

**The FORTNIGHTLY**

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

**3 July 2024**

**27 Sivan 5784**

**27 Dhul Hijjah 1445**

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*If you would like to learn more about any of the items mentioned in the Fortnightly, please contact me at* *seth@atid-edi.com* *and we will do what we can to assist you.*

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ISRAEL GOVERNMENT ACTIONS & STATEMENTS

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* 1. Israel's Defense Ministry Spending NIS 30 Billion on Local Procurement

Since the start of the war in October, Israel's Ministry of Defense has spent NIS 30 billion including VAT on local procurement, according to information from the Ministry of Defense Department of Production and Procurement (DOPP) seen by Globes. More than half of this amount has been spent on defense equipment, ammunition and weapons. This wide ranging spending has been on the instruction of Ministry of Defense director general to base as much procurement as possible on Israeli-made items. This amount represents a normal full-year's procurement by the DOPP.

The data reflect the significant consequences of the recruitment of some 300,000 reservists, as a result of which 28.7% of Israeli procurement during the war (NIS 8.61 billion) has been for "miscellaneous" items. The products include clothing, tents, accommodation equipment and chemical and other services that exist on the market. This was the second biggest category after the procurement of defense equipment, ammunition and weapons which amounted to NIS 16.4 billion. The majority of that amount went to Elbit Systems, Israel Aerospace Industries (IAI) and Rafael. However, it is very likely that subcontractors of the three major companies also benefited from procurement.

One of the significant issues that the management of the Ministry of Defense has been asked to address is to restore capabilities that have not been required for many years. As part of the rapid conclusions drawn, it has been realized that there is a critical need for a large quantity and independence in the field of land weapons - four times the amount of domestic production before the outbreak of the war. Investments have been made, and procedures for modernization, automation and expansion of production lines has been carried out.

Interesting procurement by the IDF includes NIS 100 million on drones and NIS 920 million for computer equipment. Over the same period, the procurement delegation in the US spent more than $6 billion. The annual US military aid package is worth $3.3 billion plus $500 million per year for joint developments in the field of air defense and the various aid packages approved during the war. (Globes 26.6)

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* 1. Regulator Indicates Approval for Expansion of Leviathan Production

The Petroleum Commissioner at Israel's Ministry of Energy and Infrastructure has indicated to the partners in the Leviathan offshore natural gas reservoir that they will be allowed to expand production substantially, from 12 BCM (billion cubic meters) to 21 BCM. This not yet an export permit, but a response to an approach by the Leviathan partners, and follows an internal examination on the basis of existing data held by the ministry.

The ministry states that the quantity derives from the guidelines in government decisions on natural gas exports, and from staff work examining the needs of the Israeli economy over the next 25 years. This is based upon forecasts of demand for natural gas presented by Noga (the company that manages Israel’s power grid) and the Natural Gas Authority in the Ministry of Energy and Infrastructure. At this time, after the aforementioned examination, the additional amount of natural gas available for export will be 118 BCM."

The Leviathan partners are currently allowed to export 107 BCM of gas, so that a permit to export another 118 BCM more than doubles the existing quantity. NewMed Energy, one of the partners in Leviathan, says that the letter from the petroleum commissioner states that from 2044, exports from Leviathan will be on an interruptible basis, indicating that at this stage the ministry does not know what the supply of and demand for gas will look like from 2044, and so is keeping wide discretion. The letter states that further conditions may be imposed in order to ensure an adequate local supply of gas in various possible future situations. It also states that if the reservoir’s owners demonstrate that it holds more gas than currently estimated, the commissioner will consider raising the additional export quantity allowed to as much as 145 BCM.

NewMed Energy reports that the Leviathan partners (NewMed Energy 45.34%; Chevron Mediterranean 39.66%; Ratio 15%) will shortly decide on an investment of $400-500 million in front end engineering and design (FEED) for the project and procurement of long-lead items for development. Prices of participation units in both NewMed and Ratio are up by more than 6% on the Tel Aviv Stock Exchange. (Globes 26.6)

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* 1. Knesset Acts to Stop Swindlers Exploiting Vulnerable Populations

On 1 July, the Knesset passed an amendment the Consumer Protection Law giving the Consumer Protection and Fair Trade Authority very broad powers to act in cases in which it becomes convinced that a person or company has misled, exerted unfair influence, or refused to repay money lawfully due, when the counterparty is a minor, a helpless person, someone who does not speak Hebrew adequately, or someone with other special characteristics. That is to say, businesses that swindle old people, new immigrants, and people with disabilities.

Among the powers available to deal with those against whom enough complaints have accumulated will be blocking of credit card clearance and the restoration of the frozen funds to consumers who have been harmed, a ban on other clearers providing clearance services to the person or company concerned, fines on credit clearers that fail to comply with the provisions of the law, and prevention of the party in breach from opening files at the Law Enforcement and Collection Authority. The amendment also gives the Commissioner of Consumer Protection and Fair Trade the right to apply to the court for a warrant to enter a computer in the case of suspicion of a breach of the law.

The amendment began life as a private member’s bill sponsored by MK Meirav Cohen (Yesh Atid), and won the support of Knesset Economic Affairs Committee chairperson MK David Bitan (Likud) and Minister of Economy Nir Barkat (Likud). The powers that it awards will be exercised after the Commissioner of Consumer Protection and Fair Trade sends a "notice of intention" to the suspect person or company, to the clearer, and to the Law Enforcement and Collection Authority. The person or company will have between two and three weeks to respond to the claims against them, and after a further two weeks the Commissioner of Consumer Protection and Fair Trade will determine whether there has been a severe breach of the Consumer Protection Law and whether sanctions should be applied. (Globes 2.7)

ISRAEL MARKET & BUSINESS NEWS

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* 1. ZOOZ Doubles Ultrafast Charging Capacity at Second Site on Cross-Israel Highway

ZOOZ Power announced that its innovative power boosting and management solution has been installed and is operational at a second Dor-Alon station on Route 6, the Cross-Israel Highway, following the rollout of its first Dor-Alon station booster in May 2024. These new installations are a joint venture between ZOOZ Power, Dor-Alon, a leading gas station network operator, and Afcon Electric Transportation, a leading charge point operator (CPO) in Israel.

ZOOZ Power’s system works by dynamically managing charging while using stored kinetic energy to supplement limited grid supply, maximizing infrastructure utilization without costly upgrades, and increasing revenue opportunities for the sites owner. These sites are the first in the world where four 150kW ultra-fast chargers are boosted by flywheel technology while powered with only a 300kW grid connection, avoiding the need to upgrade the site to 600kW connection. They will potentially meet the increasing demand for ultra-fast charging capabilities and enhance services for EV drivers along one of Israel’s busiest routes.

Lod's [ZOOZ](http://www.zoozpower.com/%E2%80%8E) is the leading provider of Flywheel-based Power Boosting solutions enabling widespread deployment of ultra-fast charging infrastructure for electric vehicles (EV), while overcoming existing grid limitations. ZOOZ pioneers its unique flywheel-based power boosting technology, enabling efficient utilization and power management of a power-limited grid at an EV charging site. Its Flywheel technology allows high-performance, reliable and cost-effective ultra-fast charging infrastructure. (ZOOZ 20.6)

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* 1. Quantum Machines Opens the Israeli Quantum Computing Center

Tel Aviv's [Quantum Machines (QM)](https://www.quantum-machines.co/), the leading provider of processor-based quantum controllers, announced the opening of the [Israeli Quantum Computing Center (IQCC)](https://i-qcc.com/%E2%80%8E), a world-class research facility that will serve the quantum computing industry and academic community in Israel and around the world. The center was built with the financial backing and support of the Israel Innovation Authority and is located at Tel Aviv University.

The IQCC is a state-of-the-art quantum and HPC center that uniquely integrates the power of quantum and classical computing resources. It is the first in the world to house multiple co-located quantum computers of different qubit types, all utilizing the NVIDIA DGX Quantum system. This offers on-premises supercomputing resources and cloud accessibility, while being tightly integrated with Quantum Machines' processor-based OPX control system. The center also features the world's best-equipped testbed for developing new quantum computing technologies.

The IQCC is open to researchers and developers of quantum computers from around the world. By providing an open, cutting-edge platform for research and development, Quantum Machines aims to accelerate the progress of practical quantum computing and foster collaborative projects with industry leaders that will drive the field forward. The center is poised to become a destination for companies and researchers worldwide, securing Israel's quantum independence and cementing its position as a leader in the quantum computing revolution. (Quantum Machines 25.6)

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* 1. JFrog Buys Israeli AI Company Qwak for $230 Million

JFrog is buying Tel Aviv startup [Qwak](https://www.qwak.com/) for $230 million in an all-Israeli deal in the field of AI. JFrog is making the acquisition of Qwak's AI platform in order to expand its activities in AI in general and MLOps (maintenance) in particular as well as the management and development of models for machine learning and data banks and code for tech companies.

