

**The FORTNIGHTLY**

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

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ISRAEL GOVERNMENT ACTIONS & STATEMENTS

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* 1. US Approves Israel's Sale of David’s Sling to Finland

The US approved the sale of David’s Sling, the air defense system jointly developed by Israel and the US, to Finland, according to the Israeli military, clearing likely the last diplomatic hurdle for the $345 million deal.

The Finnish government approved the purchase of the air defense system in April, the day after it officially joined NATO, and the deal’s completion had been eagerly awaited. On 25 July, Israeli Minister of Defense Gallant mentioned the importance of completing the sale in a discussion with US Secretary of Defense Austin.

The Finnish version of the system will be jointly developed by Israeli and American industries, led by Rafael Advanced Systems and America’s Raytheon, in partnership with Finnish industries, each contributing to specific tasks. The system will be integrated into Finland’s command and control systems. (DN 02.08)

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* 1. From December, Israeli Doctors Will be Able to Prescribe Marijuana

Israel's Ministry of Health announced that from December, doctors will be able to prescribe marijuana to patients. The ministry recently published its reforms into the medical marijuana system, saying that it will review the system again after a year. The reform is intended to make it easier for patients to access the drug and remove bureaucratic hurdles. Until now, those eligible for medical marijuana had to get a special license. The reform also removes CBD products that do not have psychoactive properties from drug restrictions. (Various 07.08)

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* 1. Israeli Navy Takes Possession of its First New US-Built Landing Craft

On 8 August, the Israeli Navy received the first of two new landing crafts from a shipyard in the United States, though the vessel will only be delivered in the coming months. During a ceremony at the Pascagoula shipyard in Mississippi, an Israeli flag was raised on the US-built INS Nahshon. The vessels, which weigh 2,500 tons each and are approximately 95 meters in length and 20 meters wide, will be a central pillar in adapting the Israeli Navy to the modern battlefield. The vessels were procured from US military aid to Israel.

The INS Nahshon and the second landing craft will also serve as a logistical axis for transporting equipment as well as the soldiers in near and far areas. The INS Nahshon will undergo final preparations during the next few months, including training for its crew, before it sets sail for a naval base in Israel. During 2024, the Navy expects to declare the vessel operational. Each landing craft team will consist of dozens of combat sailors, a quarter of them being female soldiers and officers, the IDF said.

The Israeli Navy used such vessels since its inception in 1948 and until 1993, when the last of the aging landing crafts were decommissioned, with the military assessing at the time that it had no use for newer models. The new procurement of the landing crafts began some four years ago. (Various 10.08)

ISRAEL MARKET & BUSINESS NEWS

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* 1. Dynatrace to Acquire Rookout to Deliver Code Debugging in Production Environments

Waltham, Massachusetts' Dynatrace, a leader in unified observability and security, signed a definitive agreement to acquire Rookout, a provider of enterprise-ready and privacy-aware solutions that enable developers to quickly troubleshoot and debug actively running code in Kubernetes-hosted cloud-native applications. The addition of Rookout to the Dynatrace platform will help developers accelerate innovation and delivery of flawless and secure releases.

This will also add interactivity and control to troubleshooting and debugging in production and drastically reduce the need to replicate issues in pre-production environments. The addition of Rookout to the Dynatrace platform will also improve collaboration across development, IT and security teams by empowering them with a single platform for observability and security analytics and automation. Dynatrace plans to provide a seamless experience for customers by embedding Rookout into its unified observability and security platform.

Tel Aviv's [Rookout](https://www.rookout.com/)’s developer first tooling & dynamic observability solutions enable Dev and DevOps engineers to get insight into their cloud-native application, by addressing developers' needs and providing state of the art quality within a simple and straightforward experience and attitude. (Dynatrace 31.07)

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* 1. Symbol Makes First-Check Investments in ‘Pre-Consensus’ Startups

Symbol announced the closure of its $50 million debut fund, focused on first-check investments in Israeli entrepreneurs building ‘pre consensus’ startups. The fund started operating after an initial closing in late 2021 and has since made 10 pre-seed and seed investments, including Sightful, Breeze, Nilus, CardinalOps, Jiga, and Squire. Despite the global financial climate, five companies in the Symbol portfolio have already raised another funding round.

Symbol’s investors (Limited Partners) base is composed of a vast network of VCs, entrepreneurs, and family offices from the US and Europe. LionBird, an early investor in FundBox, is also a Limited Partner in Symbol.

[Symbol](https://symbol.vc/), established in 2021 and headquartered in Tel Aviv, is a $50 million first-check VC supporting pre-consensus founders on their journey from zero to one. Symbol invests between $500,000 to $3.5 million in the first funding round of exceptional Israeli entrepreneurs, regardless of location, who are building pre-consensus companies. As a sector-agnostic fund, Symbol focuses on B2B, consumer, and enterprise tech startups. (Symbol 08.08)

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* 1. Payoneer Adds Capabilities with Acquisition of Israeli Data Platform Spott

New York's Payoneer, the financial technology company empowering the world’s small and medium-sized businesses (SMBs) to transact, do business, and grow globally, announced the asset acquisition of Israel-based Spott, a real-time data platform that uses AI to accurately surface, assess, and quantify data for more informed and faster business decision-making. Spott’s technology will enable Payoneer to better understand and serve customers, which supports their mission to make it easier for SMBs to operate and grow their business around the world.

Harnessing Spott’s capabilities, Payoneer will analyze large sets of data to apply advanced AI models and make predictions and decisions about its service offerings for a global SMB customer base. The first application of the technology will be on the Payoneer working capital products to enhance underwriting capabilities. As part of the transaction, Spott’s co-founders will join Payoneer’s Technology team, also based in Israel. (Payoneer 03.08)

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* 1. Sweet Security Raises $12 Million in a Seed Round for its Cloud Security Suite

Israel's Sweet Security has raised a $12 million seed round led by Glilot Capital Partners, with participation from CyberArk Ventures and a number of angel investors including Gerhard Eschelbeck, a former CISO at Google and Travis McPeak, who led product security at Databricks.

One of the core technologies that Sweet is basing its solution on is eBPF, which allows ‎sanboxed programs to run in the Linux kernel, where they can collect metrics about network ‎traffic and resource usage without creating a lot of overhead. While the concept has been ‎around for almost ten years, it’s only become somewhat mainstream in the last few years, in ‎part because it makes monitoring cloud-native infrastructure a lot easier.‎ Because of large overhead, a lot of companies simply don’t implement the existing cloud security solutions. Sweet’s use of eBPF and other technologies promises to keep resource usage to a minimum, all while providing real-time insights into a company’s attack surface.

[Sweet](https://www.sweet.security/%E2%80%8E)’s Cloud Runtime Security Suite delivers first-to-market capabilities for defending cloud workloads, shifting cloud security right. Founded by retired, elite IDF commanders with expertise in offensive and defensive cloud security, Sweet’s approach elevates the ability of security teams to shut down cloud attacks when they occur with maximum precision and minimal business disruption. (Sweet 10.08)

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* 1. RAFAEL Wins Comprehensive Maintenance Support Services Contract with Asian Navy

RAFAEL Advanced Defense Systems has won a new contract with an Asian nation to provide comprehensive maintenance support services for operational systems employed by its navy. The multi-year agreement is estimated at $30 million and will include maintenance services for the navy’s TYPHOON and MINI-TYPHOON remotely-controlled naval weapon stations, Naval SPIKE ER and NLOS missile systems, EO surveillance systems, as well as EW Integrated Decoy Systems (IDS).

The services will bolster the technological and operational cooperation between RAFAEL and the user and establish maintenance capabilities for additional systems.

Haifa's [Rafael Advanced Defense Systems](https://www.rafael.co.il/) is synonymous with dynamic defense, daring innovation, and technological ingenuity. For over 70 years, the company has pioneered advances in defense solutions for air, land, sea, space, and cyber. Their innovations are based on extensive operational experience and understanding of evolving combat requirements. They enable the rapid development of effective solutions for complex challenges on a variety of fronts. (RAFAEL 09.08)

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* 1. IVIX Closes a $12.5 Million Series A Round to Combat Financial Crimes

Founded in 2020, Tel Aviv's [IVIX](https://www.ivix.ai/), which develops an AI-powered platform designed to help governments address pervasive financial crimes and tax evasion at scale, announced the closing of a $12.5 million Series A funding round led by Insight Partners with participation from Team8, Citi Ventures and Cardumen Capital. This investment brings the company’s total funding to date to $25.5 million. It will help it accelerate its research and development capabilities, expanding its capacity to help more governments identify financial crimes and close the tax gap. IVIX employs 30 people, mainly in Israel.

IVIX’s technology leverages publicly available data to equip tax authorities with insights into the shadow economy so they can address tax evasion at scale. IVIX is currently used by major government agencies around the world, including the U.S. Internal Revenue Service’s Criminal Investigation Division and multiple states' tax authorities in the U.S. (IVIX 07.08)

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* 1. WINT Announces a $35 Million Series C Funding Round

WINT Water Intelligence completed a $35 million Series C funding round to drive continued growth and innovation in AI- and IoT-based solutions for managing water and mitigating water damage throughout a building’s lifecycle. The round was co-led by Inven Capital, a leading European climate tech fund and global software investor Insight Partners, which also led WINT’s B round. The round was joined by Taronga Ventures, one of the world’s leading real asset technology investors, and other prop-tech and construction-tech investors, providing WINT strategic access to new markets.

The successful C round supports WINT’s global market expansion and technological innovation. The investment reflects the urgent need for WINT’s solutions across the globe as contractors, owners, tenants, and insurers seek solutions for mitigating the damage and cost of water leaks. The investment also reflects the increasing impact of global water stress and the urgency for water management solutions that prevent water waste and its associated carbon emissions.

WINT equips contractors, developers, owners and facility management teams with cutting-edge solutions to manage water throughout the lifecycle of a building, from construction to operations. WINT’s AI-based solutions help companies eliminate water waste and its associated carbon emissions and prevent water damage on construction sites and in commercial and residential buildings.

Rosh HaAyin's [WINT Water Intelligence](http://www.wint.ai) is dedicated to helping businesses reduce their environmental footprint by preventing the hazards, costs, waste and environmental impact associated with water leaks and waste. Utilizing the power of artificial intelligence and IoT technology, WINT provides a solution for commercial facilities, construction sites and industrial manufacturers looking to cut water waste, reduce carbon emissions and eliminate the impact of water-leak disasters. (WINT 14.08)

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* 1. OX Security Receives Investment from IBM Ventures to Boost Supply Chain Security

OX Security received an investment from IBM, the leading hybrid cloud and AI company and the parent company of Red Hat, the world's leading provider of enterprise open source solutions. The investment represents the companies' intent to collaborate on expanding the frontiers of software supply chain security and create value for developers of cloud-native solutions.

OX is building the first holistic software supply chain security solution - going beyond the CI/CD or SDLC and providing visibility, automation and risk insights from Code-to-Cloud-to-Code. Through a combination of best practices from risk management and cybersecurity and a fantastic user experience, OX makes software supply chain security processes effortless for security teams to manage and easy for developers to adopt. Standardized to the OSC&R framework, OX also provides the continuity and cohesiveness that many security strategies are often lacking.

Tel Aviv's [Ox Security](http://www.ox.security) believes that security should be an integral part of the software development process, not an afterthought. Through a combination of best practices from risk management and cybersecurity and a fantastic user experience, OX makes software supply chain security processes continuous - from design to production - and easy for developers to adopt. OX provides security and engineering teams with the visibility, prioritization and automated remediation they need to bring security and integrity to every step of the software supply chain and release secure products on time. (Ox Security 15.08)

REGIONAL PRIVATE SECTOR NEWS

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* 1. UDENZ Closes $5 Million Series A Round

Dubai's [UDENZ](https://udenz.io/), an innovative digital dental health platform, successfully completed a $5 million Series A funding round, backed by a Performance Guarantee. This is a first for dental startups in the MENA region, facilitated by a consortium of leading UAE-based venture capital firms: Hakim Capital Holding, Techcelerate Investments, Inspira Management and Dubai Business Corporation.

Since its launch in 2016, UDENZ has transformed from a platform providing listing and appointment booking services to the region's first dental platform. With 26 services integrated into one platform, UDENZ has handled over 100,000 search requests for a dentist and confirmed more than 5000 bookings. The database now comprises close to 8000 dentists from across the MENA region.

With this funding, UDENZ is set to accelerate its mission to offer Dental Ultra Platform Services free of charge to over 50,000 dentists across the MENA region. This service, underpinned by a freemium business model, marks a new era in dental clinic management and patient data applications. (UDENZ 01.08)

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* 1. LVL Wellbeing Secures $10 Million Series A Round

[LVL Wellbeing](https://lvl-wellbeing.com/), a Dubai wellbeing platform startup that provides a holistic system of unique individual, team and corporate wellbeing practices that contribute to a healthier work/life balance, successfully closed its Series A funding round. The round was led by MG Wellness Holding, a wellness-focused subsidiary of the Abu Dhabi-based investment holding company, Multiply Group.

Following the Series A round, LVL Wellbeing will incorporate HealthierU, a subsidiary of Multiply Group, into its operations. A marketplace platform that connects individuals with wellness consultants around the world offering virtual 1-on-1 sessions, HealthierU’s ecosystem has yielded remarkable results which showcase a significant reduction in the risks associated with some chronic diseases among pre-disposed individuals.

The conclusion of the Series A investment round comes after a series of new business wins, including an exciting new hospitality partnership, which at this stage will collectively enable the LVL Wellbeing team to grow in Dubai, Abu Dhabi, Riyadh and Halifax, Nova Scotia, whilst preparing for the next round of expansion of their customer base on a global scale. (LVL Wellbeing 02.08)

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* 1. Nesma & Partners Acquires Dubai's Kent

Saudi-based contractor Nesma & Partners is fully acquiring Dubai-based energy services provider Kent, with the acquisition set to be complete by the end of Q4/23. The two companies established NesmaKent JV in 2022 to enhance their operational capacities in carbon capture, blue hydrogen and blue ammonia technologies to support Saudi Aramco’s engineering, procurement, and construction projects.

