

**The FORTNIGHTLY**

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

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**TABLE OF CONTENTS**

[1. ISRAEL GOVERNMENT ACTIONS & STATEMENTS](#_Toc159947046)

[1.1. Israel Enacts International Commercial Arbitration Law](#_Toc159947047)

[1.2. Israel to Increase Tamar Gas Exports to Egypt Over the Next Decade](#_Toc159947048)

[2. ISRAEL MARKET & BUSINESS NEWS](#_Toc159947049)

[2.1. Mavenir Brings Enhanced 4G Indoor Coverage to Partner Israel Mobile Network](#_Toc159947050)

[2.2. Filament Health Completes First Export of Botanical Psilocybin to Israel](#_Toc159947051)

[2.3. KTrust Emerges with an Attacker-Centric Approach to Kubernetes Exposures](#_Toc159947052)

[2.4. Israel Aerospace lays Cornerstone for its New Beer Sheva Campus](#_Toc159947053)

[2.5. Teva Expands its Workforce for First Time Since 2016](#_Toc159947054)

[2.6. Ibex Closes $106 Million Venture Fund to Invest in Early-Stage Israeli Startups](#_Toc159947055)

[2.7. United Airlines to Resume Service Between New York/Newark and Tel Aviv](#_Toc159947056)

[2.8. BRIA Raises $24 Million to Pioneer Responsible Visual Generative AI for Enterprises](#_Toc159947057)

[3. REGIONAL PRIVATE SECTOR NEWS](#_Toc159947058)

[3.1. Exverse Raises $3 Million in Private Round to Bring Web3’s ‘Call of Duty’ to Life](#_Toc159947059)

[3.2. BP and ADNOC to Form Gas Joint Venture in Egypt](#_Toc159947060)

[3.3. UAE’s Multimillionaire Business Owners Plan Global Expansion](#_Toc159947061)

[3.4. Thiqa Tutoring Raises $300,000 Investment for Growth & Expansion](#_Toc159947062)

[3.5. First AI-Powered Satellite Imagery Firm Set Up In Saudi Arabia](#_Toc159947063)

[3.6. Saudi Arabia Forecast to Remain the GCC’s Biggest Insurance Market](#_Toc159947064)

[3.7. Iveda Opens Cairo Office & Strategic Demonstration Showcase](#_Toc159947065)

[3.8. Sawari Ventures to Launch $150 Million Fund for Egyptian Start-Ups](#_Toc159947066)

[4. CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS](#_Toc159947067)

[4.1. DP World Partners with Masdar to Decarbonize Their Global Supply Chain](#_Toc159947068)

[4.2. Egypt Approves More Grants to Support the Green Industrial Transition](#_Toc159947069)

[5. ARAB STATE DEVELOPMENTS](#_Toc159947070)

[5.1. Lebanon’s High Inflation Rate Hits an Annual Level of 177.25% in January 2024](#_Toc159947071)

[►►Arabian Gulf](#_Toc159947072)

[5.2. Qatar to Launch $1 Billion VC Fund to Focus on Tech Sector](#_Toc159947073)

[5.3. UAE Exits FATF’s Grey List Amid Reforms](#_Toc159947074)

[5.4. Kuwait Announces Mandatory Biometric Fingerprinting for Citizens & Residents](#_Toc159947075)

[5.5. UAE's Non-Oil Trade Reaches a Record AED 3.5 Trillion in 2023](#_Toc159947076)

[5.6. UAE & Kenya Finalize Trade Agreement](#_Toc159947077)

[5.7. How Abu Dhabi Became the GCC’s Poster Child for Smart Cities](#_Toc159947078)

[5.8. Dubai Inflation Accelerates in January](#_Toc159947079)

[5.9. Dubai Launches AED 112 Million Dubai Creek Pier Renovation Project](#_Toc159947080)

[5.10. Saudi Inflation Rate Rises to 1.6% in January](#_Toc159947081)

[5.11. Saudi Arabia Posts 2023 Budget Deficit of $22 Billion](#_Toc159947082)

[5.12. UN Index Ranks Saudi First in MENA for e-Government Services](#_Toc159947083)

[5.13. New Saudi Reserves at Jafurah Are the Largest Shale Field Outside of the US](#_Toc159947084)

[►►North Africa](#_Toc159947085)

[5.14. Egypt's Suez Canal Revenues Plunge](#_Toc159947086)

[5.15. Egypt Sees Increase in Tourist Arrivals in 2024 Despite Hamas' Attack](#_Toc159947087)

[5.16. UAE’s Mega $35 Billion Deal Marks Largest FDI in Egypt’s History](#_Toc159947088)

[5.17. Value of Egyptian M&As Fell by 62% in 2023](#_Toc159947089)

[5.18. Inflation in Morocco Increased by 2.3% in January 2024](#_Toc159947090)

[5.19. Moroccan Ambassador Explores Educational and Economic Ties in New Brunswick](#_Toc159947091)

[6. TURKISH, CYPRIOT & GREEK DEVELOPMENTS](#_Toc159947092)

[6.1. Eni & Total Confirm an ‘Excellent’ Natural Gas Well at Cronos-2](#_Toc159947093)

[6.2. Cypriot Inflation Rises 2.1% in January Based on Restaurants & Hotels](#_Toc159947094)

[6.3. One Million US Visitors Come to Athens in 2023](#_Toc159947095)

[7. GENERAL NEWS AND INTEREST](#_Toc159947096)

[\*ISRAEL:](#_Toc159947097)

[7.1. First Day of Ramadan to Begin on Evening of 10 March](#_Toc159947098)

[\*REGIONAL:](#_Toc159947099)

[7.2. Algeria’s Mega Mosque is the Largest in Africa](#_Toc159947100)

[8. ISRAEL LIFE SCIENCE NEWS](#_Toc159947101)

[8.1. FreezeM Raises $14.2 Million to Accelerate the Insect Protein Industry](#_Toc159947102)

[8.2. Inspira Gets First Ever U.S. Patent for an Orbiting Blood Oxygenation Delivery System](#_Toc159947103)

[8.3. Vessi Medical Raises $16.5 Million](#_Toc159947104)

[8.4. Inspira's Platform Bio-Mimics Blood Parameters for Development of Core Technologies](#_Toc159947105)

[8.5. FDA Clears Wireless Electrode Skin Patch System for Sleep Monitoring](#_Toc159947106)

[8.6. Save Foods Braves Brazilian Regulations via Their Exclusive Local Distributor](#_Toc159947107)

[9. ISRAEL PRODUCT & TECHNOLOGY NEWS](#_Toc159947108)

[9.1. Tabnine & DigitalOcean Bring AI-Enabled Software Development to Startups Globally](#_Toc159947109)

[9.2. oceansix Unveils Game-Changing Patent for Next-Gen Reusable Packaging System](#_Toc159947110)

[9.3. NoTraffic Granted US Patent Approval for its V2X Connectivity Technology](#_Toc159947111)

[9.4. DriveNets Network Cloud Deployed at DIGI in Romania](#_Toc159947112)

[9.5. Beamr Cloud Launch Ushers in a New Era of Video Processing for Everyone](#_Toc159947113)

[9.6. Rail Vision's First Commercial Installation of its AI-Driven Systems in a National Railway](#_Toc159947114)

[9.7. Weebit Nano ReRAM Performs Under Extended Automotive Conditions](#_Toc159947115)

[9.8. Alarum: NetNut to Introduce Revolutionary AI Data Collector Product Line](#_Toc159947116)

[9.9. REE Automotive and Knapheide Debut Full Vehicle Solution](#_Toc159947117)

[9.10. Silynxcom Introduces New Encrypted Wireless Tactical Communication Product](#_Toc159947118)

[9.11. Elbit Systems Launches a New State-of-the-Art UAS Hermes 650 Spark](#_Toc159947119)

[9.12. Elbit Systems Awarded $600 Million Contract to Supply Systems to Australia](#_Toc159947120)

[9.13. Tower Semiconductor & Tianyi Micro Develop Next Generation OLED Micro Displays](#_Toc159947121)

[10. ISRAEL ECONOMIC STATISTICS](#_Toc159947122)

[10.1. Israel's Annual Inflation Rate Falls to 2.6%](#_Toc159947123)

[10.2. Israel's Economy Shrank in Fourth Quarter of 2023](#_Toc159947124)

[10.3. The Number of Job Vacancies in Israel is Increasing](#_Toc159947125)

[11. IN DEPTH](#_Toc159947126)

[11.1. MENA: Middle East Seen as the Next Global Retail Hot Spot](#_Toc159947127)

[11.2. GCC: Why GCC Wealth Funds are Becoming Engines of Regional Growth](#_Toc159947128)

[11.3. SAUDI ARABIA: Hotel Market Size, Trends and Forecast Report 2023 and 2024-2030](#_Toc159947129)

[11.4. SAUDI ARABIA: Economic Diversification Starting to Bear Fruit](#_Toc159947130)

[11.5. EGYPT: Attractions & Challenges for Foreign Universities in the Egyptian ‎Market](#_Toc159947131)

[11.6. MOROCCO: IMF Staff Completes 2024 Article IV Consultation with Morocco](#_Toc159947132)

ISRAEL GOVERNMENT ACTIONS & STATEMENTS

[Back to Table of Contents](#TOC)

* 1. Israel Enacts International Commercial Arbitration Law

The Knesset has approved into law the arrangement set by the United Nations for conducting international arbitration. The Knesset approved enactment of the International Commercial Arbitration Law, falling into line with more than 80 countries around the world on everything regarding the mechanism for settling disputes outside of the courts, as more and more corporations are choosing to do. The law has potential consequences for economics and legal discussions.

The law that was enacted in Israel in the 1960s did not include any reference to international arbitration and it was not coordinated with the arrangements drawn up by the United Nations, known as the "Model Law." The new legislation provides businesses with the security to engage in deals in Israel. Like the 1996 Arbitrations Law for London, this legislation positions Israel as a strong center for arbitration, nurtures a friendly environment for businesses, in which the parties can conduct flexible procedures with certainty. The law also allows Israel to align with global arbitration standards as they exist in business centers such as New York, London, Paris, Hong Kong and Dubai. This brings clarity and transparency to international business arbitration procedures in Israel and reduces the reliance on archaic precedents and judgments and ambiguous civil regulations. (Globes 18.02)

[Back to Table of Contents](#TOC)

* 1. Israel to Increase Tamar Gas Exports to Egypt Over the Next Decade

The Israeli Energy Ministry has approved an agreement that will see Israel increase its gas exports to Egypt from Chevron’s offshore Tamar field starting July 2025. Under the agreement, Israel will raise gas exports by an additional 4 billion cubic meters (bcm) annually for the next 11 years — triple what is currently exported from the field. The increased volumes will depend on output from the Tamar field increasing, the expansion of its export capacity and Chevron and its partners laying a third pipeline between the wells and production rig.

Partners in the Tamar field agreed to invest $24 million to expand production by up to 1.6 billion cubic feet a day by 2026, up 60% from current production levels. In August, Israel said it would increase gas exports to Egypt from Tamar by 3.5 bcm per year over the next 11 years, with the potential for this to increase to 4 bcm per year. It's part of a plan to supply gas to the EU as the continent looks to phase out reliance on Russian fossil fuels. To this end, Egypt and Israel signed a landmark gas export agreement in June 2022 to allow Israel to send more gas to Egypt’s LNG facilities for export to Europe. (Enterprise 21.02)

ISRAEL MARKET & BUSINESS NEWS

[Back to Table of Contents](#TOC)

* 1. Mavenir Brings Enhanced 4G Indoor Coverage to Partner Israel Mobile Network

Richardson, Texas' Mavenir, the Network Software Provider building the future of networks with cloud-native solutions that run on any cloud, announced that Partner Communications, the Israeli communications service provider, has chosen Mavenir’s compact small cell solution to enhance in-building and enterprise 4G mobile coverage for its subscribers.

The initial roll-out of C60 small cell solutions for indoor coverage installed by Partner in an accelerated deployment consisting of a simple two-step plug and play process that immediately strengthens 4G signal in problem areas to provide a fast and stable connection. Furthermore, the virtualized security, management, gateway applications are implemented to run in low-cost third-party data centers or cloud-hosted platforms. On the Partner network, Mavenir’s C60 small cells each with the capability of supporting up to 16 mobile devices at the same time, can deliver download speeds of up to 150Mbps and 50Mbps in the uplink.

Mavenir’s small cell solutions enable network connectivity that take advantage of increasingly available spectrum while supporting innovative use cases across industries, including Industry 4.0 in manufacturing and factory automation, in-building coverage, healthcare, retail, hospitality, aviation, maritime and first responder applications. (Mavenir 15.02)

[Back to Table of Contents](#TOC)

* 1. Filament Health Completes First Export of Botanical Psilocybin to Israel

Vancouver, British Columbia's Filament Health Corp., a clinical‐stage natural psychedelic drug development company, successfully completed an export of PEX010, the Company's botanical psilocybin drug candidate, to Israel. The shipment is believed to be the first botanical psilocybin to be exported to Israel. Hadassah University Hospital will study PEX010 in a clinical trial examining the effects of psilocybin for treatment-resistant obsessive-compulsive disorder (TR-OCD) and treatment-resistant post-traumatic stress disorder (TR-PTSD).

There is little effective therapy for chronic PTSD and despite decades of research, therapeutic options at the chronic stage are mostly limited to rehabilitation and symptom relief, resulting in substantial unmet need for a solution. Preliminary research into psychedelic-assisted psychotherapy for OCD has demonstrated a decrease in symptoms, pointing to the necessity for controlled proof of concept trials to further substantiate its safety and efficacy for TR-OCD.

The clinical trial at Hadassah University Hospital is the 28th study globally that is investigating Filament's psilocybin drug candidate for 12 mental health conditions including opioid use disorder, alcohol use disorder, depression and coma. Filament has supplied PEX010 to clinical trials in Europe, Canada and the US, in addition to Israel. Filament Health 15.02)

[Back to Table of Contents](#TOC)

* 1. KTrust Emerges with an Attacker-Centric Approach to Kubernetes Exposures

KTrust announced its emergence from stealth and $5.3 million in seed funding from Canadian-Israeli deep-tech VC Awz Ventures. Leveraging their attacker-centric approach to security, KTrust meets a major market need in pre-emptively securing dynamic Kubernetes development environments.

Traditional Kubernetes security tools usually adopt a passive approach, focusing on misconfigurations and vulnerability management. These fall short in addressing the expanding attack surfaces, leaving organizations vulnerable to breaches. KTrust's Continuous Threat Exposure Management (CTEM) platform offers a new approach by continuously and autonomously discovering innovative attack paths, maneuvering around existing security measures to identify and validate actual exposures with optimized mitigation for each unique Kubernetes ecosystem. The platform provides in-depth visibility into the customer's unique distinctive K8s ecosystem. Utilizing exclusive red team algorithms, KTrust mimics attackers and bypasses security controls to validate real attacks. CTEM was identified by Gartner as a top security trend for 2024.