Qwak's platform enables companies to create, implement, operate and manage AI applications, which reduces infrastructure work required around the development of machine learning models, and allows development and data science teams to concentrate on core work.

The deal has produced swift and handsome profits for Qwak's investors including in the early stage Israeli venture capital funds Stage One and Amiti Ventures. Later investors include Bessemer Venture Partners, which led Qwak's most recent financing round. In total Qwak raised over $31 million and had a valuation of $64 million at the time of its most recent financing round in March 2023, according to PitchBook. In other words Qwak has quadrupled in value in just 15 months.

Netanya's [JFrog](v) is on a mission to create a world of software delivered without friction from developer to device. Driven by a “Liquid Software” vision, the JFrog Software Supply Chain Platform is a single system of record that powers organizations to build, manage, and distribute software quickly and securely, to aid in making it available, traceable, and tamper-proof. The integrated security features also help identify, protect, and remediate against threats and vulnerabilities. (JFrog 25.6)

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* 1. 2bcloud Recognized as Winner of 2024 Microsoft Partner of the Year Award

2bcloud has won the 2024 Microsoft Partner of the Year Award for Israel. The company was honored among a global field of top Microsoft partners for demonstrating excellence in innovation and implementation of customer solutions based on Microsoft technology. The Microsoft Partner of the Year Awards recognize Microsoft partners that have developed and delivered outstanding Microsoft Cloud applications, services, devices and AI innovation during the past year.

2bcloud is uniquely positioned as a dedicated partner for startups and digital-native companies, focusing solely on helping these innovative businesses manage their day-to-day challenges in Azure. With a proven track record of serving over 400 customers, 2bcloud excels in implementing the most advanced cloud solutions. The company provides end-to-end support, offering 24/7 availability with an average first response time of less than 10 minutes. This dedication to customer success and technological excellence sets 2bcloud apart in the industry.

Givatayim's [2bcloud](https://2bcloud.io/%E2%80%8E) is a born-to-the-cloud next-gen managed service provider (MSP) that works with fast-growing, cloud-native startups. They multi-cloud expertise to help customers grow revenue, increase efficiency, reduce cost, and deliver scalable experiences. Their field-proven technology stack is backed by deep experts and includes managed services, cost optimization, expert consultancy and 24/7 technical support. (2bcloud 26.6)

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* 1. Innoviz & Major OEM Collaborate on New Short-Range LiDAR for Autonomous Vehicles

Innoviz Technologies announced a collaboration with an automotive OEM to advance its L4 autonomous vehicle capabilities. This agreement adds Innoviz's new short-range LiDARs into the OEM's Level 4 autonomous driving platform. The Company expects the collaboration will result in a series production nomination in the coming months, pending agreement of commercial terms.

Innoviz's Short-Range LiDAR joins the InnovizTwo product platform that includes InnovizTwo Long-Range and InnovizTwo Slim. With high-resolution detection and over 90-degree vertical field of view, the new short-range design is based on InnovizTwo Long-Range architecture. It leverages the product's industrialization maturity and is designed to meet the requirements for light commercial vehicles, shuttles, robotaxis, and trucks. This new development phase was meticulously designed over the past six months to align with the OEM's stringent RFQ (Request for Quotation) requirements. With the OEM planning to integrate multiple short-range LiDARs for each of its L4 autonomous vehicles, the partnership is well positioned to advance a safe and powerful autonomous driving experience.

Rosh HaAyin's [Innoviz](https://innoviz.tech/) is a leader in LiDAR technology, serving as a Tier 1 supplier to the world's leading automotive manufacturers and working towards a future with safe autonomous vehicles on the world's roads. Innoviz's LiDAR and perception software "see" better than a human driver and reduce the possibility of error, meeting the automotive industry's strictest expectations for performance and safety. (Innoviz 26.6)

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* 1. Hub Security Announces Successful $15 Million Refinancing & Capital Raising

HUB Cyber Security has restructured $8 million of its debt that was due in June. In addition, Hub Security has secured an additional $2 million in debt financing. Key shareholders have also exercised warrants at an exercise price of $0.90 per share, resulting in an additional $5 million in capital. With these financing transactions, the company is well-positioned to further enhance its product offerings, advance its Secure Data Fabric (SDF) roadmap, and drive forward growth in the cybersecurity space.

Tel Aviv's [HUB Cyber Security](http://www.hubsecurity.com) was established in 2017 by veterans of the elite intelligence units of the Israeli Defense Forces. The Company specializes in unique cyber security solutions protecting sensitive commercial and government information. The company debuted an advanced encrypted computing solution to prevent hostile intrusions at the hardware level while introducing a novel set of data theft prevention solutions. (HUB 27.6)

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* 1. Establishment of an $80 Million Israel-Korea Fund for DeepTech Investments

OurCrowd was selected by the South Korean government to co-manage a bilateral investment fund that will invest in startups in both countries. The fund’s target is $80 million, $48 million of which has already been raised by the Korean partners of the fund: NH Venture Investment and K-Growth. OurCrowd is currently raising funds from its over 240,000 registered investors worldwide.

The bilateral fund will invest in ~25-30 startups in both countries that focus in core technology sectors, such as semiconductors, robotics, automotive, quantum computing, cybersecurity, digital health and more. The fund combines strong partners with access to Korean conglomerates and $48 million in funds already committed. It is backed by Korea Growth Investment Corporation (K-Growth), an agency of the Korean government that invests policy funds to achieve strategic objectives, on behalf of the Korean Ministry of Trade Industry and Energy (MOTIE). The fund is jointly managed by NH Venture Investment and OurCrowd General Partner as co-GPs.

South Korea's economy is the 13th largest in the world and the fourth largest in Asia. Its GDP grew by 4.1% in 2021. South Korea is also the 5th largest manufacturing power in the world after China, the US, Japan and Germany, and the world's #2 investor in R&D as a percentage of GDP. The leader in this category is Israel. (OurCrowd 27.6)

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* 1. Google Leases 20 Floors in New Tel Aviv Tower

Israeli real estate companies Amot Investments and Bayside Land Corp., which are currently constructing the ToHa2 tower in Tel Aviv, officially announced the signing of an agreement with Google for the lease of 60,000 square meters in the tower for NIS 155 million annually. The agreement is for ten years.

The ToHa2 tower is under construction in Tel Aviv. It will be 300 meters high, with 77 floors, and extend over 170,000 square meters. Amot Investments and Bayside Land Corp. are together investing NIS 3 billion in the project.

The agreement with Google is for ten years from January 2027. Google has a one-time escape clause from the agreement after five years. Google considered two planned towers as its future home: ToHa2, and the Spiral Tower being constructed by Azrieli Group, but eventually decided on the former. Google currently leases nine floors in the Ampa Tower, not far from the ToHa2 site. (Globes 25.6)

REGIONAL PRIVATE SECTOR NEWS

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* 1. Daisy Data Partners with the ASH Group to Equip Key Industries in MENA

Mechanicsburg, Pennsylvania's [Daisy Data Displays](file:///C%3A%5CUsers%5Cseth%5CDocuments%5CFN%5C%E2%80%8E%20www.daisydata.com), a provider of ruggedized computers ‎and displays for the world’s toughest environments, announced a strategic partnership with ‎The ASH Group to enhance its presence in Saudi Arabia (KSA) and across the Middle ‎East and North Africa (MENA) region.‎

This partnership marks Daisy Data Displays’ first step in a long-term investment strategy in KSA, ‎highlighting the company's commitment to extending its global footprint and delivering exceptional ‎service to customers in the energy and defense sectors. The ASH Group, based in KSA, will serve as ‎the exclusive representative and distributor across the MENA region, ensuring that advanced computing ‎and HMI solutions are accessible to a wide array of industries and applications.‎

The ASH Group will provide comprehensive support for Daisy's product line, including sales, technical ‎assistance, and customer service. Furthermore, their talent, resources, and organizational strength ‎position them to eventually localize manufacturing capabilities, providing robust technical support, and ‎enhancing the ability to meet local demands.‎

This partnership would not have been made possible without the support offered by the Pennsylvania Department of Community and Economic Development, its Middle East Regional Office and the World ‎Trade Center Harrisburg, who were instrumental in these efforts. (Daisy 17.6) ‎

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* 1. ISSF Invests $2 Million in VentureSouq Fund II

Amman's [Innovative Startups and SMEs Fund (ISSF)](https://issfjo.com/%E2%80%8E) – the largest investment fund of its kind in Jordan – announces an investment of $2 million in VentureSouq Fund II. VentureSouq is a MENA-based venture capital fund manager with a global portfolio of thematic funds including FinTech. This investment, finalized in June, highlights the ISSF’s support of promising Jordanian startups. The ISSF has mandated that VentureSouq reinvest in Jordanian companies at a multiple of their initial investment, further emphasizing their commitment to the Jordanian ecosystem.

