned that the vague phrasing of the articles give authorities more power to crack down on free speech.

Reporters Without Borders (RSF) also sounded the alarm and expressed concerns about the bill’s impact on journalism in Jordan. Its imprecise language and punitive approach allows prosecutors to exercise tighter control over online media and encourages self-censorship. Activists in Jordan also launched an online campaign criticizing the bill with the Arabic hashtag “A state not a prison.” According to RSF’s 2023 World Press Freedom Index, Jordan ranked 146th out of 180 countries in terms of press freedom, dropping 26 places from its previous 120th position last year.

On July 6, Jordanian authorities blocked the satirical news site Al-Hudood without providing an explanation. The move followed the London-based Arabic-language platform’s coverage of last month’s royal wedding of Crown Prince Hussein. Al-Hudood's report on the wedding asked where the money had come from to hold the ceremony at a time when Jordanians are living under difficult economic conditions.

Last year, Al-Monitor’s contributor Daoud Kuttab was briefly detained at Amman airport over a 2019 article about the detention of a Jordanian-American investor. He was accused of spreading misinformation under the country’s cybercrime law. A day earlier, authorities also detained Jordanian journalist Taghreed al-Rishq over a tweet criticizing a pro-government journalist. She was released later. (Al-Monitor 25.07)

[Back to Table of Contents](#TOC)

* 1. Nearly 9 Million Indians are Based in the GCC, led by the UAE

More than 66%, or 8.88 million, of the 13.4 million non-resident Indians (NRIs) live in the Gulf Cooperation Council (GCC) countries, according to India’s External Affairs Ministry. The number of NRIs in the UAE stands at 3.41 million, followed by 2.59 million in Saudi Arabia, 1.02 million in Kuwait, 740,000 in Qatar, 770,000 in Oman and 320,000 in Bahrain.

The US has 1.28 million NRIs, while the UK has 350,000. The number of NRIs in Australia is 240,000, with 220,000 in Malaysia and 170,000 in Canada. The data is as of March 2022, the ministry clarified. An NRI is an Indian citizen who lives outside India but holds an Indian passport. (Zawya 28.07)

ISRAEL LIFE SCIENCE NEWS

[Back to Table of Contents](#TOC)

* 1. Philip Morris Acquiring Syqe Medical for Some $650 Million

Philip Morris is acquiring the Israeli company Syqe Medical in a deal that could reach $650 million. Syqe’s main product is a metered-dose inhaler for pain reduction treatment using medical cannabis. The deal consists of several milestones. Philip Morris will initially invest $120 million to support the process of obtaining FDA approval for Syqe's inhaler. If the approval is received after passing clinical trials, Philip Morris will proceed to purchase all the shares of the Israeli company for $650 million. The transaction will be conducted through Philip Morris' subsidiary Vectura, which specializes in the field of inhalers.

The acquisition of Syqe marks one of the largest transactions in Israel's medical technologies field in recent years. If the $650 million valuation is achieved, Syqe will become one of the ten largest cannabis companies globally, joining the ranks of Tilray and Aurora. This exit is highly significant for all of Syqe's investors, considering that the total investments in the company to date amount to only $80 million.

Established in 2011, Tel Aviv's [Syqe](https://syqe.com/) holds around 120 patents resulting from more than 8 years of development. The main innovation in Syqe's inhaler is the use of raw inflorescence of the cannabis plant, not its processed products, and the ability to measure an exact dose. (Syqe Medical 18.07)

[Back to Table of Contents](#TOC)

* 1. FDA Clears MeMed BV Test Direct from Whole Blood Allowing Faster Results

MeMed announced that the U.S. FDA granted 510(k) clearance for use of the MeMed BV test on whole blood samples on the point-of-need MeMed Key analyzer to help healthcare providers distinguish between bacterial and viral infections in 15 minutes. Through newly developed technology, MeMed BV on whole blood can accurately and quickly measure multiple proteins present in low concentrations from a small volume of whole blood. An earlier version of the test conducted on serum (cleared by the FDA in 2021) is being rolled out successfully in medical centers on the MeMed Key platform as well as on high throughput analyzers via partnerships with leading diagnostic companies.

This new version of MeMed BV retains the exceptional performance of its serum counterpart but eliminates the need for clotting and spinning, enabling MeMed to approach decentralized settings in the US, such as urgent care centers, where minimal handling and maintenance are essential. Tirat Carmel's [MeMed](http://www.me-med.com)'s translates the immune system’s complex signals into simple insights that transform the way diseases are diagnosed and treated, profoundly benefiting patients and society. (MeMed 19.07)

[Back to Table of Contents](#TOC)

* 1. Insightec's Focused Ultrasound Surgery Effective Treatment to Curb Tremors

Insightec announced FDA approval of the five-year study endpoint for the largest prospective long-term, follow-up study of unilateral MR-guided focused ultrasound (MRgFUS) surgery (thalamotomy) for essential tremor (ET) to date. The data shows sustained and significant tremor improvement at five years with an overall improvement in quality-of-life measures and without any progressive or delayed complications. The study also confirms the long-term efficacy of the procedure for sufferers of ET, and follows the recent FDA approval of use of the technology to treat the second side tremor of appropriate patients. Insightec's Focused Ultrasound technology has been used to perform over 11,000 procedures worldwide.

The randomized, controlled, multi-center study describes the long-term safety and efficacy of unilateral MRgFUS thalamotomy for the treatment of medication-refractory essential tremor using the Exablate System. The data showed the durability of tremor reduction in patients' (n=40) treated hand, which remained significantly improved at five years. This 73.1% improvement in tremor severity (CRST Part A) is considered clinically meaningful and is consistent with previously published data from this cohort.

Haifa's [Insightec](‎ www.insightec.com‎) is a healthcare company dedicated to using focused ultrasound technology to transform patient care. The company's Exablate platforms focus sound waves, safely guided by MRI, to provide tremor treatment to patients with a variety of conditions, including medication-refractory Essential Tremor, Parkinson's Disease and prostate disease. (Insightec 20.07)

[Back to Table of Contents](#TOC)

* 1. Teva & Alvotech Provide Update on Strategic Biosimilars Partnership

Teva Pharmaceuticals, Inc., a U.S. affiliate of Teva Pharmaceutical Industries, and Iceland's Alvotech, a global biotech company specializing in the development and manufacture of biosimilar medicines for patients worldwide, have agreed to expand their existing strategic partnership agreement. Teva will also acquire subordinated convertible bonds to be issued by Alvotech.

The partners continue working closely on matters concerning pending approval in the U.S. for AVT02, an interchangeable high-concentration biosimilar candidate for Humira (adalimumab). The existing strategic partnership agreement also includes four other biosimilar candidates, one of which is AVT04, a proposed biosimilar for Stelara (ustekinumab), which is currently pending U.S. FDA approval.

The expansion to the existing strategic partnership agreement pertains to exclusive commercialization in the U.S. by Teva of two new biosimilar candidates and line extensions of two current biosimilar candidates in the partnership, to be developed, and manufactured by Alvotech. The agreement includes milestone payments, the majority paid following product approvals and upon achieving significant sales milestones. Teva and Alvotech will share profit from the commercialization of the biosimilars. All other financial terms and product details remain confidential. The agreement also includes increased involvement by Teva regarding manufacturing and quality at Alvotech’s manufacturing facility. Teva is actively supporting Alvotech on-site in Iceland to be fully ready for an FDA inspection.

Israel's [Teva Pharmaceutical Industries](http://www.tevapharm.com) has been developing and producing medicines to improve people’s lives for more than a century. They are a global leader in generic and innovative medicines with a portfolio consisting of over 3,500 products in nearly every therapeutic area. Around 200 million people around the world take a Teva medicine every day and are served by one of the largest and most complex supply chains in the pharmaceutical industry. (Teva 24.07)

[Back to Table of Contents](#TOC)

* 1. New Data Shows Advantages of Rapid Medical’s COMANECI Embolization Assist Device

Rapid Medical announced new clinical data showing significant advantages of its novel COMANECI embolization assist device over established techniques to treat ruptured wide-neck intracranial aneurysms. A recent meta-analysis published in World Neurosurgery found that COMANECI is associated with lower hemorrhagic and thromboembolic complication rates, higher complete occlusion rates, and similar residual retreatment rates than stent-assisted and balloon-assisted coiling techniques.

As the only adjustable, non-occlusive device for hemorrhagic stroke treatment, COMANECI’s visible mesh conforms to the anatomy, providing stent-like support without the complications of a permanent stent or halting blood flow like a balloon. It has been used in over 12,000 procedures worldwide in wide-neck aneurysm treatments–and in Europe only–to open arteries constricted by vasospasm.

Yokneam's [Rapid Medical](http://www.rapid-medical.com) pioneers advanced interventional devices to treat neurovascular diseases such as ischemic and hemorrhagic stroke. Utilizing proprietary manufacturing techniques, Rapid Medical’s products are remotely adjustable and fully visible. This enables physicians to respond in real-time to the anatomy and tailor the approach to every patient for better procedural outcomes. TIGERTRIEVER 13, 17 and 21, COMANECI and COLUMBUS/DRIVEWIRE are CE marked and FDA cleared. TIGERTRIEVER XL is also CE marked. (Rapid Medical 19.07)

[Back to Table of Contents](#TOC)

* 1. MetaSight Emerges from Stealth & Partners with Maccabi's Innovation Center

MetaSight Diagnostics recently emerged from stealth, announcing their Multi-Omics Serum Screening study in collaboration with Kahn-Sagol-Maccabi (KSM), the R&D Center of Maccabi Health Services, has reached a new milestone: the creation of the a comprehensive metabolomics research consisting of hundreds of thousands of de-identified serum samples.

The liquid biopsy market today mostly centers on oncology genomics. Despite meaningful advancements in liquid biopsies to detect cancer, the prediction and diagnosis of other potentially deadly and debilitating conditions lack accurate and affordable solutions. MetaSight aims to address this unmet need using its unique mass-spectrometry approach and already has developments spanning chronic liver disease, cancer, cardiovascular and neurological diseases. MetaSight is conducting this metabolomic research using instruments and consumables from Thermo Fisher Scientific.

Rehovot's [MetaSight Diagnostics](http://www.metasightdx.com), a health technology company, is on a mission to create affordable and precise liquid biopsy diagnostics for early detection of a variety of chronic and acute diseases, utilizing proprietary, cost-effective mass spectrometry technologies. (MetaSight Diagnostics 25.07)

[Back to Table of Contents](#TOC)

* 1. InMode Expands Women's Health Footprint Via Acquisition of Viveve Patents

InMode completed a significant intellectual property (IP) transaction in the women's health and wellness market. InMode has acquired all the intellectual property assets of Colorado's Viveve Medical. Viveve is a medical technology company focused on women's wellness and the treatment of female stress urinary incontinence (SUI). All of Viveve's worldwide patents will be transferred and registered under InMode.

The acquisition of Viveve's patent portfolio, in addition to an exclusive licensing agreement previously signed with the University of California relating to a bladder denervation patent, coupled with InMode's existing robust patent portfolio, fortifies InMode as the global market leader in women's wellness products development.

Yokneam's [InMode](http://www.inmodemd.com) is a leading global provider of innovative medical technologies. InMode develops, manufactures, and markets devices harnessing novel radiofrequency technology. InMode strives to enable new emerging surgical procedures as well as improve existing treatments. InMode has leveraged its medically-accepted minimally-invasive RF technologies to offer a comprehensive line of products across several categories for plastic surgery, gynecology, dermatology and ophthalmology. (InMode 25.07)

[Back to Table of Contents](#TOC)

* 1. Evogene's ChemPass AI Tech-Engine is Breakthrough Machine Learning Technology

Evogene announced the latest addition to its ChemPass AI tech-engine – a breakthrough technology for target-protein discovery. The integration of TargetSelector, a new application that streamlines target-protein discovery for active molecule identification, assists researchers in finding suitable target proteins for new products while reducing development time, resources and most importantly, increasing the probability of success. ChemPass AI tech engine is a cutting-edge computational platform for discovering and optimizing small molecules for various life-science products, such as therapeutics and ag-chemicals.