Tel Aviv's [KTrust](https://www.ktrust.io/) redefines Kubernetes (K8s) security. By mastering K8s attack flows the company empowers DevSecOps by uncovering innovative paths, continuously validating real exposures, and automating mitigation for each unique ecosystem. The K8s-native Continuous Threat Exposure Management (CTEM) platform blends CVEs, MITRE, and proprietary unique K8s attack flows, ensuring businesses are always one step ahead of evolving threats. (KTrust 14.02)

[Back to Table of Contents](#TOC)

* 1. Israel Aerospace lays Cornerstone for its New Beer Sheva Campus

On 15 February, Israel Aerospace Industries (IAI) held a cornerstone laying ceremony for the construction of its new land military systems development and production center in Beer Sheva, which will house 500 employees. IAI's land military systems division is in the forefront of global technology in areas like robotics and autonomous ground warfare and ground radar systems such as Drone Guard for locating and disrupting drones, and radar for border protection. IAI will invest NIS 100 million in the new plant, which is scheduled to open in 2027.

The new center will be part of IAI's ELTA Systems unit, which develops aircraft radar systems, intelligence systems for aircraft, electronic warfare systems and communications systems. Land military systems represent 15% of global defense budgets and the market is growing at an annual rate of 6%. The field includes technologies for autonomous combat, which has aroused interest from advanced armies including the US and the IDF. (IAI 15.02)

[Back to Table of Contents](#TOC)

* 1. Teva Expands its Workforce for First Time Since 2016

For the first time since 2016, Teva Pharmaceutical Industries its workforce during 2023. The Israeli company had 36,472 employees at the end of 2023, up 1,347 or 3.8% from 2022, according to the expanded financial report for last year. In Israel, the number of employees grew 4.5% last year to 3,385, an increase of 145 from 2022. At the end of 2023, employees in Israel represented 9.3% of Teva's overall workforce.

Throughout most of the past decade, Teva has been gradually reducing its number of employees in Israel, mainly following the aggressive streamlining plan of former CEO Schulz. At its peak in 2012, Teva had almost 7,400 employees in Israel (more than double today's number), representing 16% of the company's total employees. Since then the number of employees fell every year until 2023, when Teva again reported revenue growth after five years of shrinking sales.

In the past Teva has operated at other sites in Israel, which were sold or shut down as part of the streamlining plan that was implemented in recent years, including the Kiryat Shmona plant that was sold to FIMI Opportunity Funds and plants in Jerusalem that were closed down. The streamlining plan followed the huge debt that Teva took on, mainly to acquire Actavis in 2016 for $40 billion. (Teva 15.02)

[Back to Table of Contents](#TOC)

* 1. Ibex Closes $106 Million Venture Fund to Invest in Early-Stage Israeli Startups

Ibex Investors closed its fourth Israel focused fund, Ibex Israel VC II LP, with $106 million in capital commitments to invest in early-stage Israeli startups. The Fund follows Ibex’s $100 million Israel early-stage fund raised in 2020 and the roster of limited partners includes founders and current and former executives across a wide range of sectors.

Since launching its first Israel fund in 2012, Ibex has made 40 early and growth stage investments in Israel. Among the current investments in Ibex’s portfolio are BeamUp, Appwrite, Honeycomb, Visionary.ai and Weka. Previous Ibex portfolio companies have been acquired by leading firms such as Cisco, CheckPoint, LinkedIn and Intuit.

Founded in 2003, Tel Aviv's [Ibex](http://www.ibexinvestors.com) invests in public and privately held companies (Seed through IPO) across enterprise software, cybersecurity and other domains. With nearly $1 billion in assets under management, Ibex proactively seeks out markets and opportunities commonly dismissed as too difficult or different. It prides itself on finding hidden gems often overlooked by others. (Ibex Investors 21.02)

[Back to Table of Contents](#TOC)

* 1. United Airlines to Resume Service Between New York/Newark and Tel Aviv

[United Airlines](http://www.United.com) plans to resume a daily flight from New York/Newark to Tel Aviv, the first step in restoring vital passenger and cargo service that was suspended in October. The initial Newark-Tel Aviv flights on 2 and 4 March will stop in Munich to ensure all service providers are ready to support non-stop service to and from Newark. No Newark departures to Tel Aviv are planned for 3 and 5 March. The goal is to resume daily nonstop service to Tel Aviv beginning 6 March.

United conducted a detailed safety analysis in making this decision, including close work with security experts and government officials in the US and Israel. United also worked closely with the Air Line Pilots Association and the Association of Flight Attendants to develop the protocols to ensure they are safe and well-informed.

United will continue to monitor the situation in Tel Aviv and adjust the schedule as warranted, including changes to the resumed service from New York/Newark just announced. United is eager to resume a second daily Tel Aviv flight from Newark as soon as May as travel demand recovers. Previous flying from San Francisco, Washington Dulles and Chicago O'Hare will be evaluated for resumption beginning in the fall. (United Airlines 21.02)

[Back to Table of Contents](#TOC)

* 1. BRIA Raises $24 Million to Pioneer Responsible Visual Generative AI for Enterprises

BRIA has raised $24 million in Series A funding in a round jointly led by GFT Ventures, Intel Capital and Entree Capital with additional investors including Publicis Groupe, Getty Images, Samsung Next, IN venture (Sumitomo Corporation, Japan), Atinum Investment (South Korea), Z Venture Capital (LY Corporation, Japan) , Mirae Asset Venture Investment, J-Ventures and others. The Series A investment will build on BRIA’s success and strengthen its rich variety of generative capabilities such as text-to-video facilities, continue to enhance its open platform for developers and build its operations globally.

BRIA enables companies to easily tailor their visual requirements and allows developers to seamlessly integrate generative AI capabilities into any existing product, solution, or system as a source code and pre-trained model, API, and SDK. BRIA collaborates with many of the world’s leading stock image providers and manages over one billion licensed images. These images are used to train BRIA’s text-to-image foundation models while ensuring the original creators, artists, and media companies receive royalties to fairly compensate for their images’ contribution to the final generated output. By harnessing proprietary and patented algorithms, BRIA has developed a unique attribution engine to reward the data owner.

Tel Aviv's [BRIA](https://bria.ai/‎) is a visual generative AI company operating at the forefront of responsible AI development. With a mission to empower developers and AI teams while upholding copyright and privacy compliance in visual generative AI, BRIA offers cutting-edge visual generative AI-trained models, source code, APIs and development productivity tools that are revolutionizing the way businesses and developers approach visual generative AI. Beyond innovation, BRIA is dedicated to fostering a sustainable economy that benefits data owners, artists, and visual generative AI users alike. (BRIA 21.02)

REGIONAL PRIVATE SECTOR NEWS

[Back to Table of Contents](#TOC)

* 1. Exverse Raises $3 Million in Private Round to Bring Web3’s ‘Call of Duty’ to Life

Exverse, a free-to-play game bringing a fresh take on AAA first-person-shooters to Web3, raises $3 million in a private round led by Cogitent Ventures, Cointelligence and Moonrock Capital. With additional support from industry leaders such as KuCoin Labs, Epic Games, Seedify and ChainGPT, the funding will power preparations for the game’s test and token launch, forge additional strategic partnerships and expand its marketing efforts in the APAC region.

Among other issues, the last crypto winter highlighted early Web3 gaming’s unsustainable business model. While this critique is solid, the unsustainable model stemmed from Web3 gaming projects constantly prioritizing tokenomics and flashy trailers at the expense of building a quality game that could resonate with mainstream gamers and crypto enthusiasts alike. In many cases, projects launched tokens or marketplaces before even having a working demo—leading to many games being abandoned or exploited without getting off the ground.

Headquartered in Dubai, [Exverse](https://exv.io/) is an innovative gaming studio focused on competitive mechanics, seamless gameplay, and community development. With a dedicated team of talented developers and gaming veterans, Exverse is on a mission to redefine the gaming industry by bringing traditional AAA-quality first-person shooter gaming to the Web3 space. (Exverse 15.02)

[Back to Table of Contents](#TOC)

* 1. BP and ADNOC to Form Gas Joint Venture in Egypt

BP and state-owned Abu Dhabi National Oil Company announced that they will form a joint venture in Egypt that will initially focus on natural gas. The joint venture, expected to be formed in H2/24, will be 51% owned by BP and 49% by ADNOC. The BP-ADNOC Egyptian joint venture was originally planned to be the second phase of the two companies' cooperation in the Eastern Mediterranean after the planned acquisition of a 50% stake in Israeli gas producer NewMed. Negotiations on the deal, first announced in March 2023, appear to have made little progress, in particular since the start of the Hamas assault on Israel on 7 October.

ADNOC, the UAE's oil giant, is seeking to grow its gas business domestically and abroad and has called natural gas a transition fuel to renewable energy sources. BP aims to reduce its oil and gas output by 25% by 2030 from 2019 levels but continues to invest heavily in fossil fuels. For the joint venture, BP will contribute its interests in three development concessions and exploration agreements in Egypt while ADNOC will make a proportionate cash contribution that can be used for future growth opportunities.

Egypt has been suffering a slow-burning economic crisis and chronic shortage of foreign currency and has been in talks with the IMF to revive and expand a $3 billion loan agreement signed in December 2022. Ties between the UAE and Egypt are strong, with the Gulf state supporting Cairo through past financial crises with direct capital injections and investments, more recently focusing on the latter. (Reuters 14.02)

[Back to Table of Contents](#TOC)

* 1. UAE’s Multimillionaire Business Owners Plan Global Expansion

Multimillionaire business owners in the UAE are planning to expand internationally over the next few years and are increasingly looking at Europe, Asia and the Americas for growth, according to a new survey by HSBC. The bank’s Global Entrepreneurial Wealth Report 2023 found that business owners in the UAE are second most likely to expand their footprint abroad or be in the process of entering international markets (86%), just behind Hong Kong (96%) and ahead of their global peers. Entrepreneurs with at least $2 million in fortunes tend to expand overseas due to key factors like access to direct investments, real estate opportunities and operational efficiencies, the research also found.

More than half of entrepreneurs surveyed (55%) said they are looking at Europe for expansion over the next three to five years, while 42% are eyeing the Middle East. About a third (32%) also have North America in mind, while 23% are interested in Asia. While they want to expand their footprint globally, the majority of those in the UAE (56%) are also interested in using their fortunes to support philanthropic causes or go into sustainable investing. However, almost one-third of UAE’s wealthy business owners have yet to discuss succession plans with their loved ones. A small number (13%) indicated they don’t intend to bring up the subject with their families. (Zawya 20.02)

[Back to Table of Contents](#TOC)

* 1. Thiqa Tutoring Raises $300,000 Investment for Growth & Expansion

Abu Dhabi's [Thiqa Tutoring](https://www.thiqatutoring.com/), an educational technology platform that offers tutoring services across the UAE, raised a $300,000 in investment from Hope Ventures, the investment arm of Bahrain’s Hope Fund, alongside private sector investors.

Thiqa Tutoring (TT), founded in 2022, is the United Arab Emirates’ first tutoring provider trusted by customers for educational and teaching services. The platform connects students and tutors and manages and encourages the entire learning process, with a full dedication to providing learners with a unique learning experience that meets their needs. It focuses on high-quality supervision, comprehensive management, and personalized student consultations. The startup has a significant presence in four major cities: Abu Dhabi, Dubai, Sharjah and Al Ain.

The company ensures that every student and tutor has a smooth experience from beginning to end. The collaborators oversee the entire tutoring procedure, handling everything from selecting the educators through recruitment and training to ensuring seamless transmission and timely payments. Its team of educational consultants offers specific help to both students and tutors. (Thiqa 21.02)

[Back to Table of Contents](#TOC)

* 1. First AI-Powered Satellite Imagery Firm Set Up In Saudi Arabia

SpaceKnow, a New York-based technology company dedicated to transforming space data into actionable intelligence, announced the launch of SpaceGuardian, the first approved company dedicated to satellite imagery and AI (artificial intelligence) analysis in Saudi Arabia. SpaceGuardian specializes in applying machine learning AI on satellite imagery to facilitate economic activities, energy and commodities analysis, environmental assessments, construction progress tracking, and more.

According to the New York group, its cutting-edge technology allows for real-time monitoring of construction projects, delivering timely updates on progress and safety parameters through continuous satellite imagery analysis coupled with machine learning capabilities. This proactive approach enhances project management efficiency and safety standards, ensuring optimal outcomes, it stated.

In addition to construction project oversight, SpaceGuardian's solutions extend to urban planning and economic activity assessments for cities. The historic launch of SpaceGuardian marks a pivotal moment for the entire technological and industrial landscape of Saudi Arabia. As the inaugural company dedicated to satellite imagery and AI analysis, this partnership embraces innovation and progress that will propel Saudi Arabia into a new era of digital transformation. (TradeArabia 20.02)

[Back to Table of Contents](#TOC)

* 1. Saudi Arabia Forecast to Remain the GCC’s Biggest Insurance Market

Saudi Arabia is expected to remain the largest insurance market in the GCC region for the foreseeable future, with a compound annual growth rate (CAGR) of 5.8% to $19 billion between 2023 and 2028, said Alpen Capital in its latest ins. industry report. KSA took over the top spot from the UAE last year.

The projections are based on the Kingdom’s fast moving infrastructure sector and rising demand for automotive and medical insurance coverage. The market’s gross written premium (GWP) is predicted to grow 5.3% in the medium term (until 2028) to $44 billion on the back of diversification efforts and a growing population. The majority of the premiums comprises non-life ins. which is expected to expand 5.4% to $40 billion over the same period. (Enterprise 26.02)

[Back to Table of Contents](#TOC)

* 1. Iveda Opens Cairo Office & Strategic Demonstration Showcase

Mesa, Arizona's Iveda, the global solution for cloud-based AI, announced the opening of a new office in Cairo, Egypt as part of the organization’s work with The Arab Organization for Industrialization (AOI). Just six months after partnering with AOI, the showcase space––located inside the AOI government facility in Cairo––will serve as a demonstration room, putting Iveda’s smart city innovations and AI offerings on functional display, with the ability to demo to all interested parties. This announcement further solidifies the organization’s foothold as a leader in 5G, AI, and sustainable technologies throughout Egypt and the greater EMEA (Europe, Middle East, Africa) region.

Iveda’s smart city innovations and AI offerings on display include the Utilus Smart Pole with an average price to municipalities of $35,000 per pole, and city deployments are anticipated to range from 100 to 1,000 Utilus Smart Poles (or $3.5 million to $35 million) depending on the size of coverage required.

Egypt's AI market is projected to reach $601.8 Million with an anticipated annual growth rate of 18.99%, resulting in a market volume of $2.03 Billion by 2030. This strategic office will dramatically improve speed-to-market of Iveda technologies by providing easier access to hands-on education, sales demonstrations, marketing opportunities, and firsthand proof-of-concept verification to those in the region. (Iveda 15.02)

[Back to Table of Contents](#TOC)

* 1. Sawari Ventures to Launch $150 Million Fund for Egyptian Start-Ups

Sawari Ventures announced plans to launch a new fund with an investment target of approximately $150 million in Egyptian startups. Sawari Ventures is targeting various sectors, including fintech, education, healthcare, green tech and deep tech projects, anticipating sustained growth in these sectors within Egypt.

Projections suggest that startups supported by Sawari Ventures will attract investments ranging from $350 million to $500 million over the next five years. Sawari aims for Egypt to emerge as a pivotal investment hub in Africa and the broader region, noting that they has invested in approximately 500 startups since its establishment in the Arab world. Sawari Ventures operates within a framework aimed at catalyzing investments and priming companies to receive new funding.