The [ISSF](http://www.issfjo.com) is a $98 million fund established in 2017 and registered in Jordan as a private shareholding company. The fund was established as a partnership between the Central Bank of Jordan with $48 million investment and $50 million from the World Bank. The ISSF is committed to facilitating funding for Jordanian early-stage startups and SMEs through investments in venture capital funds as well as direct investment in startups. The ISSF endeavors to foster a thriving and supportive entrepreneurial environment that enables promising local entrepreneurs to transform innovative projects into sustainable startups; generate jobs for Jordanian men and women; and prompt economic sectors that serve export markets by capitalizing on the creative and technical capabilities of entrepreneurs and management teams across Jordan.

Dubai's [VentureSouq](https://www.venturesouq.com) is a MENA-based venture capital fund manager with a global portfolio. The firm manages thematic funds, with a current investment focus on FinTech and ClimateTech. VentureSouq is proud to have been an anchor member of MENA’s entrepreneurial ecosystem and continues to invest heavily as a firm in education, content and programming. (ISSF 27.6)

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* 1. UAE Fintech Stake Raises $14 Million in Series A Funding

[Stake](https://getstake.com/), a proptech startup based in Dubai, has successfully secured $14 million in Series A funding, spearheaded by Middle East Venture Partners (MEVP). This round also saw the involvement of prominent investors such as Mubadala Investment Company from Abu Dhabi and Wa’ed Ventures, a subsidiary of Saudi Aramco, alongside others like Al Jomaih Holding from Saudi Arabia and Republic from the US. Specific financial terms of the deal remain undisclosed. The startup, which specializes in digital real estate investment through its platform, aims to utilize this capital infusion to fuel its expansion efforts within the UAE and Saudi Arabia.

The primary objective is to grant foreign investors access to the burgeoning real estate market in Saudi Arabia. Since its establishment in 2021, Stake has been committed to diversifying its investor base and introducing novel investment avenues. The decision to target Saudi Arabia is underpinned by its projected growth of 6% in 2025, positioning it as one of the fastest-expanding G20 economies.

The company aspires to enable both local and international investors to partake in this promising growth trajectory at an early stage. Stake’s unique proposition lies in offering fractional ownership of global real estate to investors, with a remarkably low entry threshold of AED 500. Through its platform, Stake has facilitated transactions for over 200 properties valued at AED 355 million, with more than half of its investor base originating from outside the UAE. (WAYA 10.6)

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* 1. Sidus Space Expanding Operations to the Middle East

Cape Canaveral, Florida's Sidus Space, a provider of end-to-end precision space infrastructure solutions that include satellite data as a service on its proprietary orbiting platform, announced a Memorandum of Understanding (MOU) outlining its collaboration with NamaSys Bahrain, a multi discipline Technology & Electronic Security Consultancy for the establishment of a joint venture in Saudi Arabia with a mission to build, own and operate a satellite manufacturing, production, assembly and integration facility in the Middle East supporting Gulf Cooperation Council (GCC) countries and beyond.

The MOU outlines that the parties intend to serve and fulfill the needs and requirements of government and private clients across the Middle East and North Africa (MENA) region while sharing a unified mission of fostering science and technology development. With multiple value propositions, the initial scope of this rewarding collaboration will center attention on exploring opportunities for sustained access to space for the GCC countries through the establishment of satellite manufacturing and space-based data collection. (SIDUS 25.6)

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* 1. Tahdir Raises Pre-Seed Funding Round of $306,000 from Angel Investors

[Tahdir](https://tahdir.net/), a pioneering educational technology firm based in Saudi Arabia, has concluded its inaugural pre-seed funding round, securing 1.15 million Saudi Riyals ($306,000) from a consortium of angel investors. Tahdir is dedicated to revolutionizing the interface between home and school through innovative technological solutions. Its platform streamlines daily school and educational management tasks, elevating the overall educational journey. Currently serving 92 schools, predominantly public institutions, Tahdir boasts over 30,000 active users.

Eyeing expansion into other regions of the Kingdom, Tahdir is committed to advancing digital education and empowering schools with its cutting-edge technologies. The infusion of funds will catalyze Tahdir’s growth trajectory, bolstering operational capabilities, reinforcing the development team, and fostering research and innovation in educational technology. Furthermore, strategic partnerships will be cultivated to fuel expansion and drive innovation initiatives.

With renewed investments, Tahdir is poised to solidify its leadership position in Saudi Arabia’s educational technology landscape, continually refining its platform to meet evolving school and user needs and enriching the digital education journey for generations to come. (WAYA 10.6)

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* 1. Ontario's NextSource Mulls Building a Battery Anode Plant in Saudi

Toronto's NextSource Materials is looking at Saudi as the potential home for a new battery anode plant. NextSource is screening interested investors for its proposed $280 million facility in Saudi as well as other plants at which it would also make anodes for lithium-ion batteries, it said in a filing to the Toronto Stock Exchange. The plant could produce up to 20,000 tonnes of graphite anode active material for lithium-ion batteries per year. NextSource already runs a similar plant in Madagascar that supplies Toyota and Tesla.

The plant is forecast to generate some $230 million in annual revenues with an EBITDA of $128.5 million at full capacity. NextSource has held talks with local battery manufacturers and original equipment manufacturers including PIF-backed EV-maker Lucid as well as Ceer, the Kingdom’s first EV brand. While it has yet to make a final decision, the company named Yanbu Industrial City as its preferred Saudi location. NextSource is now designing the Saudi facility.

NextSouce says a range of factors make Saudi attractive, including financing for up to 75% of the capital cost of the plant at a low interest rate, competitive energy prices, an expedited licensing process, as well as tax incentives and customs-duty exemptions. The company also points to access to skilled labor and Saudi’s position at the crossroads of Africa, Asia and Europe. (NextSource 27.6)

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* 1. Saudi Developer Dar Global Considers $300 Million US Expansion

Saudi property developer Dar Global plans to invest $300 million in New York, Miami and Los Angeles in the coming months as it seeks partners to develop luxury homes the US. The London-listed firm hopes to announce its latest development in the US before the end of 2024. Dar Global has been meeting with leading real estate developers, but the company did not identify the firms with whom it might partner.

Dar Global, the international arm of Saudi Arabia’s Dar Al Arkan Real Estate Development Company, hopes to sell at least half of the homes in its US developments to non-US buyers.

Dar Al Arkan in November 2022 signed an agreement with the Trump Organization, the company of former US President Trump, to use the Trump brand for its $4 billion project in Oman that includes a golf course, hotel and villas. The Trump International Oman is part of AIDA, one of the largest premium mixed-use developments globally, spanning 3.5 million square meters. (GB 28.6)

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* 1. Egypt’s Sahl Raises $6 Million in Collaboration with Government Entities

Cairo-based startup [Sahl](https://sahlpay.app/) has raised $6 million in Series A and seed funding to become the leading facilitator of digital payment transactions. This funding aims to establish Sahl as a one-stop shop for household bills in collaboration with government entities. Ayady for Investment and Development, a prominent Egyptian investment firm known for supporting innovative startups, led the Series A round. Existing investors Egypt Pay, Delta Electronic Systems, and E-Finance also participated.

With the new funding, Sahl plans to evolve into a comprehensive financial services provider, focusing on a frictionless, time-saving, and secure user experience. After a successful regional launch in the UAE, Sahl aims to expand further by establishing offices in the KSA and strengthening its position in Egypt and beyond.

Sahl’s strategic vision is to dominate Egypt’s EGP 2.5 trillion digital payments sector by capturing a significant portion of collections for utility companies, representing an annual EGP 250 billion. To solidify its leadership, Sahl plans to forge strategic partnerships to unlock new distribution channels, collaborative technology ventures, and co-marketing opportunities. (WAYA 11.6)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. Saudi Developers of 5.5 GW Worth of Solar Capacity get a Boost

The Saudi Power Procurement Company signed power purchase agreements for 5.5 GW of green electricity that will be generated by three new solar photovoltaic projects. The three are being built by a consortium that includes renewables giant Acwa Power, the PIF’s Water and Electricity Holding Company (Badeel) and oil giant Aramco subsidiary Aramco Power.

Two of the solar PV projects — Haden and Al Muwaih — will be set up in Mecca with a capacity of 2 GW each. The third, Al Khushaybi in Qassim, will have a capacity of 1.5 GW. The new renewable energy projects with a total capacity of 6.7 GW have been tendered since the start of 2024, the ministry said, adding that it plans to tender more projects later this year to help it hit the sought 20 GW target of annual tendered capacities.