ChemPass AI has been trained on vast repositories of molecular data encompassing diverse chemical structures and biological targets. This wealth of knowledge empowers the platform to recognize intricate patterns, subtle interactions, and complex relationships between small molecules and their target-proteins. As a result, ChemPass AI can rapidly evaluate an organism's protein set (proteome) as well as billions of potential candidates, ranking them according to their likelihood of success and shortening the time needed to identify promising target-proteins and leads (small molecules).

Rehovot's [Evogene](https://evogene.com/) is a computational biology company leveraging big data and AI, aiming to revolutionize the development of life-science based products by utilizing cutting-edge technologies to increase the probability of success while reducing development time and cost. Evogene established three unique tech-engines - MicroBoost AI, ChemPass AI and GeneRator AI. Each tech-engine is focused on the discovery and development of products based on one of the following core components: microbes (MicroBoost AI), small molecules (ChemPass AI), and genetic elements (GeneRator AI). (Evogene 25.07)

[Back to Table of Contents](#TOC)

* 1. Health Canada Approves IceCure Medical's ProSense Cryoablation System

IceCure Medical announced that Health Canada, the Canadian government's regulatory agency, has approved IceCure's ProSense System, disposable cryoprobes and introducers as cryosurgical tools for indications including Tumors – ablation of benign and malignant tumors of the lung, liver, kidneys, and musculoskeletal system, and benign tumors of the breast, General surgery, Palliative intervention and other surgeries. Canada's healthcare system is ranked as one of the top in the world, with total health spending estimated at $331 billion in 2022.

Caesarea's [IceCure Medical](v) develops and markets ProSense, an advanced liquid-nitrogen-based cryoablation therapy for the treatment of tumors (benign and cancerous) by freezing, with the primary focus areas being breast, kidney, bone and lung cancer. Its minimally invasive technology is a safe and effective alternative to hospital surgical tumor removal that is easily performed in a relatively short procedure. The system is marketed and sold worldwide for the indications cleared and approved to date including in the U.S., Europe and China. (IceCure Medical 24.07)

[Back to Table of Contents](#TOC)

* 1. Steakholder Foods Signs First Multi-Million-Dollar Agreement with a GCC Government

Steakholder Foods has entered into an MoU for Strategic Cooperation with an accredited GCC-based governmental body as Steakholder Foods' strategic partner, to advance food security efforts through the application of Steakholder Foods' groundbreaking 3D printing technology. Commencing with an investment by the strategic partner in the construction of a pilot plant to produce printed hybrid-fish products, the pact aims to create a first-of-its-kind large-scale production facility in the Arabian Gulf region. The agreement foresees a material initial down payment to Steakholder Foods for the procurement of its 3D-printer technologies, followed by a milestone-based sales and procurement plan for industrial-scale output.

The collaboration between the partners will leverage Steakholder Foods' expertise in providing mature Ready-to-Cook (RTC) 3D printer technologies and customized bio-inks, tailored to produce a wide range of species-specific cultivated fish and meat products, as well as vegetable-based products. The partners also seek to utilize Steakholder Foods' advanced technology to overcome the limitations of traditional fish and meat production, ensuring consistent, nutritious, and safe food products that closely mimic the taste, texture, and appearance of conventional meat, fish and vegetable-based products. The collaborative efforts outlined in the MOA signify a shared vision and commitment to food security, in a future where access to nutritious and sustainable food is within reach for all.

Founded in 2019, Rehovot's [Steakholder Foods](https://steakholderfoods.com) is an international deep-tech food company at the forefront of the cultured meat revolution. The company is developing a slaughter-free solution for producing cellular agriculture meat products, such as beef and seafood, by offering manufacturers the ability to produce a cultivated meat product that aims to closely mimic the taste, texture, and appearance of traditional meat— as an alternative to industrialized farming and fishing. (Steakholder Foods 24.07)

[Back to Table of Contents](#TOC)

* 1. Israeli VC Launches $80 Million Fund to Back Sustainable Agrifood Startups

Tel Aviv's [FLORA Ventures](https://www.floravc.com/) has launched a new $80 million fund for sustainable agrifood startups, the largest of its kind in the country. They will invest in early-stage startups from Israel and Europe that are working towards building a healthier, more sustainable and resilient system of producing food and other agricultural products. It has already completed its first investment in Arrakis Bio, a stealth-mode Israeli startup that is developing a technology to produce high-quality, animal-free collagen and gelatin.

The firm raised the funds with its partners, including Sadot Kibbutzim, a co-operative of more than 185 kibbutzim that will offer the startups access to agricultural land, production capabilities, and expertise to help scale their technologies. FLORA Ventures said that COVID-19, the Russian invasion of Ukraine and the climate crisis underscore the urgency for a fund to help accelerate innovation in the agrifood industry. (No Camels 20.07)

[Back to Table of Contents](#TOC)

* 1. Aleph Farms Submits First Ever Application for Cultivated Meat in Europe

Aleph Farms has submitted an application for regulatory approval to the Swiss Federal Food Safety and Veterinary Office (FSVO) with the goal of selling the world’s first cultivated beef steaks under the Aleph Cuts brand in Switzerland. The submission is part of Aleph’s collaboration with Migros, Switzerland’s largest food enterprise, which has been instrumental in assessing the country’s specific regulatory approval process.

Aleph Farms is leveraging the expertise and infrastructure of leaders in food production, including Migros, which first invested in the company in 2019, to help accelerate scale-up, go-to-market activities and commercialization of Aleph Cuts worldwide. Together, Aleph and Migros have since conducted extensive consumer research in Switzerland and navigated the intricacies of the country’s regulatory landscape for novel foods. The two companies will continue to develop a go-to-market strategy that involves distribution and commercialization of Aleph Cuts through fine dining food service channels in Switzerland.

Rehovot's [Aleph Farms](http://www.aleph-farms.com) enhances sustainability, food security and animal welfare by diversifying the supply and decentralizing the production of quality animal proteins and fats as a complement to sustainable animal agriculture. Founded in 2017, the company unveiled the world’s first cultivated thin-cut beef steak in 2018, the world’s first cultivated ribeye steak in 2021, and cultivated collagen in 2022. Under its product brand, Aleph Cuts, the company is launching its first product, the cultivated Petit Steak, grown from non-modified cells of a premium Black Angus cow. (Aleph Farms 26.07)

[Back to Table of Contents](#TOC)

* 1. FDA Clears UltraSight's AI-Powered Cardiac Ultrasound Technology

UltraSight has been granted FDA clearance for its AI-powered ultrasound guidance technology. The UltraSight real-time AI guidance software can assist medical professionals without sonography experience in acquiring cardiac ultrasound images at the point of care in multiple settings, allowing for more widespread detection of heart disease and providing patients easier access to cardiac monitoring.

UltraSight's AI Guidance software is indicated for use in two-dimensional transthoracic echocardiography (2D-TTE) for adult patients, specifically in the acquisition of the 10 standard views of the heart. The company's submission for FDA clearance was based on its landmark pivotal study which demonstrated that with real-time guidance of the ultrasound probe and feedback on the quality of the ultrasound image, medical professionals without prior ultrasound experience can acquire diagnostic quality images.

UltraSight's solution will enable hospital staff to advance patient triage and treatment with increased efficiency and clinical confidence. It can also increase access to care for chronic heart disease patients by bringing cardiac ultrasound into local communities, potentially increasing patient adherence to critical treatments. UltraSight's software is designed as an accessory for point of care ultrasound systems and is compatible with the Philips Lumify Ultrasound System. When paired with a compatible device, UltraSight's underlying AI neural network predicts the position of the ultrasound probe relative to the heart, based on the ultrasound video stream, and guides the user on maneuvering the probe to capture diagnostic quality cardiac images.

Ness Ziona's [UltraSight](http://www.ultrasight.com)'s real-time AI guidance software aims to bring the benefits of cardiac imaging to more healthcare professionals in multiple care settings and allow patients easier access to cardiac care. UltraSight achieved CE Marking for its real-time guidance software for cardiac ultrasound in the EU, and UKCA Marking in the UK. (UltraSight 27.07)

[Back to Table of Contents](#TOC)

* 1. CartiHeal Announces First Commercial Implantation of Agili-C in the US

CartiHeal announced its first commercial implantation of Agili-C in the US at Northwell Health in New York City, NY. The Agili-C implant features a bi-phasic design that supports both bone remodeling and cartilage regeneration. Agili-C received FDA breakthrough designation status in 2020 and demonstrated clinical superiority to the surgical standard of care (SSOC)—microfracture and debridement—in one of the largest cartilage clinical trials on record with the broadest inclusion criteria, which was meant to mimic real-life patients. This resulted in the Agili-C implant receiving FDA approval with an indication for the treatment of an International Cartilage Repair Society (ICRS) grade III or above knee-joint surface lesion(s), with a total treatable area of 1-7cm2, without severe osteoarthritis (Kellgren-Lawrence grade 0-3).

Kfar Saba's [CartiHeal](http://www.cartiheal.com) is a privately held medical device company focused on the design, development, and commercialization of proprietary implants for the treatment of cartilage and osteochondral defects in traumatic and osteoarthritic joints. (CartiHeal 26.07)

[Back to Table of Contents](#TOC)

* 1. Wilk Signs MoU to Acquire Beeio Honey Technologies

Wilk Technologies signed a MoU to acquire Beeio Honey Technologies from Beeio Honey. Beeio Honey will give up its stock market shell. One of the conditions in the deal is that Wilk will raise at least NIS 3 million before the transaction is completed, which will be allocated to Beeio Honey activities. Following the announcement, the shares of both companies posted substantial increases.

As part of the expected merger Wilk will acquire 100% of Beeio Honey's subsidiary Beeio Honey Technologies in a share exchange deal with Beeio Honey Technologies becoming a wholly owned subsidiary of Wilk.

The two companies were established in 2018, and they share a group of founders. Rehovot's [Wilk](about:blank) develops cell-based milk and yogurt. The products are not yet at the commercial stage. Cash flow is negative, and in 2022 Wilk reported a loss of NIS 17 million. Several months ago Wilk raised about NIS 12 million in a financing round led by Danone, one of the world's leading dairy companies. Central Bottling Co. (Coca-Cola Israel), which owns Tara, also participated in the fundraising. Rehovot's [Beeio Honey](https://bee-io.com/) seeks to develop an artificial version of the bee's stomach for the production of artificial honey. (Wilk 26.07)

[Back to Table of Contents](#TOC)

* 1. FeelBetter Raises $5.9 for Medication Management for Polypharmacy Patients

FeelBetter has raised $5.9 million in funding. Firstime Ventures and Shoni Health Ventures led the funding round with participation from Random Forest VC, The Group Ventures, and existing FeelBetter investor Triventures, bringing the Company's total funding to $8 million.

Launched in 2018, FeelBetter is tackling the challenges associated with suboptimal medication management among polypharmacy patients. Led by an interdisciplinary team of clinicians, clinical pharmacists, and technologists, FeelBetter has pioneered a new category of technology called Pharmaco-Clinical Intelligence. It combines novel pharmacology and clinical capabilities and is changing the polypharmacy paradigm on both an individual and population health level. A comprehensive solution powered by AI and machine learning capabilities, FeelBetter's Pharmaco-Clinical Intelligence drives proactive, personalized medication management, helping healthcare professionals ensure that their patients' medication regimens are safe, effective, and appropriate.