Founded in 1981, Nesma & Partners has implemented industrial and infrastructure projects for both the Saudi government and firms including Saudi Aramco, Neom and GACA. Saudi Arabia’s sovereign wealth fund the Public Investment Fund (PIF) bought a minority stake in the company earlier this year. Founded in 1919, Kent is a private engineering and project management company with over 100 years' worth of expertise in energy and industrial development. The company offers solutions for the conventional energy, renewables, low carbon, chemicals and processing sectors. (Nesma & Partners 03.08)

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* 1. Abu Dhabi’s e& Enterprise Concludes Majority Stake Acquisition in Beehive

e& enterprise, part of e&, has successfully completed the acquisition of 63.3% of peer-to-peer digital lending platform [Beehive](https://www.beehive.ae/) for $23.6 million. Beehive will be consolidated into e&’s financials effective from August 2023. The lending platform, founded in 2014, leads the crowdfunding platform space in the UAE, with operations in Saudi Arabia and Oman. The company recently reached the milestone of facilitating over Dhs1.5 billion worth of loans. With this acquisition, the telecom company will be able to provide a lending solution to address the $250 billion SME credit gap across the GCC region, combining its strong brand positioning with a fintech platform. This move also reflects e& enterprise’s expansion strategy. (GB 02.08)

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* 1. Serco Launches Graduate Space Program in Saudi Arabia

[Serco](https://www.serco.com/me), having recently launched its Saudi Space Division based out of Riyadh, has opened applications for its Graduate Space Program, with the aim of recruiting young national engineers. As a government impact partner, the public services company will use its global space experience through the Saudi Space Division to nurture the talent and skills of local residents in relevant fields. The graduate space program marks the first step in transferring operational knowledge and capabilities to young engineers and scientists in Saudi Arabia. It also represents the first-ever space-specific program of its kind within Saudi Arabia and across Serco worldwide.

Selected graduates will undergo a six-month placement at world-leading space facilities in Europe, where they will receive on-the-job training and gain international exposure through Serco and its partners. This experience will enable them to apply their skills and knowledge in a global context. Upon returning to Saudi Arabia, the graduates will continue to grow through theoretical lessons, on-the-job training, shadowing, and mentorship, with the ultimate goal of deploying them into Serco’s operational contracts in the regional space sector. (SGSP 01.08)

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* 1. Saudi Arabia Startup YaSchools Raises $600,000 in Seed Funding

Saudi Arabia-based startup YaSchools has raised $600,000 in a seed round from a group of angel investors. Founded in 2021, YaSchools provides educational management solutions that connects schools, teachers, and students. The company also facilitates micro-lending solutions that provides parents with payment plans to cover educational expenses, including an Islamic-compliant line of credit that allows users to pay educational expenses in instalments. Currently, YaSchools has 1,750 schools registered on its platform, serving 2,500 teachers and more than 92,000 parents.

The seed investment will finance the company’s expansion plans, starting with Jordan, followed by a further penetration into the Middle East, North Africa, and Turkey (MENAT) region. Earlier this year, Saudi Arabia announced a $50.4 billion investment in the education sector as part of its Vision 2030 strategy, with the government introducing reforms to fund a knowledge-based economy.

Edtech spending in the region is also expected to grow exponentially, according to a recent report by investment banking advisory firm Alpen Capital, with more planned initiatives such as February’s collaboration between Saudi Arabia’s Tatweer Educational Technology and Lenovo that will provide a framework to drive digital transformation across the Kingdom. (Zawya 03.08)

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* 1. Mthmr Raises SAR6 Million in a Seed Funding Round

Mthmr announced a successful seed funding round, raising SAR 6 million. The funding round included participation from esteemed investors such as Waed Ventures, Dahran Trading Group and Le Augure, alongside a group of supportive angel investors.

Mthmr affirmed that the raised funding would be strategically invested to achieve growth and innovation goals within the company. Mthmr is working on developing an impressive suite of features for their users, aiming to automate the saving process. Furthermore, they are keen on implementing artificial intelligence to elevate the efficiency of the application.

Saudi Arabia's [Mthmr](https://www.mthmr.com/en/home) is a cashback app that provides rewards to individual users for making purchases at participating retailers. Users can link their credit or debit cards to the app and earn cashback automatically when they shop at eligible stores and restaurants. Mthmr offers a convenient way to earn extra money while shopping, and users can easily redeem their cashback rewards through the app. It's a user-friendly platform that helps individuals save money and enjoy the benefits of cashback rewards. (Mthmr 02.08)

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* 1. Tenami Capital Announces Investment in Golden Scent

[Tenami Capital](https://tenami.capital/), a DIFC-based revenue-based investment firm, announced the closing of its largest investment to date in Golden Scent, the market-leading e-commerce platform for fragrance and beauty products in the MENA region. The specific deal value remains undisclosed.

Saudi Arabia's [Golden Scent](https://www.goldenscent.com/) was founded in September 2014 as a pure fragrances e-commerce platform serving the GCC region. The company has since expanded to become the market leader in online fragrances in the MENA region, with operations and warehouses in the KSA and UAE and delivering to over 80 countries worldwide.

With over 2 million shoppers, millions of visitors monthly, and 7 million downloads since its launch; Golden Scent has powered its way to a leadership position in Saudi Arabia and the GCC’s e-commerce shopping space and it is now poised for breakaway growth for the coming 3 years. Golden Scent’s ongoing success has been strengthened by its highly engaged customers, due to the high level of brand trust and loyalty; in addition to Golden Scent harboring over 20,000 fragrances from over 1000 brands, being the world’s biggest library of Arabic, Niche and international perfumes. Over 100 of those are Saudi-born, Arabic fragrance brands. The company constantly aims to maintain its position as the preferred shopping destination for all fragrance and beauty lovers. (Tenami Capital 09.08)

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* 1. Massive Bio Partners in Greece to Enhance Cancer Clinical Trial

New York's Massive Bio and Athens' Asklepieia will utilize their innovative technologies to provide oncologists and patients unparalleled access to crucial clinical trials, personalized cancer treatments, and reports on adequate therapies. Plans are underway for future collaborations with BeStrong and Open Health Alliance.

Asklepieia will leverage its platform to identify patients who could most benefit from novel clinical trials, expanding Massive Bio's trials' reach. Concurrently, BeStrong and Open Health Alliance will provide physicians with updated clinical trial information for faster patient referrals, real-time support, and access to cancer patients or caregivers in Greece. Massive Bio will use its advanced AI to process patient clinical health data, accelerating drug development and enhancing personalized treatment strategies.

Asklepieia Health Cluster aims to transform Greece into a premier Health & Wellness tourism destination by leveraging innovative marketplace solutions and renowned partnerships. Its mission is to deliver superior care and exceptional experiences to domestic and international patients. Open Health Alliance is a nationwide non-profit Medical Network in Greece uniting healthcare professionals, citizens and patient associations. (Massive Bio 02.08)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. Israel to Power Zambia with $100 Million Solar-Wind Energy Project

A significant renewable energy project is underway in Zambia to establish a power station capable of generating 71 MW of electricity; a joint venture between Israel’s Gigawatt Global and Gigawatt Wind. The unique aspect of this project is that it aims to harness both solar and wind energy, with each contributing half of the total power output. The $100 million investment in the power station was finalized during the recent visit of Zambian President Hichilema to Israel.

The companies now have an Investment License with Zambia Development Agency and an Implementation Agreement with the Energy Ministry. The president gave Zambia’s power utility company an executive order last week to provide the final signature. Gigawatt Global and Gigawatt Wind have already completed grid impact studies and the company will move on-site to start full project implementation. The station is being built in Chibombo, a district in the Central Province of Zambia, about two hours from the nation’s capital.

The facility will be the first in Sub-Sahara Africa to combine wind and solar energy in one location, providing a continuous supply of renewable energy 24/7. Zambia is receiving a $100 million pioneering power plant, jobs, training and the prestige of being the first African country with a hybrid wind and solar station, while Israel benefits from bilateral relations.

Gigawatt Global built the first grid-connected solar project in East Africa, an 8.5 MW solar power plant in Rwanda. Earlier this year, it cut the ribbon on a similarly sized solar power project in Burundi. The Zambian utility company will sign a 25-year power purchase agreement with Gigawatt Global and Gigawatt Wind to ensure the new project’s viability. (JP 06.08)

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* 1. UAE Contractor Wins Bid for Jordan Wastewater Treatment Plant

A subsidiary of Dubai-based contractor Drake & Scull International will build a $83.6 million wastewater treatment plant in Jordan’s Ar-Ramtha city. The Drake & Scull subsidiary will develop the plant in collaboration with a local Jordanian company. No information on the capacity or timeline for the plant’s construction was provided.

Jordan operates 34 wastewater treatment plants that provide 14% of the kingdom’s total water supply. Treated wastewater is also vital for Jordan’s agriculture sector, accounting for around a quarter of the volume of water used for irrigation.

Jordan's Water and Irrigation Ministry signed a $10.7 million agreement last month for a treated water carrier project backed by Germany's Development Bank (KfW). The project would provide 10 million cubic meters of treated water annually and slash greenhouse gas emissions by 6.6k tons annually. In June, the World Bank approved $250 million in financing to help Jordan set up a robust drought management system to enhance water management practices. The project aims to save c.10 million cubic meters (cbm) of water and help reduce electricity use. In March, the EBRD signed an agreement to channel a €30 million grant to Jordan by the EU, along with a €41.3 million loan for the development of a green wastewater treatment facility in Al Ghabawi. Last year, Jordan signed a €115 million loan agreement with the KfW to increase water efficiency in the King Abdullah Canal. (Enterprise 07.08)

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* 1. Abu Dhabi Announces Breakthrough in Tapping Geothermal Energy

On 14 August, Abu Dhabi National Oil Co. (ADNOC) and National Central Cooling Company (Tabreed) announced a breakthrough in the first project in the gulf region to harness geothermal energy following the conclusion of testing on two geothermal wells at Masdar City in Abu Dhabi. The state-backed oil producer, which is also driving the country's decarbonization push, said the wells produced hot water at temperatures exceeding 90 degrees Celsius and flow rates of approximately 100 liters per second (l/s).

The hot water generated by the heat from the wells will now pass through an absorption cooling system to produce chilled water, which will then be supplied to Tabreed’s district cooling network at Masdar City, accounting for 10% of its cooling needs. Currently, the cooling of buildings accounts for most of the UAE’s electricity consumption. The project, enabled by ADNOC’s initial $15 billion allocation towards low carbon solutions, is set to decarbonize the cooling of buildings in Masdar City.

ADNOC is also working with several companies to maximize the contribution of geothermal energy in the UAE using the latest drilling and power generation technologies. Earlier this year, an ADNOC subsidiary, ADNOC Drilling Co. signed a five-year MoU with Abu Dhabi’s clean energy company Masdar to explore geothermal energy opportunities as a means to drive clean energy transition. Masdar entered the geothermal energy sector in February with a strategic investment in Indonesia’s Pertamina Geothermal Energy (PGE), one of the world’s largest geothermal players. (ADNOC 14.08)

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* 1. Saudi Fund Signs a $$77 Million Loan in Belize for Solar Energy Plant Project

The Saudi Fund for Development (SFD) signed a new development loan agreement worth $$77 million with the Prime Minister of Belize to fund the construction of a solar energy plant project in Belize, through SFD.

This agreement is part of SFD’s efforts to support sustainable development in developing countries and Small Island Developing States (SIDS). The loan will help build a solar power plant with a capacity of 60 megawatts, along with supplying and installing solar panels to help reduce emissions from the energy sector, equivalent to 60,000 tons of carbon dioxide per year. The project will play a key role in generating socio-economic growth in the country. Importantly, it will contribute towards improving the reliability of the electrical network, it will also help to reduce greenhouse gas emissions and advance Belize’s efforts towards mitigating climate change and transitioning to clean energy. The project also supports realizing the United Nations' Sustainable Development Goals (SDGs), specifically SDG 7, Affordable and Clean Energy, and SDG 13, Climate Action. (SFD 07.08)

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* 1. Morocco Signs MoU with Russia’s Rosatom for New Water Purification Solutions

Morocco's Water & Energy Solutions announced the signing of a memorandum of understanding with the Russian energy company Rosatom. The group, which also invests in water desalination and potable solutions, will support the implementation of several water projects in the Kingdom of Morocco.

The second Russia-Africa Summit, which ended on 28 July 2023 in St Petersburg, will have enabled Moroccan companies to forge new partnerships, particularly in the water sector. This is the case for the Moroccan company Water & Energy Solutions, which will be working with the Russian energy company Rosatom to implement new desalination and water purification projects in the Cherifian Kingdom.

Water & Energy Solutions, which is banking on advanced technologies to improve water supplies in Morocco, Rosatom is the ideal partner. Over the years, the group has built up considerable experience in the construction of desalination and water conditioning units for the industrial and domestic sectors.

The deployment of such technologies in Morocco will help to alleviate the water stress caused by drought. The Moroccan government’s ambition is to increase the kingdom’s water production from desalination to at least 1 billion m3 by 2030, for consumption, irrigation and other purposes. At present, the annual volume of fresh water per Moroccan is barely 500 m3, compared with 2,500 m3 in 1960. (Afrik21 02.08)

ARAB STATE DEVELOPMENTS

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* 1. Visitors to Jordan Number 3.7 Million within 1st 7 Months of 2023

Number of visitors to the Hashemite Kingdom during the first 7 months of 2023 saw 3,720,259 tourists, marking a rise of 51.3%, compared to the same period last year, Ministry of Tourism and Antiquities said. The ministry showed an increase in the number of overnight tourists during the January-July period 2023, by 47%, compared to the same period last year, which amounted to 3,85,145 guests.

The number of overnight tourists from Asian countries rose by 145.9%, compared to the same period last year. Overnight tourists from European countries during the first 7 months of 2023 rose by 85.8%, followed by American nations, which achieved an uptick of 78.1%.

During last July, a total of 694,207 tourists visited the Kingdom, constituting an increase of 21.7%, compared to the same month last year. According to data issued by the Central Bank of Jordan (CBJ), tourism income during the first half of 2023 grew by 59.4%, compared to the same period last year, amounting to about JD2.450 billion. (Petra 02.08)

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* 1. UAE's Ministry of Finance Announces Strategic Plan for 2023-2026

Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Finance, launched the Ministry of Finance’s Strategic Plan 2023-2026. The roadmap aims to accelerate government performance through financial empowerment, sustainability, innovation, and future foresight, financial leadership and sustainable development. The four-year strategic plan aligns with the objectives of the UAE Centennial Plan 2071.

The Ministry of State for Financial Affairs will play an influential role in resource allocation to support policymaking and efficient planning, as part of the strategic plan. The ministry’s strategic plan include six values – building team spirit, achieving leadership and excellence, ensuring integrity and transparency, enhancing agility in financial work management, and achieving high level of wellbeing, and equality in work environment.

There are also six other guidelines, including the internal and external factors impacting the ministry’s performance, the results of customer satisfaction surveys, the basic qualifications of the ministry, the available strategic resources and capabilities, internal strengths and weaknesses as well as opportunities and external risks, in addition to international best practices in financial resources management.