Earlier, the Saudi Energy Ministry launched an unprecedented geographic survey project to identify suitable sites to develop renewable energy sites across the Kingdom. Contracts for the project, which the ministry says is the first of its kind, were awarded to local firms to install 1.2k stations to measure solar and wind energy over 850k sqm. It comes under the Kingdom plan to generate 50% of its electricity from renewable energy sources by 2030. (Enterprise 27.6)

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* 1. Egypt’s New Delta Irrigation Water Treatment Plant Declared Largest in the World

Egypt’s New Delta Irrigation Water Treatment Plant has been recognized as the largest in the world and has been awarded four Guinness World Records. The plant spans over 320,000 square meters and has a production capacity of 7.5 million cubic meters per day of agricultural drainage water, which serves to irrigate around 2 million acres in the western Delta region. The plant has a capacity of 86.8 cubic meters per second and a sludge treatment capability of 670 kilograms per second.

The water treatment plant has also been declared the largest in the world, and has been awarded the following four Guinness World Records: the world’s largest water treatment facility; the most capacious and operationally robust water treatment plant; the largest area for epoxy coating in structures; and the biggest sludge treatment plant globally. (Various 19.6)

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* 1. Morocco & Germany Announce an Energy Alliance

Morocco and Germany have agreed on an “energy alliance” that will see the European country supporting Morocco’s renewable energy efforts. The announcement came amid a visit to Berlin by a Moroccan delegation led by Morocco’s Foreign Affairs Minister Bourita. The agreement is part of Germany’s plan to expand its reliance on hydrogen as a “future energy source” to cut greenhouse emissions for polluting industrial sectors.

In the past few years, Germany and Morocco have been expressing their commitment to boosting cooperation in all sectors, including renewable energies. Last year in July, the German Foreign Office outlined Morocco’s efforts in fighting climate change challenges, highlighting the German-Moroccan shared goals towards energy transition, noting that both countries achieved strong results.

Since 2021, Germany has frequently stressed Morocco’s position as a strategic partner-- particularly following a political crisis between the two countries in 2021. In May 2021, Morocco decided to recall its ambassador to Berlin for consultation due to Germany’s “antagonistic” activism following the US decision to recognize Morocco's sovereignty over its southern provinces in the Western Sahara region. Months after intense political dialogue, Germany’s new government publicly voiced support for Morocco’s Autonomy Plan as a serious and credible basis to end the dispute over Western Sahara. (MWN 28.6)

ARAB STATE DEVELOPMENTS

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* 1. Lebanon’s Inflation Rate Records an Annual Rate of 52% in May 2024

According to the Central Administration of Statistics (CAS), Lebanon’s inflation rate remained at high levels, recording a yearly 51.59% by May 2024, though less than the rates of 2020 – 2023 mainly due to the stability of the exchange rate at the parallel market especially since August 2023 upon the start of the term of the acting governor of BDL Mansouri. Meanwhile, the continued escalating political and military tensions in the Middle East and its effect on Red Sea with no resolution seen in the near future pose a significant threat for the shipping companies whose ships pass through Bab el Mandeb Strait, a vital global maritime passageway. Such an occurrence is causing supply chain disruptions, an upturn in shipping costs and elevated consumer prices. The implications of these developments may result in a broader surge in inflation. As Lebanon, already struggling with the political and economic challenges causing persistent high inflation since late 2019, it would encounter heightened difficulties in preserving price stability amid prolonged economic uncertainty.

Specifically, it is worthwhile to note that Education (6.6% of CPI) increased by 589.23% YOY. Also, the cost of Housing and utilities, inclusive of water, electricity, gas and other fuels (grasping 28.4% of the CPI) added a yearly 63.32% by May 2024. Owner-occupied rental costs increased by 72.39% year-on-year (YOY) and the prices of water, electricity, gas and other fuels followed an increase by 55.18% YOY. The prices of Food and non-alcoholic beverages (20% of CPI) surged by 31.67% 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 10.02% and 46.79% respectively by May 2024. Restaurant and Hotels (2.8% of CPI) increased yearly by 23.49% by May 2024. Concurrently, costs of Clothing and Footwear (5.2% of CPI) surged by 25.65% by May 2024, and the prices of Communication (4.5% of the CPI) increased by 31.16%. Prices of Furnishings and household equipment (3.8% of CPI) declined by 6.52% year-on-year, while prices of Alcoholic beverages and tobacco (1.4% of CPI), and Recreation, amusement, and culture (2.4% of the CPI) increased by 19.3%, and 50.86%, respectively, by May 2024. Monthly inflation between April 2024 and May 2024 stood at 0.02%. (CAS 24.6)

►►Arabian Gulf

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* 1. GCC Growth Forecast Revised to 2.2% Despite Oil Output Cuts

Findings of the latest Economic Insight report by the Institute of Chartered Accountants in England and Wales (ICAEW) and Oxford Economics revealed the OPEC+ group’s extension of voluntary output cuts through Q3 imply a delayed recovery in GCC energy sectors. The growth forecast for the GCC has slipped to 2.2%, down from the 2.7% recorded three months ago, and with a slow recovery predicted for the region in 2024 due to extended oil production curbs. In early June, OPEC+ announced that it would extend oil output cuts through Q3, before gradually phasing them out from October until the end of 2025.

High-frequency data paints a positive outlook for non-energy sectors across the GCC, the report stated. In Saudi Arabia, investments are expected to flow into key sectors supporting giga-projects, including construction, manufacturing, and transportation. Strong momentum in the sports and entertainment sector, along with the tourism and hospitality sectors will likely follow.

ICAEW stated non-oil economies will continue to grow despite the GCC’s fiscal positions deteriorating. Saudi Arabia, Bahrain and Kuwait will likely see budget deficits this year and next as the current oil price level is below the fiscal breakeven point. However, the overall GCC budget position will likely remain in surplus, bolstered by strong financial standings and favorable credit ratings, allowing continued access to funding from capital markets and IPOs. Despite escalating pressures in the region, amid slowing global economies, the GCC remains “relatively positive” due to bilateral deals and investment. (ZAWYA 24.6)

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* 1. Middle East Sovereign Wealth Funds Spent $2.3 Billion in China in 2023

Middle East sovereign wealth funds (SWF) accelerated the flow of capital into China in 2023, spending about $2.3 billion last year, according to the Hong Kong Monetary Authority (HKMA). The number represented a significant increase from the $100 million spent in 2022.

Hong Kong has been courting state-backed institutions from the GCC with favorable government policies and the organization’s leverage with China in a bid to revive its weakest IPO market since the global financial crisis. In recent years, UAE and Saudi Arabia have emerged as dominant players on the landscape, with Abu Dhabi’s sovereign wealth fund first opening its office in Hong Kong in 2016. Saudi Arabia and its $940 billion sovereign-backed Public Investment Fund (PIF) has accelerated this impetus further since 2022, with offices in Hong Kong and China. Gulf sovereign wealth funds have been taking steps to realize the two-way investment corridor with Hong Kong as a China gateway. (ZAWYA 24.6)

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* 1. Kuwait’s $846 Billion Wealth Fund to Establish a Saudi Office

The Kuwait Investment Authority (KIA), one of the world’s largest sovereign wealth funds, is looking to expand its presence into Saudi Arabia. The board of the wealth fund, which oversees more than $800 billion in assets, has decided to set up a representative office in the kingdom to boost trade and investment exchange between the two Gulf states. Through the new Saudi branch, the wealth fund looks to “solidify bilateral relations”, as well as “open new horizons for joint cooperation.”

The fund so far operates two international offices outside the Gulf state, one in London and the other in Shanghai, according to KIA’s website. KIA has assets under management worth $846 billion, according to the Global Sovereign Wealth Fund. It manages Kuwait’s shares in major economic entities and plays a key role in the financial development in the Gulf state. (ZAWYA 26.6)

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* 1. UAE Central Bank Adjusts Inflation Forecast for 2024

The Central Bank of the United Arab Emirates (CBUAE) revised its inflation forecast for 2024, citing lower-than-expected increases in commodity costs, incomes and rents. The inflation rate is now projected to average 2.3%, down from the previously estimated 2.5%, according to the bank’s June 2024 Economic Quarterly Review. In Dubai, headline inflation moderated to 3.4% in Q1/24, below the global average. However, it rose to 3.9% in April, driven by significant increases in transport prices.

Housing costs, including rent, water, electricity, gas, and other fuels, which represent 40.7% of the consumer basket, continued to climb, reaching 6.5% on an annual basis in April. Meanwhile, in April, food and beverage inflation declined to 2.3%, down from an average of 3.3% in Q1 2024.