Recognizing that a range of diverse factors can influence a senior patient's health status, FeelBetter's Pharmaco-Clinical Intelligence synthesizes and analyzes healthcare data from multiple sources to pinpoint patients at high risk of deterioration and preventable hospitalization due to suboptimal medication management. The SaaS solution also proactively suggests immediate and actionable interventions to reduce polypharmacy risks, and aids healthcare providers in monitoring patients' progress and measuring the impact of clinical interventions. Additionally, by using FeelBetter, provider organizations can more effectively and efficiently allocate resources to better serve patients, and minimize preventable, costly use of healthcare services.

Tel Aviv's [FeelBetter](https://www.feelbetter.healthcare/) is the pioneer of Pharmaco-Clinical Intelligence, changing the polypharmacy paradigm on both an individual and population health level with a comprehensive solution designed to tackle the challenges associated with suboptimal medication management. Powered by AI and machine learning capabilities, FeelBetter's Pharmaco-Clinical Intelligence drives personalized medication management, helping healthcare professionals ensure that their patients' medication regimens are safe, effective, and appropriate. (FeelBetter 31.07)

[Back to Table of Contents](#TOC)

* 1. FDA Approves MAGENTIQ-COLO, a Cutting-Edge AI Gastrointestinal Lesion Software

The U.S. FDA cleared the MAGENTIQ-COLO via the 510(k) process. Its device, which offers the gastroenterology community and its patients a significant increase in Adenoma Detection Rate (ADR), will be available in the US in the coming weeks. The FDA clearance follows European CE Mark and Israel AMAR approval, which were received in mid-2021, opening doors to one of the most significant markets for this category of medical devices.

In a comprehensive study performed in 2022 across 10 leading medical centers with 29 endoscopy experts and more than 950 enrolled patients, MAGENTIQ-COLO was validated as one of the best performing artificial intelligence (AI) solutions in the category, increasing ADR by 26% relatively (7% in absolute values), which is translated into a 21% decrease in CRC occurrence and a 35% decrease in patient mortality.

Founded in 2014, Haifa's [MAGENTIQ-EYE](https://www.magentiq.com/) offers a groundbreaking AI-aided colonoscopy solution that offers one of the best performances known today. With worldwide recognition from the gastroenterology community, and dozens of procedures performed every day with the assistance of MAGENTIQ-COLO, they are setting the new standard of colonoscopy and saving more lives. (MAGENTIQ-EYE 31.07)

[Back to Table of Contents](#TOC)

* 1. UroGen Announces $120 Million Private Placement of Ordinary Shares

UroGen Pharma has entered into a definitive securities purchase agreement in connection with a private placement (the Private Placement) to selected institutional and accredited investors. RA Capital Management and Great Point Partners led the Private Placement, which also included Acorn Bioventures, Monograph Capital and Horton Capital Partners Fund. UroGen expects to receive gross proceeds of approximately $120 million, before deducting commissions and other expenses. UroGen intends to use the net proceeds of the Private Placement for non-clinical and clinical development activities for its product candidates, commercialization expense and general corporate purposes.

Pursuant to the terms of the securities purchase agreement, UroGen will issue 12,579,156 ordinary shares, or pre-funded warrants in lieu thereof, at a purchase price of $9.54 per share (less $0.001 for each pre-funded warrant), which reflects a premium to the closing price on July 26, 2023. Each pre-funded warrant has an exercise price of $0.001 per share and does not expire until exercised in full. The Private Placement is expected to close on or about July 28, 2023 subject to the satisfaction of customary closing conditions.

Ra'anana's [UroGen](http://www.urogen.com) is a biotech company dedicated to developing and commercializing innovative solutions that treat urothelial and specialty cancers because patients deserve better options. UroGen has developed RTGel reverse-thermal hydrogel, a proprietary sustained release, hydrogel-based platform technology that has the potential to improve therapeutic profiles of existing drugs. UroGen’s sustained release technology is designed to enable longer exposure of the urinary tract tissue to medications, making local therapy a potentially more effective treatment option. JELMYTO (mitomycin) for pyelocalyceal solution and investigational treatment UGN-102 (mitomycin) for intravesical solution for patients with low-grade non-muscle invasive bladder cancer are designed to ablate tumors by non-surgical means. (UroGen 27.07)

ISRAEL PRODUCT & TECHNOLOGY NEWS

[Back to Table of Contents](#TOC)

* 1. Plasan North America Wins a $300 Million JLTV A2 Subcontract

Plasan North America is to manufacture subcomponents for the armored cabs of AM General Joint Light Tactical Vehicles (JLTVs) under a $300 million deal announced on 17 July. In February, AM General was awarded an $8.66 billion follow-on contract to produce up to 20,682 JLTVs and up to 9,883 trailers under JLTV A2, with initial deliveries scheduled for Q3 2024, after which trials will begin.

Government testing will be coordinated with Army Test and Evaluation Command, the Marine Corps Operational Test and Evaluation Authority and the Pentagon's Office of the Director, Operational Test and Evaluation. Locations are anticipated to be aligned with Aberdeen Proving Ground, Maryland and Yuma Proving Ground, Arizona.

Plasan officials said the contract award would boost its workforce by 170 over the next 18 months in West Michigan, where they currently have a workforce of 80, and was the result of a 'long-standing relationship with the JLTV program, providing high-quality armor components for the last seven years'. (TSN 19.07)

[Back to Table of Contents](#TOC)

* 1. Mobileye's Camera-Only Intelligent Speed Assist Meets New EU Standards

Mobileye has introduced the world’s first vision-only Intelligent Speed Assist (ISA) solution for automakers, following testing and certification across Europe. The camera-only solution, launching in production vehicles this year, helps global automakers meet new European Union (EU) General Safety Regulation (GSR) standards requiring automatic sensing of speed limits in all new vehicle models, without the need to rely on third-party map and GPS data.

The new software, designed for Mobileye’s EyeQ platform, has been certified for use in all 27 EU countries as well as Israel, Norway, Switzerland and Turkey. The EyeQ4 and EyeQ6-based ISA system allows OEMs whose vehicles already integrate these chips to meet the new standards merely by updating the EyeQ’s existing software, without any new hardware requirements. The Mobileye ISA system is expected to be integrated by a major global auto group into two vehicle brands for models going on sale in Europe later this year, with three other global automakers following close behind in 2024 and beyond.

Jerusalem's [Mobileye](https://www.mobileye.com/) is a leader of the mobility revolution with its autonomous driving and driver-assistance technologies, harnessing world-renowned expertise in computer vision, artificial intelligence, mapping and data analysis. Since its founding in 1999, Mobileye has pioneered such groundbreaking technologies as REM crowdsourced mapping, True Redundancy sensing and Responsibility Sensitive Safety (RSS). These technologies are driving the ADAS and AV fields towards the future of mobility – enabling self-driving vehicles and mobility solutions, powering industry-leading advanced driver-assistance systems and delivering valuable intelligence to optimize mobility infrastructure. (Mobileye 18.07)

[Back to Table of Contents](#TOC)

* 1. Perception Point Finds Hackers Steal Over $55 Million in Mexican Financial Fraud

Researchers from Tel Aviv's [Perception Point](https://perception-point.io/) have discovered a new phishing campaign, dubbed “Manipulated Caiman,” aimed at gaining unauthorized access to Mexican citizens’ bank accounts. In May 2023, hackers carried out a widespread phishing campaign, targeting both individuals and organizations in Mexico. Researchers from Perception Point found that the operation began as early as 2021. It is estimated that over the past two years the threat actors have defrauded more than 4,000 victims out of over $55 million.

This attack, dubbed “Manipulated Caiman” by Perception Point researchers due to its Latin American origin and mention of “Loader Manipulado” in the script of the attack, starts off as a seemingly standard phishing scam, in which the target receives an email with a supposed tax receipt attached. The target is lured into clicking on the attachment. By using the CFDI electronic invoice format, mandated in Mexico and used in other parts of Latin America, the threat actor effectively localizes and legitimizes the attack for the user. When the target clicks on the attachment, they inadvertently download malware, giving the attacker unauthorized access to their computer and free rein to execute the remainder of the attack flow.

However, when a user with an IP outside of Mexico attempts to access the file, they are redirected to a legitimate website and the attack is terminated. The attacker employs a form of geofencing in the attack to evade detection and also ensure that only the desired targets are compromised. This method can make it extremely difficult for even the most advanced threat detection solutions to identify and catch.

While there is no easy answer why the threat actor slacked on operations security, Perception Point’s researchers believe that it has to do with a lack of repercussions for cybercrime in Mexico and the region. (Perception Point 12.07)

[Back to Table of Contents](#TOC)

* 1. IDE Technologies Signs with CleanEdge Water for New Wastewater Plant in India

CleanEdge Water awarded IDE Technologies a contract to deliver a state-of-the-art wastewater treatment plant (WWTP) for a mining industry application in India. CleanEdge Water is a Singapore-based integrated industrial wastewater solutions provider for C&I clients in South East Asia and India on BOOT basis.

The WWTP will be designed to treat 4.0 million liters of challenging brine per day, to reach the optimal recovery rate and availability. IDE’s MAXH2O Desalter was chosen as the best solution for extracting quality product water from the mine’s drainage (reuse) in Rajasthan, India, while producing minimum final brine. The MAXH2O Desalter is designed to treat varying wastewater qualities as it is, without any required modification. The excess precipitants removal is conducted by releasing sustainable reusable dry Pellets ~90% D.S., without the need for a dewatering stage. This contrasts with other methods that require additional stages (e.g., IX regeneration waste and other sludge streams). The WWTP project will be supplied to in 2024 to CleanEdge Water’s client in Rajasthan, India.

A world leader provider of desalination and water treatment solutions, Kadima's [IDE Technologies](http://www.ide-tech.com) specializes in the development, engineering, construction, and operation of some of the world's largest and most advanced thermal and membrane desalination facilities and industrial water treatment plants. IDE partners with a wide range of customers on all aspects of water treatment and delivers quality projects worldwide. (IDE Technologies 26.07)

[Back to Table of Contents](#TOC)

* 1. Dig Security Becomes First to Provide Data Security for Generative AI Deployments

Dig Security announced enhancements to the Dig Data Security Platform, including new capabilities to secure Large Language Model (LLM) architectures. Dig's industry-leading DSPM solution now enables customers to train and deploy LLMs while upholding data security, privacy, and compliance, maintaining visibility and control over the data being passed to relevant AI models, and preventing inadvertent data exposure during model training or deployment.

These advancements come on the heels of Dig adding capabilities for OCR to the Dig Data Security Platform, making Dig the first DSPM solution to support OCR for image classification. The Dig Data Security Platform is the industry's first solution to combine DSPM, data loss prevention (DLP), and DDR capabilities into a single platform. Dig enables enterprise cloud and security teams to produce immediate insights using its agentless cloud native solution that delivers a short setup time, zero maintenance, and comprehensive, automated response at scale.