The strategic plan sets out a plan for government enablers. Under the goal to attract and enable talents and provide effective and efficient institutional services and digital structure, there are three strategic projects – financial leaders and future skills, designing a framework for attracting and retaining talents, and developing the ministry’s artificial intelligence framework. To achieve the first government enabler, along with its strategic projects, 10 periodic tasks were identified.

These include managing financial resources and procurement efficiently in line with international best practices; applying best human resources practices and international best practices in leadership; setting quality standards and institutional excellence; ensuring internal and external communication; setting and developing the strategic plan; measuring performance; providing the best legal services; providing the latest IT services; providing common services for all organizational units with high efficiency. It also includes two periodic tasks – managing institutional innovation, and future foresight. (GB 07.08)

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* 1. UAE Announces National Program for Infrastructure Development

The UAE Minister of Energy and Infrastructure announced the launch of the National Program for Infrastructure Development (Salamah 365). Salamah 365 is a transformational project under the performance agreements signed by federal authorities in 2022 in the presence of Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai. The project aims to enhance public safety by leveraging innovative solutions and interactive warning systems to rectify identified accident blackspots – specific places where road traffic collisions have historically been concentrated, implement a locally tailored model of pedestrian crossings, predict floods before they happen by monitoring dams and valleys, and implement a safe, smart school model. (WAM 01.08)

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* 1. UAE’s GDP Grows by 3.8% in First Quarter to $114 Billion

The UAE’s economy grew by 3.8% in the first quarter of 2023 to $114 billion (Dhs418.3 billion) compared to the prior-year period, according to the latest data from the Federal Center for Competitiveness and Statistics, as non-oil activities boosted overall growth. Non-oil GDP totaled Dhs312 billion, a 4.5% increase or Dhs13.5 billion growth. The latest data confirm the UAE’s unwavering efforts to promote the growth of non-oil economic sectors and transition to an economic model based on knowledge and innovation.

The contribution of the transport and storage sector to the GDP in Q1/23 amounted to Dhs21.8 billion, up 10.9% compared to the same period in 2022. This is followed by the construction sector with a 9.2% growth compared to the same period in 2022, to total Dhs36.3 billion. The accommodation and food services activities grew by 7.8%, while the finance and insurance sector achieved a 7.7% growth. Wholesale and retail trade achieved 5.4% growth in the first quarter of the year to exceed Dhs102.3 billion.

Similarly, the non-financial projects sector grew by 3.5%, an increase of more than Dhs11.7 billion compared to Q1/22. The ICT sector also achieved a growth of 3.3%, while the real estate sector recorded a 3.1% growth compared to the same period in 2022. (GB 01.08)

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* 1. UAE Enacts New Laws for Healthcare Professionals

The UAE Government has approved several federal decrees and amendments that regulate healthcare professions, healthcare providers and veterinary medicine. The new laws are aimed at regulating the practice of non-doctors and pharmacists for several healthcare professions including nursing, laboratories, medical physics, functional therapy, physiotherapy, aesthetics, anesthesia, audiology and radiology. The amendments increase the penalties for professionals who practice the profession without obtaining a license and those who do not meet the requirements.

The law and the updates on the provisions set out several medical ethics and professional conducts for health professionals practicing in the UAE, in addition to updating the disciplinary sanctions in cases where violations are committed. The amendments include establishing a national medical register for professionals in the country. The law stipulates that no one is allowed to practice as a health professional unless they are authorized by the healthcare authority. Obtaining a UAE healthcare license requires a bachelor’s degree or a health professional qualification recognized in the country.

To facilitate licensing procedures and provide functional competencies to veterinary facilities in the country, the law amendments include updating the duration of expertise required for the licensing of Emirati veterinarians and recent graduates to pursue the profession. Veterinarians and assisted medical professionals are exempt from certain fees. The new laws allow foreign investors to establish and own veterinary facilities in the UAE to boost foreign direct investments in the veterinary sector. (GB 09.08)

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* 1. Saudi Inflation Eases Further in July to 2.3%

Saudi Arabia's annual inflation rate eased for a second consecutive month to 2.3% in July from 2.7% in June, government data showed on 15 August. The rise in prices was mainly driven by an 8.6% jump for housing, water, electricity, gas and other fuels and a 1.4% increase in food and beverages. Prices of housing, water, electricity, gas and other fuels were up 0.3% from June, when it notched a 9.1% annual rise. Food and beverage prices were 0.4% higher compared to June. Prices for clothing and footwear dropped 3.9% in July from a year earlier, easing 0.8% from June. Furnishings, household equipment and maintenance fell 2.5% year-on-year and 0.3% from June. Inflation in Saudi Arabia has been on a downward trend since starting the year at a rate of 3.4% in January. (Various 15.08)

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* 1. Saudi Arabia Leads GCC’s Education Sector with $50 Billion in Budget Allocation

Saudi Arabia is expected to lead the GCC as the largest education market between 2022 and 2027, with an estimated $50 billion allocated for the sector in 2023, UAE-based Alpen Capital said in a new report. However, Kuwait and the UAE are projected to grow at a faster rate than other member nations in student numbers, the investment banking advisory firm said in a new report on the GCC education industry.

Overall, education spending across the GCC increased in 2023, averaging 13.3%, compared to 13.1% in 2020. The majority of the GCC countries have earmarked a significant proportion of spending for education, with Saudi Arabia allocating the highest expenditure at 17% of its total budget, or $50.4 billion, in 2023, followed by Oman at 16.7% ($1.9 billion). Budget allocation for education in the UAE increased to 15.5% in 2023 from 14.8% in 2020. Kuwait maintained spending of 11.5% towards the sector. These allocations in Saudi Arabia, Oman, UAE and Kuwait were higher than those in the US, the UK and Germany.

However, government spending on education in Bahrain (9.9%) and Qatar (9%) remained below the regional average and lower than some developed nations due to volatility in oil prices over the past two years, impacting their fiscal positions. A push for private sector investments has Saudi Arabia target an increase in enrolment from its current 15% to 25% by 2030, with the country looking to add 900,000 seats in the coming years. (Zawya 02.08)

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* 1. Saudi Arabia's Health Ministry Punishes Breast Milk Scam Sellers

Saudi Arabia’s health ministry fined a pharmaceutical company for violating its Breast Milk Substitutes (BMS) code. Minister al-Jalajel authorized the decision to penalize the company with fines of up to $67,000. Two penalties were imposed on the company during the first half of the year for several violations of the law of trading BMS. Representatives of the company entered hospitals and distributed brochures about breast milk substitutes in the Eastern Province. This was in violation of Article 5 of the law, which stipulates the prohibition of advertising and promotion for breast milk substitutes and infant food.

The law for trading breast milk substitutes in the Kingdom was issued in 2004 by a royal decree, and its executive regulations were updated in 2019 by the Minister of Health. This is in compliance with the International Code of Marketing of Breastmilk Substitutes, which Saudi Arabia signed in 1981.

The decisions and penalties were issued due to the importance of applying the rules and monitoring the performance of the regulations and laws, which promote and protect the health of community members, especially infants, and provide them with proper nutrition through breastfeeding and appropriate complementary feeding, and not giving the opportunity to violate the regulations, whether from government, private institutions or companies, or individuals working in health institutions or private companies supplying or distributing breast milk substitutes, the health ministry said in a statement. (AB 07.08)

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* 1. Saudi Arabia to Mandate Type-C USB Charging Ports by 2025

Starting on 1 January 2025, Saudi Arabia will enforce a standardized charging port for mobile phones and electronic devices. The USB Type-C will be the sole connector, the Saudi Standards, Metrology and Quality Organization and the Communications, Space and Technology Commission announced. The entities said that the decision aims to improve the experience of users of connectors in the country and not to incur additional costs.

The decision will contribute to reducing the amount of annual domestic consumption of chargers and charging cables for mobile phones and electronic devices by more than 2.2 million units annually, and saving spending from consumers in the kingdom to more than SAR170 million. It also helps to achieve Saudi Arabia’s goals for sustainability in the technology sector through reducing electronic waste by approximately 15 tonnes annually.

The decision will take place in two phases. The first phase will begin on 1 January 2025 and it will include mobile phones, tablets, digital cameras, e-readers, portable video game devices, headphones, earphones, amplifiers and keyboards and computer pointer devices, in addition to portable navigation systems, portable speakers and wireless routers. Meanwhile, the second phase will start on 1 April 2026 and will include laptops. (GB 07.08)

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* 1. Turkish Defense Firms Baykar, Aselsan and Roketsan Sign Deals in Saudi Arabia

Türkiye has entered into new agreements following the largest defense and aerospace export contract in the country’s history signed by Turkish unmanned aerial vehicle (UAV) producer Baykar with Saudi Arabia. Baykar recently signed an export and cooperation agreement with Saudi Arabia’s Ministry of Defense for the unmanned combat aerial vehicle (UCAV) Bayraktar Akinci.

Baykar signed memorandums of understanding (MoUs) with state-owned Saudi Arabian Military Industries (SAMI) for local production and technology transfer, while Aselsan and Roketsan signed MoUs with the Saudi National Company for Mechanical Systems. Bayraktar Akinci is not an ordinary weapon or aircraft but a flying smart robot equipped with dozens of computers, tens of thousands of lines of code and artificial intelligence. (Various 08.08)

►►North Africa

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* 1. Egypt's Headline Inflation Rises to Record 36.5% in July

Egypt's annual headline inflation in July rose to an all-time high of 36.5%, in line with analysts' expectations, as food prices soared, data from the country's statistics agency CAPMAS announced. Headline inflation was 35.7% in June, also a record high. Month on month, prices rose 1.9% in July, down from 2.08% in June. The median forecast of 15 analysts polled showed annual urban consumer inflation rising to 36.5% in July. The previous high of 32.95% was recorded in July 2017. Food and beverage prices rose by an annual 68.4% in July, CAPMAS said. (CAPMAS 10.08)

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* 1. Tunisia - Italy Interconnector Moving Forward

The European Commission (EC) has approved a €307 million (c. $336 million) financing agreement for Tunisia’s planned Elmed electrical interconnection project with Italy. The 600 MW subsea interconnector, to be developed by Italy-headquartered transmission operator Terna Group and Tunisia’s grid operator STEG, will link the Tunisian and EU power grids via a 220 km cable, enabling the trade of renewable energy between the North African country and Europe. The project is estimated to cost €850 million (c.$929 million) with €307 million provided by the EC through the Connecting Europe Facility.

The World Bank approved a $268.4 million loan to Tunisia in June to finance the project, using the funds to build a main converter station and accompanying substations on the Tunisian side. The Elmed interconnector is backed by the European Union, Italy, the German Development Bank KfW, the European Bank for Reconstruction and Development, and the European Investment Bank. (Enterprise 09.08)

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* 1. Automotive Industry Exports from Morocco Rise to $11 Billion in 2022

Morocco’s car manufacturing industry continues building on its strong momentum, with exports reaching a sweeping $11.1 billion, according to data from the Office d’Echange (OE). In an annual report detailing Morocco’s foreign trade, OE data showed that the value of automotive exports rose by a year-on-year 33%. The results are especially impressive when looking at the industry’s performance over the past eight years. Exports within the sector went from $4.4 billion in 2014 to $8.3 billion in 2021.

Despite the impressive growth in the value of exports, the automotive industry fell short of becoming Morocco’s largest exporting industry and was outperformed by the phosphate industry. At the end of 2022, the phosphate industry’s exports totaled $11.5 billion, a 43% year-on-year increase. Mirroring the trend in the automotive sector, exports of the phosphate industry steadily increased over the past eight years, going from $3.8 billion in 2014 to $8 billion in 2021.

Third on the list of the largest exporting sectors is the agro-food industry, with total exports reaching $8.3 billion at the end of 2022, with annual growth set at 19%, OE data shows. Exports within Morocco’s agro-food industry went from $3.9 billion in 2014 to $6.9 billion, the report shows. Despite its immense potential, Morocco’s agro-food industry remains weak, as the country remains largely an importer. Underlying the trend are a multitude of factors including limited agriculture production and lack of funding as 90% of companies within the sector are Small and Medium-Sized Businesses (SMBs). (MWN 15.08)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkey’s Annual Inflation Hits Nearly 50% in July

Annual inflation in Turkey hit 47.83% in July, with consumer prices increasing 9.49% from the preceding month, official data showed. The Turkish Statistical Institute reported that annual inflation jumped by nearly 55% compared to the same period last year. The increase came after consecutive price and tax hikes as the country grapples with one of its worst-ever cost-of-living crises.

The data showed transportation to be the main driver of increasing consumer prices, rising 17.75% above the previous month's figures, in part due to multiple fuel hikes. The second-highest monthly increase was in healthcare costs, which grew by nearly 13.61%, followed by a 11.92% increase in restaurant and hotel prices. Before the July jump, the country’s annual consumer inflation rate had been on the decline since November, after peaking at a 24-year high of 85.5% in October. This data marks the end of the downtrend.

Under new administration, Turkey’s Central Bank recently revised its year-end annual inflation projection from 22.3% to 58%, citing impacts of Feb. 6 earthquakes, shrinking Turkish exports and tightened monetary policies. Turkish President Erdogan, abandoning his long-standing, unconventional economic approach—arguing that raising interest rates cause higher inflation — shifted to adopt orthodox monetary policies after his reelection in May and appointed mainstream economists at the helm of the economy. Both Finance Minister Simsek and Central Bank Governor Erkan pledged to return to conventional policies following their appointments. (Al-Monitor 03.08)

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* 1. Turkey Registers $674 Million in Account Surplus, Breaking a 20 Month Deficit

Turkey recorded a $674 million current account surplus in June, Turkey’s Central Bank said, in a reversal from account deficits of $3.4 billion in the same month last year and $7.9 million in May 2023. This figure marked the first account balance surplus since October 2021. Increasing tourism revenues and declining energy imports, which are one of the largest items in Turkey’s import costs, have been the major driver in the shift.

Data showed that Turkey’s net tourism revenues reached more than $4.2 million in June in addition to exports worth some $20.9 billion in the same month. Excluding gold and energy, the current account recorded a net surplus of $5.58 million, the bank said. The country’s trade gap narrowed sharply by some $7 billion from $10.5 billion in May to $3.7 billion in June, the data showed.

Turkey’s annual inflation, which reached a 24-year high of 85.5% in October, stood at 47.83% in July, with monthly consumer prices increasing by 9.49% in July, according to official data. Turkish President Erdogan’s unconventional economic policy of keeping interest rates low in a bid to boost economic growth was the main driver of the skyrocketing inflation. Turkey’s Central Bank kept its policy rates in single-digit territory despite the Turkish lira sinking to record low levels, fueling the country’s cost of living crisis.