The central bank anticipates a similar inflation rate of 2.3% in 2025, largely driven by non-tradeable components of the consumer basket. The adjustment reflects a broader trend of moderated cost increases across various sectors of the economy.

Despite the adjusted inflation forecast, the UAE’s economic outlook remains robust. The CBUAE maintains its projection for the country’s real GDP growth at 3.9% in 2024, expecting it to accelerate significantly to 6.2% in 2025. This growth is underpinned by a strong performance in both the hydrocarbon and non-hydrocarbon sectors. Non-hydrocarbon GDP is expected to grow by 5.4% in 2024 and 5.3% in 2025, reflecting continued strength in sectors such as real estate, tourism, hospitality and transportation. The hydrocarbon sector, which experienced a marginal growth of 0.3% in 2024, is forecast to expand by a substantial 8.4% in 2025. (CBUAE 25.6)

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* 1. New UAE PPP Guidelines Receive Cabinet Approval

The UAE cabinet has given its approval to the Finance Ministry’s public-private partnerships (PPPs) manual, in accordance with the ministry’s recent law regulating PPPs. These guidelines aim to support the implementation of developmental and strategic projects by leveraging the financial, administrative and technological expertise of the private sector, encouraging private sector participation in their efforts to develop national and strategic projects.

The manual outlines the roles of government entities in the PPP procedures and contracts, covering "proposals from the private sector, market studies, value-for-cost assessments, project structuring and management." Additionally, the manual sets priorities for partnership projects, evaluation methods for potential private sector partners, and procedures for participating in tenders. It also details new streamlined standards and mechanisms for PPP implementation.

The Finance Ministry announced in January that it had established a new legislative framework to regulate PPPs, aiming to boost the private sector’s role in national projects. The law took effect on 1 December 2023, replacing a decree the cabinet had issued in 2017. The Dubai and Abu Dhabi governments had also individually adopted PPP laws. (WAM 27.6)

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* 1. UAE Banking Sector’s Total Assets Exceed $1.16 Trillion in First Quarter

UAE’s banking sector has seen its total assets exceed AED4.25 trillion ($1.16 trillion) at the end of Q1/24, the CEOs Advisory Council of UAE Banks Federation has been apprised. According to the latest statistics from Central Bank of the UAE, the total bank credit increased to AED2.04 trillion by the end of March 2024, deposits rose to AED2.657 trillion in the same period and the total amount of assets rose to AED4.25 trillion.

The CEOs Advisory Council called for redoubling efforts to achieve the Federation’s strategic priorities, focusing on the goals of Emiratisation in the banking and financial sector, sustainability and governance, and enhancing financial inclusion and supporting small and medium enterprises. The council stressed the importance of attracting and nurturing Emirati talent and increasing their participation in the banking and financial sector in line with the directives of Central Bank of the UAE. (TradeArabia 26.6)

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* 1. Ajman’s Economy Grew by 6.25% in 2023

Ajman's GDP rose 6.25% to AED 36 billion in 2023, according to preliminary data from the Ajman Statistics Center. At constant prices, the GDP reached approximately AED32 billion, compared to AED30.5 billion in 2022, with a growth rate of 4.7%. Key sectors driving growth include manufacturing, which accounted for 18.8% of GDP, wholesale and retail trade and vehicle repair (18%), and construction (16.4%).

The UAE’s economy grew 3.6% last year, with the non-oil economy growing 6.2%. Abu Dhabi’s non-oil economy grew 9.1% y-o-y last year, with real GDP growing 3.1%. Recent data also showed Sharjah’s non-oil economy growing 7.1% y-o-y, with GDP growing 6.5% y-o-y.

The results indicated that the manufacturing industries, wholesale and retail trade, vehicle repair, and construction sectors are prioritized in leading the economic locomotive and contributing to the GDP at current prices in the Emirate of Ajman for 2023. The manufacturing industry contributed 18.80% to the GDP, followed by wholesale and retail trade and vehicle repair at 18.04%, while construction activity contributed 16.42%. These activities also contributed significantly to the real GDP, with manufacturing accounting for 18.9% of GDP, while wholesale and retail trade and vehicle repair contributed 18.31%, and construction activities contributed 17.36% of GDP. (WAM 30.6)

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* 1. Oman Announces Plans for a Multi-Million Dollar ‘Film City’

In a significant boost to Oman’s cultural and creative sectors, the Ministry of Sports, Culture and Youth unveiled plans to establish a state-of-the-art ‘Film City’ with a projected investment of $31.2 million. The initiative stems from the outcomes of the Creative and Cultural Workshops held in March, which focused on enhancing the sultanate’s cultural and innovative industries.

The ‘Film City’ project, located in Khazaen, Barka, is envisioned to become a leading regional center for film production. It aims to generate substantial employment opportunities, with plans to create over 100 jobs for Omanis in its first year. The facility will offer comprehensive services for film production, from pre-production to post-production, positioning Oman as a key player in the regional entertainment industry.

The announcement of the ‘Film City’ is part of a broader strategy to invest in and empower Oman’s cultural sector, reported the state news agency, ONA. The Creative and Cultural Workshops, held earlier this year, catalyzed the launch of multiple initiatives.

These projects reflect Oman’s commitment to fostering a diversified and resilient economy through the arts and culture, aligning with the broader objectives of Oman Vision 2040. The strategic investment in creative and cultural infrastructure is expected to not only enhance the nation’s cultural footprint but also stimulate economic growth and job creation. (GB 24.6)

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* 1. Moody's Raises Oman's Local Currency Country Risk Ceiling to Baa1

On 28 June, Moody's Ratings (Moody's) raised Oman's local currency country risk ceiling to Baa1 from Baa2, and its foreign currency country risk ceiling to Baa2 from Baa3. The decision to raise the ceilings reflects greater predictability of policies and decision-making processes affecting non-government issuers stemming from Oman's ongoing institutional reforms started in 2020.

The three-notch gap between the local currency ceiling and the Ba1 sovereign issuer rating balances relatively predictable institutions and moderate political risk against the heavy reliance of most issuers in the country on a single common revenue source and the large economic footprint of the government and the broader public sector.

The one-notch gap between the foreign currency ceiling and local currency ceiling reflects relatively low transfer and convertibility risks implied by Oman's robust foreign currency buffers, including the liquid foreign currency assets held by the sovereign wealth fund, and the government's commitment to free flow of capital and minimal restrictions on cross-border transactions, which is balanced by the track record of large external imbalances during the periods of lower oil prices and the country's elevated external debt burden. (Moody's Ratings 28.6)

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* 1. Unemployment Rate in Saudi Arabia Stabilizes at 3.5% in First Quarter

Saudi Arabia's General Authority for Statistics (GASTAT) announced that the overall unemployment rate (for Saudis and non-Saudis) has relatively stabilized at 3.5% in Q1/24, compared to 3.4% in Q4/23. Saudi unemployment rate in Q1/24 reached 7.6%, compared to 7.8% in the fourth quarter of 2023.

In the first quarter of 2024, the unemployment rate for Saudi females rose to 14.2%, up from 13.9% in the previous quarter of 2023. On the other hand, the unemployment rate for Saudi male workers decreased to 4.2% from 4.6% in the previous quarter of 2023.

The labor force participation rate in Q1 2024 for Saudis increased to 51.4%, compared to 50.4% in the fourth quarter of 2023. However, the labor force participation rate for both Saudis and non-Saudis decreased to 66.0% from 67.0% in the fourth quarter of 2023. Moreover, the results also showed that the labor force participation rate for Saudi females increased to 35.8% in the first quarter of 2024, up from 35.0% in the previous quarter. Similarly, for Saudi male workers, the labor force participation rate increased to 66.4% from 65.4% in the previous quarter. (SPA 30.6)

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* 1. Saudi FDI Inflows Increase During First Quarter

Net foreign direct investment (FDI) in Saudi Arabia grew by 5.6% y-o-y to SAR 9.5 billion in Q1/24, up from SAR 9 billion in the same quarter a year earlier, according to the Foreign Direct Investment report by state statistics agency Gastat. FDI inflows totaled SAR 17 billion in Q1/24, showing a slight increase of 0.6% from SAR 16.9 billion in Q1/23. However, inflows were down 10.5% q-o-q from SAR 19 billion in Q4/23.

Outflows were down 5.1% y-o-y to SAR 7.5 billion in the first three months of the year, compared with SAR 8 billion in the corresponding period a year earlier. The number of investments in the Kingdom in Q1/24 fell 38.5% y-o-y to 64 agreements closed, according to earlier government data. The quarter saw two fewer agreements closed compared to Q4/23.