Tel Aviv's [Dig Security](https://www.dig.security) helps organizations discover, classify, protect, and govern their cloud data. With organizations shifting to complex environments with dozens of database types across clouds, monitoring and detecting data exfiltration and policy violations has become a complex problem with limited fragmented solutions. Dig's cloud-native and completely agentless approach re-invents cloud DLP with DDR (Data Detection & Response) capabilities to help organizations better cope with cloud data sprawl. Dig is backed by Team8, SignalFire, Felicis, CrowdStrike, Okta Ventures, CyberArk Ventures, Merlin Ventures and Samsung Ventures. (Dig Security 25.07)

[Back to Table of Contents](#TOC)

* 1. Introducing ROOTS - Biodegradable 3D-Printed Designer Footwear

Balena announced an exciting partnership with acclaimed designer Kitty Shukman to create a unique 3D-printed concept slide with a natural kick: ROOTS. To create her unique, 3D-printed slides, Shukman utilized Balena's BioCir, the first fully compostable and biodegradable elastomer for the fashion industry. The collaboration is a milestone in the intersection of fashion, technology, and environmental consciousness, helping usher in a new era of sustainable design. Kitty's artistic vision for the slide combined with Balena's expertise in bio-plastic materials has resulted in a truly remarkable designer item – as striking as it is circular.

Through this unique footwear concept, Balena is determined to push the boundaries of 3D-printing to advance the adoption of compostable, biodegradable and simultaneously durable materials in the fashion industry. 3D-printing has the potential to revolutionize the materials landscape for fashion – one of the world's most polluting industries. Innovative designers like Kitty have begun to realize the promise of this burgeoning technology as well as the clear 'End-of-Life' enabled through the pioneering of next-gen materials like BioCir™ in order to create new designs which are beautiful, fashionable, and circular from end-to-end.

The BioCir manufacturing process is highly scalable, allowing for collaborations and seamless integration across diverse industries and all available manufacturing methods. Crucially, products crafted with BioCir undergo a responsible end-of-life cycle through a biological recycling mechanism. This entails complete decomposition and biodegradation in an industrial compost facility, safely returning it to the earth – a circular process essential for a sustainable future.

Founded in 2020, Tel Aviv's [Balena](http://www.balena.science) is a material science company on a mission to create a circular future with its propriety fully biodegradable thermoplastic material and cutting-edge circular model to solve the 'end-of-life' problem for brands. Setting the standard for compostable and biodegradable plastics, Balena has created the first durable, flexible, and comfortable alternative to plastics in fashion. (Balena 24.07)

[Back to Table of Contents](#TOC)

* 1. Weebit Nano Qualifies its ReRAM Module for Automotive Grade Temperature

Weebit Nano has fully qualified its Resistive Random-Access Memory (ReRAM) module up to 125 degrees Celsius, the temperature specified for automotive grade 1 Non-Volatile Memories (NVMs). This achievement demonstrates the suitability of Weebit ReRAM for use in microcontrollers and other automotive components, as well as high-temperature industrial and IoT applications. The qualification, using Weebit’s demo chips manufactured by its R&D partner CEA-Leti, was performed based on well-known JEDEC industry standards for NVMs. These standards impose rigorous testing of many silicon dies blindly selected from three independent wafer lots.

The Weebit ReRAM demo chip comprises a full sub-system for embedded applications, including the Weebit ReRAM module, a RISC-V microcontroller (MCU), system interfaces, memories and peripherals. The ReRAM module includes a 128Kb 1T1R ReRAM array, control logic, decoders, IOs (Input/Output communication elements) and error correcting code (ECC). It is designed with patent-pending circuitry running smart algorithms that significantly enhance the memory array’s technical parameters.

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, 5G communications and artificial intelligence. Weebit ReRAM allows semiconductor memory elements to be significantly faster, less expensive, more reliable and more energy efficient than those using existing Flash memory solutions. (Weebit Nano 31.07)

[Back to Table of Contents](#TOC)

* 1. IAI Selects Odysight.ai's Cutting-Edge Health Monitoring Solution for UH60 Helicopters

The IAI (Israel Aerospace Industries) will utilize Odysight.ai's advanced visual sensing and video analytics technology in a cutting-edge visual based health monitoring system for UH60 (Blackhawk) helicopters. The collaboration between Odysight.ai and IAI signifies a substantial advancement in the field of helicopter monitoring systems. By harnessing the power of Odysight.ai's multiple highly resilient video-based sensors, embedded software, video analytics and AI algorithms specifically designed for the UH60 helicopter, this pioneering solution will provide real-time insights into the health of UH60 helicopters, helping to revolutionize safety measures, minimizing downtime, optimizing spare parts management, and enabling the implementation of predictive maintenance strategies.

Omer's [Odysight.ai](https://www.odysight.ai) is pioneering the Predictive Maintenance (PdM) and Condition Based Monitoring (CBM) markets with its visualization and AI platform. Providing video sensor-based solutions for critical systems in the aviation, transportation, and energy industries, Odysight.ai leverages proven visual technologies and products from the medical industry. Odysight’s.ai unique video-based sensors, embedded software and AI algorithms are being deployed in hard-to-reach locations and harsh environments across a variety of PdM and CBM use cases. (Odysight.ai 31.07)

ISRAEL ECONOMIC STATISTICS

[Back to Table of Contents](#TOC)

* 1. Israel's Business Demography for 2020-2022

The Central Bureau of Statistics announced that in 2022, there were approximately 684,150 active businesses in Israel and approximately 4.3 million salaried jobs for Israeli and foreigner workers. About 68% of the total number of active businesses in Israel are self-employed, about 27% are companies (private, public and foreign) and about 5% of active businesses are of a different type (partnerships, non-profits, government institutions, etc.).

Some 61% of the total salaried jobs in Israel are in companies (private, public and foreign), about 9% with the self-employed and about 30% remaining salaried positions are of a different type (partnerships, non-profits, government institutions, etc.). Approximately 54% of the active businesses in 2022 do not employ employees. About 92% of the active businesses that employ employees in 2022 had up to 20 employee positions.

In 2022, approximately 57,700 new businesses began operations, which is 8.4% of all active businesses this year. The same growth level was measured in 2021, compared to only 7.3% in 2020 (probably due to the Corona crisis). About 67% of the new businesses in 2022 did not employ employees. Some 94% of the new businesses born in 2022 that engage employees had up to 9 employee positions.

In 2022 - about 64,500 salaried jobs were added due to new businesses, which is 1.6% of the total salaried jobs in all businesses. For comparison, in 2021 - about 64,700 salaried jobs were added due to business births, which were about 1.8%. The total number of salaried jobs in all the businesses that were active this year.

Some 90.5% of the businesses born in 2021 also survived to 2022, while 25.3% of the businesses born in 2005 also survived to 2022. The lowest survival throughout the eighteen years of activity is found in the hospitality and food service industries (10.3%), while the highest percentage of survival is found in the health, welfare and relief services sector (39.7%).

The percentage of fast-growing businesses in the high-tech industries in 2022 was 12.3%, compared to 3.9% of fast-growing businesses in all sectors of the economy this year. (CBS 26.07)

[Back to Table of Contents](#TOC)

* 1. Israeli Startups Raise $230 Million in July

Israeli startups raised $230 million in July 2023, according to press releases seen by "Globes." The figure may be more as some companies prefer to remain in stealth and sometimes do not publicize the investments they have received.

Investment in Israeli privately-held tech companies slowed to $3.5 billion in the first six months of 2023, according to IVC-LeumiTech compared with $15 billion in all of 2022, and a record $25.6 billion in 2021, more than double 2020's figure of $10 billion, which was itself a record.

Last year Israeli startups raised $10.9 billion in the first half of the year and just $4.1 billion in the second half of the year, as the sharp falls on NASDAQ effected the valuations of growth companies. While June's figure of $850 million raised was the highest since August 2022, July's figure is the lowest amount raised for many years. In July, the biggest financing round was by AI personalized healthcare company K Health, which raised $59 million. (Globes 01.08)

IN DEPTH

[Back to Table of Contents](#TOC)

* 1. IRAQ: ‘Development Road” Project Transforms Baghdad into a Regional Hub

On 18 July, Ali Noureddine posted in [Fanack](https://fanack.com/‎) that the Iraqi government has set forth an ambitious plan to transform Iraq into a regional hub for the transportation of goods and energy resources. The plan capitalizes on Iraq’s strategic location, which enables it to connect the Gulf states and Iran, major energy producers, with Turkiye, a crucial junction for the redistribution of energy resources to Europe.

Thus, this expansive Iraqi initiative aligns with Turkish President Erdogan’s aspirations for Ankara to assume a pivotal role in the oil and gas markets. Simultaneously, Iraq will be able to connect the markets of India and East Asia, known for their production of various consumer goods, with Turkiye and Europe, where demand for these goods is high. This aspect of the Iraqi plan aligns with China’s “Belt and Road Initiative,” aimed at bolstering China’s international commercial relations through an extensive network of infrastructure projects. Moreover, this development will enable the transportation of European goods in the opposite direction, catering to the consumption needs of Gulf countries.

However, the crux of the matter lies in the escalating international competition for infrastructure projects in Iraq since the Iraqi government’s unveiling of its strategic role in the next phase. Currently, China, Turkiye, Qatar and Saudi Arabia are at the forefront of countries seeking to contribute to and invest in Iraq’s ambitious role. Iran, meanwhile, is biding its time before rendering a verdict on the new Iraqi project as, although it has the potential to facilitate Iran’s trade with the rest of the world, it will also compete with an Iranian project with similar goals.

**Good Timing and Favorable Regional Factors**

This project will significantly bolster Iraq’s economic and geopolitical significance in the long run. Some analysts have even drawn parallels between the project’s anticipated role and the historical strategic and logistical significance of the Suez Canal, as both serve as crucial transit points. In fact, while representatives from all other regional countries attended the conference held in Baghdad to announce this project, Egypt was conspicuously absent, raising concerns regarding how the Iraqi project competed with the role of the Suez Canal.

The Iraqi government’s choice of 27 May 2023, a the day to announce the project was strategic, as it coincided with the reconciliation between the Kingdom of Saudi Arabia and Iran earlier in the same month, resulting in the restoration of diplomatic ties between the two nations.

By capitalizing on the stability resulting from this regional settlement, Iraqi Prime Minister Mohammad Shia’ al-Sudani sought to foster a local Iraqi consensus on the new mega project. It should be noted that internal Iraqi political dynamics are often influenced by the positions and disagreements of regional parties, especially Iran and the Gulf states, each of which holds varying degrees of influence over Iraqi political forces.

Furthermore, al-Sudani made significant efforts to personally mediate and facilitate the Iranian-Saudi reconciliation, recognizing that the success of major strategic plans, particularly those positioning Iraq at the center of regional geopolitical equations, would be hindered by the ramifications of Iranian-Saudi tensions on the internal Iraqi political landscape. Al-Sudani acknowledges that Iran, in particular, wields the greatest influence over the political coalition that formed his government, known as the “coordinating framework.”

**The Iraqi “Development Road” project**

The Iraqi endeavor, named the “Development Road” project, aims to establish a transportation route for the movement of goods and energy resources from the south of the country to its north. The term “road” here encompasses an extensive array of investments, including the development of railways and land transport infrastructure. The initiative also involves the expansion of the large Faw port in the country’s south and the establishment of new industrial and residential cities. Drawing a parallel to the concept of a dry canal, the government likens the project to signify the pivotal role of the track in connecting regions, similar to renowned water canals such as the Panama Canal and the Suez Canal.

The projected cost of the initiative is estimated at approximately $17 billion, with implementation scheduled between 2024 and 2028. Out of this total, $10.5 billion has been allocated for constructing railway lines, while the Iraqi government has dedicated approximately $6.5 billion for constructing land roads along the designated path. The remaining components of the project, including industrial and residential cities, as well as energy storage and transmission centers, will rely on private sector initiatives that will leverage the connectivity provided by the land roads.

It is expected that the project will generate an annual revenue of around $4 billion for Iraq, derived from transit fees for goods transported in both directions, as well as fees and taxes resulting from industrial activities along the route. Moreover, the Iraqi government anticipates the creation of approximately 100,000 local job opportunities in the next phase. The total length of the route is projected to span approximately 1,200 km, commencing from the Faw port in the south and concluding at the Turkish border.