Erdogan abandoned his unorthodox economic policy, which is widely blamed for Turkey’s foreign currency crunch and wider crisis, after his election in May, tapping mainstream economists to helm the country’s finance management. Under its new governor, Hafize Gaye Erkan, Turkey’s Central Bank raised the country’s interest rates by 900 basis points in successive hikes in June and July, from 8.5% to 17.5%. The bank’s net foreign reserves, which fell below zero just before the May general elections, rose to $15.7 billion over the past two months. (Al-Monitor 13.08)

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* 1. Jordan Seeks EU Electricity Connection Via Cyprus

Jordan is interested in collaborating with Cyprus to establish electricity connectivity with the European Union, according to Cypriot Energy Minister Papanastasiou. It was discussed on the sidelines of the official visit of Cypriot President Christodoulides to Jordan. Papanastasiou engaged in talks with his Jordanian counterparts, exploring ways to strengthen cooperation between the two nations in various areas, including energy, trade, investments, and business partnerships.

Papanastasiou met separately with Jordanian Minister of Energy and Mineral Resources Al-Kharabsheh, and Minister of Industry, Trade and Supply Shamali. The energy ministers discussed the progress in renewable energy and energy saving, exploring ways to enhance energy collaboration. During the meeting, the Jordanian Energy Minister emphasized the significance of electricity connectivity with the EU through Cyprus and expressed a desire for cooperation.

Cyprus is building the EuroAsia Interconnector, an electricity cable to link the island to Greece and Israel and join the European grid. As part of activating the Memorandum of Understanding signed between Cyprus and Jordan in 2014 to foster energy cooperation, both countries agreed to establish a technical committee to formulate a roadmap for electricity and natural gas, considering existing alliances with other countries in specific projects. Additionally, discussions between Papanastasiou and Shamali revolved around targeted bilateral trade development, particularly supporting private initiatives to bolster partnerships in services and products. (FM 03.08)

GENERAL NEWS AND INTEREST

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* 1. Three Israeli Universities Rank Among World’s Leading 100 Institutions

Three Israeli universities were recognized among the world’s top 100 for the third successive year, according to the 2023 Academic Ranking of World Universities (ARWU) released on 15 August by ShanghaiRanking Consultancy. Weizmann Institute of Science in Rehovot jumped 16 spots from last year to 67th place and the Technion in Haifa climbed five to place at 78th while the Hebrew University of Jerusalem dropped seven places from last year to 85th. Since 2012, the Technion has consistently been ranked among the top 100 institutions in the ranking except for 2020 and currently ranks as the fourth best technological institution.

Harvard University topped the ranking list for the 21st year in a row. It is followed by two other U.S. universities - Stanford and MIT. England’s Cambridge ranked fourth, followed by University of California, Berkeley. Other institutions in the top 10 are Princeton, Oxford, Columbia, Caltech and University of Chicago.

The Shanghai Ranking, published annually since 2003, is considered one of the most reliable rankings in academia. The rankings assess the quality of research at academic institutions and are based on various criteria, including the number of faculty members and alumni who have won Nobel Prizes and Fields Medals, as well as the volume and quality of publications in leading journals. The ranking includes approximately 2,500 universities, with the rankings of the top 1,000 being published. (Various 15.08)

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* 1. Tel Aviv University Ranks Second on Universities’ Unicorn Founder List

A new study from Stanford University found that Israel’s Tel Aviv University (TAU) has produced the second-most unicorn companies based on where their founders went to college. The list cites Stanford University with the most unicorn founders (310), followed by TAU (43), the UK’s Oxford University (33) and Canada’s University of Waterloo (22). The study used a dataset of 1,110 US-based VC-backed unicorns from the top universities of 20 countries globally.

Tel Aviv University has been the hub of entrepreneurship for many years: since 2006 it is always ranked among the top 10 universities around the world that produce the largest number of entrepreneurs who have recruited money from VCs. Tel Aviv University has more than 30,000 students and is the largest university in the country. According to the U.S. News and World Report, the university is ranked second nationally after the Weizmann Institute of Science and 175th globally. However, it is the only Israeli academic institution that can claim so many unicorn founders. (C-Tech 13.08)

\*REGIONAL:

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* 1. Oman Launches a Project to Make Fertilizers from Palm Waste

Oman’s Ministry of Agricultural launched a project to produce eco-friendly soil enhancers in the country’s south. At a cost of $466,800, the new plant will produce soil fertilizers from palm residue, turning what would have been waste into a cheaper alternative to imported fertilizers. By using a total of around 9,000 palm trees, the project aims to produce approximately 900 tons of agricultural soil enhancer annually.

The process includes collection, cutting of palm waste, drying, chopping and packaging the product. One palm tree can yield about 100 kg of organic soil enhancer per year. Palm residues contain essential elements such as nitrogen, phosphorus, potassium, magnesium, calcium, and other various microelements. This is beneficial for a wide diversity of crops, from vegetables and fruits, to natural and aromatic plants, and even ornamental plants.

If successful, Oman’s program has the potential to spread across the region given the widespread presence of the tree. Saudi Arabia has around 31 million palm trees, and UAE palm tree supplier Date Palm Dubai said that the UAE has about 44 million date palm trees as of 2020. In 2018, Egypt recorded having 15.5 million palm trees planted on an area of 86k feddans. (Enterprise 14.08)

ISRAEL LIFE SCIENCE NEWS

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* 1. Oramed & HTIT Joint Venture to Advance Oral Drug Delivery Technology Globally

Oramed Pharmaceuticals signed a non-binding term sheet with China's Hefei Tianhui Biotech Co. to establish a joint venture based on Oramed's oral drug delivery technology. The proposed JV would focus on the development and worldwide commercialization of innovative products based on Oramed's oral insulin and POD (Protein Oral Delivery) pipeline and HTIT's manufacturing capabilities and technologies. The JV is subject to the execution of a binding definitive agreement.

The JV would be responsible for developing, marketing and commercializing drug products globally, focusing on Oramed's oral insulin and POD technology, as well as other assets in the Oramed pipeline. The parties intend for the JV to initiate a Phase 3 oral insulin trial in the United States. As part of the Joint Venture, HTIT will make an initial investment of $60 million, while Oramed will invest $10 million.

Jerusalem's [Oramed Pharmaceuticals](http://www.oramed.com) is a platform technology pioneer in the field of oral delivery solutions for drugs currently delivered via injection. The company's novel Protein Oral Delivery (POD) technology is designed to protect drug integrity and increase absorption. (Oramed 02.08)

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* 1. Enzymit Announces Breakthrough in Cell-Free Hyaluronic Acid Production

Enzymit announced its success in synthetically producing hyaluronic acid (HA) for use in a range of cosmetic, aesthetic and therapeutic applications. Enzymit's cell-free manufacturing process reduces much of the complexity, time and costs traditionally associated with HA production.

Traditional hyaluronic acid production utilizing animal tissue entails considerable safety, consistency and ethical concerns, while fermentation-based methods still involve complicated purification processes and high production costs. Enzymit's cell-free process offers an efficient and cost-effective alternative. Focusing on just the individual protein catalysts necessary for hyaluronic acid synthesis, rather whole cells, results in higher purity and greater production yields at competitive prices. Enzymit is working to increase its production capacity and to develop the next generation of hyaluronic acid enzymes that can utilize even more affordable feedstocks.

Ness Ziona's [Enzymit](https://enzymit.com/%E2%80%8E) is building a cell-free production platform that will make bio-production faster, simpler, cost-effective and sustainable. The company leverages complex computational design and deep learning algorithms to create novel enzymes for use in real-world settings. (Enzymit 01.08)

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* 1. Clinicians & Game Designers Create a Mobile Game to Relieve Symptoms of Anxiety

Research suggests that commercial video games relieve symptoms of some mental health conditions, particularly depression and anxiety. The Hedonia team is reaching deeper and aiming higher with mobile games that treat the causes of mood disorders and offer symptoms relief. Hedonia’s mobile games are based on a novel therapy called FTP - Facilitating Thought Progression that delivers an integrated therapeutic experience by combining therapy with adapted popular games' mechanics.

The team, composed of distinguished clinicians and researchers, together with veteran game designers and developers, is now launching Mood Bloom, the first game to bring this integrated therapeutic experience. For FTP to be effective, patients need to adhere to a period of time in which they do the activities regularly. But as clinicians know too well, adherence is a hurdle in mental health treatment. The integrated experience engages patients with the frequency and intensity necessary to induce adherence and help patients feel better.

The effectiveness of FTP relies on people with depression and anxiety consistently “taking their medicine” by playing Mood Bloom at their leisure at least four days a week for eight weeks or longer – as long as they like. Mood Bloom players progress by playing therapeutic games based on FTP. The games use word chains, associations, speed reading, seeing the “big picture”, and even sky-gazing to expand thinking, tease out imagination, and make thoughts travel more rapidly.

Tel Aviv's [Hedonia](https://www.hedonia.io/index.html) has an entirely new tool in the care for depression and anxiety. Their mission is to bring real relief from symptoms of depression and anxiety to as many people as possible through mobile games developed around Facilitating Thought Progression (FTP), a neuroscience-based research created by leading scientists. (Hedonia 08.08)

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* 1. RedDress & OneMed Partner for ActiGraft Wound Care System in the Nordics

RedDress established a strategic partnership with OneMed, part of the Asker Healthcare Group, to commercialize and distribute the ActiGraft system throughout Finland and Sweden. The multinational agreement is exclusive and follows an extensive product evaluation assessment.

The ActiGraft wound care system is an autologous, point-of-care wound management solution created from the patient's whole blood. Once applied, the blood clot serves as a protective covering and optimizes the body's own healing potential. Applied directly to the wound surface, the ActiGraft blood clot is created at the patient's bedside in eight minutes by mixing fresh whole blood with their proprietary coagulation powder. ActiGraft contains whole blood cells including white cells, red cells, plasma, platelets, and fibrin, in the optimal concentration required in the wound healing process. Once applied, ActiGraft reignites the healing cascade that supports wound healing processes which occur naturally in the body.

Pardes Hannah's [RedDress](https://reddressmedical.com/) is the leading provider of personalized and autologous wound management solutions created from patients own blood. The company's suite of ActiGraft products are transforming wound care, treating a wide variety of chronic wounds including diabetic and neuropathic ulcers, venous ulcers, pressure injuries, traumatic wounds, post-surgical wounds, skin tears, surgical wounds and more. The ActiGraft wound care system is exclusively available internationally, and is commercially available in 30 countries across five continents. (RedDress 08.08)

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* 1. Nasus Nasal Spray Shows Positive Results in Clinical Study

Nasus Pharma announced positive results from a clinical study of intranasal powder-based Epinephrine. FMXIN002 is an investigational intranasal epinephrine powder spray device that is noninvasive, user-friendly and reliable and could provide timely effective rescue for severe potentially life-threatening allergic reactions to food, medications and insect bites. The clinical study provides additional compelling evidence to the robustness of Nasus Pharma's intranasal powder technology already tested in other drugs. Importantly the pharmacokinetics of the powder-based intranasal epinephrine can potentially abate multiple concerns recently raised within the medical community as to the adequacy of other intranasal solution-based epinephrine with regards to protection in the immediate period following anaphylactic shock development.

The treatment was well tolerated. There were no significant side effects and no significant changes physiological parameters. This pilot study indicates that powder-based intranasal epinephrine can offer significant clinical advantages, as compared to the currently-available intramuscular route of drug administration and other solution-based intranasal epinephrine programs in development. Powder-based products are also known to have better stability, as compared to the solution-based products. Yet an additional advantage for powder-based formulation of epinephrine, a drug that undergoes rapid degradation in the currently-available short shelf-life liquid dosage forms.

Based on its unique technology, [Nasus Pharma](https://www.nasuspharma.com) is developing a number of intranasal powder products aimed at assisting patients in several acute emergency situations such as opioid overdose and anaphylactic shock. Intranasal administration is most suitable for those situations in which rapid drug delivery is required and offers multiple advantages. (Nasus Pharma 08.08)

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* 1. Mileutis Achieves Dramatic Reduction in Antibiotic Use In Dairy Cows

Mileutis completed a rigorous, randomized, case-controlled, multi-center, clinical field trial. The trial was conducted at seven different commercial dairy farms and involved over 500 dairy cows. The results of this trial provide further conclusive evidence of the ability of Imilac therapy to completely substitute the routine use of antibiotics at dry-off in the dairy industry.

In addition, the study revealed that Imilac is further impacting milk nutritional characteristics – a breakthrough that was patented by Mileutis. The trial was carried out in dairy farms providing milk to Israel's two largest dairy product providers – Yotvata Dairy, part of the Strauss Health Group, partially owned by Danone, and Tnuva, Israel's largest dairy company. Mileutis has developed a revolutionary, safe and residue-free biological therapy named Imilac, to address this critical health issue without using antibiotics.

Designed to replace the routine use of antibiotics administered at dry-off once a year, Imilac has exhibited game-changing results in the clinical trials, paving the way for a transformation in the dairy sector and leading the dairy industry into a sustainable future.

Ness Ziona's [Mileutis](http://www.mileutis.com) has developed a line of biopharmaceuticals that is revolutionizing the way veterinarians treat a wide range of diseases. Mileutis’ first leading products are comprised of peptides and specific protein fragments that have a positive impact on body functions or conditions that influence health. Mileutis’ technology further reduced antibiotic use in animal health management. (Mileutis 08.08)

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* 1. Viatris & Mapi Pharma Get FDA Acceptance for Treatment of Forms of Multiple Sclerosis

Pittsburgh's Viatris, a global healthcare company, and Mapi Pharma announced that the U.S. FDA has accepted for review the companies' recently submitted New Drug Application (NDA) for GA Depot 40 mg. The product is a long-acting glatiramer acetate being investigated as a once-monthly injection for the treatment of relapsing forms of multiple sclerosis (RMS).

The GA Depot NDA filing is supported by results from a multinational, double blind, placebo-controlled Phase III clinical trial evaluating the efficacy, safety and tolerability of GA Depot compared with placebo in patients with RMS. GA Depot is a long-acting injection version of the approved Glatiramer Acetate (GA, commercially available as Copaxone), designed to be administered as an intramuscular injection once every four weeks. GA Depot is intended to be used for treatment of Relapsing forms of Multiple Sclerosis (RMS). GA Depot is also currently being tested in Phase II for Primary Progressive Multiple Sclerosis (PPMS).