Established in Egypt in 2010, Cairo's [Sawari Ventures](https://sawariventures.com/%20‎) has emerged as a leading venture capital firm in the country, backing over 30 companies including Swvl, MoneyFellows, Instabug, Si-Ware and Elves. Approximately 35% of Sawari Ventures’ portfolio is allocated to the fintech sector, with a focus on digitizing the Egyptian economy and reshaping financial inclusivity trends. (Sawari 22.02)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. DP World Partners with Masdar to Decarbonize Their Global Supply Chain

UAE-based logistics giant DP World signed a three year partnership agreement with UAE’s renewables firm Masdar to explore the deployment and implementation of solar energy and battery storage systems across DP’s port operations in MENA and Africa. The agreement aims to boost the adoption of solar and battery energy storage systems within DP World’s global supply chain.

The partnership will initially focus on identifying sites to deploy renewable energy solutions in Saudi Arabia, Senegal and Egypt and help navigate the regulatory landscape in emerging economies.

DP World partnered with the International Renewable Energy Agency (Irena) to collaborate on scaling up the use of renewable-based fuels and electrifying the shipping and ports sectors last November. DP World is also using the proceeds of its $1.5 billion green sukuk issuance last September to fund eligible green projects including renewable energy, energy efficiency, electrification, and clean transportation.

Masdar signed a Strategic Supply Partnership with French shipping and logistics company CMA GGM to explore the feasibility of striking up a long-term green maritime fuels offtake agreement to supply CMA CGM vessels last month. (DP World 27.02)

[Back to Table of Contents](#TOC)

* 1. Egypt Approves More Grants to Support the Green Industrial Transition

The Egyptian Parliament approved four grants worth €80.5 million from the German Development Bank and the European Investment Bank (EIB) aimed at supporting the growth of the country’s green sector, according to a statement.

The German Development Bank will extend a total of €80 million to Egypt, of which €28 million will be dedicated to enhancing risk management mechanisms and credit-guarantee systems, €32 million to establish 25 education centers focusing on applied tech and renewable energy, and €20 million allocated to the Ministry of Environment’s National Solid Waste Management Program. The latter fund aims to restructure Egypt’s waste sector and implement an integrated solid waste management system in four targeted governorates.

The remaining €500,000 will be provided by the EIB to support the selection of investment plans for Egypt’s Sustainable Green Industry Project. The funds will provide public and private companies with soft loans and grants to implement green investments specifically aimed at eliminating and reducing industrial pollution through the use of renewable energy. EIB inaugurated a new regional hub in Cairo to further its investment — including green investments — in the MENA region last December. The bank is also looking to fund Scatec’s green hydrogen projects in Egypt. (EIB 27.02)

ARAB STATE DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Lebanon’s High Inflation Rate Hits an Annual Level of 177.25% in January 2024

According to Lebanon's Central Administration of Statistics (CAS), the Consumer Price Index (CPI) remained at high levels, as it recorded an annual 177.25% by January 2024. Meanwhile, escalating political tensions in the Red Sea with no resolution seen in the near future pose a significant threat to the potential closure of the Bab el Mandeb Strait, a vital global maritime passageway. Such an occurrence caused supply chain disruptions, an upturn in shipping costs, and consequently, elevated consumer prices. The implications of these developments may result in a broader surge in inflation. As for Lebanon, already struggling with the challenges of persistent inflation since late 2019, it would encounter heightened difficulties in preserving price stability amid prolonged economic uncertainty.

The cost of Housing and utilities, inclusive of water, electricity, gas and other fuels (grasping 28.4% of the CPI) added a yearly 208.54% by January 2024. Similarly, Owner-occupied rental costs increased by 364.99% year-on-year (YOY) and the prices of water, electricity, gas and other fuels followed a significant increase by 87.97% YOY. Prices of Food and non-alcoholic beverages (20% of CPI) surged by 180.96% yearly. In turn, the average prices of Transportation (13.1% of the CPI) and Health (7.7% of the CPI) recorded hikes of an annual 103.65% and 146.54% respectively by January 2024. Restaurant and Hotels (2.8% of CPI) increased yearly by 154.11% by January 2024. Concurrently, costs of Clothing and Footwear (5.2% of CPI) surged by 133.79% by January 2024, and the prices of Communication (4.5% of the CPI) increased by 115.92%. Prices of Furnishings and household equipment (3.8% of CPI), Alcoholic beverages and tobacco (1.4% of CPI), and Recreation, amusement, and culture (2.4% of the CPI) increased by 122.78%, 195.37%, and 126.59%, respectively, by January 2024. (CAS 22.02)

►►Arabian Gulf

[Back to Table of Contents](#TOC)

* 1. Qatar to Launch $1 Billion VC Fund to Focus on Tech Sector

Qatar’s sovereign wealth fund, the Qatar Investment Authority (QIA), is set to launch its first venture capital (VC) Fund of Funds that will invest at least $1 billion to support local and regional start-ups and foster innovation. The capital earmarked for the program will be invested in international and regional venture capital funds, with a priority focus on the tech sector, including fintech, edtech and healthcare.

Qatar currently has no pool of capital dedicated to support businesses that are past seed funding and are ready for Series A to Series C investment rounds. The program will primarily invest indirectly via other VC funds but will be able to make targeted co-investments with the participating funds. It aims to attract major international VC funds both to Qatar and the wider GCC region. Part of the goal is to generate market-level commercial returns in line with QIA’s mandate to secure sustainable long-term returns.

At the same time, it will also support the sustainable development of a vibrant VC and start-up ecosystem in line with Qatar’s National Development strategy, which looks to expand the number of start-ups and availability of VC funding in the local market. ((Zawya 27.02)

[Back to Table of Contents](#TOC)

* 1. UAE Exits FATF’s Grey List Amid Reforms

The UAE has been removed from the grey list of global watchdog Financial Action Task Force (FATF) after the country met all the required reforms to clamp down on illicit financial flows. To get off the grey list, a significant majority of the FATF’s membership must vote that a country has made sufficient progress since the evaluation period began. An exit from the grey list marks a swift turnaround for the UAE, which was initially added to the list of jurisdictions under increased monitoring in March 2022. Assessors from the Paris-based FATF conducted an on-site visit last month and subsequent feedback on the UAE’s action plan noted significant progress by the country.

Late last year, UAE officials went on a tour to key FATF states, including trips to the US, Switzerland and Singapore, to rally support. The UAE founded an Executive Office for Anti-Money Laundering and Counter-Terrorism Financing in 2021 after passing an anti-money laundering (AML) and terrorism financing (CTF) law in 2018. The UAE is a burgeoning financial center and a key player in the global financial market. The exit from the grey list is expected to be particularly welcomed by Wall Street lenders who have been grappling with increased compliance costs since the designation, forcing some to outsource more functions to India. (FATF 23.02)

[Back to Table of Contents](#TOC)

* 1. Kuwait Announces Mandatory Biometric Fingerprinting for Citizens & Residents

Kuwait’s General Administration of Security Relations and Media has announced mandatory fingerprinting for all citizens and residents following a crucial update from the Ministry of Interior. Starting from 1 March 2024, individuals have a period of three months until 1 June 2024, to undergo this process. Failure to comply will result in the suspension of all transactions with the Ministry of Interior.

The authority said that the ministry continues to take the biometric fingerprint of citizens, citizens of GCC countries and residents at the country’s border crossings including Kuwait International Airport. Travelers are allowed to leave Kuwait and exempted from immediate fingerprinting, but the process is mandatory upon their return. Residents are urged to comply with the directive to avoid any inconvenience or disruption of transactions in the Ministry of Interior. (GB 22.02)

[Back to Table of Contents](#TOC)

* 1. UAE's Non-Oil Trade Reaches a Record AED 3.5 Trillion in 2023

Non-oil trade hit a record AED 3.5 trillion in 2023. Trade in goods was up 12.6% y-o-y to AED 2.6 trillion, while trade in services hit AED 900 billion. Exports of goods and services surpassed AED 1 trillion for the first time. Non-oil exports rose 16.7% y-o-y to AED 441 billion during the year, contributing 17.1% to the country’s total foreign trade, up from 14.1% in 2019. Imports fell 14.2% y-o-y to AED 1.4 trillion, led by imports of gold, telephones, petroleum oils, cars and diamonds.

The UAE’s services trade surplus doubled to AED 207 billion, driven by key sectors such as travel, ICT, and financial services. Re-exports also increased 6.9% y-o-y to AED 690 billion in 2023.

The UAE’s non-oil foreign trade hit a record AED 710 billion in Q4/23, up 16.3% y-o-y. Non-oil exports increased 39.3% y-o-y AED 132.2 billion during the quarter, and have consistently exceeded AED 100 billion since Q1/23.

Non-oil trade with the UAE’s 10 biggest trade partners increased 26.9% in the past year, with a 103% rise in trade with Turkey following the September implementation of the trade agreement between both countries, a 47% y-o-y increase in trade with China, and a 20% y-o-y growth with the US. (WAM 19.02)

[Back to Table of Contents](#TOC)

* 1. UAE & Kenya Finalize Trade Agreement

UAE Foreign Trade Minister Thani Al Zeyoudi finalized a trade and economic agreement with his Kenyan counterpart Rebecca Miano on 23 February. The agreement will support growth in trade and investment flows, as well as cooperation on food production, mining, technology and logistics.

The UAE first entered trade negotiations with Kenya in July 2022, marking its first pursuit of a CEPA with an African nation. Initial talks came on the back of growing relations, with non-oil bilateral trade between the UAE and Kenya climbing 26.4% y-o-y to $3.1 billion in 2023. Al Zeyoudi signed a similar agreement in January with Congo to streamline trade and customs procedures. The minister also finalized trade talks with Mauritius earlier in December for the UAE’s first trade agreement with an African nation. (FTA 26.02)

[Back to Table of Contents](#TOC)

* 1. How Abu Dhabi Became the GCC’s Poster Child for Smart Cities

To accommodate continued population growth and citizens’ rising expectations for improved living standards, Abu Dhabi is implementing a bevy of initiatives and financing measures to support the transformation of sectors, improve energy efficiency and foster sustainability.

The emirate recently signed an agreement with China’s Shenzhen to collaborate on pioneering smart city projects across multiple areas including infrastructure, smart mobility, advanced technology, autonomous solutions and sustainability. DMT partnered with Shenzhen Urban Transport Planning Centre to establish an international joint laboratory to facilitate training programs on smart cities and mobility. The partnership includes a joint development of an intelligent mobility center in Abu Dhabi that explores technologies to advance the emirate’s transportation sector.

DMT’s agreement with Huawei outlined areas for cooperation and knowledge sharing ranging from collaborations and consultations, to enhanced data centers and strengthened IT infrastructures, to exploring innovative mobility solutions.

Meanwhile, the emirate has made significant progress in scientific research and the development of AI, substantially enhancing its response capabilities in dealing with recent global challenges. Abu Dhabi Investment Office teamed up with Enterprise Singapore, a government agency championing enterprise development, and its subsidiary IPI Singapore to accelerate smart city development in the emirate. Six Singaporean companies submitted solutions in February 2023 to address six challenges outlined by the Abu Dhabi-based entities including ADNOC Group, the DMT and Masdar City. The pilot projects are expected to be completed this year. (GB 18.02)

[Back to Table of Contents](#TOC)

* 1. Dubai Inflation Accelerates in January

Inflation inched up in Dubai in January to its highest level since October 2023, according to figures from the Dubai Statistics Center. Annual inflation rose to 3.60% y-o-y during the month, up slightly from 3.27% in December. An increase in food, fuel and housing prices is at the root: Housing, water, electricity, gas, and other fuels — the largest component of the basket of goods and services — increased 6.2% during the month, while food and beverage prices rose 3.69%. On a monthly basis, Dubai’s inflation slowed to 0.26% in January, down from 0.56% in December, according to the statistics center.

On a federal level, the Energy Ministry increased fuel prices by up to 2.1% for the first time in February, while last month’s purchasing managers’ index (PMI) pointed to an increase in material costs and salary adjustments — indicating potential signs of increased inflation down the line. (DSC 26.02)

[Back to Table of Contents](#TOC)

* 1. Dubai Launches AED 112 Million Dubai Creek Pier Renovation Project

Dubai Municipality has launched an AED 112 million project to rebuild and restore Dubai Creek pier. The two-phase project will be completed in 14 months and aims to reduce disruptions to commercial traffic by upgrading retaining walls to protect against rising sea levels.

Phase one will restore an area spanning 2.1 km along the Deira side of the creek and phase two will target a 2.3 km stretch along the Bur Dubai side of the creek. Some sections of the pier’s concrete wall will be replaced to enhance safe docking and navigation services for ships in the area. Docking traffic will remain uninterrupted during the course of the project. Dubai Creek supports commercial transactions with neighboring markets by facilitating the passage of over 13,000 ships annually. (Various 27.02)

[Back to Table of Contents](#TOC)

* 1. Saudi Inflation Rate Rises to 1.6% in January

Saudi Arabia's annual inflation rate rose to 1.6% in January from 1.5% the previous month, with rising rents remaining the main driver, according to the General Authority for Statistics on 15 February. Housing rents increased by 9.3% in January 2024, with prices for villas rising by 8.2%, while the prices of housing, water, electricity, gas, and other fuels rose 7.8% compared to the previous year. Food and beverages prices increased by 1%, driven by the increase in the price of vegetables by 3.7%. Restaurants and hotels prices increased by 2.4% as the price of catering services rose by 2.1%. Education prices also increased by 1.2% mainly due to a jump in secondary education prices by 4.3%.

Compared to global inflation levels, inflation has remained relatively low in Saudi Arabia over this past year, easing from 3.4% in January 2023. (Gastat 15.02)

[Back to Table of Contents](#TOC)

* 1. Saudi Arabia Posts 2023 Budget Deficit of $22 Billion

Saudi Arabia posted a fiscal deficit of $21.6 billion (SAR80.9 billion) in 2023, slightly narrower than government estimates, as total spending increased 11% from the previous year while oil revenue declined. The world’s top oil exporter had recorded a surplus of almost $30 billion in 2022, its first in almost a decade, as crude prices soared. But successive cuts to production for much of last year and a return to lower prices sharply slowed growth and tilted the budget back into deficit. The government had estimated a deficit of SAR82 billion in its December budget statement and is also forecasting a deficit of SAR79 billion in 2024.

Total expenditure rose 11% from the previous year to SAR1.29 trillion in 2023, according to finance ministry data, with capital expenditure, understood to mean infrastructure and other physical assets, up 30%. Revenue fell 4% to SAR1.2 trillion, with a 12% drop in oil revenue offset by an 11% rise in that from non-oil sources.

Saudi Arabia is midway through its Vision 2030 economic transformation plan, putting an expanded private sector and non-oil growth at the center of its future development agenda. Non-oil revenue accounted for almost 40% of the total last year. In the fourth quarter, the budget deficit stood at SAR37 billion, narrowing from a deficit of SAR45.7 billion a year earlier but slightly higher than in the third quarter.

Oil revenue jumped 28% year-on-year in the final three months of 2023, helping lift total revenue by 13% to SAR358 billion. Spending also increased in the quarter, up 9% to SAR395 billion from a year earlier. The oil sector led a 0.9% contraction in Saudi Arabia’s economy in 2023, although non-oil activities grew by 4.6%. The kingdom has already tapped debt markets for $12 billion this year to help plug the budget deficit as it boosts spending to bolster the domestic economy. Total debt stood at SAR1.05 trillion at the end of 2023, the government said. (Gastat 15.02)

[Back to Table of Contents](#TOC)

* 1. UN Index Ranks Saudi First in MENA for e-Government Services

Saudi Arabia has topped the MENA region in the new United Nations (UN) index for e-government services. With a score of 93%, the kingdom ranked first in the Government Electronic and Mobile Services Maturity Index for 2023, issued by the United Nations Economic and Social Commission for Western Asia (ESCWA). The kingdom has maintained its ranking for the second consecutive year. The index rates various countries based on the government services provided to individuals and businesses through portals and smart applications.