Saudi is aiming to garner $100 billion of foreign direct investment per year as part of Vision 2030. So far, it’s missing the mark with an estimated $19 billion in 2023 and an average of $17 billion from 2017-2022. (Various 30.6)

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* 1. Saudi Overtakes China as the Top Borrower on Global Emerging Markets

Saudi Arabia tops the list of emerging market borrowers so far this year, marking the first time in 12 years for a country other than China to lead the pack. Saudi sovereign and corporate bond issuances are up 8% YTD to over $33 billion, reflecting a "very healthy" appetite for Saudi debt. The government accounted for the lion’s share — or just over 50% — of Saudi’s total debt issuances this year as it looks to fill a $21 billion budget deficit to fund some $37 billion in domestic giga-projects. The Kingdom’s foreign direct investment volumes have reportedly fallen below target in Q1/24. OPEC-mandated oil production cuts have added to a fall in the Kingdom’s revenues, prompting it to tap the debt markets for liquidity.

The government sold $5 billion worth of FCY-denominated sukuk with three-, six- and 10-year tranches last month. It also raised $12 billion in an earlier sovereign bond sale in January, marking Saudi’s largest issuance since 2017 when it sold $21.5 billion worth of bonds. (Various 25.6)

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* 1. Saudi Cabinet Approves Changes to Regulations on Financing Companies

Cabinet approved amendments to Saudi Arabia’s law regulating financing companies, with the amendments published on 20 June. The law was originally issued in 2012 and designated the Saudi Central Bank (Sama) as the regulatory body responsible for licensing finance companies in Saudi. It requires finance companies to operate as a joint stock company and mandated "that a certain percentage of the finance company must be offered through a public offering after two financial years."

The amendments maintain that financing companies generally operate as joint-stock companies, but grant Sama the space to allow other forms based on specific business needs. Companies must now obtain central bank approval before engaging in any non-financing activity. Additionally, the amendments prohibit financing companies from loaning to other entities if a member of their board of directors acts as a guarantor. Each financing company must establish a review committee composed of non-executive board members.

Under the amendments, the boards of directors of finance and refinance companies will be held accountable for any violations including holding positions in multiple financing companies; overseeing or auditing financing companies while serving on their boards; failing to disclose any personal or familial interest in financing contracts; and for any losses incurred from unguaranteed financing. The central bank can respond to any misconduct by issuing warnings, requiring corrective action, suspending operations, imposing fines, appointing external advisors, and, in serious cases, going to court of revoke a license or force the liquidation of a company. (Sama 25.6)

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* 1. PIF to Invest $15 Billion in Brazil’s Green Economy

Saudi Arabia's Public Investment Fund (PIF) plans to invest $15 billion in Brazil, the country’s energy minister said in Rio de Janeiro earlier this month. The sovereign wealth fund will reportedly invest the money into green hydrogen, renewable energy and infrastructure, although no further details on the investments or the timeline were provided.

PIF is already working alongside Brazil’s Patria Investments — one of the leading asset managers in Latin America — on a highway project in the South American country. Manara Minerals — a JV between Saudi Arabian Mining (Ma’aden) and the PIF — completed last month the acquisition of a minority stake in Brazilian miner Vale Base Metals for $2.6 billion. Brazil’s poultry supplier BRF is planning a new plant in Saudi that could see the Kingdom produce chicken locally for the first time. The plans come nearly a year after PIF-owned Saudi Agricultural and Livestock Investment Company (Salic) acquired a 10.7% stake in BRF.

Brazil and Saudi list one another as top 20 trading partners, with $7 billion of inflows last year. The two countries also signed a MoU recently to cooperate on developing and localizing defense technologies. (Enterprise 23.6)

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* 1. KFSHRC Successfully Produces the First Therapeutic T-Cells in Saudi Arabia

Riyadh's King Faisal Specialist Hospital & Research Centre (KFSHRC) has successfully produced CAR T-cells internally for cancer treatment. This breakthrough has reduced the cost of treatment from SAR 1.3 million to approximately SAR 250,000 per treatment, making it available to patients within 14 days. This achievement overcomes all cost and shipping challenges, alleviating patient suffering by providing timely treatment and supporting national efforts to localize biotechnological industries.

Prior to the internal production of the treatment, the production period ranged from 21 to 28 days due to manufacturing outside the Kingdom. This subjected the process to numerous logistical challenges and supply chain disruptions, including cryopreservation, shipping to external manufacturing centers, and subsequent re-shipping back to the hospital, often resulting in potential delays in treatment access and prolonged patient suffering.

This accomplishment is the result of collaboration between various departments within the hospital, housed in an internal T-cell manufacturing center equipped with advanced bioreactors and cell processing units. These adhere to strict regulatory standards to ensure the quality and safety of therapeutic products, preceded by comprehensive staff training programs on the principles and techniques of T-cell manufacturing. In the current phase, the internally produced T-cells will be offered to patients as part of a clinical trial at KFSHRC. (KFSHRC 23.6)

►►North Africa

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* 1. Egypt’s Foreign Trade Hits $51.5 Billion in First Half of FY 2023/24

Egypt’s foreign trade volume for the first half of fiscal year 2023/2024 reached approximately $51.555 billion. Imports accounted for around $35.106 billion, while exports totaled $16.449 billion. A recent report by the Central Bank of Egypt highlighted the trade exchange volume between Egypt and its top 14 trade partners, who collectively represent 62.8% of the total trade volume. During this period, the trade volume with these partners amounted to about $32.402 billion, including $21.518 billion in imports and $10.884 billion in exports.

The UAE emerged as Egypt’s leading trade partner, with a trade exchange volume of approximately $4.779 billion, including $2.817 billion in imports and $1.962 billion in exports. Saudi Arabia followed closely in second place, with a trade volume of $3.433 billion, comprising $2.635 billion in imports and $798.2 million in exports. The United States ranked third, with a trade volume of $3.326 billion, consisting of $1.704 billion in imports and $1.622 billion in exports. China held the fourth position, with a trade volume of $3.312 billion, including $2.980 billion in imports and $321.9 million in exports. Germany occupied the fifth spot, with a trade volume of $2.647 billion. Within this, imports amounted to $1.873 billion, and exports stood at $774.7 million.

The trade volume with the United Kingdom reached $2.482 billion, with $1.247 billion in imports and $1.234 billion in exports. Italy followed closely with a trade volume of $2.397 billion, including $1.236 billion in imports and $1.161 billion in exports. Turkey ranked eighth, with a trade volume of $2.098 billion, comprising $1.198 billion in imports and $900.1 million in exports. Trade between Egypt and Switzerland reached approximately $1.913 billion, with $1.134 billion in imports and $778.8 million in exports. India’s trade volume was $1.375 billion, including $999.8 million in imports and $375.8 million in exports. Brazil secured the 11th position among Egypt’s major trade partners during the first half of 2023/2024, with a trade volume of $1.318 billion, including $1.246 billion in imports and $72.3 million in exports. (WAYA 23.6)

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* 1. May Sees Egyptian Auto Sales Rise for the Second Month in a Row

Egyptian auto sales in May saw a 10.8% m-o-m increase to 6.3k vehicles, according to figures from the Automotive Marketing Information Council (AMIC). The rise follows April’s 35.1% m-o-m increase, which saw sales rebound to 5.7k units from March’s 4.2k — the lowest number of auto sales since tracking began in January 2019.

Bus sales rose 36.8% m-o-m to 450 units in May, while truck sales were up 29.4% m-o-m to just over 1k units. Passenger car sales — which accounted for 76.6% of all vehicle sales — recorded a modest increase of 5.7% m-o-m to 4.8k units.

Auto sales have been relatively volatile — but overall on the decline — for the last few years. In late 2023, auto sales fell on the back of FX shortages that limited supply in the market and gave distributors leverage to hike prices as they pleased. But over the past few months, demand has been fluctuating and in March sales fell in response to the float of the EGP, which some think led to customers adopting a wait-and-see approach in hopes of further price reductions down the line. Auto sales were down 14.2% y-o-y in May, driven by a 35.2% y-o-y dip in bus sales and a 15.7% y-o-y in passenger car sales. Truck sales, on the other hand, increased by 10.5% compared to the same period last year. (Enterprise 2.7)

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* 1. Morocco Remains the Second Largest Remittance Recipient in MENA Region

According to the latest Migration and Development Brief from the World Bank, Morocco has achieved significant gains in migrant remittances, reaching another record-high level in 2023. This confirms the impact of the September 2023 earthquake on financial transfers to the country. The report states that remittances to Morocco increased by 5.2% to $11.8 billion in 2023, making the country the second largest recipient of remittances in the Middle East and North Africa (MENA) region after Egypt. Remittance inflows to Morocco have consistently exceeded foreign direct investment (FDI) flows and constitute a vital part of the Moroccan economy, accounting for 8.2% of the country’s GDP.