Ness Ziona's [Mapi Pharma](http://www.mapi-pharma.com) is a clinical stage pharmaceutical company, developing proprietary pharmaceuticals, including life cycle management (LCM) products such as Depot long acting injections, complex active pharmaceutical ingredients (APIs) and formulations. The company’s lead product is Glatiramer Acetate (GA, Copaxone) Depot, a once-monthly IM injection of 40mg GA for the treatment of multiple sclerosis (a $20 billion market). Mapi is engaged in the development of Pregabalin ER for the treatment of neuropathic pain and epilepsy, Paliperidone Palmitate and Buspirone ER for the treatment of schizophrenia and other long acting Depot injectable treatments. (Viatris 07.08)

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* 1. Grace Breeding’s WDS Climate Stress Solution Gets First European Registration

Grace Breeding received product registration approval in Germany by the German Federal Office of Consumer Protection and Food Safety (BVL) for its innovative WDS (Wide Defense System) climate stress tolerance solution, to be marketed as an adjuvant in combination with bacteria-based products in the Bacillus subtilis family for soil application use in open field and greenhouse vegetables under the brand name ClimAid. This represents the Company’s first product registration approval for its WDS in the European Union (EU) and facilitates Grace Breeding’s registration process in other EU countries.

In October of last year, Grace Breeding reported on field tests in Israel on its WDS formula on industrial tomatoes. Amid droughts and arid weather conditions in major tomato-producing locales like California, the WDS formula was shown to improve industrial tomato yields by 17% during field trials. The field trials also showed Grace Breeding’s WDS formula boosted growth of the tomato’s root system and nutrient absorption from the soil, improving the crop yield. The registration with German authorities was obtained with the support of SCC (Scientific Consulting Company) GmbH, a regulatory consulting firm supporting Grace Breeding within the EU.

Rehovot's [Grace Breeding](https://www.gracebreeding.com) is an AgClimateTech company focused on developing environmentally sustainable products that are biologically based and provide efficient and natural solutions for farmers and distributors. Grace Breeding aims to disrupt crop agriculture – by providing solutions for crop bio-fertilization and climate stress relief and offering innovative products and solutions that reduce the environmental damage caused by synthetic fertilizers. (Grace Breeding 08.08)

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* 1. Israel Unveils Miniature Human Heart Model to Transform Drug Testing

A team of Israeli researchers has unveiled a miniature ‎human heart model that could potentially transform drug testing and cardiovascular research, ‎providing alternatives to animal testing. The self-paced multi-chambered human heart model – ‎no larger than a grain of rice – promises to revolutionize the way the heart and its functions are ‎studied. The team was led the Hebrew University ‎of Jerusalem and included scientists from the Technion-Israel Institute of Technology in Haifa, ‎and Rehovot-based Tissue Dynamics, which is devoted to animal-free drug development.‎

Sensors also revealed a new mechanism of cardiac arrhythmia not found in small animals, ‎promising alternatives to animal testing. This study, published in the prestigious Nature Biomedical Engineering, was entitled ‎‎“Electro-metabolic coupling in multi-chambered vascularized human cardiac organoids.”‎

The team embarked on an intricate effort to create an accurate replica of the ‎human heart, using human-induced pluripotent stem cells (hiPSCs). The resulting model ‎comprises multiple chambers, pacemaker clusters, epicardial membrane, and endocardial ‎lining, all meticulously designed to mimic the structure and functions of the human heart.‎ One of the most significant features of this heart model is its ability to provide real-time ‎measurements of essential parameters, such as oxygen consumption, extracellular field ‎potential, and cardiac contraction. This capability made it possible for the scientists to gain ‎unprecedented insights into heart function and diseases.‎

The scientists partnered with Tissue Dynamics, which focuses on reducing research and ‎development costs for drugs by 30% to 80% by providing groundbreaking drug toxicity and ‎efficacy tools for the pharmaceutical industry. Its proprietary screening platform uses tissue-‎embedded micro-sensors in a micro-physiological environment to monitor changes in tissue ‎function in real-time. The team developed a robotic system that can screen 20,000 tiny human hearts in ‎parallel for applications to drug discoveries. The potential applications of this micro-‎physiological system are huge, promising to enhance our understanding of heart physiology and ‎speed up the discovery of safer and more effective pharmaceutical interventions and leading to ‎a healthier future for all.‎ The scientists concluded that their tiny heart represents a monumental achievement with far-‎reaching implications for medical research. (JP 08.08)‎

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* 1. TytoCare Announces $49 Million Funding Round & Launches New Care Modules

TytoCare has raised $49 million in additional growth funding. This new investment brings the company’s total funding to $205 million to date. The round was led by global software investor Insight Partners, which also led TytoCare’s previous round. Notably, the round includes new investors, including MemorialCare — a leading California health system — as well as two major pension funds, Healthcare of Ontario Pension Plan (HOOPP) and Clal. TytoCare will use the funding to further develop uses of AI in diagnostic support and remote exam assistance. In particular, TytoCare will advance the Home Smart Clinic’s longitudinal care capabilities to help families manage conditions that need more than episodic, acute care visits.

TytoCare’s Home Smart Clinic is the only virtual care solution on the market that can replicate the doctor’s office in the home. The solution combines TytoCare’s FDA-cleared handheld remote examination device, the AI-backed Tyto Insights smart diagnosis support, and the Tyto Engagement Labs to provide high-quality, accessible virtual care in the home and enable health plans and providers to deliver on expected ROI and drive improved health outcomes.

Netanya's [TytoCare](https://www.tytocare.com/) is a virtual healthcare company that enables leading health plans and providers to deliver remote healthcare to the whole family through its Home Smart Clinic. Combining a cutting-edge, easy-to-use, FDA-cleared device with AI-powered guidance and diagnostic support, the Home Smart Clinic enables the whole family to conduct remote physical exams with a doctor, replicating in-clinic exams for immediate answers from home. TytoCare drives utilization rates that are five times higher than traditional telehealth services; reduces the total cost of care by an average of five percent; diverts ED visits by an average of 10.8%; and has a high average NPS of 83. (TytoCare 09.08)

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* 1. ImPact Biotech to Develop a Treatment to Arrest Pathologic Myopia

ImPact Biotech recently announced an agreement with Maastricht University to collaborate in research focused on eye treatment to arrest the progression of the severe eye disease Pathological Myopia, also known as Myopic Macular Degeneration (MMD). The project will use ImPact’s Padeliporfin VTP therapy platform.

Pathologic Myopia represents a subgroup of high myopia (a severe form of short-sightedness) that affects up to 3.8% of the world population. The progressive elongation of the affected eye's axis leads to damages to the retina and macula, with resulting degenerative changes that leads to progressive sight impairment and blindness. Currently there is no treatment to arrest the Pathological Myopia, prevent its debilitating visual complications, or change its course. Padeliporfin has been approved by the EMA for patients with low-risk Prostate Cancer and is currently being investigated in a phase 3 clinical trial in low-grade Upper Tract Urothelial Carcinoma. Additional clinical studies are planned to be initiated in Non-Small Cell Lung Cancer and Pancreatic Cancer.

[ImPact Biotech](http://www.impactbiotech.com) is an Israeli biotech organization with operations in the EU, Israel and the US. ImPact biotech focuses on the development of a minimally invasive novel oncology platform to treat a range of solid tumors with Padeliporfin VTP (Vascular Targeted Photodynamic) therapy. ImPact Biotech is implementing a bold strategy concentrating on a range of solid tumors with a high medical need such as UTUC, NSCLC and Pancreatic cancer. (ImPact Biotech 13.08)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Flow Security First DSPM Solution to Harness LLM in Unstructured Data Classification

In a revolutionary move, Flow has designed data classification powered by Large Language Models (LLMs). With a focus on unstructured data, this technology can identify over 150 distinct data types with unprecedented accuracy. Flow was quick to recognize the potential LLMs have to conquer some of our biggest data security challenges, including data classification.

Flow Security was the first DSPM vendor to realize that LLMs could take data classification technology to a whole new level. Unlike traditional NER algorithms, LLMs recognize a wide range of data types and catch context that other models might miss. In addition, because they are trained on an overwhelming amount of data, their accuracy levels can reach that of humans and beyond. One of the biggest opportunities for LLMs to shine is unstructured data. Thanks to Flow's capabilities, LLMs can classify unstructured data with unmatched accuracy, flexibility, and scalability, leaving traditional methods far behind.

Tel Aviv's [Flow Security](http://www.flowsecurity.com) is driven by a clear mission: securing data in ever-changing environments. It is the first and only DSPM that discovers, categorizes and secures sensitive information both at rest and in motion, across public clouds, on-premises infrastructure, and SaaS platforms. Flow’s latest LLM-based classification technology marks another significant milestone on its path to discover, secure and protect data wherever it flows. (Flow 02.08)

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* 1. Stratasys DentaJet Series Building Momentum with Dental Labs Globally

Stratasys' professional-grade DentaJet series of multi-material 3D printers is delivering increased quality and higher accuracy to dental applications while improving overall production efficiencies. Stratasys introduced its entry-level J3 DentaJet 3D printer earlier this year to complement its more advanced J5 DentaJet model.

Leveraging Stratasys’ smart digital workflow, the cost-effective DentaJet 3D printers address the evolving production needs of dental labs by enabling unattended printing and minimal post-processing. This helps to overcome the ongoing industry-wide challenge of skilled-labor shortage by enabling labs to redistribute resources. Stratasys is providing a tailored solution for each dental application and its unique requirements, such as high accuracy, color realism, or durability. Users can create extremely accurate, high-quality models, surgical guides and soft gingiva masks – each comprising multiple materials – in a single tray simultaneously.

Rehovot's [Stratasys](http://www.stratasys.com) is leading the shift to additive manufacturing with innovative 3D printing solutions for aerospace, automotive, consumer products, healthcare, fashion and education industries. Through smart and connected 3D printers, polymer materials, a software ecosystem, and parts on demand, Stratasys solutions deliver competitive advantages at every stage in the product value chain. (Stratasys 02.08

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* 1. Tigo Energy Provides EDF Renewables Israel with Predict+ System

Tigo Energy announced the expansion of their collaboration with EDF Renewables Israel, part of EDF Group and a leading developer and operator of renewable energy, to maximize the performance of solar farms in Israel using Tigo Predict+ technology. As part of the Tigo Energy Intelligence (EI) platform, Tigo Predict+ technology enables EDF Renewables to integrate many diverse datasets to produce highly accurate, customizable forecasting models.

Tigo Predict+ provides high-fidelity visibility into the performance of solar and wind energy systems through precise predictions, market insights, profit analysis and regulation functions. Predict+ is part of the Tigo Energy Intelligence (EI) platform, a comprehensive digital platform designed to optimize solar installations' planning, installation, commissioning, monitoring, and maintenance phases, from individual residential systems to commercial, industrial and utility-scale solar fleets. Tigo EI delivers the tools to decrease operations and maintenance costs, increase system performance and revenue, and improve the user experience for installers and asset owners.

Founded in 2007, Ra'anana's [Tigo](http://www.tigoenergy.com) is a worldwide leader in the development and manufacture of smart hardware and software solutions that enhance safety, increase energy yield, and lower operating costs of residential, commercial, and utility-scale solar systems. Tigo combines its Flex MLPE (Module Level Power Electronics) and solar optimizer technology with intelligent, cloud-based software capabilities for advanced energy monitoring and control. Tigo MLPE products maximize performance, enable real-time energy monitoring, and provide code-required rapid shutdown at the module level. (Tigo Energy 02.08)

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* 1. Solvo Unveils SecurityGenie Solution for Cloud Security Teams

To address the challenge of cloud security breaches, Solvo, a provider of adaptive cloud infrastructure security solutions, announced the launch of SecurityGenie, the first prompt-based cloud security solution with instant and precise answers to cloud security questions, while also providing remediation. Powered by OpenAI, SecurityGenie uses natural language processing (NLP), like how ChatGPT operates, but to help security teams to identify and remediate security risks, such as misconfigurations, vulnerabilities, and compliance violations quickly and easily, eliminating time-consuming manual searches. Simply ask SecurityGenie a question about your cloud security resources, networks, databases, or entitlements and identities, and it will promptly scan your environment to provide comprehensive answers in seconds.

SecurityGenie is like a ChatGPT-powered genie in a bottle for security engineers. It instantly answers your cloud security questions and gives you the information you need to make the right decisions for your organization. Solvo's research shows that SecurityGenie saves each security engineer an average of 3.5 hours per week. This boosts their confidence and gives them peace of mind that their cloud security posture is safe. SecurityGenie is user-friendly and fully customized to an organization's unique needs and seamlessly integrates with AWS, Azure, GCP, or hybrid environments. This makes it easy for organizations to get started with SecurityGenie and start reducing their cloud security risk.

Tel Aviv's [Solvo](https://www.solvo.cloud/) is a leading provider of adaptive cloud infrastructure security solutions. Our innovative products enable organizations to effortlessly protect valuable data and assets. Through artificial intelligence and advanced NLP, Solvo equips security engineers and executives with the knowledge to make informed decisions and stay ahead of emerging threats. (Solvo 02.08)

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* 1. Innoviz to Develop B-Samples of New LiDAR Platform for Automated Vehicles

Innoviz Technologies and BMW are starting a B-sample development phase on a new generation of LiDAR. Under the new development agreement, following BMW requirements, Innoviz will develop these B-Samples based on its second generation InnovizTwo LiDAR sensor.

After a couple of years working together on an existing program that will include the first deployment of LiDAR-enabled highly automated technology on the BMW 7 Series later this year, the BMW Group and Innoviz are beginning to focus on the next-generation of the technology by starting this first B-sample phase. The result of this first phase will enable the BMW Group to decide on a serial development agreement with Innoviz that will focus on bringing a new array of advanced automated capabilities to a broader range of the BMW lineup.

Kfar Saba's [Innoviz](http://www.innoviz-tech.com) is a global leader in LiDAR technology, serving as a Tier 1 supplier to the world's leading automotive manufacturers and working towards a future with safe autonomous vehicles on the world's roads. Innoviz's LiDAR and perception software "see" better than a human driver and reduce the possibility of error, meeting the industry's expectations for performance and safety. (Innoviz Technologies 02.08)

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* 1. OneLayer Launches Emergency Hotline for Private Cellular Networks

OneLayer launched a Security Emergency Hotline. This new initiative empowers enterprises to respond swiftly and mitigate cyber-attacks on their private cellular networks, ensuring the highest level of security and uninterrupted operations. The OneLayer emergency hotline provides a quick and comprehensive response to enterprises that need immediate help during an attack on their cellular network. At a time when cyber threats are more prevalent than ever, rapid incident response by cellular security experts allows enterprises to identify and resolve network problems faster. Each network is assigned a professional mitigation team that works tirelessly to safeguard its integrity and provide peace of mind during challenging times. OneLayer's proactive threat management techniques help ensure the continuity of network security and operations.