Despite the higher cost of land transport via railways compared to sea transport, the Iraqi authorities are determined to attract commercial traffic through the project by reducing the duration of commercial trips between East Asia and Europe by half. For instance, a typical sea voyage from the Chinese port of Shanghai to the Dutch port of Rotterdam takes approximately 33 days. However, by using to land transport from China to the Pakistani port of Gwadar, then to the large port of Faw, and finally through the “Development Road” project to Europe, this period can be reduced to just 15 days.

The Iraqi government is also counting on the tourism sector, and aims to draw visitors from European countries and the Gulf region through railway trips. The Iraqi government’s current plans include the implementation of high-speed trains that can travel at speeds up to 300 kilometers per hour for individual transportation, as well as commercial trains traveling at a speed of 140 kilometers per hour. Based on these plans, individual trains will be capable of crossing the entire route from northern to southern Iraq within four hours, while commercial trains will require eight hours to complete the journey.

One of the most significant aspects of the Iraqi project is its potential to serve as a route for the transfer of oil and liquefied gas produced in the Arab Gulf region to Europe through Turkiye, which is investing heavily in order to establish itself as a hub for the redistribution of energy resources to the European market. It is worth noting that since 2022, Europe has increased its reliance on Qatari liquefied gas as an alternative to Russian gas following the outbreak of the war in Ukraine and the subsequent cutoff of Russian gas supplies to Europe.

These areas are expected to experience significant industrial growth, leveraging the ease of shipping goods, services and raw materials facilitated by the “Development Road” project. Iraq also expects to become a major commercial center for the oil and gas markets due to its capacity to purchase, store and sell these commodities to the European market in accordance with the specific demands of each country.

**International Competition to Invest in Iraq**

Numerous countries have recognized the significant investment opportunities presented by the new Iraq project, particularly for oil and gas producing nations seeking to enhance their petroleum export capabilities. A mere three weeks after the announcement of the “Development Road” project, Qatar’s Emir Tamim bin Hamad paid an official visit to Iraq during which he signed several investment agreements and memorandums of cooperation, underscoring Qatar’s commitment to invest $5 billion in various sectors.

The majority of Qatari investment memorandums of understanding with Iraq focused on projects complementing the “Development Road” project and revolved primarily around the energy sector, including plans for liquefied gas supply, crude oil refining and re-export ventures. Anticipated completion for all these projects is set for 2028, coinciding with the conclusion of the “Development Road” project.

For its part, Saudi Arabia promptly joined the competition with Qatar in this field. Concurrently with the unveiling of the “Development Road” project, a summit between Saudi Arabia and Iraq was hosted in Jeddah and saw the signing of agreements and memorandums of understanding pertaining to the oil, gas and transportation sectors. Moreover, an investment partnership was formed to facilitate logistical services projects for oil companies.

Also announced during the summit was the establishment of the “Saudi Iraqi Company,” which will serve as an arm of the Saudi Public Investment Fund focusing on investing in Iraq’s infrastructure, mining and real estate development sectors. Clearly, these investments align with the objectives of the “Development Road” project, particularly in terms of creating the necessary infrastructure to facilitate energy transportation throughout Iraq.

Regarding China, non-Arab countries have shown significant interest in this project, aligning with China’s “Belt and Road” initiative. It also streamlines the process of exporting Chinese goods to Europe. In light of this, the Chinese ambassador to Iraq, Cui Wei, promptly visited al-Sudani within a week of the project’s announcement. The purpose was to express China’s interest in exploring investment opportunities in the “Development Road” project and offering technical advice to the Iraqi government.

Shortly after this meeting, high-ranking officials from Iraq and China convened a series of discussions to explore the potential development of an “Oil-for-Infrastructure” mechanism. This would enable Chinese companies to invest in infrastructure related to the “Development Road” project, while China would benefit from Iraqi oil in return.

Turkiye, on the other hand, became the first regional country to show support and interest in investing in this project. Ankara recognizes the long-term benefits of accessing energy resources from the Gulf via Iraq and subsequently exporting them to Europe, which is why President Erdogan treated the Iraqi project as if it were a Turkish initiative. Following a meeting with al-Sudani, he assigned his ministers to collaborate with their Iraqi counterparts and work toward the successful completion of the project.

Notably absent from the picture is Iran, the country with the most influence on the situation within Iraq. Iran has its own special project that aims to connect its southern shores overlooking the Gulf of Oman with the Caspian Sea, establishing a trade route with goals similar to those of the Iraqi project.

Consequently, Iran may perceive the Iraqi project as potential threat to its interests, and could interfere by leveraging its influence over Iraq and its ability to sway Shiite political parties. It is worth noting that Iran could benefit from the Iraqi project by exporting oil and liquefied gas to Turkiye and Europe. However, this is contingent on the lifting of sanctions on Tehran and reaching a new understanding regarding the Iranian nuclear program. (Fanack 18.07)

[Back to Table of Contents](#TOC)

* 1. BAHRAIN: Fitch Affirms Bahrain at 'B+'; Outlook Stable

On 17 July, [Fitch Ratings](http://www.fitchratings.com/) has affirmed Bahrain's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'B+' with a Stable Outlook.

**Key Rating Drivers**

**Ratings Strengths and Weaknesses:** Bahrain's ratings are supported by strong financial backing from partners in the GCC and high GDP per capita and human development indicators even relative to 'BBB' medians. Weak public finances, high fiscal dependence on oil revenue, low levels of FX reserves weigh on the ratings. Focus on fiscal consolidation sharpened in late 2018 with the Fiscal Balance Program (FBP), which was refreshed with additional measures in late 2021 and translated into a consolidation 2023-24 budget.

**Budget Deficit to Narrow:** We forecast that the Fitch-adjusted general government budget deficit will narrow to 4.9% of GDP in 2023, from 5.9% in 2022. Revenues will increase despite oil revenue contracting by about 3% under our assumption of a Brent oil price of $80 per barrel in 2023. Trends will be similar in 2024 (Brent at $75/bbl) and we project a budget deficit of 3.4% of GDP.

Fitch's data (and that of the IMF) includes an estimate of extra budgetary spending (5% of GDP in 2022), leading to wider deficits than those reported by the government.

**Higher Revenue Intake:** The authorities target a balanced budget with an oil price of $60/bbl in 2024, from a $105 fiscal breakeven oil price in 2022 ($139/bbl including extra budgetary spending). In Fitch's view, the 2023-24 budget presents a credible path to significantly improving the non-oil balance. It includes higher revenues from new and revised taxes and fees, greater revenues from gas sales through improved collection and higher volumes, and higher dividends from SOEs.

**Strong Spending Restraint:** We expect the authorities will continue to exercise significant moderation on current spending, partly by reducing the range of services the government provides for free. The completion of the upgrade of the BAPCO refinery, with ramp-up of production expected from H2/23 until mid-2024 to about 380,000 bpd, will also contribute to a rise in revenue.

We assume significant, but not full implementation of non-oil revenue raising measures and current spending cuts, resulting in a projected breakeven oil price of $75/bbl in 2024 based on the same definition as the government's $60/bbl target, although there is upside risk. We project the non-oil budget deficit to narrow to 18% of GDP in 2024 from 21% in 2022. Non-oil revenue will increase but remain modest at 8% of non-oil GDP.

**Government Debt to Rise:** Despite a strong fiscal reform drive and narrowing budget deficits, we forecast a rise in government debt/GDP from 2023, increasing to 121% after 117%, well above the forecast 2024 median of 55% for the 'B' rating category. We include the government's liabilities to the Central Bank of Bahrain (CBB), which the government does not include in its debt numbers. These liabilities increased by 4.5% of GDP (BHD976 million) in 2022, reaching 17% of GDP.

**Strong GCC Support to Remain:** We estimate that at end-2022, $2.5 billion of the GCC package remained to be disbursed, which would cover about 55% of Bahrain's $4.5 billion of maturing Eurobonds and Sukuk in 2023-2024 (about 66% including the funding surplus carried over from 2022). The $10 billion GCC financing package was built on existing channels of support, including the $7.5 billion (close to 20% of GDP) GCC Development Fund provided in the wake of the Arab Spring unrest in 2011. GCC partners will continue to undertake the majority of Bahrain's capex.

Provided Bahrain continues to make progress on fiscal reform, we expect GCC partners would be willing to extend new loans if Bahrain was unable to cover its funding needs with other sources once the current support package ends. The updated FBP was accompanied by a statement of ongoing support from Bahrain's GCC partners.

**Foreign Reserves Remain Relatively Low:** Bahrain will remain dependent on GCC funding and market access to stem further pressure on FX reserves. We forecast that the CBB's foreign-exchange reserves will be broadly unchanged in 2023 at $3.9 billion, despite a large current account surplus. This reflects the fact that the central bank only accumulates foreign-currency proceeds from government related sources (e.g. hydrocarbons, external government borrowing) while all economic actors can buy FX from the central bank.

Despite the low level of reserves, we do not expect pressure on the exchange rate peg. This level is higher than following the oil price crash of 2015-2016, but remains low in relation to current external payments (just above one month), external amortization ($2 billion per year) and monetary aggregates. Regular swap operations with retail banks contribute significantly to the CBB's foreign assets, but are short term and present some risk to the CBB's foreign-currency liquidity. Potential GCC support also mitigates risks.

**Growth to Slow:** We project real GDP growth of 2.4% in 2023, as upstream hydrocarbon activity remains flat, refinery production ramps up and fiscal consolidation dampen demand. We expect inflation to remain lower than peers, partly due to the impact of subsidies, and CPI went down in 4M23. Monetary policy remains driven by the Fed's decisions.

**RATING SENSITIVITIES**

**Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

-Public Finances: Significant deterioration of public debt dynamics, for example, due to a sustained fall in oil prices below our long-term assumptions, or a failure to implement fiscal reforms that reduce the fiscal breakeven oil price.

-External Finances: Signs of weakening GCC support, which could place greater pressure on the balance of payments and currency peg in the context of low levels of reserves. This could lead to the removal of the +1 notch on External Finances.

**Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade**

-Public Finances: Confidence in a sustained reduction in government debt/GDP over the medium term and further structural improvement of public finances, reducing the need for an expanded GCC financing package. This could lead to the removal of the -1 notch on Public Finances.

-Structural Features: An easing of socio-political constraints on fiscal policy, allowing for deeper reforms that generate higher non-oil revenue. This could lead to the removal of the -1 QO notch on Structural Features. (Fitch 17.07)

[Back to Table of Contents](#TOC)

* 1. SAUDI ARABIA: How Saudi Arabian Shoppers Successfully Navigate a Sea of Change

The aftershocks of the COVID-19 pandemic and the resultant shifts in the Saudi Arabian retail space, as well as food inflation, have generated a pullback on promotions, coupled with price increases. This has created a challenging environment for Saudi Arabian shoppers who have adapted quickly by shifting towards convenience and essential products.

This was the view of Andrey Dvoychenkov, [NielsenIQ](https://nielseniq.com/) Middle East General Manager, as an introduction to the very first Saudi Food Show held in Riyadh and attended by a host of local and international retail professionals. His NielsenIQ presentation entitled Navigating Disruption During Times of Change provided the latest insights into the Saudi Arabian Fast Moving Consumer Goods (FMCG) sector.

Dvoychenkov said; “The Saudi market has recently been driven by price increases, with some prices raised by 10 to 15% during the year, which is mostly due to the rising cost of raw materials.” Dvoychenkov also highlighted the uniqueness of the Saudi Arabian market “where the majority of products and raw materials are imported, making it essential for industry players to navigate supply chain disruptions and consider local substitutes to create more stability.”