In terms of service availability and sophistication, Saudi Arabia earned a maturity rate of 98%, up by 1% from the previous year. Under the service usage and satisfaction category, Saudi achieved a maturity rate of 84%, up by 4.76% from 2022. Saudi also achieved a 100% rate under the public outreach indicator, posting a 13.52% increase from the previous year. At least 17 countries are included in the index annually. The countries are evaluated based on the maturity of 84 priority government services. (Zawya 20.02)

[Back to Table of Contents](#TOC)

* 1. New Saudi Reserves at Jafurah Are the Largest Shale Field Outside of the US

Oil giant Aramco has added proven additional natural gas reserves of 15 trillion standard cubic feet at its Jafurah field in Saudi Arabia. Reserves at Jafurah are now estimated at 229 trillion cubic feet of gas and 75 billion barrels of condensates.

Jafurah could be the largest “unconventional” gas field outside the United States. It’s what the industry calls “unconventional,” or more commonly a “shale” field that demands the use of fracking techniques to bring reserves into production. It’s also the largest liquid-rich shale gas field in the Middle East and the Kingdom's largest gas field that isn’t associated with an oil field. Aramco could produce 430 million cubic feet of ethane per day at Jafurah by 2030. Aramco expects Jafurah to contribute to its energy transition push, with its reserves helping to curb emissions and provide feedstock for lower-carbon fuels. (Enterprise 26.02)

►►North Africa

[Back to Table of Contents](#TOC)

* 1. Egypt's Suez Canal Revenues Plunge

The Suez Canal’s revenue has fallen by up to 50% this year due to attacks by Yemen’s Houthi rebels, Egyptian President al-Sisi said, as Egypt's economy continues to reel from the Red Sea turmoil. The Suez Canal, a waterway connecting the Mediterranean with the Red Sea, is a key revenue stream for Egypt, which collects tolls from vessels traversing it. It's a crucial source of hard currency for the cash-strapped state that is trying to work out a deal with the IMF to help resolve its foreign currency crisis.

The crisis on the high seas comes as the import-reliant Egyptian economy has already been pummeled by the war in Ukraine, which has disrupted supply chains and sent food prices soaring. Egypt relies on wheat imports from Russia and Ukraine to fuel its subsidized bread program. Urgent measures: Sisi recently raised Egypt’s monthly minimum wage by 50% to 6,000 Egyptian pounds ($194) to alleviate economic hardships. (Al-Monitor 21.02)

[Back to Table of Contents](#TOC)

* 1. Egypt Sees Increase in Tourist Arrivals in 2024 Despite Hamas' Attack

Tourist arrivals to Egypt in the first 40 days of this year were up 5% from the same period last year, the Tourism Ministry announced. Egypt received a record 14.9 million tourists in 2023 — in line with the state’s target to reel in 15 million tourists during the year, despite the headwinds that the industry has been facing — marking a 27.4% y-o-y increase.

Reaching Egypt’s target to welcome 18 million tourists this year is looking increasingly difficult due to the geopolitical tensions in the region, but a turnout close to the target is still possible. The ministry aims to add 25,000 keys to its current hotel inventory of 220,000 this year and eventually bring the total number of rooms up to 432,000 by 2028 to welcome 30 million tourists a year — double the amount of visitors that came to Egypt last year.

In addition, the Tourism Ministry issued a ministerial decision establishing the formation of a chambers within the Egyptian Tourism Federation to promote private sector involvement in the hospitality sector and allow more room for self-regulation. (Enterprise 21.02)

[Back to Table of Contents](#TOC)

* 1. UAE’s Mega $35 Billion Deal Marks Largest FDI in Egypt’s History

The UAE Ministry of Investment witnessed the signing of a groundbreaking agreement between Egypt and the UAE, marking the largest foreign direct investment agreement in Egypt’s history. Under the deal, Abu Dhabi-based sovereign investor ADQ will invest $35 billion in developing Ras El-Hekma, a coastal region northwest of Cairo. It is hailed as a new chapter in bilateral relations.

ADQ will invest $24 billion to acquire development rights for Ras El-Hekma, with an additional $11 billion allocated for prime projects across the country. ADQ, one of the region’s largest holding companies with a broad portfolio of major enterprises spanning key sectors of Abu Dhabi’s diversified economy, has established an office in Egypt to build on its commitment to investing in the country’s economic growth. The vision is to develop the region into a world-class holiday destination, financial center, and free zone, spanning over 170 million square meters and boasting state-of-the-art infrastructure.

The project is expected to create significant job opportunities, attract further foreign investment, and contribute to the North African country’s tourism and economic growth potential. The Egyptian government will retain a 35% stake in the Ras El-Hekma development. (GB 24.02)

[Back to Table of Contents](#TOC)

* 1. Value of Egyptian M&As Fell by 62% in 2023

Egypt saw a 53% y-o-y decrease in the number of mergers and acquisitions in 2023 to 139 transactions, whose total value also dropped 62% to $3.5 billion amid geopolitical and macroeconomic challenges, according to a report by law firm Baker McKenzie. However, the value of M&A transactions increased 383% in H2/ 23 compared to the first half of the year to reach $2.8 billion. The number of M&As also increased 32% over the same period.

While the value of cross-border transactions — including inbound and outbound transactions — dropped 80% y-o-y in 2023 to $1.6 billion, domestic transactions increased in value to $1.8 billion — despite a drop in the number of domestic M&As by 51% during the same period.

Saudi Arabia was the primary target for Egyptian investors, accounting for 25 transactions, followed by the UAE and Kuwait. While for foreign investors interested in Egyptian companies, the US led the pack with 14 agreements, followed by Saudi Arabia and the UAE. (Baker McKenzie 21.02)

[Back to Table of Contents](#TOC)

* 1. Inflation in Morocco Increased by 2.3% in January 2024

Morocco’s High Commission for Planning (HCP) has revealed that the country’s consumer price index (CPI) saw an increase of 2.3% in January 2024, compared to the same period from last year. This increase was due to a 4.2% rise in the index for food products and a 0.8% rise in the index for non-food products. The report indicated that the CPI fell by 0.6% last January compared to the previous month. This drop was linked to a 0.9% decline in the food products index and a 0.3% drop in the non-food products index.

Food prices were mainly driven down by vegetables, which saw a drop of 9.6%. Conversely, prices increased by 4.7% for fish and seafood, by 0.6% for fruits, by 0.4% for coffee, tea and cocoa and by 0.3% for meats. As for non-food products, the drop in prices mainly benefited pharmaceutical products with 4.9% and fuels with 2.4%.

The average inflation rate in Morocco was forecast to continuously decrease between 2023 and 2028 by 4.2 points, with a rate estimated to amount to 2.11% in 2028. The country’s economic growth is slightly lower than North Africa’s 3.9% average in 2024. Despite encouraging economic development, Morocco’s socioeconomic outlook remains largely bleak due to persistently high unemployment and inflation rates.

At the end of 2023, the country’s unemployment reached an all-time high level as drought-stricken agriculture lost 157,000 jobs. While this massive exodus was partially offset by the creation of 5,000 jobs in urban areas, the overall unemployment rate rose to a staggering 13%. (HCP 23.02)

[Back to Table of Contents](#TOC)

* 1. Moroccan Ambassador Explores Educational and Economic Ties in New Brunswick

In a diplomatic mission aimed at strengthening ties between Morocco and the Canadian province of New Brunswick, the Moroccan ambassador to Canada engaged in a series of high-level meetings with key officials during her visit to Fredericton, the provincial capital.

During discussions held on the sidelines of an official visit of French-speaking ambassadors accredited to Ottawa from 12 to 15 February, the ambassador met with NB Minister of Education and Early Childhood Development, along with two deputy ministers. The talks primarily focused on potential partnerships in education between Morocco and the Canadian province, reflecting both parties’ commitment to enhancing educational opportunities.

Discussions extended to explore avenues to enhance awareness of Morocco’s cultural and tourist attractions in New Brunswick, emphasizing the shared commitment to promoting cultural exchange and tourism between the two regions. The ambassador also engaged with members of the Moroccan community residing in Moncton and Fredericton, including students and professors from the University of Moncton, the sole French-speaking university in the province. (MWN 17.02)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Eni & Total Confirm an ‘Excellent’ Natural Gas Well at Cronos-2

Italy’s Eni and French TotalEnergies confirmed lately the extension and “excellent” well deliverability at their joint natural gas field within the Cronos discovery in the Cyprus offshore exclusive economic zone. The announcement comes a month after their exploration at the Cronos-2 target in Block 6 of the EEZ, about 160 km southwest of Cyprus, reported gas flaring from the drilling site, indicating the discovery of a natural gas reservoir. The Cronos-2 well was drilled to appraise the nearby Cronos discovery in Block 6, some 3 km away, in August 2022. Eni Cyprus Limited is the operator of Block 6 with a 50% participation, with partner TotalEnergies EP Cyprus B.V. holding the remaining 50%.

Cyprus is far behind schedule in converting its infrastructure in order to import natural gas for energy production, resulting in paying about €380 million in carbon emission fines in 2023, expected to spiral to €500 million in the current year. Contractual delays in setting up a floating storage regasification unit (FSRU) at the Vassiliko energy hub to import, store and re-gasify liquefied natural gas (LNG) onboard, have caused a political storm, with the island’s Auditor General talking of scandalous delays, blaming the previous Anastasiades administration.

Cronos-2 was drilled to confirm the lateral extension of the Cronos gas discovery (with Cronos 1 exploration well), located some 3 km away, and to assess the reservoir characteristics by performing a production test. The well has encountered the same carbonate reservoir sequence as Cronos-1, confirming hydraulic communication and connected thick gas column with excellent permeability intervals. Eni said that together with an extensive data acquisition, Cronos-2 underwent a full and prolonged production test that proved the excellent gas deliverability capacity of the discovery.

Cronos-2, that encountered several carbonate reservoir intervals with a net reservoir thickness of 115 meters, is the fourth well drilled by Eni in Block 6, following the gas discoveries of Calypso in 2018 and of Cronos and Zeus in 2022. (FM 15.02)

[Back to Table of Contents](#TOC)

* 1. Cypriot Inflation Rises 2.1% in January Based on Restaurants & Hotels

The Harmonized Index of Consumer Prices (HICP), an indicator of inflation and price stability, rose by 2.1% in Cyprus in January this year, compared to January 2023, and decreased by 1.2% month-on-month from December 2023 to January, the statistics department Cystat said. Compared to January last year, the largest year-on-year positive change was in restaurants and hotels (5.8%), followed by alcoholic beverages and tobacco (+3.6%) and food and non-alcoholic beverages (+3.1%), with all remaining categories slightly up, whereas the largest decrease was in transport (-1.3%) and furnishings, household equipment and routine maintenance of the house (-0.3%).

Compared to December 2023, the biggest month-on-month change was in clothing and footwear, down 13.7%, and transport, -2.7%. All other categories were flat or slightly improved.

As regards economic origin, the largest change in January compared to January 2023 was in services (+4.0%) and food-alcoholic beverages-tobacco (+3.2%), with energy in negative territory (-2.9%) and non-energy industrial goods (-0.1%). Compared to the previous month, the largest change in January was in non-energy industrial goods (-4.2%), energy (-2.0%) and services (-0.3%), with food-alcoholic beverages-tobacco in positive territory, up 0.3% from December 2023. (FM 22.02)

[Back to Table of Contents](#TOC)

* 1. One Million US Visitors Come to Athens in 2023

Athens has developed into a booming 12-month tourism destination, and its biggest market is the US, a new survey shows. The Greek capital is also found to attract visitors with different travel motivations and overall their level of satisfaction remains high. However, the first signs of discomfort from over-tourism are appearing, while in terms of cleanliness and safety, Athens’ score is much lower than in other areas.

American visitors to the capital per annum have more than doubled since 2019 to reach 1 million, followed by the British (687,000), Germans (478,000), French (462,000) and Italians (410,000), while 150,000 travelers came in 2023 from Australia and 95,000 from China.

Based on these figures 2023 was a record year for Athens tourism, with more than 7 million non-resident international arrivals at Athens Airport, up from 6.4 million in 2019 (+10%) and more than double compared with 10 years earlier, when 3.4 million tourist arrivals were recorded in 2014. Tourist satisfaction has increased over the past 10 years from a low score of 7.7 in 2017 to 8.4 in 2022 and 2023.

The archaeological sites of Athens, the main attraction being the Acropolis with record levels of visitors in 2023, and its culture are listed as the main reason for choosing it as a destination. About 83% of visitors who traveled for leisure to Athens visited the Acropolis, while 56% of travelers who came to the capital chose it for its archaeological sites and cultural interest. (EPA 25.02)

GENERAL NEWS AND INTEREST

\*ISRAEL:

* 1. First Day of Ramadan to Begin on Evening of 10 March

The Muslim holy month of Ramadan in 2024 is expected to begin on the evening of 10 March and end on the evening of 9 April.

Ramadan is also a time when Muslims engage in meditation through prayers, including Taraweeh (extra evening prayers). Taraweeh are usually performed at mosques following al Isha (night) prayer. Chewing gums or taking any medication are also prohibited from dawn to sunset during Ramadan. Only people with chronic medical diseases or illnesses that urge them to take the pills are exempted from fasting, while children are encouraged to begin fasting once they reach puberty.

Fasting is one of the five pillars of Islam, or key practices that a Muslim is obligated to fulfill in their lifetime. During Ramadan, Muslims abstain from eating and drinking from sunrise to sunset. They also refrain from habits such as smoking and sexual relations from dusk to dawn.

\*REGIONAL:

[Back to Table of Contents](#TOC)

* 1. Algeria’s Mega Mosque is the Largest in Africa

Algeria finally inaugurated the Great Mosque of Algiers on 25 February, representing the culmination of a years-long and controversial building process as the North African country seeks to promote religious moderation. The inauguration event was mostly symbolic, as the mosque has been open for tourists in Algeria since 2019 and opened for prayers in October 2020. Algerian president Tebboune, however, could not attend due to COVID-19.

The mosque is the third largest in the world, after the Islamic holy sites in Mecca and Medina, and the largest on the African continent. It has the world’s largest minaret, standing at 869 feet (265 meters), and its prayer room can accommodate 120,000. The mosque reportedly features a helicopter landing pad and a library that can hold one million books in addition to the worship space.

The structure was built by the Chinese government’s China State Construction Engineering Corporation (CSCEC). The mosque constitutes a major part of CSCEC's presence in the Middle East and North Africa. The company’s other projects in the region include an extension of the Algiers airport, the business district of Egypt’s new administrative capital and the Trump Organization’s Dubai hotel development.

Former President Bouteflika planned to name the mosque after himself and inaugurate it in 2019, but he was ousted from office during widespread protests, ending his 20-year reign and delaying the ceremony. The mosque is viewed negatively by many Algerians as a result of the cost. The Algeria Press Service reported in 2020 that the final cost of the mosque was $974 million. (Al-Monitor 26.02)

ISRAEL LIFE SCIENCE NEWS

[Back to Table of Contents](#TOC)

* 1. FreezeM Raises $14.2 Million to Accelerate the Insect Protein Industry

FreezeM announced the closure of $14.2 million in Series A funding. The funding round was led by a group of seasoned industrial investors and the prestigious European Innovation Council Fund (EIC Fund), along with FreezeM's existing investors and partners. The funding will be used to accelerate the growth of the company's breeding hubs network and commercialize its novel solutions at scale, accommodating the rapidly increasing market demand.