Tel Aviv's [OneLayer](http://www.onelayer.com) brings complete visibility and threat prevention to IoT and other devices connected to a private LTE & 5G network so any activity can be tracked and policies put in place to secure the environment. With OneLayer's solution, you'll gain full asset management capabilities, get operational intelligence, and protect against cellular breaches through zero-trust segmentation. OneLayer is dedicated to the private cellular networks' security domain. It enables enterprises to treat the new cellular network as another enterprise network without the need to be cellular experts. (OneLayer 03.08)

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* 1. ParaZero Receives Second Order from Large Automotive Manufacturers

ParaZero Technologies has received a second order for its custom safety system for drones by one of the world’s largest automotive manufacturers. The repeat order follows an agreement previously signed with the automotive manufacturer for the development of a safety solution for its proprietary drone program.

The automotive manufacturer plans to integrate ParaZero’s SafeAir drone safety system into their proprietary aircraft from the design stage, allowing for an optimized and seamless integration. ParaZero has a proven history of supplying advanced safety solutions for global manufacturers and companies across a myriad of aerial platforms, including multirotor, single rotor, fixed wing, vertical takeoff and landing (VTOL), manned and unmanned, and urban air mobility aircraft.

Kiryat Ono's [ParaZero](https://parazero.com) is a world-leading developer of autonomous parachute safety systems for commercial drone and urban air mobility (UAM) aircraft. Started in 2014, ParaZero designs smart, autonomous parachute safety systems designed to enable safe flight operations overpopulated areas and beyond-visual-line-of-sight (BVLOS). (ParaZero 07.08)

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* 1. NYSOFA's AI Companion Robot ElliQ Shows 95% Reduction in Loneliness

The New York State Office for the Aging (NYSOFA) and Intuition Robotics announced a continuation of their unique partnership and new data showing the efficacy in providing AI companionship to older adults in New York State, including a 95% reduction in loneliness and high levels of engagement. Over the past year, NYSOFA has partnered with Intuition Robotics in a pilot to bring ElliQ – the first-ever proactive and empathetic AI companion – to more than 800 New Yorkers in an effort to combat loneliness, foster engagement, improve overall health and wellness, and support aging-in-place. Loneliness has long been a concern for older adults, but the COVID-19 pandemic greatly exacerbated the issue, as the U.S. Surgeon General recently stressed in a highly publicized advisory on the epidemic of loneliness and isolation.

According to data reports from the NYSOFA pilot, AI companion ElliQ has achieved a 95% reduction in loneliness and great improvement in well-being among older adults using the platform. ElliQ users throughout New York have also demonstrated exceptionally high levels of engagement consistently over time, interacting with their ElliQ over 30 times per day, 6 days a week. More than 75% of these interactions are related to improving the older adults' social, physical and mental well-being. ElliQ is proactive and personalized: it initiates conversation, suggests activities, and remembers what users tell it. ElliQ encourages and works with users to set and help achieve goals. It is designed to convey empathy to create trust and drive engagement and behavior change.

Ramat Gan's [Intuition Robotics](https://www.intuitionrobotics.com/), a startup company based in Israel, is on a mission to empower older adults to live happier, healthier, and more independent lives at home. The company's award-winning product, ElliQ, is a proactive care companion for older adults. ElliQ, helps keep users healthy, engaged, and informed, while alleviating the effects of loneliness and social isolation. (Intuition Robotics 01.08)

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* 1. Brenmiller Unveils Next-Generation Thermal Energy Storage System—the bGen ZERO

Brenmiller Energy announced the launch of its next-generation TES system—the bGen ZERO—in alignment with the Company’s new strategic focus on delivering low-cost, zero-emission solutions to electrify heat.

With the new bGen ZERO, Brenmiller believes they have achieved a breakthrough in sustainable heat generation – by relying exclusively on electricity from renewables or the grid, this system delivers high-efficiency, ultra-low carbon heat without combustion. After years proving their TES technology’s mettle in intensely energy-hungry environments, the zero-emission bGen is ready to meet surging industrial demand and lead the transition to net-zero heat. This changes the game for hard-to-decarbonize sectors, providing a scalable path to electrify heat, slash emissions, and pioneer circular economics. The bGen makes clean heat for industry a reality - reliable, renewable and emission-free.

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 Energy 07.08)

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* 1. Panda Trading Systems Revolutionizes Brokerage Industry with AI-Powered Solutions

Panda Trading Systems is a pioneer in seamlessly integrating Artificial Intelligence (AI) into the core of the brokerage industry. Harnessing cutting-edge technologies, PandaTS has redefined business intelligence solutions, elevating efficiency, customer experience, and operational excellence.

One of the company's flagship products is an AI-powered document verification module for Panda CRM, which uses Google's Vision AI algorithm to scan and validate documents submitted by customers during the KYC/AML process. This module reduces the workload and errors of human compliance teams and improves the onboarding speed and experience for customers. Another product is Next Call AI, a system that optimizes sales and retention teams' interactions based on customer actions. The system monitors various event triggers, such as registrations, logins, deposit attempts, card rejections, and more, and alerts the teams to reach out and provide pre-emptive support to customers. The system is fully customizable and can be tailored to each brokerage's goals and priorities.

Haifa's [Panda Trading Systems](http://www.pandats.com) is a visionary technology company specializing in providing innovative solutions for the online brokerage industry. With a relentless commitment to harnessing advanced technologies like Artificial Intelligence, Panda empowers online brokers with game-changing tools that enhance efficiency, customer engagement, and overall success. As a trailblazer in AI integration, PandaTS is reshaping the future of the brokerage industry. (Panda Trading Systems 08.08)

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* 1. D-ID & ElevenLabs Partner for Premium Voices to Popular Creative Reality Studio

D-ID and New York AI voice technology pioneer ElevenLabs announced a partnership agreement to bring a selection of ElevenLabs' voices to D-ID's popular generative AI self-service platform Creative Reality studio, enabling users to make videos with more natural speech. Hundreds of thousands of users have already used D-ID's platform to produce high quality videos, combining them with ElevenLabs voices. The new features simplifies the process and enables subscribers with Pro subscriptions to add high-quality synthetic voices to uploaded images, AI-generated faces or premium presenters with one easy click.

D-ID recently announced significant new Creative Reality studio capabilities, including a new UI, as well as the ability to add facial expressions to avatars and digital people. With the addition of nine premium ElevenLabs voices to its library, users are able to better convey emotions, emphasis and personality, together with four visual expressions - serious, happy, surprised and neutral.

[D-ID](https://www.d-id.com/)'s generative AI technology elevates learning and development, sales, and marketing video content. The platform enables creators to generate photorealistic digital presenters from text, dramatically reducing the cost and hassle of video production at scale. Customers include leading e-learning platforms, Fortune 500 companies, financial services, automotive, technology, retail, entertainment, marketing agencies, production companies, social media platforms and more. Tel Aviv's D-ID was established in 2017 and is backed by tier 1 VCs. (D-ID 08.08)

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* 1. Nur Ink Innovations to Supply Ink to a European Manufacturer of Digital Textile Printers

Rosh HaAyin's [Nur Ink Innovations](https://nur-ink.com/), which is engaged in the R&D of various types of water-based, green, and environmentally friendly pigment inks, signed an agreement for the supply of ink with a European company that develops, manufactures, and markets digital printing systems for printing on various clothing items. The water-based pigment ink set developed by the company in specific, was formulated in accordance to the client's requirements, is an innovative ink that contains notable advantages for the client's end users, such as exceptional resistance to abrasion in washing, high stability of the print heads - resulting in a lower need for routine printer maintenance, the possibility of printing directly onto nearly any type of fabric including dark polyester, while using a single printer, while maintaining lack of odor and non-stickiness of the printed fabric.

The agreement is a long-term engagement of ink supply that includes ongoing supplies for the client's ink procurement; the agreement includes an indicative expected forecast by the client as the basis for the company's anticipated supply orders. (Nur Ink Innovations 07.08)

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* 1. BioCatch Connect Portfolio Delivers Safe, Secure & Seamless Digital User Experiences

BioCatch announced the introduction of its next-generation Connect product portfolio. BioCatch Connect is a first-of-its-kind, fully integrated fraud and AML product portfolio that proactively detects and accelerates targeted interdiction of fraudulent activities and identifies criminal actors targeting customers of the world's largest brands.

The BioCatch Connect portfolio reimagines the traditional technology approach to fraud fighting and money-laundering investigation to enable enhanced, targeted, and collaborative mitigation of financial crimes that exploit banking customers and target their assets. Unlike legacy fraud detection solutions, BioCatch Connect puts behavioral biometric intelligence at the center of its artificial intelligence and machine-learning models rather than as a secondary signal. By integrating application, behavior, device, network and transactional telemetry continuously from session inception to completion, across a community of millions of users worldwide, signal fidelity becomes significantly more accurate, with measurably fewer false positives, meaning greater efficacy for fraud and AML teams.

Tel Aviv's [BioCatch](http://www.biocatch.com) stands at the forefront of digital fraud detection, pioneering behavioral biometric intelligence grounded in advanced cognitive science and machine learning. BioCatch analyzes thousands of user digital interactions to support a digital banking environment where identity, trust, and ease coexist. Today, over 25 of the world's leading 100 banks and 100 of the largest 500 rely on BioCatch's solutions to combat fraud, facilitate digital transformation, and grow customer relationships. (BioCatch 07.08)

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* 1. Foresight Signs Agreement with Global Vehicle Manufacturer

Foresight Autonomous Holdings announced the signing of an agreement for two proof of concept (POC) projects with a leading global vehicle manufacturer. The vehicle manufacturer currently uses stereo cameras in its advanced driver assistance systems (ADAS), enabling 3D depth perception and distance analysis. These features can be used, for example, for adaptive cruise control and lane departure warning, ensuring a safer driving experience. The vehicle manufacturer has chosen to evaluate Foresight’s stereo vision solutions to improve safety measures even further.

The purpose of these POC projects is to assess the accuracy of Foresight’s unique automatic calibration capabilities in enhancing 3D depth perception. In addition, the vehicle manufacturer will assess Foresight’s Mono2Stereo perception enhancement solution to be used with its existing mono cameras which have different fields of view. Upon successful completion of the projects, the vehicle manufacturer may integrate Foresight’s technology into its passenger vehicles. This integration could lead to improved precision in distance measurement, as well as object detection and classification, ultimately enhancing the overall safety system of the automaker’s vehicles.

Ness Ziona's [Foresight Autonomous Holdings](http://www.foresightauto.com) is developing smart multi-spectral vision software solutions and cellular-based applications. Foresight develops both “in-line-of-sight” vision systems and “beyond-line-of-sight” accident-prevention solutions. Foresight’s vision solutions include modules of automatic calibration and dense three-dimensional (3D) point cloud that can be applied to different markets such as automotive, defense, autonomous vehicles and heavy industrial equipment. (Foresight 14.08)

ISRAEL ECONOMIC STATISTICS

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* 1. Israel's July Inflation Rate Lower Than the Pundits Expected

Israel’s Consumer Price Index (CPI) rose by 0.3% in July. In the twelve months to the end of July, the index rose by 3.3%. The figures released by the Central Bureau of Statistics came as a surprise, as analysts had been predicting a 0.4% rise in the CPI in July. The Bank of Israel's target range for annual inflation is 1-3%.

There were rises in the fresh produce item, up 3.4% last month, in housing and transport, both up 0.7%, home maintenance, up 0.6%, and food, up 0.4%. The clothing and footwear item fell by 4.8%, and furniture and home equipment fell 1.2%. The rise in rents for new tenants continues to be a concern. The home rentals rose by only 0.5%, but lease renewals the rise was 3.8%, and for new tenants the rise was 9%.

The Central Bureau of Statistics also released figures for home prices, which are not part of the CPI. A comparison of deal prices in May-June 2023 with deals in April-May 2023 shows a fall of 0.2%. In comparison with May-June 2022, prices in May-June 2023 were 5.2% lower. In the breakdown by region, prices fell year-on-year by 8.9% in Haifa, 6.6% in Jerusalem, 5.2% in the south, 5.2% in the central region, and 2% in Tel Aviv. (CBS 15.08)

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* 1. Unemployment in Israel Falls to Pre-COVID Low

Unemployment in Israel during July 2023, seasonally adjusted, fell in July to 3.4% from 3.6% in June, the Central Bureau of Statistics reported. At the same time the rate of employment and percentage of participation in the work force also fell slightly in July compared with June. The level of unemployment has fallen to the same very low level - 3.4% - as it was in February 2020 on the eve of the COVID crisis.

The very low level of unemployment is bad news in the fight against inflation as the tight job market is likely to cause upward pressure on salaries, which will fuel inflation, if the Bank of Israel's rate hikes are unable to tame inflation. These salary pressures were seen in June 2023 when the Central Bureau of Statistics reported that the average salary rose by 6.3% compared with June 2022, higher than the 4.2% annual rate of inflation.

Bank of Israel Governor Prof. Yaron has said on several occasions in the past that the tight job market is a major element weighing on the fight against inflation. The tight job market will clearly be a significant factor in the Bank of Israel Monetary Committee's decision on whether to increase the interest rate again at its meeting in early September. (CBS 14.08)

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* 1. Foreign Exchange Reserves at the Bank of Israel in July 2023‎

Israel’s foreign exchange reserves at the end of July 2023 stood at $204,669 million, an ‎increase of $2,793 million from their level at the end of the previous month. The level ‎of the reserves relative to GDP was 39.4%. The increase was the result of a revaluation‎ that increased the reserves by ‎approximately $3,158 million. In contrast, the increase was partly offset by government transfers to abroad totaling approximately $354 million, as well as private sector transfers totaling approximately $11 million. (BoI 07.08)‎

IN DEPTH

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* 1. ISRAEL: Fitch Affirms Israel at 'A+'; Outlook Stable

On 14 August, [Fitch Ratings](http://www.fitchratings.com/) affirmed Israel's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'A+' with a Stable Outlook.

**Key Rating Drivers**

**Rating Strengths and Weaknesses:** Israel's 'A+' rating balances a diversified, resilient and high value-added economy and strong external finances against a relatively high government debt/GDP ratio, ongoing security risks and a record of unstable governments that has hindered policymaking.

**Judicial Changes Progress:** The government's initial judicial overhaul package has been watered down but remains highly controversial and faces strong civil society and political opposition. Parliament has already passed legislation that stops the supreme court from striking down legislation on the basis of 'reasonableness'. The government also wants to change the process for appointments to the committee that selects judges, but it has indicated it may no longer seek to give an automatic majority in the appointment committee to the ruling coalition, and has dropped an initiative that would allow parliament to override Supreme Court decisions against legislation.