The pace of remittances from Moroccans abroad remained strong throughout 2023, especially after the earthquake. This aligns with studies showing the counter-cyclical nature of remittance flows, which tend to increase in the aftermath of natural disasters in migrants’ home countries.

Looking ahead, the World Bank report notes that the outlook for remittances to the MENA region will be affected by the difficult situation facing oil-importing countries, like Morocco. Nonetheless, flows to the region are expected to recover by 4.3% in 2024. The average cost of sending $200 to the region was 5.9%, down from 6.7% a year ago. Morocco has made substantial progress in recent years to enhance remittance channels, financial inclusion, and access to digital transfers. (MWN 30.6)

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* 1. Morocco to Become One of the World’s Top Six Wheat Importers in 2024

Morocco is on track to become one of the world’s top six wheat importers in 2024, according to a recent report from the United Nations Food and Agriculture Organization (FAO). The news comes in the wake of severe climatic conditions that have drastically reduced the country’s wheat production.

The FAO report projects that Moroccan wheat imports will increase by 19% next year, reaching 7.5 million tons. The substantial spike in imports is driven by a significant drop in domestic production, which is estimated to be about 40% lower than the previous year. Meanwhile, Morocco’s national wheat harvest is expected to be below average, totaling around 2.5 million tons. The shift will position Morocco as the sixth largest wheat importer globally, contributing significantly to the rising import demand from the African continent.

Total wheat demand in Africa is anticipated to grow by 2.2%, reaching a record 55.6 million tons. The report highlights the adverse weather conditions that have affected the wheat harvest in Morocco and other North African countries. Significant rainfall deficits and high temperatures have severely impacted crop yields. While Algeria’s wheat production is expected to remain stable, Tunisia might see a slight increase. In Egypt, production is projected to stay close to last year’s high levels. Despite this, Egypt will continue to be the world's largest wheat importer. (MWN 19.6)

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* 1. New Data Shows Surge in Trade Between Israel & Morocco Despite Regional Issues

Trade between Morocco and Israel has surged by 64% during the first five months of 2024, showcasing significant growth despite citizens' appeal and demands calling on the Moroccan government to end diplomatic ties with Tel Aviv amid the Hamas assault from Gaza.

As of May, bilateral trade reached an unprecedented value of $8.5 million, reflecting a staggering 124% increase from the same period last year, new data from the Abraham Accords institute showed. Overall, trade exchanges between the two nations totaled $53.2 million from January to May 2024, underscoring the robust and expanding economic ties.

Israeli exports to Morocco jumped by 128% last year, while Israel also experienced a 5.2% rise in exports to the UAE, amounting to $650 million. Trade cooperation between Israel and Arab countries has weathered significant challenges, particularly following the attack from Gaza. The situation initially caused a 61% drop in exchanges between Israel and Morocco compared to the previous year. However, a swift recovery followed, with trade exchanges reaching $94 million by late 2023, marking a 112% increase over the same period in 2022.

Since the signing of the Abraham Accords in December 2020, economic cooperation has flourished, bolstered by numerous agreements aimed at enhancing trade and investment. Regular business visits and missions have facilitated deeper economic ties and explored new investment opportunities. (MWN 28.6)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkey's Removal from ‘Gray List’ Expected to Boost Foreign Investments

On June 28, the Financial Action Task Force’s (FATF) announced that it dropped Turkey from the “gray list” of countries that require special scrutiny. Turkey has made "significant progress" in improving its regime of anti-money laundering and combating the financing of terrorism and is "no longer subject to the FATF’s increased monitoring process,” FATF said.

The international watchdog organization dedicated to combating money laundering downgraded Turkey to the "gray list" in 2021. It is felt by some that this development could to boost Turkey's reputation internationally, potentially boosting foreign investment and relationships with European and U.S. institutions. According to local analysts, FATF’s decision is likely to result in increased inflow of both FDIs and portfolio investments.

Turkey is a much more developed county compared with the other nations on the gray list, but some foreign funds refrained from investing in Turkey because it was on the list. The removal from the gray list will alleviate the additional burden on companies which engage in foreign trade, lessen scrutiny and eventually help increase exports.

In April, Turkey garnered $1.3 billion worth of FDI, with inflows amounting to $2.75 billion in the first four months of the year. Portfolio investments recorded a net inflow of $5.78 billion in January-April. Last year, FDI inflows amounted to $10.6 billion, down from the previous year’s $13.7 billion. Turkey saw record FDI inflows in 2007 at $22 billion. Since 2002, total FDI inflows to Turkey have surpassed $266 billion. Hurriyet 29.6)

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* 1. UAE Renewable Energy Firm Masdar to Acquire Greece’s Terna Energy

UAE-based renewable energy company Masdar has agreed to acquire a majority stake in Athens-listed Terna Energy. The deal will see Masdar initially acquire 67% of Terna Energy’s outstanding shares, subject to regulatory approvals and other conditions. The acquisition price values the equity at €2.4 billion ($2.6 billion) and the enterprise at €3.2 billion ($3.4 billion). After the transaction is completed, Masdar will initiate an all-cash mandatory tender offer to acquire the remaining outstanding shares, aiming to achieve 100% ownership.

This deal is the largest energy transaction in the history of the Athens Stock Exchange and one of the biggest in the European Union’s renewable energy sector. Owned by Abu Dhabi state oil company ADNOC, utilities company TAQA, and sovereign investor Mubadala, Masdar has signed an agreement with Terna Energy’s parent company GEK TERNA and other shareholders to acquire the shares at €20.002 per share. Masdar aims to achieve a global capacity of 100 gigawatts (GW) by 2030.

Founded in 1997, Terna Energy develops, finances, constructs, and operates renewable energy projects, including wind, solar, hydroelectric and pumped storage facilities. The company plans to reach 6GW of renewable energy operational capacity by 2030. (WAYA 23.6)

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* 1. Greece Introduces ‘Growth-Oriented’ Six-Day Work Week

In Greece employees have been told that they can put in a sixth day of labor in an unorthodox step aimed at turbocharging productivity. After outpacing other Europeans in terms of economic growth, the nation once at the heart of the continent’s worst financial crisis has bucked the trend again, introducing a 48-hour working week. The measure, decried as “barbaric” by unions, took effect on 1 July.

The pro-business government of Prime Minister Mitsotakis says the initiative was made necessary by the twin perils of a shrinking population and shortage of skilled workers. Prior to announcing the legislation – part of a broader set of labor laws passed last year – Mitsotakis described the projected demographic shift as a “ticking timebomb”. In an unprecedented exodus, about 500,000 mostly young educated Greeks are estimated to have emigrated since the near decade-long debt crisis erupted in late 2009.

The six-day scheme, officials say, will only apply to private businesses providing round-the-clock services. Under the extended working week, staff in select industries and manufacturing facilities will have the option of working an additional two hours a day or an extra eight-hour shift, rewarded with a top-up fee of 40% added to the daily wage. Either choice, the center-right government claims, will redress the issue of employees not being paid for overtime while also tackling the pervasive problem of undeclared work.

Greeks already work the longest hours in Europe, putting in an average 41 hours a week according to the EU’s statistics agency, Eurostat, although surveys have also proved they get paid much less. The left-wing opposition has frequently decried “Bulgarian salaries in a country of British prices”, claiming the phenomenon has only exacerbated the brain drain. People on pensions, who have also been encouraged to work under the legislation, have weighed into the debate. (Guardian 1.7)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. Israel's Most Common Baby Names of 2023

On 2 July, the Central Bureau of Statistics published a list of the most common baby names in Israel for 2023. According to CBS, the most common girls' name among Jews during 2023 was Avigail, which was given to 1,278 infants. In second place was Ayala, given to 1,171 infants, followed by Tamar (1,113). Other popular names for girls included Sara, Maya, Noa, Yael, Esther, Libi and Chana.

For Jewish boys, the most common name in 2023 was David, which 2.7% of Jewish boys (1,760) received as their given name. The second-most popular name for Jewish boys last year was Lavi, which was given to 1,415 boys, followed by Yosef (1,324). Other common names for Jewish boys were Rafael, Ariel, Ori, Ari, Moshe, Noam and Yehuda.

The most common name for boys in Israel was Mohammed, with 12% of Muslims giving their sons that name last year. This number, however, represents a drop from the 17% of boys who received this name in the early 2000s. (CBS 2.7)

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* 1. MBZUAI Largest-Ever Cohort to its Undergraduate AI Research Internship

Mohamed bin Zayed University of Artificial Intelligence (MBZUAI) in Abu Dhabi has welcomed 45 international STEM students as part of a month-long undergraduate internship. A rigorous selection process was undertaken for the second edition of the Undergraduate Research Internship Program (UGRIP), which is a four-week program for undergraduates to develop foundational Artificial Intelligence (AI) knowledge and hands-on research skills. The university attracted applications from around the world, including the UAE, the US, Canada, Australia, Colombia, Vietnam, India, Egypt, Korea and Kazakhstan.