PauseM is a ready-to-use product, containing life-cycle 'paused' BSF neonates with an extended shelf-life of 14 days and consistent high survival rates of over 90%. PauseM is shipped to BSF protein facilities worldwide, stored on site and flexibly used according to production needs. This technology paves the way to a new decoupled BSF protein production model, separating the breeding phase from rearing and processing phases for the first time in the insect farming industry. The adoption of PauseM as an outsourced ongoing breeding supply enables increased protein production efficiency, reduces Opex and Capex and streamlines seamless scalability.

Founded in 2018 as a spin-off from the Weizmann Institute of Science, Nachshonim's [FreezeM](http://www.freeze-em.com)'s mission is to make insect farming simple and accessible using novel breeding solutions for the emerging BSF farming industry. Since its establishment, the company has developed multiple biotechnological breakthroughs for enhancing sustainable, streamlined insect protein production. FreezeM was awarded several prestigious grants from the European Commission and the Israeli Innovation Authority, and participated in leading innovation consortiums in Europe and Israel. (FreezeM 15.02)

[Back to Table of Contents](#TOC)

* 1. Inspira Gets First Ever U.S. Patent for an Orbiting Blood Oxygenation Delivery System

Inspira Technologies has received the first ever U.S. Patent approval for an orbiting blood oxygenation delivery system, a core technology of the revolutionary INSPIRA ART500 device. The orbiting blood oxygenation delivery system (VORTX) is designed to oxygenate blood without fiber membranes, and we believe it is expected to revolutionize the medical landscape.

The INSPIRA ART500 is a breakthrough device, designed to empower breathing in patients that are awake, by continuously measuring the patient's blood parameters in real-time and delivering needed oxygen volume straight into the blood. As the INSPIRA ART500 is to be equipped with the HYLA blood sensor, it is being designed to continuously scan the patient's blood, potentially allowing for real-time detection of changes in patient condition and providing physicians with decision-supportive data.

Ra'anana's [Inspira Technologies](https://inspira-technologies.com/‎) is an innovative medical technology company in the respiratory treatment arena. The Company has developed a breakthrough Augmented Respiration Technology, designed to rebalance patient oxygen saturation levels. This technology potentially allows patients to remain awake during treatment while reducing the need for invasive, risky and costly mechanical ventilation systems that require intubation and medically induced coma. (Inspira 14.02)

[Back to Table of Contents](#TOC)

* 1. Vessi Medical Raises $16.5 Million

Vessi Medical announced the completion of a $16.5 million Series A financing round for its cryotherapy technology to treat non muscle invasive bladder cancer (NMIBC). The leading investors in the round are an undisclosed global strategic investor, ALIVE- Israel HealthTech Fund, Agriline, a trust of which UK investor Vincent Tchenguiz is a discretionary beneficiary, have joined founding investor The Trendlines Group.

Vessi's minimally invasive solution for NMIBC provides a new therapeutic alternative to transurethral resection of bladder tumor (TURBT), the costly leading invasive surgical first-line therapy. NMIBC is defined as a cancer on the surface of the inner lining of the bladder. The company's bladder-specific proprietary cryotherapy has the potential for significantly improving quality of life and the technology has been successfully used in a first in human study.

Misgav's [Vessi Medical](https://www.vessimed.com/‎) is developing an innovative, IP protected cryo spray for hollow & humid organs, a new approach in the treatment of Non Muscle Invasive Bladder Cancer (NMIBC). Vessi’s first indication, low-grade NMIBC is account for around 50% of bladder cancer patients. First in human study (FIH) clinical trials initiated 2021. (Vessi 14.02)

[Back to Table of Contents](#TOC)

* 1. Inspira's Platform Bio-Mimics Blood Parameters for Development of Core Technologies

Inspira Technologies unveiled an exclusive in-house capability designed to simulate both the arterial and venous blood parameters of patients with specific medical conditions without the need of in vivo animal testing. This platform has played a vital role in advancing the development of our HYLA Blood Sensor and VORTX Orbiting blood oxygenation delivery system, which are the core technologies of the Inspira ART500.

Using unique methods and equipment, they have the ability to simulate human blood conditions based on a predefined medical profile. The proprietary setting allows the management of blood parameters continuously and in real-time for a range of blood flow rates in order to simulate a patient's oxygen-deficient and carbon dioxide-rich blood after it has flowed through body organs and tissues. This platform allows Inspira Technologies to control the blood parameters over a wide range, allowing it to test the efficacy and accuracy of its technologies in key scenarios, such as simulating the blood parameters of patients who may suffer from acute medical conditions. The Company's high-end lab capabilities include the means for monitoring oxygen and carbon dioxide levels and detecting hemolysis and other key parameters and elements under extreme conditions.

Ra'anana's [Inspira Technologies](https://inspira-technologies.com/‎) is an innovative medical technology company in the respiratory treatment arena. The Company has developed a breakthrough Augmented Respiration Technology (INSPIRA ART), designed to rebalance patient oxygen saturation levels. This technology potentially allows patients to remain awake during treatment while reducing the need for highly invasive, risky, and costly mechanical ventilation systems that require intubation and medically induced coma. (Inspira Technologies 22.02)

[Back to Table of Contents](#TOC)

* 1. FDA Clears Wireless Electrode Skin Patch System for Sleep Monitoring

The US Food and Drug Administration (FDA) has granted 510(k) clearance to X-trodes’ smart skin solution, marketed as X-trodes System M, a new wireless wearable technology for advanced electrophysiological monitoring in healthcare and home settings.

X-trodes’ smart skin is comprised of customizable, dry-printed, multi-modal electrode patches. It monitors a range of biopotential signals from anywhere on the body to acquire EEG, EKG/ECG, EOG (eye movement), and EMG (muscle activity) data. The discreet patches are easy to apply, conforming to the body without requiring gels, wires, or uncomfortable solutions.

The FDA clearance follows completion of a scientific assessment that evaluated the accuracy and consistency of X-trodes’ system. The study showed the performance of the X-trodes technology to be equivalent to that of FDA-cleared clinical electrophysiology devices in measuring EEG, EOG, EMG, and EKG/ECG signals.

Herzliya's [X-trodes](https://xtrodes.com/‎) is revolutionizing electrophysiology with its innovative, wireless, wearable technology. Their user-friendly Smart Skin solution provides advanced monitoring for EEG (electroencephalography), EOG (electrooculography), EMG (electromyography) and ECG/EKG (electrocardiography), with a focus on reliable, precise data. (X-trodes 20.02)

[Back to Table of Contents](#TOC)

* 1. Save Foods Braves Brazilian Regulations via Their Exclusive Local Distributor

Save Foods announced the commencement of commercial activity in Brazil. The Company's entry into the Brazilian market was facilitated by the company's local exclusive distributor after confirming that Save Foods’ solutions comply with local regulations. With regulatory barriers unhindered, the Company's distributor is set to start marketing an ordering process.

Brazil's fruit exports witnessed a 6% rise in 2023, reaching a total of 1.06 million tons and generating revenue in excess of $1.2 billion, a substantial 26.73% increase from the previous year. Save Foods eco crop protection solution is what Brazilian packers need to continue their growth in the EU market.

Neve Yarak's [Save Foods](https://savefoods.co/‎) is an innovative agri-food tech company that focuses on post-harvest treatments in fruit and vegetables to control and prevent pathogen contamination, significantly reduce the use of hazardous chemicals, and prolong fresh produce’s shelf life. Nitrousink, Save Foods' majority-owned Israeli subsidiary, contributes to tackling greenhouse gas emissions, offering a pioneering solution to mitigate N2O (nitrous oxide) emissions, a potent greenhouse gas with 265 times the global warming impact of carbon dioxide. (Save Foods 26.02)

ISRAEL PRODUCT & TECHNOLOGY NEWS

[Back to Table of Contents](#TOC)

* 1. Tabnine & DigitalOcean Bring AI-Enabled Software Development to Startups Globally

Tabnine announced a strategic partnership with New York's DigitalOcean, the developer cloud optimized for startups and growing digital businesses. DigitalOcean now delivers Tabnine’s AI coding assistant to startups and small and medium-sized businesses (SMBs) across the world, empowering them to accelerate and simplify the entire software development lifecycle (SDLC) process without sacrificing privacy, security, and compliance.

As the originator of the AI coding assistant category, Tabnine’s mission is to accelerate software development through AI for engineering teams of every size. Tabnine currently serves more than one million developers, generating more than 1% of the world’s code and typically automating 30-50% of code generation. By joining forces with DigitalOcean, a leader in cloud infrastructure for startups and growing digital businesses, this partnership expands Tabnine’s reach to even more teams and makes it easier for them to benefit from generative AI.

Tel Aviv's [Tabnine](https://www.tabnine.com) helps development teams of every size use AI to accelerate and improve the software development life cycle. As the original AI coding assistant, Tabnine has been used by millions of developers around the world to boost code quality and developer happiness using generative AI technology. Unlike generic coding assistants, Tabnine is the AI that you control; it is private and secure (easily running in your controlled environments), personalized to your team yet never stores or shares your company’s code, and is trained exclusively on open-source code with permissive licenses. (Tabnine 15.02)

[Back to Table of Contents](#TOC)

* 1. oceansix Unveils Game-Changing Patent for Next-Gen Reusable Packaging System

oceansix Future Paths marked a significant milestone in its journey towards revolutionizing e-commerce packaging. Filed earlier this year, this invention is poised to set new standards in packaging efficiency and reusable systems. The package features a unique design that addresses the pressing environmental concerns of traditional single-use packaging. It also solves the critical challenges companies face in ensuring the protection of their items during transit without adding excessive weight or bulk, thereby optimizing shipping efficiency.

The packaging is also engineered to adapt to various product sizes, eliminating the need for excess cushioning materials and significantly reducing waste. With its ecological nature, it was designed to be manufactured from recycled materials and to be reused for up to 100 cycles; therefore, it fully aligns with oceansix's mission to foster sustainable practices across industries, particularly businesses where packaging and e-commerce are at their highest peak.

Ramat Gan's [oceansix Future Paths](https://www.oceansix.com/) is a leader in developing radical, sustainable solutions and transforming waste into innovative products. Driven by a circular model and a vision to tackle some of Earth's most pressing challenges, oceansix combines advanced technology with sustainable practices to create meaningful solutions and successful global businesses. (oceansix 15.02)

[Back to Table of Contents](#TOC)

* 1. NoTraffic Granted US Patent Approval for its V2X Connectivity Technology

NoTraffic announced the issuance of U.S. patent WO2019220353A2 by the United States Patent and Trademark Office (USPTO) for its innovative Vehicle-to-Everything (V2X) technology. The company was granted this patent, titled "Enhancing Traffic Control Using V2X Communication and Sensor Data" for the technology used in its AI mobility platform that ensures all non-connected vehicles and Vulnerable Road Users (VRUs) share the same benefits that were previously reserved only for connected cars.

NoTraffic's AI-mobility platform offers the first software-defined infrastructure which includes sensors installed at signalized intersections, a Mobility Operating System that enables the management of the traffic light grid in real-time, and a Mobility Store that acts as a one-stop shop, activating a variety of mobility applications. With V2X connectivity already embedded into the NoTraffic platform, traffic operators can easily activate various V2X applications with a single click, eliminating the need for separate, dedicated hardware. This efficient solution is cost-effective, easy to install and compatible with existing infrastructures. Additionally, the platform's built-in monitoring capabilities work24/7 to ensure the smooth operation of these safety-critical applications. The platform supports applications like automated Signal Phase and Timing generation (SPAT) and MAP messages as well V2X applications such as Emergency Vehicle Preemption (EVP) and Transit Signal Priority (TSP) capabilities.

Founded in 2017, Tel Aviv's [NoTraffic](https://notraffic.tech/), the developer of the world's leading mobility platform, is on a mission to digitize the backbone of transportation and streamline the next generation of traffic mobility. The company's end-to-end, mobility management platform leverages AI and edge computing to retrofit signalized intersections into one fully automated, cloud-connected hub. In less than 2 hours of installation, the platform can classify all road users including – private vehicles, public transportation, emergency services, pedestrians and more – and respond accordingly to traffic conditions in real-time to reduce travel times and CO2 emissions and improve safety. (NoTraffic 14.02)

[Back to Table of Contents](#TOC)

* 1. DriveNets Network Cloud Deployed at DIGI in Romania

DriveNets announced its Network Cloud solution has been deployed and is carrying significant customer traffic on a commercial network in Romania, with expanded coverage planned to other countries as well. Network Cloud is up and running on production IP/MPLS networks operated by DIGI – the leading operator in Romania, with presence in Spain, Portugal, Belgium and Italy. This deployment demonstrates that network operators are able to transition from traditional networks to a modern cloud-like network architecture quickly and at scale.

DIGI has chosen DriveNets for its open disaggregated network solution, with the goal to modernize its networks while avoiding incumbent vendor lock, achieving greater network efficiency and reducing its capital and operating expenses. This deployment shows the strength of a software-based approach where network changes can be accomplished efficiently and new capabilities can be rolled out rapidly.

Ra'anana's [DriveNets](http://www.drivenets.com) is a leader in high-scale disaggregated networking solutions. Founded in 2015, DriveNets modernizes the way service providers, cloud providers and hyperscalers build networks, streamlining network operations, increasing network performance at scale, and improving their economic model. DriveNets' solutions adapt the architectural model of hyperscale cloud to telco-grade networking and support any network use case – from core-to-edge to AI networking – over a shared physical infrastructure of standard white-boxes, radically simplifying the network's operations and offering telco-scale performance and reliability with hyperscale elasticity. (DriveNets 14.02)

[Back to Table of Contents](#TOC)

* 1. Beamr Cloud Launch Ushers in a New Era of Video Processing for Everyone

Beamr Imaging announced the launch of Beamr Cloud Video Software as a Service. Beamr Cloud offers attractive pricing, with savings of up to 50% or more compared to traditional methods. Beamr has already managed to complete today some future features planned for Q2/24, such as codec modernization and resize transformations. Going forward, in Q2/24, Beamr plans to offer additional capabilities such as AI-specific workflows, potentially positioning Beamr at the forefront of innovation in the video processing landscape as Beamr Cloud is GPU accelerated and a natural platform for different AI purposes.

Herzliya's [Beamr](http://www.beamr.com) is a world leader in content adaptive video solutions. Backed by 53 granted patents, and winner of the 2021 Technology and Engineering Emmy® award and the 2021 Seagate Lyve Innovator of the Year award, Beamr's perceptual optimization technology enables up to a 50% reduction in bitrate with guaranteed quality. (Beamr 20.02)

[Back to Table of Contents](#TOC)

* 1. Rail Vision's First Commercial Installation of its AI-Driven Systems in a National Railway

Rail Vision announced the first ever commercial installation of its AI-driven Main Line Systems in a national railways line, marking a significant milestone in the Company's journey towards revolutionizing railway safety and efficiency. A successful evaluation process resulted the purchase of ten Rail Vision Main Line Systems for $1.4 million by Israel Railways. Leveraging advanced artificial intelligence (AI) algorithms and cognitive vision sensors, Rail Vision's Main Line Systems offer unparalleled capabilities in real-time threat detection, predictive maintenance and operational optimization.