**Impact Uncertain:** Fitch believes the changes may have a negative impact on Israel's credit metrics if the weakening of institutional checks leads to worse policy outcomes or sustained negative investor sentiment or weakens governance indicators. Some countries that have passed major measures reducing institutional checks and balances have seen a significant weakening of World Bank governance indicators (WBGI), the variable with the highest weight in Fitch's Sovereign Rating Model (SRM). Implications for Israel's WBGIs are unclear. Fitch considers the current measures are unlikely to trigger a material exodus of talent and capital in the high-tech sector.

The scope for additional measures that could impact the credit profile is also unclear. Some MKs and members of government have made proposals to weaken central bank independence but none has been implemented. While not our base case, a weakening of central bank independence would reduce the credibility of Israel's policy-making.

**Resilient Economy to Face Slowdown:** We project growth of about 3.1% of GDP in 2023 and 3.0% in 2024, below the Bank of Israel's (BOI) estimate of potential at around 3.8% per year and after 6.4% in 2022, due to base effects, slow global growth and tight monetary policy. Our base case assumes limited impact from the judicial changes beyond the protests' impact on consumption and a delay in some capital investment decisions, although risks of a greater impact remain. Growth will be supported by continued exports from the high tech and the defense industries as well as strong population growth.

June 2023 data showed the labor market remained tight, with labor shortages in all sectors, although vacancies were down in the high-tech sector. Funds raised by the local high-tech sector have fallen this year. In our view, uncertainty generated by the judicial changes only partly explains this, with global trends accounting for a larger part, as investment was down in H1/23 in competing locations. The sector's diversification and maturity provide substantial resistance to shocks, although some segments are likely to suffer from more constrained funding options.

**Slowing Inflation:** We project inflation to continue to slow until the end of the year as import prices drop and endogenous inflation slows with a moderation of consumption and investment. The deceleration will be underpinned by the soft landing of the Israeli economy, with the cooling of the high-tech sector and a moderation of real estate price growth, although a sharp decline in construction starts in early 2023 could point to higher housing inflation in the medium term. Banks are well-capitalized and -provisioned and in a good position to absorb a rise in non-performing loans.

**Widening Budget Deficits:** Israel's budget targets a central government deficit of around 1% of GDP in 2023. However, revenue trends (-4.5%% y-o-y for January-June 2023) point to a level closer to 1.6% in 2023 and 2.8% in 2024. A decline in tax receipts reflects a return to long-term trend levels after an exceptional 2022 bolstered by stock market-related returns and a buoyant real estate market. The 2023 budget includes a civil service pay rise that will be spread over six years, with a moderate 1.9% increase in 2023, and a number of concessions to Likud's coalition partners, with a rise in spending that favor groups with low employment rates.

Beyond the current budgets, we project a further widening of the budget deficit given spending pressures and an aversion to tax increases in the ruling coalition. We project the general government deficit (BOI definition) to widen to 4% of GDP in 2025.

**Debt Stabilizing:** We project government debt/GDP to stabilize at around 59% from end-2023 owing to widening deficits, after falling from 60.7% at end-2022. Israel retains strong financing capacity with strong demand for government bonds from domestic investors, a diversified global investor base and active Diaspora bonds market. A structural widening of the budget deficit beyond 2024 could result in an upward trend in debt.

**Security Risks:** The ratings are constrained by security risks, but Israel's credit profile has shown resilience to periodic conflicts. The absence of a deal on Iran's nuclear program and continued Iranian progress towards nuclear weapons point to risks of an escalation of the long-standing tensions. However, we see a serious escalation with significant rating implications as only a tail risk. The clashes between Israelis and Palestinians in May 2021, and subsequently with Arabs within Israel underscored entrenched fault lines, which could be exacerbated by the composition of the government.

Israel intensified armed operations in the West Bank in 2023, notably in Jenin, in response to greater insecurity related to the weakening of the Palestinian Authority. The administration of some of the Israeli settlements in the West Bank has been transferred to a civilian authority, further obscuring their status. Prospects for a resolution of the Palestinian conflict are dim. The risk of another conflict with Hezbollah remains and border incidents have occurred, although there has not been a large-scale clash since 2006: both sides would suffer losses and Lebanon is in the middle of a domestic crisis.

**Strong External Position:** We expect a current account surplus of 3.6% in 2023, broadly unchanged from 2022 and well above the forecast 'A' category median of 0.3% in 2023. Israel has recorded current account surpluses every year from 2003. We project foreign-exchange reserves to cover about 13 months of current account payments at end-2023. They will remain well above the peer median of 4.2 months. Israel's net external creditor position at about 52% of GDP (median: -5%) is a significant rating strength.

**Rating Sensitivities**

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

**- Structural:** A decline in Israel's institutional strength as a result of reforms weakening judicial oversight leading to a significant negative impact on macroeconomic and fiscal indicators or resulting in a fall in WBGI for Israel

**- Public Finances:** Persistent rise in government debt/GDP, reflecting for example a sustained widening of the budget deficit or weaker-than-expected economic growth

**- Structural: Materialization** of political and security risks that would have a serious and prolonged impact on the economy and public finance

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

**- Public Finances:** Reducing the government debt/GDP ratio to a level close to 'AA' peers, for example as a result of a sustained narrowing of the budget deficit

**- Structural:** Sustained easing in political and security risks that would lead to the removal of the -1 qualitative overlay (QO) notch. (Fitch 14.08)

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* 1. ISRAEL: Egypt, Greece & Israel Take the Lead on Europe’s Energy Supply

On 5 August, Antonia Dimou posted in [ModernDiplomacy](https://moderndiplomacy.eu/) that the East Mediterranean can enhance Europe’s energy security and reduce its dependence on Russian gas. Regional countries are strongly positioned to face oncoming challenges in the global energy markets and efficiently deliver on the European continent’s gas demands.

Egypt is well-situated to increase its gas exports to Europe, but one major constraint is that European countries either lack LNG terminals or existing terminals have a limited capacity to receive supplies. It is thus imperative for European countries to upgrade existing terminals or construct new ones to expand their capacity to receive LNG.

**Egypt Dominates the Region’s Energy Successes**

New gas findings in Egypt can turn into commercial discoveries that will be transported to Europe. The discovery of Nargis-1 exploration well, co-owned by American Chevron and Italian ENI in the Nargis Offshore Area Concession, is estimated to contain almost 200 net feet (61 m) of Miocene and Oligocene gas. Also important, German Wintershall Dea made a new gas discovery within the Disouq concession in the onshore Nile Delta region that has been tested at a peak production of 15 million cubic feet of gas per day.

Egypt has almost 2.21 trillion cubic meters of proven gas reserves, and it produced more than 95 billion cubic meters in 2021, with exports exceeding 12 billion cubic meters annually.

With an eye to regional energy cooperation that will benefit Europe, Egypt prioritized the demarcation of maritime boundaries with countries like Greece and Cyprus, aiming to extract greater volumes of regional gas through joint exploration and to link national pipelines. This is evidenced in the letter and spirit of the partial delimitation agreement that was signed between Egypt and Greece in August 2020.

According to Article 2 of the agreement “in case there are natural resources, including hydrocarbons reservoirs, extending from the Exclusive Economic Zone of one Party to the Exclusive Economic Zone of the other, the two Parties shall cooperate in order to reach an agreement on the modalities of the exploitation of such resources”. Overall, the Egypt-Greece demarcation agreement has created a positive precedent for other regional countries to emulate.

The Euro-Africa Interconnector, labeled as Project of Common Interest by the EU, supports Egyptian and Greek aspirations to become major energy hubs for Southeast Europe. The project aims to transport by a subsea cable renewable electricity generated in Egypt and other African countries through Greece to Europe. Already, Egypt has completed interconnection projects with Libya, Sudan, and Saudi Arabia.

**Greece: An Active Player in Europe’s Energy Transformation**

Greece is exploring ways to bring regional gas to Europe, as the proposed East Mediterranean Gas Pipeline may prove technically challenging and thus less likely to materialize. Athens accelerated efforts to execute projects of regional and European interest like the Euro Asia Interconnector, a key infrastructure project that links the grids of Israel, Cyprus and Greece with the European power grid delivering up to 2000 megawatts of energy and thus enhancing European energy security. Nexans, a global player in energy transition, has been recently awarded a contract valued at $1.6 billion for the section of the Euro Asia Interconnector that will connect Cyprus to Greece via a subsea cable that will cross ultra-deep waters of over 3,000 meters.

Greece also pays high importance to other infrastructure projects, including an onshore 28-kilometer gas transmission pipeline that connects the National Gas Transmission System to the Alexandroupolis Floating Storage and Regasification Unit in northern Greece, through which 5.5 bcm of gas per year will be funneled to the Balkans and to Southeast Europe. Deliveries of 28 kilometers of pipes were completed in May 2023 by Corinth Pipeworks that was awarded a contract by Saipem S.p.A for the development of the offshore and onshore gas pipeline by Gastrade. An additional infrastructure project, with Greece at its epicenter, which will form the European Hydrogen backbone is the construction of a 160 kilometer gas pipeline in western Macedonia that can transport up to 100% hydrogen.

Regarding hydrocarbon exploration, the Greek government has compiled an action plan that centers on the completion of seismic surveys and drilling at the offshore blocks in the Ionian Sea and south of Crete, already conceded to oil majors. The Hellenic Hydrocarbon Resources Management Authority has identified more than 30 maritime blocks with a total estimated quantity of recoverable gas ranging between 2 and 2.55 trillion cubic meters. Significant volumes of gas, once extracted from Greek maritime blocks, will be funneled to Europe.

**Israel’s Energy Independence Creates Opportunities**

Israel, for its part, can export to Europe surplus gas of approximately 500 billion cubic meters (bcm) over the next two decades. Notably, Israel has achieved energy independence over the last years that created a shield against the energy crisis which was triggered by the war on Ukraine. Israel therefore accelerates efforts to identify new gas discoveries by offering 20 new exploration blocks in the context of its 4th International Offshore Licensing Round. As announced recently by Israel’s Ministry of Energy, four consortia of companies submitted bids to obtain licenses for gas exploration within Israeli waters.

The Israeli aim lies in increasing gas volumes for export to third markets. According to the Israeli perspective, the war on Ukraine provides a golden opportunity for regional countries that are not aligned with radical Islam to produce and jointly funnel gas to Europe. The latter can also help regional countries come together and draft long-term energy cooperation agreements that will benefit the economies of all involved.

The Turkish dimension cannot be ignored in Israel’s regional calculations. The construction of a pipeline to transport Israeli gas to Turkey could help the latter diversify energy resources, especially considering that contracts with Russia and Iran will expire within the next four years. Even though the Turkey-Israel pipeline is technically, and financially feasible, political considerations have so far impeded its execution, namely Ankara’s regional revisionism and unpredictability towards Israel. Noteworthy, Turkey seeks to import East Mediterranean gas to meet its increasing domestic needs rather than export it to Europe.

**Challenges and Policy Recommendations**

Overall, there are several solutions to upgrading the supply of energy from the East Mediterranean to Europe, thus enhancing the latter’s energy security. Skepticism, however, prevails in European political circles regarding the likelihood of Libya as a feasible energy supply option for Europe, despite the low extraction cost of Libyan gas and oil compared to other East Mediterranean countries. The highly unstable situation in Libya is the prime factor impeding European energy operators from engaging with Libyan authorities.

It is with no doubt that East Mediterranean countries must be locked into a broader European strategy that provides a win-win situation by which cooperation profits every party. To this end, Egypt should expand its capacity for processing and exporting LNG to Europe, not only to offset a sharp decrease in gas imports from Russia, but also to increase revenues of the Egyptian state budget.

Hydrogen and renewables can prove to be game changers in the next two decades for Europe. It is in this context that Greece should swiftly proceed with cementing its energy partnership with Saudi Arabia so that Athens can facilitate massive imports of hydrogen from the Saudi Neom region to Europe.

Israel should explore the possibility of a floating LNG terminal in Israeli waters, as this option is feasible now that, due to the Israel-Lebanon demarcation agreement, the threat of naval escalation between the two countries has passed.

Evidently, East Mediterranean countries, namely Egypt, Greece and Israel, played an early role in reducing European dependence on Russian energy and can potentially play a larger role through coordinated efforts to becoming credible gas suppliers to Europe. It is in the hands of the three East Mediterranean countries to establish a rock-solid energy partnership that will benefit all.

*Antonia Dimou is Head of the Middle East Unit at the Institute for Security and Defense Analyses, Greece and is an Associate at the Center for Middle East Development, University of California, Los Angeles.* (MD 05.08)

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* 1. MENA Startups Raised $95 Million in July 2023

Startups in the Middle East and North Africa region have raised $95 million across 31 deals in July 2023, a slight dip from the $105 million recorded in the same month last year. Month-on-month, the dollar figure showed a 167% increase from June’s $35.6 million, while the deal volume fell by 31%. However, the picture shifts slightly when we take out One Moto’s $40 million lease financing round, reducing the equity investment of July to $55 million, a 55% increase month-on-month.

Further, without One Moto’s round, the total amount raised by UAE-based startups was just $14 million across nine deals, less than the $18 million raised by five Saudi Arabia-based startups. Foodtech Kaso, based in Riyadh, raised the largest round with $10.5 million Seed. Egypt and Morocco secured the third and fourth spots, attracting $7 million and $2 million, respectively.

With 15 deals, Seed and pre-Seed stage startups dominated the deal volume. Funding for late and growth-stage startups has contracted, a large contributor to the slowdown in venture capital activity in July. As the largest fundraiser of the month, One Moto’s round helped the mobility sector become the top-funded sector of July. Foodtech, however, is believed to be the largest beneficiary of capital raised in July, with $17 million raised across five deals, fueled by the growing adoption of enterprise SaaS solutions in the F&B sector. Fintech attracted four deals; however, it remained off the list of the top-funded sectors in July.

Gender-wise, female-founded startups continue to remain heavily underfunded, with most capital raised through accelerators and incubators. In July, only one deal went to a female-led startup, Jordanian proptech Nomad, a recent graduate of the Flat6labs Amman accelerator program.

Aside from funding, last month saw a couple of acquisition deals including Jordan-born and Saudi-based HyperPay’s acquisition of Sanad Cash and the Abu Dhabi-owned EDGE Group’s acquisition of OrxyLabs. Meanwhile, Germany’s Delivery Hero acquired the remaining shares of Saudi Arabia’s food delivery platform, HungerStation for $297 million. Other key highlights include the launch of a $54 million footech-focused fund by Agthia Group as well as a new accelerator program geared towards Egypt-based accelerator and incubator managers by 500 Global.