Dvoychenkov reported that as a result consumers in Saudi Arabia are scaling back on spending and optimizing their budgets due to various lifestyle changes. These changes include cooking at home more often, minimizing waste and spending less on clothing and grooming.

An interesting dynamic is that despite their intention to curtail spending, Saudi shoppers seem to care deeply about quality. The premium product segment is growing ahead of the economy segment for local and international brands in food, with 65% of Saudi shoppers saying they are willing to pay more for quality products.

In terms of their response to the current challenging conditions they face, tactics that consumers are employing include weighing up the attributes that matter most, shopping online to get the best deals, and stopping buying certain categories of products. Interestingly, despite these changes and turbulent times, consumers in Saudi Arabia have the lowest percentage globally in perceiving themselves to be in a recession.

Dvoychenkov indicated that Saudi shoppers primarily spend their shopping time in hypermarkets and supermarkets, but there is a noticeable trend of faster growth in smaller format stores, such as grocery and convenience stores. The price increase in groceries is also significantly lower in these smaller format stores compared to traditional supermarkets.

**The essence of "essentials" for modern shoppers**

When it comes to choice and product selection, 77% of Saudi shoppers feel that food prices have increased and are only willing to buy essentials. Regarding the definition of "essentials" for modern shoppers, Dvoychenkov emphasized the need to be careful in how this term is perceived. To today's shoppers, essential products include staple items like bread with health benefits, like gluten-free flour that offer intrinsic benefits. In addition, the NielsenIQ analysis highlighted the growing importance of health and wellness in consumers' minds, with many shoppers in Saudi Arabia willing to pay more for products containing healthy supplements, supporting the immune system, and made with natural ingredients.

**The soaring rise of e-commerce and convenience formats**

The presentation also revealed a significant 45% growth in online sales (Q1/23 vs. a year ago), with e-commerce playing an increasingly important role in the region. Dvoychenkov explained, “e-commerce growth is driven not only by convenience but also by an appetite for discounts. Online platforms offer a wide range of products, including ready-to-eat meals and foods catering to diverse consumer preferences.”

He added, “Convenience formats are also on the rise, with retailers like Viva, Gala, and Tamimi Express actively driving the expansion of these formats, offering everyday low prices and tailored assortments to meet consumers' convenience-seeking needs.”

**The retailers' and manufacturers' challenge**

With the changing market dynamics, retailers and manufacturers need to adapt their strategies to meet evolving consumer demands. For Saleem Iftikhar, Country Leader for NielsenIQ in Saudi Arabia: “Price matching, direct price-cutting campaigns, and loyalty-building initiatives are some of the propositions retailers are adopting to cater to price-conscious consumers while providing a pleasant shopping experience.”

The NielsenIQ study finally emphasizes the importance of offering a well-organized store with a pleasant ambience, as well as excellent customer service. “Consumers are increasingly seeking price and promotion-related saving strategies, and although promo efficiency has seen a slight decline, our analysis highlights the need for retailers to engage customers through various components, including price and entertainment,” concludes Dvoychenkov.

[NIQ](http://www.NIQ.com) is a leading consumer intelligence company, delivering an understanding of consumer buying behavior and revealing new pathways to growth. In 2023, NIQ combined with GfK, bringing together the two industry leaders with unparalleled global reach. With a holistic retail read and comprehensive consumer insights – delivered with advanced analytics through state-of-the-art platforms – NIQ delivers the Full View (TM). (NielsenIQ 31.07)

[Back to Table of Contents](#TOC)

* 1. SAUDI ARABIA: Smaller Population Puts Key Indicators in a More Favorable Light

On 24 July, Tim  Callen noted in the [Arab Gulf States Institute in Washington](https://agsiw.org/) that the initial data from Saudi Arabia’s 2022 census was published at the end of May. The main headline was that the population living in Saudi Arabia is considerably smaller than previously thought. While the lower population estimates have provoked some negative reaction, what has been missed is that a smaller population means less pressure on infrastructure and puts some key economic indicators in a more favorable light.

**Takeaways from the 2022 Census**

The 2022 census conducted by the General Authority for Statistics provides updated and comprehensive information on the Saudi population, composition of households and housing stock. Data on education, health, migration and the labor market has also been collected and will be released later.

The census estimates the total population (Saudis and Non-Saudis) living in Saudi Arabia at 32.2 million in 2022. The General Authority for Statistics took the information in the 2022 census to revise its estimates of the population in earlier years. Previously, the 2010 census data together with estimates of births, deaths, and net migration flows had been used to estimate the population. Following these revisions, the population in 2021 is now estimated at 30.8 million compared to 34.1 million previously. Indeed, the population estimates have been revised lower for every year since 2010 by an average of 8%.

The lower population estimates are due entirely to a smaller number of Saudis. The revised 2021 population estimate for Saudi nationals is 18.4 million compared to 21.7 million previously. Interestingly, the Saudi working-age population (age 15 and above) has fallen dramatically with nearly 35% of Saudi nationals estimated to be under the age of 15 in 2022 compared to 30% in the 2021 estimates.

There is little change to the estimate of the number of non-Saudis who were living in Saudi Arabia in 2021 (although the gender composition has changed with considerably more males and fewer females now reported). For the first time, a detailed picture of the nationalities of non-Saudis is provided. Nationals of Bangladesh, India and Pakistan comprise 44% of the total, while those from countries experiencing conflict (Sudan, Syria, Yemen) account for 23%.

Despite the downward revisions, population growth has still been substantial. Since 2010, the population living in Saudi Arabia has increased by around one-third (from 24 million to just over 32 million in 2022). However, since 2017, population growth has slowed to an average of just 0.8% per year with the number of non-Saudis declining substantially from 14.6 million in 2016 to 13.4 million in 2022 as Saudization policies were tightened and the effects of the coronavirus pandemic hit the economy.

**Why the Downward Revisions to Population Estimates?**

Little explanation has been provided by the statistical authorities for the lower population estimates. This is the first census since 2010, and new statistical and data gathering techniques and greater digitalization should certainly have improved the accuracy of estimates in the intervening years. However, it is not clear why these improvements would result in lower rather than higher population estimates. While it is easy to speculate that the non-Saudi population is difficult to accurately measure (it may be hard to elicit responses from expatriates to surveys given language difficulties or a desire to remain under the radar), it is less obvious why Saudi nationals would have been so significantly overestimated in the past. Whether this was due to double counting of nationals who own multiple homes or of adult children who live away from home in the previous census is unclear.

The extent of the revisions has raised questions about the credibility of the census estimates, so it is important that the authorities clarify the reasons for the large revisions to remove any concerns about the quality of the data.

**Economic Implications of a Smaller Population**

A smaller population could be seen as negative, particularly if population size is equated with political and economic power. The downward revision to the population level and its slow rate of growth in recent years do mean that it will be even more challenging to reach the 50 million population that has been put forward by the country’s leaders. From the perspective of several key economic indicators, however, a smaller population has a positive impact. Further, demands on existing infrastructure and the pressure to build out new infrastructure will be lessened by a smaller population.

Any economic indicator that is shown in per capita terms (i.e., is divided by the population size) will now be higher. Nominal gross domestic product per capita, which is often seen as a proxy for the economic well-being of a country, is now estimated at $34,500 in 2022, over 8% higher than previously thought. This boosts Saudi Arabia’s position in the global GDP per capita league table from 36th to 29th. Similarly, the country’s net external financial wealth (net international investment position) per capita is higher by $50,000 at $337,000 in 2021.

Labor market indicators will also be affected. The General Authority for Statistics recently noted in its quarterly “Labor Force Statistics” that, “The independent population estimates used in the Q1 2023 were based on 2021 Mid-year population estimates produced by the Population and Housing Division. Population estimates based on the 2022 Census have yet to be finalized and released.” While at this stage the nature and scope of potential revisions is unclear, there would seem to be two broad ways they could be affected.

First, employment-to-population ratios and labor force participation rates – the share of the working-age population that is employed or unemployed and actively searching for a job – could rise. This is because the estimated working-age population is now smaller. Unless the estimates of employed and unemployed people decline by a similar margin to the working-age population, these ratios will rise. These changes could be large – the female labor force participation rate could have been 42% rather than 34% in mid-2021.

Second, estimates of the number of employed and unemployed people could decline. The “Labor Force Survey” estimates are based on a rotating sample of households and this sample will now reflect a higher share of the working-age population at any time. Hence, less “scaling up” is needed to reflect the actual size of the working-age population. A lower level of employment would mean that labor productivity estimates would rise (levels, not growth rates). In other words, Saudi Arabia would be producing more output per worker than previously thought.

Revisions to the labor market statistics will likely wait until the remaining census data is published. These revisions could have important implications as higher labor force participation rates of Saudis, particularly Saudi women, and a more productive economy are central goals of Vision 2030.

*Tim  Callen is a visiting fellow at the Arab Gulf States Institute in Washington.* (AGSIW 24.07)

[Back to Table of Contents](#TOC)

* 1. EGYPT: Religious Elites and the Egyptian State - An Ongoing Tug of War

On 25 July, Mohamed Helmi Abdelwahab posted in [Sada](https://carnegieendowment.org/sada) that tensions between the ruling regime and al-Azhar, Egypt’s leading Islamic establishment, have raised questions about the nature of the relationship between the religious and political authorities in the country.

In March, the Egyptian Ministry of Justice announced that they had finalized a new personal status law that aimed to create a better balance between the rights of men and women. Alongside this announcement, Egyptian President Abdel Fattah al-Sisi reiterated his call for an amendment of divorce laws. Sisi stressed that no action would be taken in contravention of Islamic law, but that the government would work to ban verbal divorce; only those granted by an authorized marriage official would be acknowledged. In a speech to honor Egyptian women on Mother’s Day, Sisi argued that the new law intended to protect families and children, and promised to allow for public input to ensure that the law was objective and balanced.

Less than a month after the President's speech, the Grand Imam of al-Azhar Sheikh Ahmed al-Tayeb called for an international conference of Islamic scholars, affirming that “a new rule on verbal divorce needs a new legal consensus from senior Islamic jurists.” Al-Azhar’s insistence that laws established by Islamic jurisprudence can only be changed by a new consensus among Islamic scholars has renewed a power struggle between Egypt’s religious and civil authorities.

This particular debate over Islamic divorce in Egypt goes back at least six years. On 24 January 2017, in a speech attended by the Grand Imam, President Sisi argued that verbal divorce should be outlawed, except in the presence of a legal official. He cited the fact that 40% of Egyptian marriages end in divorce in the first five years and that Egypt’s Dar al-Ifta—the centuries-old Islamic advisory body—had received 300,000 divorce-related questions within the past five years.

Sisi's proposal sparked a wave of mixed reactions and al-Azhar’s Council of Senior Scholars responded by insisting that verbal divorce “has been set in stone since the time of the Prophet, without any need for testimony or documentation.” They argued that the "phenomenon of increasing divorce cases cannot be wiped out by conditioning the documenting or authentication” [of divorce] and that the "published divorce statistics are already documented either by the authorized marriage official or a judge.”

In April of the same year, several pro-regime members of parliament pushed for legislation to impose a twelve-year term limit on the Grand Imam and compel the Council of Senior Scholars to include non-religious experts. However, interventions from some Gulf states helped to kill the bill, invoking constitutional provisions that enshrine al-Azhar’s independence.