Rail Vision's Main Line Systems utilize innovative sensors and AI algorithms to detect and classify potential threats on railway tracks, including obstacles and unauthorized intrusions. By providing early warning alerts and actionable insights to railway operators, these systems empower decision-makers to proactively address safety risks and optimize maintenance schedules, thereby improving operational efficiency and reducing downtime.

Ra’anana's [Rail Vision](https://www.railvision.io/‎) is seeking to revolutionize railway safety and the data-related market. The Company has developed cutting-edge, artificial intelligence based, industry-leading technology specifically designed for railways. The Company has developed its railway detection and systems to save lives, increase efficiency, and dramatically reduce expenses for the railway operators. (Rail Vision 20.02)

[Back to Table of Contents](#TOC)

* 1. Weebit Nano ReRAM Performs Under Extended Automotive Conditions

Weebit Nanois demonstrating the high endurance and reliability of its Resistive Random-Access Memory (ReRAM) in extended automotive conditions, including high temperatures of 150 degrees Celsius and extended program cycles. The Weebit ReRAM module in SkyWater Technology’s 130nm CMOS (S130) process has already been fully qualified at temperatures of up to 125 degrees Celsius – the temperature specified for Grade-1 automotive applications.

The Weebit ReRAM IP module is available with full support in SkyWater’s S130 process design kit. The company is also working closely with DB HiTek to get its ReRAM technology qualified for customer designs.

Hod HaSharon's [Weebit Nano](http://www.weebit-nano.com) is a leading developer of advanced semiconductor memory technology. The company’s ground-breaking Resistive RAM (ReRAM) addresses the growing need for significantly higher performance and lower power memory solutions in a range of new electronic products such as Internet of Things (IoT) devices, smartphones, robotics, autonomous vehicles, 5G communications and artificial intelligence. (Weebit Nano 21.02)

[Back to Table of Contents](#TOC)

* 1. Alarum: NetNut to Introduce Revolutionary AI Data Collector Product Line

Alarum Technologies announced that following comprehensive research of the industry, the establishment of a dedicated team of experts and after successful proof of concept, NetNut, its wholly owned subsidiary decided to officially launch an innovative artificial intelligence data collection product line. This cutting-edge product line represents a significant leap forward in data collection technology, addressing the challenges of time-intensive collector creation and maintenance that have long plagued businesses across industries. NetNut is expected to release the first version of the product by the end of 2024.

With an intuitive, no-code interface, the new AI Data Collector will enable users to effortlessly generate data collection within minutes. The product’s advanced AI will automatically adapt to website changes, ensuring continuous data collection without any downtime. Furthermore, NetNut's proprietary unblocking technology will provide seamless access to web data, which will allow uninterrupted data extraction at any scale. Users will simply be required to input the target URL, select desired data subjects, set the range of timing and choose their preferred download format.

[Alarum Technologies](http://www.alarum.io) is a global provider of internet access and web data collection solutions. The solutions are based on their fast, advanced and secured hybrid proxy network, enabling their customers to collect data anonymously at any scale from any public sources over the web. Their network comprises both exit points based on proprietary reflection technology and hundreds of servers located at ISP partners around the world. (Alarum Technologies 21.02)

[Back to Table of Contents](#TOC)

* 1. REE Automotive and Knapheide Debut Full Vehicle Solution

REE Automotive announced that its first demo P7-C fully by-wire chassis cab has arrived in the U.S. and has completed its upfitting at Knapheide in Quincy, Illinois. Knapheide, North America’s most popular manufacturer of work truck bodies and truck beds, upfitted the P7-C with its KUV body, known to create optimized organization for the technician by dividing the storage space into manageable compartments that are externally accessible from either side of the body. By working together, REE and Knapheide will allow fleets the flexibility they need when selecting a body for their fully by-wire electric vehicles.

Glil Yam's [REE Automotive](http://www.ree.auto) is an automotive technology company that allows companies to build electric vehicles of various shapes and sizes on their modular platforms. With complete design freedom, vehicles powered by REE are equipped with the revolutionary REEcorner, which packs critical vehicle components (steering, braking, suspension, powertrain and control) into a single compact module positioned between the chassis and the wheel. As the first company to certify a fully by-wire vehicle in the U.S., REE’s proprietary by-wire technology for drive, steer and brake control eliminates the need for mechanical connection. (REE 22.02)

[Back to Table of Contents](#TOC)

* 1. Silynxcom Introduces New Encrypted Wireless Tactical Communication Product

Silynxcom plans to showcase its new encrypted wireless tactical communication product at Enforce Tac in Nuremberg, Germany, following the successful development of the product at the request of a European police department. Building on a successful year, marked by orders and the adoption of its products by several national defense forces, Silynxcom is readying itself to present its latest innovations in tactical communications. These products have been field-tested and combat-proven, providing cutting-edge, reliable solutions in the most challenging environments.

For over a decade, Netanya's [Silynxcom](v) has been developing, manufacturing, marketing, and selling ruggedized tactical communication headset devices as well as other communication accessories, all of which have been field-tested and combat proven. The Company’s in-ear headset devices are used in combat, the battlefield, riot control, demonstrations and weapons training courses. The Company’s in-ear headsets seamlessly integrate with third party manufactured, professional-grade ruggedized radios that are used by the military, law enforcement, and disaster recovery industry professionals. (Silynxcom 22.02)

[Back to Table of Contents](#TOC)

* 1. Elbit Systems Launches a New State-of-the-Art UAS Hermes 650 Spark

Elbit Systems unveiled its latest addition to its market leading Hermes family. This Next Generation Unmanned Aerial System (UAS) boasts outstanding endurance, versatility, and cost-effective performance across land, air and sea operations.

Elbit Systems' Hermes 650 Spark is a tactical UAS designed to meet the evolving challenges of the aerospace and defense industries. As the latest addition to the highly acclaimed Hermes family, the Hermes 650 Spark expands the operational flight envelope with next-generation multi-mission capability, versatility, and survivability. The tactical UAS with Medium Altitude Long Endurance (MALE) capabilities delivers exceptional payload capacity with increased range, flight speed, endurance, and operational efficiency.

This next-generation, autonomous, and digital UAS is designed to meet diverse operational needs across Air, Land, Sea, Homeland Security (HLS) and civilian applications. With its high payload capacity facilitated by exceptional large payload bays, the Hermes 650 Spark allows for multi-payload configurations without compromising flight endurance. The comprehensive design considerations focus on minimizing the Life Cycle Cost (LCC), ensuring cost-effective mission performance. The UAS upholds the highest standards of safety, survivability, and immunity, complemented by modern, autonomous, and predictive maintenance practices, ultimately contributing to a low Life Cycle Cost.

Haifa's [Elbit Systems](https://elbitsystems.com) is an international high technology company engaged in a wide range of defense, homeland security and commercial programs throughout the world. The company operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence surveillance and reconnaissance (C4ISR), unmanned aircraft systems, advanced electro-optics, electro-optic space systems, EW suites, signal intelligence systems, data links and communications systems, radios, cyber-based systems and munitions. (Elbit Systems 21.02)

[Back to Table of Contents](#TOC)

* 1. Elbit Systems Awarded $600 Million Contract to Supply Systems to Australia

Elbit Systems announced that it was awarded a contract worth approximately $600 million to supply systems to Hanwha Defense Australia for the Australian Land 400 Phase 3 Project. This project aims to deliver advanced protection, fighting capabilities and sensors suite to the Redback Infantry Fighting Vehicles (IFV) for the Australian Army. The contract will be performed over a period of five years.

Haifa's [Elbit Systems](https://elbitsystems.com) is an international high technology company engaged in a wide range of defense, homeland security and commercial programs throughout the world. The Company, which includes Elbit Systems and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence surveillance and reconnaissance (C4ISR), unmanned aircraft systems, advanced electro-optics, electro-optic space systems, EW suites, signal intelligence systems, data links and communications systems, cyber-based systems and munitions. (Elbit 26.02)

[Back to Table of Contents](#TOC)

* 1. Tower Semiconductor & Tianyi Micro Develop Next Generation OLED Micro Displays

Tower Semiconductor and Hangzhou, China's Tianyi Micro, a leading provider of micro display driver chips specializing in developing silicon-based micro-OLEDs and micro-LEDs, announced their strategic cooperation in the development of next-generation OLED micro displays for AR/VR, addressing the growing Chinese and global market needs for advanced AR/VR solutions. The development is based on Tower’s unique 180nm and 65nm dedicated micro display backplane process flows, supporting current-driven (as opposed to voltage-driven) OLED pixel designs.

Tianyi Micro is currently the sole provider in China of current-driven pixel designs and selected Tower as its key foundry partner for micro display backplane developments. As performance requirements call for specific device characteristics such as high yield, ultra-low leakage combined with high voltage for high brightness, Tower has developed dedicated process flows addressing these requirements. Having such dedicated flows enables Tianyi to pursue its leading market position with next-generation micro displays.

Migdal HaEmek's [Tower Semiconductor](http://www.towersemi.com) provides technology, development, and process platforms for integrated circuits (ICs) in growing markets such as consumer, industrial, automotive, mobile, infrastructure, medical and aerospace and defense. Tower Semiconductor focuses on creating a positive and sustainable impact on the world through long-term partnerships and its advanced and innovative analog technology offering, comprised of a broad range of customizable process platforms. (Tower Semiconductor 26.02)

ISRAEL ECONOMIC STATISTICS

[Back to Table of Contents](#TOC)

* 1. Israel's Annual Inflation Rate Falls to 2.6%

Israel’s Consumer Price Index (CPI) was unchanged in January. In the twelve months to the end of January, the rate of inflation fell to 2.6% from 3% in 2023, according to the Central Bureau of Statistics. The decline is in line with analysts’ expectations that the annual inflation rate would fall to 2.6-2.7% in January. The clothing and footwear item and the entertainment and culture item both fell by 1% last month. Fresh produce prices fell by 0.5%, and the transport item fell by 0.4%.

The Central Bureau of Statistics has also published the change in home prices (which are not part of the general CPI) between October-November 2023 and November-December 2023. On average, prices rose 0.7%. In the breakdown by region, prices fell by 1.3% in Jerusalem, and rose by 1.2% in Haifa, by 1.6% in the center, and by 0.8% in the south. In Tel Aviv, prices were flat.

In the comparison between November-December 2023 and November-December 2022, the index of housing prices fell 1.4%. Prices fell by 4.4% in Tel Aviv, by 1.3% in Jerusalem, by 0.8% in the central region, and by 0.1% in the south. Prices rose by 3.3% in the northern region and by 0.3% in Haifa. (CBS 15.02)

[Back to Table of Contents](#TOC)

* 1. Israel's Economy Shrank in Fourth Quarter of 2023

According to the Central Bureau of Statistics, after the economy contracted nearly 20% in Q4/23 because of the war, GDP per capita also fell last year.

Overall, Israel's economy did grow by 2% in 2023, despite GDP per capita growth of 0.1%, because of population growth last year. This follows GDP growth of 6.5% in 2022. With the exception of 2020, when the COVID pandemic hit and Israel's economy contracted by 2.5%, the last time the economy contracted was in 2009, following the global financial crisis.

The main hit to the economy over the past year was the level of investment, which fell 2%, and per capita consumption, which fell 2.8% in 2023. This was partly balanced out by high public spending, which rose 8.3%, mainly because of the war. The fourth quarter of 2023, when the war broke out, saw the economy shrink at 20% on an annualized basis. The biggest hit in Q4 was in the level of investment, which fell by 70%, while private consumption in Q4 fell by 27% and public consumption fell by almost 90%.

In international terms, Israel was not the only country in which GDP growth fell in 2023. In Germany, the economy shrank by 0.1%, in the UK the economy shrank 0.2% and in Sweden it shrank by 1.3%. On the other hand, Spain and Japan's economies grew by 2.7% and 2.2% respectively. (CBS 19.02)

[Back to Table of Contents](#TOC)

* 1. The Number of Job Vacancies in Israel is Increasing

The number of job vacancies in Israel grew significantly in January, reaching 126,367, according to the Central Bureau of Statistics, up sharply from 107,554 job vacancies recorded in December 2023. The number of vacancies per 100 people in work rose to 4.11 in January from 3.63 in December. This is the first time since April last year that this ratio has risen above 4.

The figures represent a change in the trend since the Hamas assault began and even before that. The labor market in Israel was very tight last year, and the number of job vacancies led to upward pressure on wages liable to fuel inflation. The Bank of Israel cited the labor market as one of the most problematic factors preventing prices from falling, and took action to cool the market.

The Hamas assault from Gaza led to many employees being put on leave without pay, disrupting the labor market. The rise in job vacancies numbers in January may indicate recovery in the market and a return to normal activity, even while the war continues. The sharpest rise in January was in the food and hospitality sector. Between November and January, the number of vacancies for waiters and bar staff rose 49%, while vacancies for cooks rose 43%, in comparison with the monthly average for October-December. Vacancies for home help rose 24%. The number of vacancies for engineers rose by just 2% (to 8,650, and vacancies for technicians rose 16%, but vacancies in the construction sector fell by 1%. (CBS 18.02)

IN DEPTH

[Back to Table of Contents](#TOC)

* 1. MENA: Middle East Seen as the Next Global Retail Hot Spot

[Kearney](https://www.kearney.com) reported that an expanding, younger, urban, and progressively more affluent population in many MEA nations is sustaining fast-paced retail growth today and for the foreseeable future. Projections indicate that total disposable income in MEA nations will double by 2040. Countries in MEA that find a place in GRDI 2023 (KSA, Egypt, Turkey, Jordan, Senegal, Morocco, Kenya, Ghana, Iran, Côte d’Ivoire, Tanzania, Algeria, Ethiopia, Uganda, Tunisia, Cameroon, Nigeria and Angola) account for about 14% of the world population and 7.4% of the world GDP. Part of their growth will be underpinned by a significant rise in the female labor force participation rate (FLFP), especially in Saudi Arabia, where FLFP reached about 37% in 2022, up from about 26% in 2019–2020. MEA retailers see these younger and more urban shoppers as key to future growth and are tailoring their offers accordingly.

At the same time, MEA’s ongoing inflationary environment has forced major retailers to offer competitive discounts, prices, and other value-based offers. This price-sensitive strategy manifests itself in many forms, including the growth of discount retail and the explosive expansion of private label programs, reward point apps, and shopper loyalty programs.

On the digital side of the retail equation—fueled by quick commerce (q-commerce) social commerce, hyperlocal delivery services, digitalization of small traditional retailers and other innovative concepts—e-commerce continues its steady growth in developing economies. Major retailers in many emerging economies are making shopping more convenient by investing in omnichannel capabilities, including options such as click-and-collect and partnering with digital platforms to increase logistical efficiency.

In terms of mobile commerce, smartphone adoption is forecasted to grow to 87% in sub-Saharan Africa by 2030, up from 51% in 2022. Africa accounts for 70% of the world’s $1 trillion mobile market value and is already a leader in mobile money transactions, with the number of sub-Saharan mobile money accounts surpassing bank accounts.

Grocery retailing has witnessed rapid and scaled digitization as both MEA’s traditional and modern grocery retailers embrace new front-end and back-end technologies, and digital marketplaces. Digital business-to-business (eB2B) providers, especially platform operators and payment merchants, are helping traditional retailers manage inventory and e-payment services. Combined, these high-tech innovations and consumer trends help Asian and Middle East economies dominate the emerging retail landscape.