Last month, eight startups did not disclose the exact amount they raised. They include Dharma, Kaco, Oumla, Menthum and Tenderd. For the deals, Wamda assigned a conservative amount of $100,000 to the first four and $1 million to Tenderd. (Wamda 03.08)

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* 1. GCC: Demand for Affordable Schooling & Edtech Spending on the Rise in GCC

[Zawya](https://www.zawya.com/en/mena) reported that efforts by regional governments to develop the GCC education sector coupled with a growing population and sizeable budgetary allocations are factors that will fuel the sector’s growth in the region, according to industry experts. The latest GCC Education Industry Report by UAE-based investment banking advisory firm Alpen Capital highlights a need for more private investments in the sector, where mergers and acquisitions (M&A) are thriving, along with greater edtech spending to drive a digital transformation.

In the region, Saudi Arabia is taking the lead by introducing various reforms to build a knowledge-based economy, such as allocating 17% of its budget, amounting to $50.4 billion, to the education sector alone, as part of its Vision 2030 strategy. The UAE has also boosted the education budget allocation in 2023 to 15.5%, or $2.7 billion, to improve educational quality and integrate technology into teaching and learning techniques.

**Demand for Affordable Schooling**

With student enrolments in the GCC expected to reach 14.2 million by 2027, the rising cost of education has become a major talking point, with industry players looking to bridge this market gap. A survey conducted by Zurich International Life and YouGov revealed that 62% of parents in the GCC use their monthly income for school-related expenses. Parents in the UAE spent approximately 91,000 dirhams ($27,776) annually on tuition fees compared to AED 46,500 ($12,660) per year by those employed in the public sector.

Fees charged by international schools offering British, American and IB curricula were the highest, while the tuition fees for private schools offering Indian and Arabic curricula were relatively lower. The demand for the Indian curriculum has been on the rise across the region due to its level of affordability.

According to Alpen Capital’s managing director, Krishna Dhanak, the rising cost of living has affected the school operators and parents equally. The gap between the fees being charged and the quality of education have given rise to a certain level of affordable schooling that may not fit the premium segment but has allowed parents to save money by compromising on things like the teacher–pupil ratio and choice of curriculum.

**More Public–Private Partnerships**

Public–private partnerships (PPP) will fuel industrial growth across the GCC in the coming years, with Saudi Arabia targeting its private sector investments to reach 25% by 2030, adding 1,000 new schools, or almost 900,000 seats, to the landscape. The PPP initiative is driving Saudi Arabia to build 120 new schools in Jeddah and Makkah for more than 100,000 pupils by 2024. The kingdom has also listed 11 new PPP education projects for the higher education segment to accommodate the anticipated rise in the number of students.

Last year, the UAE also pushed its PPP agenda to the forefront by announcing a new PPP model wherein Taaleem, Aldar Education and Bloom Education would run 10 public schools—Ajyal Schools or Generation Schools—in the first year, with the number rising to 28 within three years. While operating expenses and tuition fees would be borne by the government, the private operators would be responsible for curriculum development.

**Increased Demand for Tertiary Education**

According to the report, the tertiary segment is expected to grow at a CAGR of 1.7% between 2022 and 2027 owing to increasing demand, affordability, and an enabling environment.

Taaleem’s CEO, Alan Williamson, said the trend of parents sending their children to the US, the UK or their respective home countries for higher education has undergone a significant change since the availability of high-quality tertiary education within the region.

According to Alpen Capital, in July 2022, 82% of Dubai’s international universities were given four- or five-star ratings, as part of the Rating of International Higher Education Institutions in Dubai. As a result, inbound student mobility, especially in the UAE, has grown over the years; in fact, at 48.6%, the country’s inbound mobility ratio is one of the highest in the world, beating major global study destinations such as the US, the UK and Australia. In 2022, the UAE recorded 219,878 international students visiting the country for higher education compared to 77,463 in 2016.

**Greater Investment in Edtech**

While a digital transformation in education was already a focus for each GCC state, the pandemic accelerated this process and put a much greater emphasis on tech-enabled learning capabilities. Regional governments, in collaboration with public- and private-sector participants, are playing a critical role in transforming traditional learning methods by blending digital capabilities and the widespread penetration of digital devices for easy accessibility among students and teachers.

This has created multiple opportunities for educational technology (edtech) service providers to further establish their presence in the GCC while also prompting many ventures to raise funds to support their expansion plans.

The UAE leads in this area with initiatives such as the introduction in March of ChatGPT-powered AI tutors in the classroom.

**Mergers and Acquisitions Thrive**

The GCC education sector has witnessed significant mergers and acquisitions (M&A) activity over the past two years, including some big-ticket transactions such as the sale of Jebel Ali School in Dubai to Taaleem Holdings PSC last year for AED 233.5 million.

While some of the deals have been organic and strategic in nature, primarily aimed at forming stronger entities to offset weak profitability, there has also been active participation from alternative investment firms, including real-estate investment trusts (REITs).

Going forward, the focus is likely to be directed towards value-creating opportunities, with larger players targeting small to mid-sized players as well as edtech providers. (Zawya 08.08)

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* 1. SAUDI ARABIA: Saudi Arabia FMCG Market Trends & Landscape Report 2023

The "KSA FMCG Market Trends & Landscape" report has been added to ResearchAndMarkets.com's offering. The FMCG (Fast-Moving Consumer Goods) market in Saudi Arabia (KSA) is a dynamic and rapidly growing industry. The country's large population, rising disposable income, and changing consumer preferences have contributed to the evolving trends and landscape of the KSA FMCG market. One of the prominent trends in the KSA FMCG market is the rise of e-commerce and digitalization. Online shopping has gained significant traction among Saudi consumers, driven by convenience, competitive pricing and a wide range of product choices.

FMCG companies are investing in their e-commerce capabilities, partnering with online platforms, and optimizing their digital marketing strategies to cater to the growing demand for online shopping. The COVID-19 pandemic further accelerated the adoption of e-commerce, with more consumers relying on online channels for their FMCG needs.

Another significant trend is the increasing demand for convenience and on-the-go consumption. As urbanization accelerates and consumers' lifestyles become more hectic with women entering the workforce, there is a rising need for time-saving and convenient FMCG products. Ready-to-eat meals, pre-packaged snacks, and beverages that cater to on-the-go consumption are witnessing a surge in demand. FMCG companies are focusing on product innovation, packaging designs, and expanding their range of convenient options to meet the needs of busy consumers.

Additionally, the KSA FMCG market is characterized by a strong preference for local and regional brands. Saudi consumers have shown loyalty and trust towards locally produced goods, particularly in food and beverages. This trend has created opportunities for local FMCG companies to thrive and expand their market share. Moreover, KSA is increasingly focusing on enhancing local production capabilities through initiatives like "Made in Saudi" to reduce dependence on imports and boost the local economy.

The KSA FMCG market is characterized by a high level of competition. Local players, as well as international FMCG brands, are actively competing for market share. Local companies often have a strong understanding of the local consumer preferences and distribution networks, while international brands bring global expertise and established reputations. This competitive landscape drives innovation, product diversification, and pricing strategies to attract and retain consumers.

The KSA FMCG market has witnessed a shift in consumer behavior due to the COVID-19 pandemic. The pandemic has led to changes in shopping habits, with consumers showing a preference for online shopping, contactless payments, and home delivery services. FMCG companies have adapted to these changes by strengthening their e-commerce capabilities and implementing strict hygiene and safety measures to ensure consumer confidence.

In conclusion, the KSA FMCG market is characterized by trends such as the growth of e-commerce, intense competition, and changes in consumer behavior due to the pandemic. FMCG companies that understand these trends, adapt to evolving consumer preferences, and leverage digital platforms can position themselves for growth and success in the dynamic KSA FMCG market.

[ResearchAndMarkets.com](http://www.ResearchAndMarkets.com‎) is the world's leading source for international market research reports and market data. We provide you with the latest data on international and regional markets, key industries, the top companies, new products and the latest trends. (ResearchAndMarkets 01.08)

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* 1. EGYPT: Moody's Continues Review for Downgrade of Egypt's B3 Ratings

On 10 August, [Moody's Investors Service](http://www.moodys.com/) announced that it continues the review for downgrade of the Government of Egypt's B3 long-term foreign-currency and local-currency issuer ratings. The ratings were placed on review for downgrade on 9 May 2023 and incorporates its other associated ratings, including those of the Egyptian Financial Corporation for Sovereign Taskeek sukuk company which are, in Moody's view, ultimately the obligation of the Government of Egypt.

The continuation of the review balances progress on the government's privatization, fiscal and structural reform agenda against evidence of a further weakening in external liquidity through a drawdown of commercial banks' net foreign assets at a scale that exceeds recently concluded asset sales, potentially undermining the goal to sustainably replenish the economy's foreign exchange liquidity buffers ahead of increased debt service payments in fiscal 2024 and 2025. The persistence of foreign exchange shortages as reflected in a parallel currency market despite improved current account dynamics and the materialization of new terms of trade shocks in the food and energy sectors, increases the likelihood of a renewed official currency devaluation that could drive inflation, borrowing costs and the general government debt ratio to levels more consistent with a lower rating level, notwithstanding the government's demonstrated capacity to increase revenue and exceed its primary fiscal surplus targets.

The extended review period will focus on the extent to which the proceeds of the recently concluded asset sales help restore foreign currency liquidity buffers evident in foreign exchange reserves, the monetary system's net foreign asset position, FDI inflows, as well as exchange rate dynamics. It will also focus on the government's ability to successfully secure disbursements under the IMF program based on the structural reforms undertaken with respect to fiscal and business environment reforms, in addition to the recently concluded asset sales.

Sufficient confidence in the ability of the government to generate necessary foreign exchange inflows, e.g. with the privatization program, to meet increasing external debt service payments over the next two years and bolster the economy's foreign exchange reserves would be credit positive. An ability to prevent, or at least limit, an increase debt affordability challenges would engender confidence in Egypt's ability to navigate continued depreciation risks. An inability to arrest a further drawdown in foreign currency liquidity in the monetary system or improve the foreign exchange reserve position that could worsen depreciation pressures or jeopardize IMF financial support notwithstanding progress in the privatization program and the improvement in the current account, would likely lead to a downgrade.

**Persistent External Liquidity Drawdown Could Neutralize Proceeds of Recently Launched Asset Sales**

On 11 July, the government announced $1.9 billion in asset sales, of which $1.65 billion in foreign exchange proceeds, as part of the IMF program and financing strategy which aimed at raising $2 billion by the end of June, followed by $4.6 billion in fiscal 2024. The government also announced the prospect of an additional $1 billion in asset sales to be finalized in the fall. Supporting the future privatization strategy, the government has on 18 June contracted the International Finance Corporation (IFC) as asset sale advisor, benefiting from IFC's private sector development experience in emerging markets across the globe.

Moody's expects the proceeds of these asset sales to be recorded at the central bank, supporting its net international reserve position according to IMF program targets. Meanwhile, external liquidity data for June 2023 show a renewed deterioration in the monetary system's (including commercial banks and the central bank) net foreign liability position to $27.1 billion from $24.5 billion in May, driven by a deterioration in commercial banks' NFA by $2.6 billion. The volume of new NFA drawdowns points to persistent FX liquidity shortages in the economy and indicates the potential neutralization of asset sale proceeds Moody's expects to be recorded at the central bank, through continued drawdowns at commercial banks. If sustained, continued net outflows could potentially undermine the goal to sustainably replenish the economy's foreign exchange liquidity buffers ahead of increased debt service payments in fiscal 2024 and 2025.

In addition, at $27.1 billion as of June the monetary system's net foreign liability position for the first time exceeds available liquid foreign exchange reserves (i.e., gross official FX reserves minus gold minus SDR) at $27 billion in June and $26.5 billion in July, indicating in Moody's view increased counterparty risks for exposed Egyptian banks to continue borrowing from correspondent banks abroad. In line with this assessment, public and private sector Egyptian banks have started offering higher-yielding US-dollar certificates of deposits to attract additional US-dollar liquidity from abroad that currently bypasses the banking system, generating additional US-dollar funding requirements at maturity.

**Persistence of Parallel Exchange Rate Market Increases the Likelihood of a Renewed Official Currency Devaluation That Could Drive Key Metrics to Levels More Consistent With a Lower Rating Level**

The persistence of foreign exchange shortages, as reflected in a parallel exchange rate at EGP38/$1 against the official rate at EGP30.9/1$, amid continued foreign exchange outflows increases the likelihood of renewed official currency devaluation that could further drive inflation, increase borrowing costs and the general government debt ratio to levels more consistent with a lower rating level, notwithstanding the government's demonstrated capacity to increase revenue and exceed its primary surplus targets.

The improvement in the current account deficit to below 2.5% of GDP on an annualized basis recorded in the first quarter of 2023, according to Moody's estimates, from 3.5% in fiscal 2022, may be adversely impacted by the materialization of renewed terms of trade shocks in the food and energy sectors, respectively, following Russia's suspension of the Black Sea Grain Initiative on 17 July and the expected weakening in Egypt's hydrocarbon trade balance as compared to last year in light of increased domestic demand, reversing some of the import compression achieved as a result of the 50% nominal devaluation since early 2022 and exerting increased pressure on the currency.

Another 20% depreciation, as implied by the parallel exchange rate, would likely further increase domestic borrowing costs from already-record highs at 23.5% in August for the 91-day T-bill rate and weigh on already-weak debt affordability measured by general government interest/revenue that Moody's projects at 46% in fiscal 2023 and 47% in fiscal 2024, among the highest in Moody's rated universe. The government's demonstrated capacity to raise revenue and generate continued primary surpluses –Moody's projects 1.7% of GDP for fiscal 2023--would mitigate the deterioration, but would not prevent the adverse valuation effect driving the debt/GDP ratio toward 100% from about 95% in fiscal 2023 – levels indicating a very high shock exposure and potentially more consistent with lower rated peers. In addition, Moody's believes the pass-through to higher inflation would further undermine households' purchasing power and exacerbate social risk.

**Delayed IMF Program Review Risks Undermining Confidence in Financial Support Backstop**

In the past three months, the government has made significant progress with the asset sale program, with the broadening of the revenue base and raising the primary surplus targets for fiscal 2024 to 2.5% of GDP after recording 1.7% in fiscal 2023, and with business environment reforms to level the playing field. One key reform was the ratification of a law in parliament in July that eliminates existing preferential taxes, fees and customs treatment or exemptions for economic and commercial activities carried out by all state-owned enterprises and companies, including military companies (some security-related exceptions remain.) Of the outlined reform agenda under the $3 billion 46-month IMF program approved in December 2022, the modalities of currency flexibility implementation remains the main point of contention.

Moody's expects progress on agreed program targets and key milestones to pave the way for the IMF to deliver its delayed first and second review of the program performance, unlocking essential financing disbursements to support Egypt's financing and external position. However, Moody's would consider lack of progress with the IMF review over the remaining review period as an indication of a potential weakening of external financial support, which otherwise provides a key support to Egypt's credit profile at the current rating level. (Moody's 10.08)

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