In every confrontation between the Egyptian presidency and the Grand Imam of al-Azhar, the Egyptian public have always sided with the Imam—even followers of the Muslim Brotherhood, who denounced the Imam’s position on the coup that ousted former President Mohamed Morsi. This has occasionally led to public demonstrations: on 23 November 2018, for example, a coalition of al-Azhar supporters called for Friday prayers to be held in Al-Tayeb square, in the Imam’s hometown of Qurna, in the face of a fierce media campaign against him.

**A Battle for the Enduring Values of Religion**

Verbal divorce was not the only time when Sisi and al-Tayeb failed to reach common ground on an important issue. In 2013, they had a dispute over the violent dispersal of the Rabaa al-Adawiya and al-Nahda sit-ins, and in 2015, Sisi called for a “religious revolution,” urging al-Azhar to denounce certain longstanding Islamic ideas and texts that he believed contributed to radicalism. Al-Azhar immediately responded by affirming its unwavering adherence to the two foundations of Islam—the Qur'an and the Sunnah—and its categorical refusal to any attempt to manipulate either.

There have been other high-profile altercations between Sisi and al-Azhar in recent years. In 2018, during a ceremony organized by the Ministry of Awqaf to celebrate the anniversary of the birth of Prophet Muhammed, the Grand Imam attacked critics of the Sunnah who were trying “to draw the Egyptian people away from Islam.” Sisi responded by clarifying that his critique was with misinterpretations of the Sunnah, rather than the text itself. But the Egyptian government then went on to announce the standardization of the Friday sermon, much to the chagrin of al-Azhar, who saw the decision as an insult to its status. This was followed by the government’s decision to entrust the training of new imams to the Ministry of Awqaf, rather than al-Azhar.

Then in 2019, in a speech before President Sisi, the Grand Imam warned of the consequences of injustice and their destructive repercussions on society. In response, Sisi claimed that he was constantly fighting for religion. This public clash raised questions about the President’s intent to marginalize—or even dismiss—al-Tayeb.

However, these ongoing disputes belie the fact that al-Azhar and the political authority in Egypt have a co-dependent relationship. The religious establishment derives its strength and position from the authority, and in return helps the government advance its political agenda, legitimize its policies, and face its religious opponents, whether Jihadists or Salafists.

Accordingly, the issue of verbal divorce will likely end by a compromise that allows al-Azhar to save face and the government to pass the draft law it seems so intent upon. Political leaders will probably agree to a few amendments that help the Muslim scholars, should they agree to respond to the Grand Imam’s call for a meeting, reach a new consensus that mandates the documentation of verbal divorce.

But beyond the ruling regime, it seems that al-Azhar is now forced to fight on two other fronts. There is the liberal current in Egypt, which refuses to recognize its religious authority and wages media wars against it, and there are other groups of Islamic movements—particularly the Salafists and Muslim Brotherhood supporters—who previously sought to penetrate al-Azhar to control the official and popular religious discourse from within. These movements may also try to take advantage of the current rift between al-Azhar and the political authorities, in an effort to advance their opposition to the Sisi regime.

*Mohamed Helmi Abdelwahab is an Egyptian academic and researcher, focusing on political Islam, Sufism, and the place of religion in the public sphere*. (Sada 25.07)

[Back to Table of Contents](#TOC)

* 1. ALGERIA: The Politics of Language in Algerian Education

Abu Bakr Khaled Saad Allah wrote in [Diwan](https://carnegie-mec.org/diwan/?lang=en) that the recent Algerian government decisions to expand English language instruction in local schools, though seemingly educational in nature, are only the latest developments in a longstanding national dispute.

In June 2022, Algerian President Abdelmadjid Tebboune made international headlines when he decreed that English would be taught in elementary schools. Tebboune went one step further this past May, announcing the launch of a new high school program in English language pedagogy to solve what he termed an “employment crisis.” Following the president’s announcement, the Secretary General of the Ministry of Higher Education instructed university directors to prepare for the adoption of English as the language of instruction for the coming academic year.

To understand the strategic importance of these decisions, it is necessary to go back in time to pre-independence Algeria. Before 1962, education was accessible only to a small number of Algerian elite and was mostly given in French, while a handful of independent schools provided instruction in Arabic to preserve the native tongue of the country. After independence, education in Algeria became fully bilingual, which created new national divisions: while some supported teaching in French, which they described as a “war trophy,” others argued for the supremacy of the Arabic language as the incubator of the national identity. This conflict has persisted to this day, driven by the politics and orientations of the country’s leaders.

In the mid-seventies, the country decided to move away from the existing French curricula and introduce what they called the “basic school" system, where primary and secondary education was conducted in Arabic. This was extended to higher education by the beginning of 1990, but supporters of French successfully pushed to ensure that science departments would not be affected by this wave of Arabization.

Meanwhile, a separate conflict over introducing English in primary education remained unresolved. While French was taught starting from the third year of elementary school, English was only taught as a third language beginning in middle school. French supporters refused to allow the introduction of English at the primary level and the clash came to a head in the early nineties, when the Minister of Education, an advocate for Arabization, allowed primary school students to choose between French and English. The Algerian media had a field day with the huge debate that ensued, but a few years later the project was aborted, and English was removed from primary education.

This dispute reflects an ideological divergence between the two groups—supporters of French, on the one hand, and English on the other—and a fear of losing their respective political and social influence. If English language education gradually prevails, the Francophone current will weaken more broadly throughout Algerian society, especially given the tendency among youth to lean towards English over French. The shift towards English would also be advantageous to the supporters of Arabization, who have long alleged discrimination in employment, given the scarcity of opportunities in administrations and companies that operate solely in French.

Although the decision to shift to English in primary schools is the prerogative of the Ministry of Education, it is also clear that this issue is affected by the political, economic, and cultural relations between Algeria and France. Bilateral relations between the two countries tend to improve when Algeria continues to use French in schools, universities and public administration, and tilts the other way when the balance is disturbed by the introduction of either English or Arabic.

In 2019, the Minister of Higher Education tried to draw public attention to the necessity of replacing French with English as the language of research and instruction in universities. Although he pointed out the importance of English as the international language of science, and the need to attract foreign students to the country, his attempts were resisted and he stepped down without achieving this goal.

Nonetheless, the question of introducing English at the primary level remained on the table and reemerged last June. Despite the hastiness of Tebboune's decision, the government appears adamant on implementing it this time. They are helped by the fact that parents of primary students, who still remember the failure of the nineties’ experiment, seem to cautiously welcome the decision. However, the tight timeline given for the implementation of the decision may jeopardize the success of this effort, allowing and French supporters to abort it as they did before.

What also remains to be determined in this war over language choice is the status of the Arabic language in university education, which neither students nor decision makers seem willing to consider properly.

In summary, considering history and the future of the country, the solution to this language dilemma lies in giving Arabic the importance it deserves as a national and official language and giving English greater importance at various levels of education—without compromising the French language, to which Algeria is historically linked.

*Abu Bakr Khaled Saad Allah holds a doctorate in applied mathematics and is a professor of mathematics at the Ecole Normale Supérieure in Algeria. He is a researcher at the Laboratory of Partial Differential Equations of the Ministry of Higher Education.* (Diwan 20.07)

[Back to Table of Contents](#TOC)

* 1. MOROCCO: Israeli Recognition of Moroccan Sovereignty in Western Sahara

In a 26 July publication, the [INSS](https://www.inss.org.il/) observed that on 17 July the Royal Palace in Rabat announced that Israel officially recognized Moroccan sovereignty in Western Sahara. This significant step aligns Israel with the United States on a cornerstone of Moroccan foreign policy. The recognition is expected to substantially improve Israel-Morocco relations and overcome barriers that have hindered their progress, particularly in the diplomatic sphere, by upgrading their liaison offices to permanent embassies and boost other facets of the relations as well.

This development comes two and a half years after Israel and Morocco signed a normalization agreement in December 2020 as part of the Abraham Accords. While the agreement did not require Israel to recognize Moroccan sovereignty over the area, the issue received prominent mention in the third paragraph, with the United States declaring its recognition of Moroccan sovereignty over Western Sahara – indeed, one of the main incentives for Morocco to renew relations with Israel. The importance of the issue for Morocco was further elucidated by Moroccan King Mohammed VI in August 2022, who stated that Morocco gauges its relations with other countries through the prism of the Saharan question.

Rapid developments have marked Israel-Morocco relations since their renewal under the Abraham Accords. Over the past two years the volume of bilateral trade has increased significantly, new collaborations have sprung up in research, culture, and sports, and hundreds of thousands of Israelis have visited Morocco. Security cooperation between the countries has also been strengthened. Morocco continues to enhance its military capabilities to address threats from the separatist Polisario Front, which receives support from Algeria and Iran, and does so partly with Israel’s assistance. Over the last year alone, high-ranking military personnel from both countries exchanged public visits, agreements were signed on security and cyber cooperation, and arms deals were reached, including the sale of drones and air defense systems.

In spite of these impressive developments, relations between the countries still lack significant elements: the upgrade of the liaison offices to full embassies – a move that was agreed upon but not yet realized – and summit meetings between the respective leaders. Israel’s recognition of Moroccan sovereignty in Western Sahara is expected to facilitate the removal of obstacles and pave the way to further progress. The move is also significant for other aspects of bilateral relations as well as within the broader context of the international arena, presenting potential implications for which Israel must be prepared.

**Western Sahara: Background**

Western Sahara is located on the northwest coast of Africa. Covering 250,000 square kilometers, it is largely deserted, with a population of roughly 640,000 inhabitants. This populace includes the Sahrawi people, as well as Moroccans who relocated to the area with government encouragement. The number of Moroccans living in the region reportedly outnumbers the indigenous population, although this point is contested.

Until 1975, Western Sahara was under Spanish colonial rule, following the Berlin Conference in 1884, when Western powers regulated their control and trade in Africa. As the de-colonization era began, both Morocco and Mauritania claimed sovereignty of Western Sahara. Meanwhile, the UN General Assembly recognized the inhabitants’ right to self-determination. As a result, a series of resolutions from 1965 onward mandated Spain to take immediate steps to release the territory from its colonial rule. These resolutions stressed the need to hold a referendum on the subject of self-determination – offering a choice between independence or assimilation into another country.

In 1974, Spain conducted a census in preparation for the referendum and its subsequent withdrawal from the region. In October 1975, the International Court of Justice (ICJ) issued an advisory opinion, asserting that no sovereignty ties existed between the territory and either Morocco or Mauritania, and therefore there was nothing to prevent the region from applying the principle of self-determination through the free and genuine expression of the will of the peoples of the territory. The Moroccan King rejected the ICJ opinion, and in November 1975, the Moroccan government organized the “Green March,” in which hundreds of thousands of Moroccan citizens marched to Western Sahara. A week later, on 14 November 1975, Spain, Morocco and Mauritania drew up the Madrid Accords to regulate the end of Spanish colonial rule. Subsequently, in early 1976, Spain relinquished control of the area to Morocco and Mauritania. The two countries divided the region between themselves: Morocco took control over the northern two thirds and Mauritania took control of the southern third.

In 1973, the Polisario Front was formally constituted with the aim to drive out foreign forces and achieve independence for Western Sahara. In 1976, the movement proclaimed the independence of the territory and the establishment of the Saharawi Arab Democratic Republic (SADR). Since 1979 the UN has recognized the Polisario Front as the legitimate representative of the Sahrawi people. The Polisario Front launched a guerrilla war against Morocco and Mauritania, supported by Algeria in the form of arms and funding and indirect aid from Iran. In 1979, Mauritania withdrew from its section of the territory, and the majority of the area was then seized by Morocco. Consequently, hostilities persisted against Morocco. As a result of the fighting, many Saharawis fled the area; most settled in refugee camps in Algeria, where they continue to reside to this day.