Driven by a strong focus on non-oil economy and the establishment of a favorable business and regulatory environment, KSA jumped nine points in this year’s ranking, rising to the third spot, reflecting both increased consumer affluence and the impacts of inflation. The Kingdom’s retail sector is being supercharged by a growing young demographic, a focus on experiential retail, and expansion in both value and luxury retail segments.

Despite battling currency devaluation and inflation, Egypt and Turkey hold the GRDI’s sixth and ninth positions respectively. Both nations’ retail sector continues to rise, driven by a younger, more urban demographic cohort as we find in many emerging economies, a preference for value shopping, and the increasing penetration of malls.

Aided by improvements in payment systems and increasing investment, Egyptian e-commerce is expected to expand despite a relatively low rate of online shopping. E-commerce is thriving in Turkey, its growth largely fueled by q-commerce, digital marketplaces, and an increasing consumer preference for convenient shopping options and faster delivery.

Looking across the African continent, we see the anchor economies of Morocco, Kenya, Ethiopia and Senegal continue to show high retail potential. Low retail saturation is the “red thread” running through most of Africa’s developing economies, signaling an opportunity for retailers to enter, or expand operations in, these markets. (Kearney 21.02)

[Back to Table of Contents](#TOC)

* 1. GCC: Why GCC Wealth Funds are Becoming Engines of Regional Growth

Kudakwashe Muzoriwa posted on 17 February in [Gulf Business](https://gulfbusiness.com) that the GCC region is home to a range of sovereign wealth funds (SWFs), which have evolved into national champions that can move the needle locally and overseas. With a projected $7.6 trillion in combined assets under management (AuM) by 2030 from a historical peak of $4.1 trillion in 2023, GCC SWFs have increasingly become an oasis of sustainable growth on their home grounds and a prominent source of cash for international deals.

These state investors have been among the biggest beneficiaries of the Gulf region’s recent boom, on the back of higher oil prices and a thriving economy. “Gulf SWFs have reaped the rewards of the fiscal windfalls and recovered quicker than others from the 2022 financial markets debacle,” Global SWF said in its annual report earlier in January. The research consultancy firm said one of the key consistent themes when it comes to sovereign capital was the prominence of investors from the GCC in 2023.

GCC sovereign funds increased their deal making dominance last year, largely due to the maturity of the investment landscape, with a wide range of players entering both the domestic and global markets with a level of sophistication never seen before. “The sovereign wealth fund industry is still relatively young at the global level — however, some of the funds in the Gulf region are now more than 50 years old and it is just natural that their investment strategies and sophistication evolve,” says Diego Lopez, the managing director of Global SWF. Lopez notes that GCC funds have for years used external managers and hired investment professionals who have nurtured local talent and are now ready for a new stage of growth with a second generation of leaders.

The sovereign funds’ strategic investments are accelerating economic diversification, which is expected to push GCC’s GDP growth to 3.6% and 3.7% in 2024 and 2025, respectively, according to the World Bank. GCC states ended 2023 on a stronger footing and remain remarkably resilient against a backdrop of a slowing global economy and higher for longer rates despite stable inflation. The contraction in oil sector activities due to the successive oil production cuts by OPEC+ was largely compensated for by the non-oil sectors, which are expected to expand by 3.9% in 2023.

**Drivers of Sustainable Growth**

GCC SWFs play a significant role in accelerating economic diversification in the region. The six-member GCC bloc — Saudi Arabia, the UAE, Qatar, Kuwait, Bahrain, and Oman — has traditionally been heavily reliant on oil and gas revenues.

However, recognizing the need for sustainable economic growth and reducing dependence on hydrocarbons, these countries have been actively pursuing diversification strategies, and sovereign wealth funds are integral to these efforts. S&P Global Market Intelligence said wealth funds are key to achieving governments’ wide-ranging reforms to achieve socio-economic transformation and contribute to deploying national wealth in domestic sectors of interest.

The state investors are playing a pivotal role in creating domestic employment opportunities and fueling growth, and in managing the transition to low carbon economies in line with National Visions such as Saudi Vision 2030, Oman Vision 2040 and We the UAE 2031. Similarly, GCC SWFs are not only asked to perform financially but also to create jobs, propel the domestic economy and contribute to decarbonization goals.

**How GCC Sovereign Funds are Accelerating Growth**

Global SWF said Saudi Arabia Public Investment Fund (PIF) was the lead investor with $31.6 billion deployed in 49 deals, 33% more than in 2022. Nearly a decade after its “reborn”, the fund has emerged as the main vehicle for the expansive ambitions of Crown Prince and Prime Minister Mohammed bin Salman bin Abdulaziz, under Vision 2030.

The PIF’s sources of funding include assets transferred by the government, cash injections from the government, loans and debt capital markets funding, and retained earnings from its expanding investment base. The fund has said it aims to invest $40 billion a year in the local economy, an amount that dwarfs its international spending. Major projects underway domestically include the $500 billion futuristic NEOM city, the Red Sea Project, the entertainment offering Qiddiya Project, and the ROSHN Project.

The $700 billion wealth fund is investing in a broad range of sectors, including retail, sports, construction and real estate. Last June, PIF took control of four of the kingdom’s top soccer clubs including Cristiano Ronaldo’s Al-Nassr, Karim Banzema’s Al-Ittihad, Riyad Mahrez’s Al-Ahli and Neymar’s Al-Hilal. Overall, GCC wealth funds that have large portfolios of domestic assets include Mubadala Investment Company (Mubadala) and ADQ in Abu Dhabi, Investment Corporation of Dubai (ICD), Qatar Investment Authority, and Bahrain Mumtalakat Holding Company.

**Fostering Impact Investment**

Playing hosts to two consecutive UN climate summits (COPs) provided the Middle East with the opportunity to forge itself as a leader in the fight against climate change. The recently concluded COP28 showcased sovereign investors’ approach to sustainability, as the Gulf region’s energy transition agenda is being delivered across asset classes from lithium mining to infrastructure to industrial development to venture capital. “Sovereign wealth funds’ characteristics, particularly their long-term investment strategies and their contribution to economic and financial diversification make them well-suited to finance the transition to a green economy,” the International Monetary Fund (IMF) said in a report in December.

GCC sovereign funds are leading green investments as the six-nation bloc has made considerable headway in transitioning to a low-carbon economy. Global SWF said in a report that sovereign investors are looking to gain exposure to all energy transition segments as well as greening existing “black” assets through decarbonization.

Globally, sovereign wealth funds deployed a record $26.1 billion in ‘green assets’ last year, with state investors from the Gulf region accounting for nearly half of that figure. “While their wealth originates from oil and that cannot change, GCC SWFs are a driving force behind some of the largest environmental, social and governance (ESG) initiatives in the world,” explains Lopez. The sovereign funds are focused both on strategic investment in domestic renewables capacities and on yield-generating assets abroad, with Mubadala leading the way through Abu Dhabi Future Energy Company (Masdar).

Founded in 2006, Masdar is targeting a renewable energy portfolio capacity of at least 100 gigawatts (GW), and an annual green hydrogen production capacity of up to one million tonnes by the end of the decade.

**How GCC Sovereign Funds are Accelerating Growth**

With Saudi Arabia on track to invest more than $100 billion in renewable energy and natural gas-fired electricity, PIF-backed ACWA Power’s portfolio with an investment value of $82.8 billion, can generate 53.69GW of power and produce 7.64 million m3/day of desalinated water.

Founded in 2002, the utility firm develops power generation and desalinated water plants, with assets across the Middle East and North Africa, Europe, Asia and the Commonwealth of Independent States. It counts the $8.5 billion NEOM green hydrogen project, Morocco’s Khalladi 120-megawatt (MW) wind farm and the 950 MW Noor Energy 1 in Dubai among its biggest projects.

On the mobility front, GCC states are powering up their efforts to become a force to be reckoned with in the electric vehicle (EV) market. One of PIF’s key initiatives is to develop an auto manufacturing hub on the western coast of Saudi Arabia. The wealth fund is Lucid Group’s biggest shareholder, and the US electric carmaker is already assembling cars at its production facility in Jeddah — where it is set to be joined by Hyundai Motor and Ceer, an electric car venture with Taiwan’s Foxconn Technology Group.

“We are igniting a new industry and an ecosystem that attracts international and local investments, creates job opportunities for local talent, enables the private sector, and contributes to increasing Saudi Arabia’s GDP as part of PIF’s strategy to drive the economic growth under Vision 2030,” Crown Prince Mohammed bin Salman, said in a statement following the launch of Ceer.

Abu Dhabi has long talked of becoming a manufacturing hub for electric cars as part of the emirate’s wider industrial strategy and its plans to tackle climate change. Last December, Chinese EV maker Nio secured a $2.2 billion investment from CYVN Holdings, an investment vehicle based in Abu Dhabi that is backed by the Abu Dhabi Investment Authority (ADIA).

Abu Dhabi Investment Office (ADIO) also partnered with electric car startup Faraday Future in December to bring the firm’s generative AI and advanced intelligent EV capabilities to the SAVI cluster. The fund is set to introduce electric flying taxis in the UAE in partnership with US eVTOL maker Archer Aviation in 2026.

Green investments and net-zero carbon emission targets have been on the radar screens of GCC wealth funds for years – and the state investors show no signs of pulling back post-COP28. Though the share of climate finance in GCC wealth funds’ portfolios remains limited so far, the IMF said it has rapidly progressed over the years.

**Lending a Helping Hand**

The money from the GCC funds still overwhelmingly goes to developed markets, in particular the US and Europe. However, the state investors are readier than ever to shine regionally by directly supporting peer governments in neighboring countries, through lending or deposits at the central bank. “Although GCC SWFs’ foray into global markets will likely continue in the near term, we are also likely to see a recycling of GCC petrodollar inflows into MENA countries and other emerging markets that present interesting investment opportunities and need external funding,” S&P Global Market Intelligence.

Turkey has been on the hunt for foreign investment deals to support its embattled economy. It signed around $51 billion worth of deals with the UAE in July and the agreements include wealth fund ADQ possibly buying as many as $8.5 billion of bonds from Turkey to fund reconstruction efforts following devastating earthquakes a year ago.

The Abu Dhabi state investor signed a $3 billion agreement with Turkey’s Export Credit Bank last July to finance companies planning to export goods to the UAE and other markets. It also launched a $300m joint investment fund with Turkey Wealth Fund (TWF) to invest in venture capital funds and growth potential companies in Turkey in 2022.

Egypt has been courting Gulf investment as the North African seeks to stimulate inward investment, which has been limited due to the country’s yawning budget deficit, weak currency and high-interest rates. Saudi Arabia’s PIF launched a $10 billion fund, the Saudi Egyptian Investment Company, which has already acquired minority stakes in four listed companies for $1.3 billion. Jordan is also a recipient of money from GCC sovereign funds. ADQ launched a $100m technology-focused venture capital fund with Jordan’s Ministry of Digital Economy and Entrepreneurship in 2022 to drive growth in the kingdom’s burgeoning digital economy. PIF established the $3 billion Saudi Jordanian Investment Fund alongside 16 domestic banks in 2017 to pursue investments in the country’s “vital and promising sectors”.

Within the GCC region, Oman has drawn interest from PIF and Abu Dhabi funds — Mubadala and ADQ. Saudi Arabia’s wealth fund joined forces with Oman Investment Authority in July 2023 for $5 billion Saudi Omani Investment Company — an investment platform that was an anchor investor in Abraj Energy Services’ public listing in Muscat.

Mubadala pledged support to the Oman and Etihad Rail Company, which is building a $3 billion high-speed railway network connecting the sultanate and UAE. ADQ and OIA identified investment opportunities worth $8.2 billion (Dhs30 billion) across different sectors in Oman including hydrogen, solar and wind, green aluminum and steel.

Flush with cash after the latest oil boom, GCC wealth funds are reshaping their strategies, emphasizing supporting local economies and creating wealth for future generations while bankrolling some of the world’s biggest rescue packages, investments and acquisitions. The funds are driving significant domestic investments and deals to support economic diversification and transition to low-carbon economies. (GB 17.02)

[Back to Table of Contents](#TOC)

* 1. SAUDI ARABIA: Hotel Market Size, Trends and Forecast Report 2023 and 2024-2030

[ResearchAndMarkets.com](http://www.ResearchAndMarkets.com) added the "Saudi Arabia Hotel Market, Size, Forecast 2024-2030, Industry Trends, Growth, Share, Outlook, Impact of Inflation, Opportunity Company Analysis" report to their offerings.

**The Saudi Arabia Hotel Market is Anticipated to Reach $62.57 billion by 2030**

Saudi Arabia is on a trajectory to become a most sought after tourist destination worldwide. Saudi Arabia has bold plans to triple its hotel room count number in the subsequent decade. As a part of its Vision 2030 plan, which aims to convert the country, Saudi Arabia has opened its doors to global travelers, targeting a magnificent 100 million annual visitors by 2030. The government's commitment to developing GIGA-initiatives and tourist destinations has attracted maximum interest from hotel and tourism companies.

Saudi Arabia welcomed 93.5 million overseas and domestic travelers, according to the Saudi Arabia Minister of Tourism in 2022. The state's hospitality industry is poised for rapid increase, leading the global tour and hospitality sector. Major projects like Qiddiya, the Red Sea Development, Amaala, NEOM, Al Ula and Wadi Al Disah, initiated by the Public Investment Fund of Saudi Arabia in 2018, are pivotal in achieving Vision 2030 goals. This influx of religious and leisure journeys has spurred funding options, beginning several new hotels in key towns.

**Saudi Arabia Hotel Market Forecast a CAGR of 12.23% During 2023-2030**

The Saudi Arabian hotel market is one of the strongest globally, with staggering metrics of excessive occupancy rates, strong revenue per vacant room (RevPar), and competitive average room costs. Saudi Arabia currently leads the Middle East and Africa in motel construction hotels, surpassing the UAE. The government's strategic initiatives, which include investments, visa reforms, more suitable connectivity, and a properly planned calendar of events showcasing numerous points of interest, were instrumental in the hotel segment's extraordinary achievement.

Saudi Arabia is embarking on an enormous expansion of its hospitality and tourism sectors, with plans to introduce 315,000 new hotel rooms at an approximate value of $37.8 billion by 2030. This formidable endeavor will increase the overall available hotel rooms to nearly 450,000, with prominent plans like the futuristic Neom City spearheading this expansion.

In 2023, IHG Hotels & Resorts signed a franchise settlement for the forthcoming establishment of a Hotel Indigo in Oxagon, a coastal commercial city within the northwestern vicinity of Saudi Arabia. With visionary initiatives and top-notch amenities, high-end hotels will sustain speedy growth in Saudi Arabia hospitality sector, ensuring a prosperous future

**The Saudi Arabia Hotel Market is Split into High-End, Mid-Scale and Budget.**

In the dynamic Saudi Arabian hotel market landscape, the high-end motel section is rising as the epitome of increase and prosperity. This segment is experiencing an awesome surge, outpacing all others in expansion and development. Arabia's strategic tasks to sell tourism and appeal to high-spending travelers have played a pivotal role in fostering the high-end hotel region.

The country's charming combination of luxury and lifestyle lures discerning travelers seeking opulent experiences. With its visionary Giga projects, world-magnificence services, and commitment to excellence, the high-end hotel section will continue its meteoric upward thrust within the Saudi Arabian hospitality industry. Online booking platforms are poised to grab the utmost market percentage in Saudi Arabia hotel industry

**By Ordering Platform, the Saudi Arabia Hotel Market is Divided into Offline and Online.**

The rapid digitalization of the travel sector, coupled with consumers' desire for convenient and transparent reserving processes, has driven the surge in online hotel reservations. Mobile apps and websites provide travelers with various options, opinions and pricing, making finding accommodations that suit their preferences and budgets easier.

Moreover, the ongoing worldwide shift toward online and contactless transactions, extended by the COVID-19 pandemic, solidifies online booking systems' dominance within the Saudi Arabian hotel industry. This trend is anticipated to maintain its upward trajectory, shaping the future of hotel bookings within the region.

**The Hotel Industry is Divided into Makkah, Riyadh, Madinah, Jeddah, Al Khobar & Dammam.**

Attracting a wide variety of visitors, Jeddah offers various hotels, from luxury chains to boutiques. The sector experiences growth with new investments and renovations due to Jeddah's strategic location alongside the Red Sea and rich historical and modern attractions. Supported by the Saudi government's tourism commitment, Jeddah's hotels are poised to extend, catering to a growing influx of site visitors.

Riyadh's accommodations maintained sturdy occupancy rates and relatively higher daily rates, resulting in improved revenue per available room (RevPAR), reaching its highest since 2011. The Saudi capital has positioned itself as a distinguished venue for global occasions and conferences, aligning with the Kingdom's aspiration to grow into a regional trade and commercial enterprise hub. (R&M 16.02)

[Back to Table of Contents](#TOC)

* 1. SAUDI ARABIA: Economic Diversification Starting to Bear Fruit

[Kearny](https://www.kearney.com) observed that with a series of economic reforms implemented, and even more planned, the Kingdom of Saudi Arabia’s (KSA) economy has been consciously evolving away from oil dependence, which still accounts for about 40% of the Kingdom’s GDP.

In 2023, largely due to contractions in oil revenue, amid voluntary production cuts, Saudi’s macroeconomic growth eased down a bit. Non-oil GDP growth, which averaged 4.8% in 2022 and—despite lower overall growth reflecting additional oil production cuts—spurred by strong domestic demand, will remain close to 5% in 2023. The non-oil sector growth is forecast to remain robust thanks to steady, ongoing investment activity in Vision 2030-related projects, expansion in the local industrial and construction sectors, and resilient commitment by the government to progress with Vision 2030 reforms. The tourism sector alone will add important tailwinds in the growth, but as inflation remains elevated in H1/23, especially in the food and grocery category, it is expected to slow down a bit in 2024.

KSA has made significant regulatory strides to promote diversification and private sector growth. New laws promote entrepreneurship, protect investors’ rights, and reduce the costs of doing business in the Kingdom. In 2022, new investment deals and licenses grew by 95% and 267% respectively. The Saudi Investment Fund (PIF) has aggressively deployed capital to stimulate private sector investment and KSA has made significant progress in digital government transformation. The digital sector’s contribution to overall growth rose from 0.2% in 2016 to 15% in 2022.

In addition, the Saudization program (*Nitaqat*) is helping create better and skilled jobs for citizens. The share of Saudis employed in high-skilled jobs increased from 32% in 2016 to 42% in 2022. Female workforce participation has doubled over the past few years, reaching 37% and clearly surpassing the Vision 2030 target of 30%.

Fueled by e-commerce growth, retailing represents about 12% of Riyadh’s GDP. With more than 5 million households, Saudi Arabia has the largest consumer market among Gulf Cooperation Council (GCC) nations. Consumers there are embracing digital technologies, resulting in an increased use of mobile commerce and AI-enabled experiential retail, which is especially valued by KSA’s growing young and middle-class population. Meeting this new consumer market, food retailers are offering live stations to the same consumers who are buying online with the help of technology tools such as virtual fitting rooms, self-checkouts, paperless transactions, shop online pick up from store, and click-and-collect.

Post pandemic, many KSA consumers have become price-conscious, seeking out competitive prices and discounts, value-for-money products and private label items. At the same time, another segment of the population is focusing on high-end food and grocery products such as organic and premium ingredient-based products. There has also been an increased focus on stocking more local, natural, and sustainable products. Despite a rise in value-based shopping, Saudi Arabia remains an important market for luxury retail globally.

E-commerce currently captures about 6% of the overall retail market and is expected to grow to about 8% by 2027 with a growth CAGR of about 20%. As more local and hybrid players enter the online marketplace, cross-border e-commerce, which today makes up more than 50% of all digital retail revenue, is projected to rapidly decline.

With increased e-commerce activity and a rise in faster deliveries, dark stores are rapidly cropping up. Operators such as Nana, Bin Dawood and others have been opening dark stores to strengthen their online presence. Q-commerce is also expected to expand with the rise of grocery delivery services by Amazon and Noon, which has launched a 15 minute delivery service in select parts of UAE. Miniso and Daiso and the South Korean variety store chain Mumuso—which operates no stores in the Kingdom—have partnered with Noon to establish official online stores on its marketplace.

As KSA consumers become receptive to using cashless payments, the share of non-cash retail transactions has gone up from 16% in 2016 to a staggering 62% in 2022 and is targeted to reach 70% by 2030. BPL services have also grown in popularity, especially in the apparel and footwear, electronics, appliances, and home products categories, with most leading retail chains now offering a BILLIONPL option. Among the most popular providers of BPL services are Tamara, a Saudi company founded in 2020 and the first company to provide the service in the Kingdom, and Tabby, an Emirati company founded in 2019 operating in the UAE and KSA. BPL faces some obstacles including resistance to service fees by retailers and consumers, a lack of consumer awareness, competition between providers and retailers’ concerns around consumer defaults.

There have been many new market entries and retail expansions since the last GRDI report. In June 2022, UAE-based multi-brand retailer Brands for Less entered the Saudi market with a store in Riyadh and French luxury jeweler and watch house Boucheron opened a new boutique in Kingdom Centre, Riyadh. In July 2022, Hermès opened its first perfume and cosmetics store in Saudi Arabia and the following month Bin Dawood Group opened its first two Danube Express at Haramain High Speed Railway stations in Jeddah and Makkah.

January 2023 saw footwear and personal effects brand Dune announce plans to open 10 stores across the Middle East, focusing on Saudi Arabia. In Q1/022, Abdullah Al Othaim Markets opened nine new branches and Japan-based sports shoe brand ASICS opened its first store in Saudi Arabia, in Riyadh Park Mall.

In March 2023, Public Investment Fund owner Saudi Entertainment Ventures (SEVEN) announced plans to open entertainment destinations in eight locations in Saudi Arabia over the next 10 years, and Majid Al Futtaim unveiled plans to open malls in Egypt, Saudi Arabia and UAE.

JD Sports Fashion signed its first franchise agreement with Dubai-based GMG in July 2023. Under the 10-year agreement, GMG will open around 50 stores under the JD banner by 2028 in the UAE, Saudi Arabia, Kuwait, and Egypt. Mensa Brands introduced three brands—Villain, Pebble, and Folkulture—on e-commerce platform Noon in August 2023. A month later French electronics retailer FNAC entered KSA with Cenomi as retail partner. Lulú has been in expansion mode and opened its 33rd store in KSA in 2023 with a commitment to employ 10,000 Saudi nationals by the end of 2025. (Kearney 21.02)

[Back to Table of Contents](#TOC)

* 1. EGYPT: Attractions & Challenges for Foreign Universities in the Egyptian ‎Market

The Egyptian government and private ‎sector have been increasingly partnering up with foreign universities in recent years in a bid to ‎improve the quality of the country’s higher education sector, meet international standards, and ‎turn the country into a hub for international education. The result is what the British Council calls ‎a “relatively mature” transnational education (TNE) market brimming with a wide range of ‎models. There are at least 102 foreign higher education institutions operating in Egypt through a ‎number of models — international branch campuses (IBCs), joint and dual degrees, franchises, ‎and other partnerships.‎

Regulations issued by the Higher Education Ministry around six years ago require ‎local universities to form academic partnerships with well-established foreign universities ahead ‎of receiving or renewing their licenses to operate.‎

Seven IBCs — government’s preferred model ‎‎— have popped up in the country following the introduction of the International Branch Campus ‎Act in 2018, according to a British Council report. The universities have set up their branches ‎in four university hubs in the new capital:‎

* Universities of Canada in Egypt hosts two Canadian universities — Prince Edward ‎Island University and Toronto Metropolitan University;‎
* The Global Foundation hosts the UK’s University of Hertfordshire;‎
* European Universities in Egypt hosts the UK’s University of London and University of ‎Central Lancashire;‎
* The Knowledge Hub (TKH) is home to the UK’s Coventry University and Portugal’s ‎Nova University. ‎

The IBC Act — ratified back in 2018 — sets forth the regulations by which ‎international universities can set up branches in Egypt, either by building their own ‎campuses or partnering with Egyptian universities. ‎

Greece’s University of Patras is reportedly on ‎track to set up a branch in Alexandria by 2025 and Russia’s University of St. Petersburg is ‎opening a branch in New Cairo, along with fellow Russia Kazan Federal University, which is ‎establishing a presence in Sixth of October City. Toronto-based Seneca College also plans to ‎open two branches in Egypt — one in East Cairo and the other in West Cairo — and the US’ ‎University of Texas Medical Branch and Portugal’s University of Aveiro could also set up in the future.‎

**But Why Choose Egypt?-‎**

The overall operating environment is ‎welcoming to international higher Ed institutions (HEIs) thanks to a “supportive government with ‎an internationalization agenda” and “an enthusiastic domestic higher education sector that is ‎eager to develop foreign university partnerships,” the report reads. The drive to deliver an ‎attractive environment for foreign universities is part of the government’s efforts to improve the ‎quality of higher Ed, boost employability, and develop a modern workforce, the report states.‎

Coupled with one of the largest youth ‎populations in the world, rapid population growth means the higher education sector faces the ‎challenge of generating significant capacity to meet current and future demand. Almost 51% of ‎our 105.9 million population is under the age of 25 and the current average growth rate stands at an ‎annual 1.7% — with Egypt set to see the largest overall population increase in the region ‎between 2015 and 2030 — according to the report. The government plans to tap into ‎international education to provide the needed capacity while introducing new subjects and skills.‎

Demand for TNE is also driven by financial considerations. With Egyptian families facing ‎tighter budgets and limited access to foreign currency as a result of the devaluation of the EGP ‎and the ongoing FX crunch, international education on home soil stands as an attractive ‎alternative to overseas education. While IBCs can quote tuition fees in foreign currency for ‎international students, Egyptian students can only be charged in local currency. ‎

**The Headwinds**

Despite the Madbouly government’s efforts to bring more foreign universities to Egypt, a ‎number of obstacles have remained untackled. ‎

**‎#1. The sector is squeezed by the FX crunch:** IBCs in the pipeline have been facing delays on ‎the back of the foreign exchange crunch and soaring construction costs, Universities of Canada ‎in Egypt President Magdy El Kady told Enterprise. While the hub’s Prince Edward ‎Island University has been in operation since 2018, construction work on its three other planned ‎universities has come to a halt, with construction only a third of the way complete, El Kady said. ‎

**‎#2. There’s room for improvement on the regulatory front:** While the regulatory environment ‎for TNE is most advanced for IBCs, which are governed by the IBC Act, the processes by ‎which other types of TNE are set up aren’t as clear-cut, the report states. For instance, joint and ‎dual degrees are arranged at the discretion of the partners involved, and there are no specific ‎regulations for franchises or online learning. Improved clarity could serve to attract more foreign ‎universities, the report suggests.‎

**‎#3. Even IBC rules aren’t without hurdles:** There are “unwritten expectations” that IBCs ‎should partner up with local investors and consultants to set up shop here. It’s been the case for ‎all IBCs created since 2018 that a private Egyptian investor covers the land, infrastructure, and ‎operational costs, while the foreign university sees to the academics. While this lowers the cost ‎of market entry for foreign universities, it makes them more dependent on the information ‎provided by their partners. ‎

**The Stats**

With 27 HEIs, the UK accounts for some 26% of ‎TNE partnerships in the country, followed by Germany (20%), France (12%), and the USA (10%), according to the report. Egypt is the largest host of UK TNE in the region and was the ‎fifth largest market for it in the 2021-2022 academic year — during which some 23,800 students ‎were enrolled in British higher Ed courses here. Other HEIs active here hail from Italy, Spain, ‎Greece, Ireland, Finland, Sweden, Austria, Slovenia, Russia, Korea, Malaysia, Indonesia, ‎Sudan and Kenya.‎

But, UK TNE growth in the country has been slowing. Growth of transnational education in ‎Egypt in recent years has been driven by other countries — such as Germany and the US — as ‎UK universities take a more cautious approach to expansion.‎

Despite robust TNE growth at home, Egyptians are still choosing to study abroad. The ‎number of Egyptian students traveling for higher education has grown more than fourfold to over ‎‎50,800 currently from 12,300 in 2008, according to the latest figures by UNESCO. The majority of ‎these students go to the UAE (30%), Germany (11.7%) and Turkey (8.7%). (Enterprise 19.02)‎

[Back to Table of Contents](#TOC)

* 1. MOROCCO: IMF Staff Completes 2024 Article IV Consultation with Morocco

An [International Monetary Fund (IMF)](https://www.imf.org) staff team conducted discussions with the Moroccan authorities in Rabat on the 2024 Article IV Consultation from 31 January to 15 February. At the conclusion of the visit, the IMF issued the following statement:

“Economic growth has strengthened in 2023 thanks to the recovery in domestic demand and buoyant exports and is expected to increase gradually to around 3.5% over the medium term, boosted by stronger investment. Stronger domestic demand should gradually widen the current account deficit towards 3% of GDP, while inflation is projected to continue to fall slowly as pressures on commodity and food prices fade.

“The current monetary policy stance is appropriate, in light of the falling inflation and future changes to the monetary policy stance should remain data dependent. As inflation continues to fall, Bank Al-Maghrib should resume its transition to an inflation-targeting framework.”

“Staff welcomes the authorities' commitment to fiscal consolidation over the medium term. The generalization of social protection under the application of the Unified Social Registry promises to better target social support to those families who really need it. The reform of the VAT is expected to improve neutrality and incentivize formality, expanding the tax base. While the gradual reduction of the fiscal deficit over the next three years appears appropriate, there is room to ensure, and possibly accelerate, the pace of fiscal consolidation in the medium term. This will require completing the reform of the tax system, including of the VAT, improving tax administration, rationalizing spending, including the transfers to state-owned enterprises (SOEs), and expanding the use of the Unified Social Registry to all social programs.

“The expected greater participation of the private sector to the authorities’ infrastructure investment plans (particularly in water and energy sectors) calls for assessing, monitoring and reporting the potential budgetary implications of future public private partnership programs. Further improvements of the fiscal framework include adding more information on the revenues expected to be generated by the mobilization of real government assets and quantifying the impact of all new policy measures on the fiscal deficit over the next few years.

“Boosting job creation and making growth more inclusive calls for accelerating structural reforms. The SOE reform and operationalization of the Mohammed VI Fund and the new Charter of Investment should help stimulate private investment, together with further efforts to strengthen the fight against corruption and address anti-competitive practices. Reforming the unemployment insurance scheme and improving active labor market policies could help boost job creation in the short run. Further efforts are needed to improve female labor force participation, which is at historical lows. The ambitious reforms of the health care sector and education system promise to improve access and quality of services and enhance capital accumulation in the long run. Recent and planned progress in liberalizing the electricity market should encourage the transition to renewable energy. The authorities’ infrastructure plan is essential to reduce water scarcity, together with a re-modulation of water tariffs and further efforts at improving efficiency in the utilization of water resources. (IMF 21.02)

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