In 1991, the UN brokered a ceasefire agreement between Morocco and the Polisario Front. This pact stipulated that a referendum would be held within two years, allowing residents to choose either independence or integration into Morocco. In response, the Security Council set up a UN force, the United Nations Mission for the Referendum in Western Sahara (MINURSO) to oversee the execution of the referendum. However, the referendum was stalled due to disputes over voter eligibility.

In the early 2000s, several proposals were raised to resolve the ongoing dispute. In 2001, US Secretary of State James Baker produced a draft framework agreement known as Baker Plan I, proposing autonomy in Western Sahara under Moroccan sovereignty. Morocco supported this idea and since then has declared its opposition to a referendum or to any proposition that might lead to an independent state in Western Sahara. The Polisario refused to even consider it. In 2003 Baker proposed an updated plan, known as Baker Plan II, which included holding a referendum after four years of self-rule, allowing people in the refugee camps to participate and vote as well. This time, the Polisario Front accepted the plan while Morocco rejected it. In April 2004, the Security Council passed a general resolution emphasizing the need for an agreed solution, effectively diluting its support for Baker Plan II. The original mandate of MINURSO – organizing a referendum on independence – was essentially replaced by the role of overseeing the ceasefire and a fruitless search for an agreed political solution.

In 2007, Morocco proposed a plan for the establishment of a local regional administration – the Saharan Autonomous Region (SAR) – under Moroccan sovereignty. Morocco would be responsible for the territory’s foreign relations and security, while an independent government elected by the inhabitants would have some measure of autonomy on other matters. This plan was rejected by the Polisario Front. Since then, there have been several outbreaks of violence in the territory, although the ceasefire was essentially maintained until 2020. In November 2020 the Polisario Front declared an end to the 1991 UN-brokered ceasefire and resumed armed attacks against Moroccan forces in Western Sahara and southern Morocco, after Moroccan armed forces crossed the armistice line on 13 November and entered the demilitarized UN buffer zone, which is inside de facto SADR territory.

**International Stances**

Most countries do not recognize Moroccan sovereignty over Western Sahara; some recognize the independence of the SADR. The UN considers Western Sahara area as non-self-governing territory, where decolonization is yet to be completed. The European Union shares a similar view, maintaining that Morocco controls the area as an occupying power and is therefore subject to the international laws of occupation. In several judgments the Court of Justice of the European Union (CJEU) has held that agreements between the EU and Morocco do not extend to Western Sahara. This includes, for example, the trade and fisheries agreements.

In 1984, SADR was recognized as a full member of the African Union – a move that prompted Morocco’s withdrawal from the Union, until its re-entry in 2017. Approximately eighty countries, mostly in the Global South, have recognized SADR, although in recent years about half of them have either suspended or rescinded their recognition. This is indicative of Morocco’s diplomatic success in garnering international support.

On the other hand, most Arab countries, including Saudi Arabia, the United Arab Emirates, Oman, Bahrain, Qatar and Yemen, have expressed support for the Moroccan position and the Kingdom’s “territorial integrity.” Moreover, over twenty countries have opened consulates in the region, most of them from West Africa, along with the UAE, Bahrain and Jordan. By contrast, Morocco’s neighbor Tunisia maintains a neutral position on the issue, although in August 2022 Tunisia’s President extended an invitation to the Polisario Front’s leader to attend an international conference in the country. This led to a diplomatic crisis with Morocco, resulting in both countries recalling their ambassadors.

The United States is the only Western country that has fully adopted the Moroccan position. After decades of maintaining neutrality on this issue, on 10 December 2020 the Trump administration announced its recognition of Moroccan sovereignty over Western Sahara, in return for Morocco joining the Abraham Accords and normalizing its relations with Israel. The declaration asserts, *inter alia*, that an independent Saharawi state is not a realistic option for resolving the conflict, and that genuine autonomy under Moroccan sovereignty is the only feasible solution. Despite reports that the Biden administration re-assessed this position in the early months of his presidency, the declaration has not been withdrawn and still appears on the State Department’s website. Other official websites – for example, the CIA website – include Western Sahara as part of Morocco’s sovereign territory. This situation is gratifying for Morocco and indeed, also to Israel, which had concerns that a retraction of the declaration might jeopardize its burgeoning relations with the country. However, recent American references to the issue in April 2023 specify United States support for Morocco’s autonomy plan and UN efforts to promote a solution, but do not explicitly reaffirm recognition of Moroccan sovereignty over the territory. Moreover, the United States has refrained from implementing its promise to open a consulate in Western Sahara. According to reports, it also opposed Morocco’s request to hold the next meeting of the Negev Forum in this territory, leading to a postponement of the meeting.

United States recognition of Moroccan sovereignty over Western Sahara has sparked renewed determination in Morocco to intensify its efforts to garner international support for its position. In January 2021, Moroccan Foreign Minister Nasser Bourita urged the European Union to follow the United States and express clear support for Morocco’s stance. Although the appeal did not yield immediate results, it eventually led to declarations from Spain, France, Germany, Portugal and the Netherlands in support of Morocco’s autonomy plan as a solution to the conflict.

The shift in Spain’s position is particularly interesting. Since its withdrawal from Western Sahara, the former colonial power has endeavored to maintain neutrality on the issue. Thus, following the Trump administration declaration in December 2020, Spain did not rush to express support for Morocco. Moreover, in April 2021, Spain even allowed the Polisario Front leader, Brahim Ghali, to receive medical treatment in a Spanish hospital when he contracted COVID-19. Spain’s efforts to maintain neutrality, together with its would-be discreet provision of medical care to Ghali, enraged Rabat. In response, Rabat summoned the Spanish ambassador for rebuke and recalled the Moroccan ambassador in Spain. While overt support for Morocco could damage Spain’s relations with Algeria, until recently its primary gas supplier, it seems that Morocco insisted on this as the price for the renewal of relations. Ultimately, Spain announced its support for the Moroccan position in March 2022, with the Spanish Prime Minister writing to King Mohammed VI that Morocco’s autonomy plan was the “most serious, realistic and credible” solution to the conflict, leading to the resumption of relations.

**The Significance of Israeli Recognition**

Israeli recognition of Moroccan sovereignty in Western Sahara aligns it with the United States. However, the Biden administration has not highlighted recognition and it is eminently possible that it would not have provided such recognition in the first place. Meanwhile, other Western countries maintain more ambiguous positions. Therefore, this move might attract international criticism, compounding existing criticisms of Israel over its actions in the Palestinian territories.

The recognition of Moroccan sovereignty in Western Sahara aligns with Israel's position vis-à-vis the Palestinians, and could potentially serve as a precedent for implementing the right to self-determination for a national minority within a framework that does not involve an independent state. However, since this step contradicts resolutions passed by the UN and the European Union it could bring to the forefront questions in the international discourse concerning annexation, occupation and the right to self-determination, at a time when Israel already faces severe condemnation of its conduct toward the Palestinians in similar contexts.

Acknowledging Moroccan sovereignty could offer significant advantages of bolstering ties between Israel and Morocco and advance Israel’s interests in broader contexts. It is likely that Israel expects to receive some benefits from this move, considering its importance to Morocco.

Heading the list of potential rewards, of course, is the opening of permanent embassies in both countries, which would significantly boost relations, diplomatically and symbolically. This could be particularly significant given the current challenges faced by Israel in its relations with other Arab nations with whom it has signed peace and normalization treaties, due to tensions in the Palestinian arena.

The second reward, which is also mutually beneficial, would be exchanges of visits and meetings at the highest political level and with King Mohammed VI, a move Israel has sought several times over the past couple of years. The last official meeting between a Moroccan King and an Israeli Prime Minister took place in July 1999, when then-Prime Minister Ehud Barak attended the funeral of King Hassan II. During the visit, Barak met with King Mohammed VI, shortly after his ascension to the throne. A meeting with the King 25 years later would be a significant political milestone for Israel.

The third expected reward, which would be advantageous for both countries, involves the expansion of economic ties. A first step that could be implemented relatively quickly would be to sign the treaty on investment protection, which has been under negotiation for approximately two years. This treaty would provide legal protections for Israeli investors in Morocco and could facilitate access to international arbitration in cases of investment disputes, similar to the investment treaty signed with the UAE in 2021. An additional step could involve the signing of a free trade agreement, which has been mentioned as a possible development.

A fourth potential benefit lies within the realm of multilateral relations, in the form of Moroccan support for Israel in international forums and assistance in expanding the circle of normalization. Israel should clarify its expectation of support in forums such as the African Union and the UN. Even more crucial is diplomatic assistance in its dealings with sub-Saharan African countries, particularly those in the western part of the continent, where Morocco holds political influence as well as a significant business and financial presence.

However, there is concern that despite Israel’s fulfillment of its part of the deal, Morocco may not uphold its end of the bargain, or that actions taken would prove to be temporary and reversible. This apprehension stems from Morocco’s domestic and inter-Arab considerations, especially its longstanding commitment to the Palestinian issue, which garners significant popularity among many in Morocco and across the Arab world.

Morocco’s commitment to the Palestinians and the Muslim residents of Jerusalem – frequently reiterated by senior officials, including the King himself – limits its ability to expand relations with Israel during periods of escalating Israeli-Palestinian tension. Thus, in recent months Moroccan officials have frequently criticized Israeli statements and actions toward the Palestinians and on the Temple Mount. This includes the condemnation by Moroccan Foreign Minister Bourita of remarks by Israeli Finance Minister Smotrich in March 2023, when he denied the existence of the Palestinian people.

There is heightened sensitivity regarding Jerusalem, and the Temple Mount in particular, as demonstrated by Morocco’s strong criticism following clashes there. King Mohammed VI chairs the al-Quds Committee of the Organization of Islamic Cooperation, whose aims include protection of Jerusalem’s cultural and religious heritage and support for its Muslim communities. In this vein, since its establishment in 1995, the Committee has funded various projects in the city benefitting its Muslim residents in areas such as education, culture and welfare. This position plays an important role in the King’s efforts to strengthen his religious legitimacy, both domestically and in the Muslim world. Thus, while the advancement of relations between Israel and Morocco could bring about many benefits, it might lead to Morocco demanding a greater presence on the Temple Mount, adding the interests of an additional actor to an already sensitive arena.

It is plausible that Israel’s policy of extending its control in the West Bank, coupled with the likely inability of the Israeli government to make progress toward resolving the Palestinian issue, could pose challenges for Morocco in promoting relations through high-profile actions – such as inaugurating an Israeli embassy in Rabat. Such measures could amplify existing criticism of Israeli-Moroccan relations, which is already heard in some quarters – including by the Islamist party that was in power when the normalization agreement was signed. Furthermore, there is considerable hostility toward Israel among the general Moroccan public. According to a poll published by the Arab Barometer in September 2022, 64% of respondents were opposed or strongly opposed to normalization between Israel and Arab countries.

Therefore, Israel’s recognition of Moroccan sovereignty in Western Sahara should be linked to a set of understandings that facilitate a meaningful improvement in relations between the countries. Such understanding should be supported by Morocco and not be easily reversed in the future. (INSS 26.07)

**\*\* - Copyright 2023 by Atid, EDI. All rights reserved.**

The **Fortnightly** newsletter is a free service of Atid, EDI. We are a team of economic and trade development consultants, headquartered in Jerusalem, but active throughout the region and beyond. EDI works with an international clientele interested in identifying and researching business opportunities in the region. We also serve as the regional representative offices for a number of U.S. states and bilateral Chambers of Commerce, as well as European clients.

EDI's other services include development of feasibility studies and tailored research reports, as well as identification of potential joint ventures for commercial clients. For more information on how we may better assist you, please visit our Web site at: http:// [www.atid-edi.com](http://www.atid-edi.com).

**\* END \***