Many of the aspiring researchers are from leading global computer science universities, including IIT Madras, Harvard University, Yale University, Johns Hopkins University, Pontificia Universidad Católica de Chile, Vietnam National University HCM City and the Australian National University. The students have the unique opportunity to work alongside world-leading faculty on real-world AI research problems with global impact in areas including health and bioinformatics, robotics, and the use of large language models to detect machine-generated text.

The Undergraduate Research Internship Program interns chose from various AI research projects based on their interests and academic and career aspirations. The projects included developing a metaverse prototype for digital healthcare, enhancing the accuracy and robustness of baby cry analysis models using AI, and systematically evaluating the generalizability of large language models across languages and tasks.

Interns also participated in a brain tumor segmentation challenge, which used computer vision techniques to detect tumors in medical images and had the opportunity to engage in an insightful industry panel discussion about the UAE’s AI sector and job market. (WAM 27.6)

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* 1. Morocco Achieves Over 78% Preschool Enrollment in 2023-2024 Academic Year

Morocco's Ministry of National Education has announced a major achievement in education for the 2023-2024 academic year, with preschool enrollment hitting a noteworthy 78.7%. This marks a notable increase of 2.2%, totaling 951,596 preschool students. The ministry attributes this increase to the expansion of educational access opportunities, particularly in rural areas, supported by the National Initiative for Human Development, alongside the implementation of delegated management. These measures have hastened the widespread acceptance of high-quality preschool education, a point emphasized in the ministry's statistical analysis for the 2023-2024 academic session.

In public education, the total student number across all three educational stages, including preschool, has reached 7,392,050. This is a 1.1% rise compared to the prior year, with girls making up 48.9% of the total student population. The largest surge, standing at 4.25%, was observed in the secondary school phase, where the student count reached 1,918,691. The ministry has actively engaged in bolstering social support initiatives to guarantee equal opportunities for all students and to tackle dropout rates, particularly in rural regions. Efforts such as the royal initiative "One Million School Bags," provision of school meals, and transportation services have played a significant role, benefiting 4,459,478 students in rural areas.

Significant progress has also been made in addressing school dropout, with a notable 12% decrease in dropout rates. The dropout rate saw a significant decline from 334,664 in the academic year 2021-2022 to 294,458 in 2022-2023, with 45.5% originating from rural areas and 38.64% among girls. Notably, 62% of those who leave school are aged over 16.

Morocco's education got a big boost in March 2024, with a €134.7 million program signed between the Ministry of Economy and Finance and the French Agency for Development. This partnership emphasizes a joint effort to improve education and human capital development, aligning with Morocco's education roadmap for 2022-2026. Despite the initial challenges encountered at the start of the current academic year, this positive review underscores the ministry’s commitment. It also reflects the collective efforts of all stakeholders in implementing the provisions of the framework law on education, training, and scientific research systems in the country. (MWN 13.6)

ISRAEL LIFE SCIENCE NEWS

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* 1. HAGAR Announces Published Clinical Data on GWave Technology

HAGAR, the developer of GWave, a revolutionary non-invasive continuous glucose monitoring technology that uses RF waves to measure glucose levels in the blood, announced the publication of clinical data demonstrating the device’s impressive accuracy in Diabetes Technology and Therapeutics.

This study highlights the precision of GWave technology. Among 75 participants—including those with type 1 and type 2 diabetes, pregnant women and individuals without diabetes—97% of GWave readings matched traditional blood glucose tests, with only 3% showing minor deviations. Two separate GWave devices showed identical results, emphasizing their reliability. In detecting low blood sugar, the GWave device accurately tracked levels down to 42 mg/dL, outperforming other CGMs that took 90 minutes to align with GWave and capillary readings.

A noteworthy aspect of the study involved comparing GWave's performance with a commercial blood glucose monitoring system. The analysis showed that GWave's measurements were highly accurate, with a mean absolute relative difference (MARD) of 6.7%, strongly correlating with capillary glucose levels. GWave's accuracy matched the FreeStyle Lite system, with an R² > 0.99 and 98.8% of results in the ideal range.

HAGAR's breakthrough designation by the FDA in 2021 is a testament to the company's success and ongoing commitment to bringing cutting-edge technology to the market. This designation is pivotal as HAGAR continues to advance its clinical research and prepare for further studies in the US and Israel in the latter half of 2024.

Tel Aviv's [HAGAR N.I.G.](https://www.Hagartech.com/%E2%80%8E) (Non-invasive Glucose Monitoring) is the developer of GWave, the first non-invasive continuous glucose monitoring technology that uses RF waves to measure glucose levels in the blood. GWave First Generation is a third of the size of a smartphone, which sends glucose readings to the user via a smartphone app that can easily be shared with their healthcare provider. GWave’s final product will be a sensor integrated into a smartwatch. HAGAR 19.6)

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* 1. Stratasys Expands Access to Anatomical Realism with New Digital Anatomy Solution

Stratasys announced the launch of its J5 Digital Anatomy 3D printer, the latest innovation designed to address the growing demand for cost-effective, high-fidelity anatomical models. This Stratasys innovation is designed to enable hospitals, medical device manufacturers and research institutions to enhance patient outcomes, streamline operations and bring products to market faster. Stratasys continues to lead the way in advanced 3D printing solutions that enhance patient care and advance medical research.

Rehovot's [Stratasys](http://www.stratasys.com) is leading the global shift to additive manufacturing with innovative 3D printing solutions for industries such as aerospace, automotive, consumer products and healthcare. Through smart and connected 3D printers, polymer materials, a software ecosystem, and parts on demand, Stratasys solutions deliver competitive advantages at every stage in the product value chain. (Stratasys 19.6)

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* 1. Insightec Announces $150 Million in Financing to Fund Continued Growth

Insightec has raised $150 million in equity financing. The round was led by Fidelity Management & Research Company and co-led by Nexus Neurotech Ventures and Ally Bridge Group. Support from new investors, Baillie Gifford, Catalio Capital Management, Fayez Sarofim & Co. and Gilmartin Capital, along with strong support from insiders, led by affiliates of York Global Finance / Community Fund and Perceptive Advisors generated an oversubscribed round.

With over 160 systems installed worldwide, Insightec’s proprietary technology has been used in nearly 20,000 commercial applications and is currently FDA approved as an incisionless, immediate treatment for patients suffering from essential tremor and Parkinson’s disease.

Tirat HaCarmel's [Insightec](https://insightec.com/) is a global healthcare company creating the next generation of patient care by realizing the therapeutic power of focused ultrasound. The company’s Exablate Prime platform focuses sound waves, safely guided by MRI, to provide tremor treatment to patients with medication-refractory essential tremor and Parkinson’s disease. Research for future applications in the neuroscience space is underway in partnership with leading academic and medical institutions. (Insightec 18.6)

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* 1. Ohh-Med Medical Launches VerticaPlus Device with a Mobile App

Ohh-Med Medical is launching the next-generation VerticaPlus with a cloud-based mobile app. The new VerticaPlus supercharges the benefits of the Vertica with the connectivity of the VerticaPlus which serves as a 'personal coach' during the treatment. The enhanced user experience includes ongoing treatment feedback, guided tutorials and personalized parameters. The robust mobile interface provides ongoing status information and a range of functions only available on the mobile app.

Vertica, an innovative device used at home, is safe, non-invasive, simple to use, and has a success rate of 85% with some men experiencing results after just four weeks, which continued up to six months later, according to a clinical study published by The International Journal of Impotence Research (IJIR). Using radiofrequency technology, Vertica is the only device in the world that actually improves the quality of the erection over time by targeting the Tunica Albuginea in the penis to decrease leakage and outflow. This innovative method improves the natural mechanism of the erection, without the need for medication, while enabling total spontaneity in relations and no side effects. Ohh-Med recommends men use the device three-times per week for the first month, twice a week for the second month, and following that, weekly for maintenance, or as desired. Each treatment takes about 30 minutes.

Founded in 2017, Tiberius' [Ohh-Med](http://www.vertica-labs.com) has established itself as a leader and pioneer in developing innovative, technology-based medical solutions for an expanding range of indications in urology. The company has developed a patented technology based on radiofrequency energy that serves as a platform to launch a complete suite of products to treat urological indications such as post-radical prostatectomy, Peyronie's disease and erectile dysfunction. (Ohh-Med Medical 24.6)

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* 1. OCON Therapeutics Secures $10 Million to Revolutionize Women's Health

OCON Therapeutics announced the successful completion of a $10 million investment round led by RH Capital. This funding will enhance OCON's ability to provide groundbreaking solutions for treating prevalent uterine pathologies, reinforcing its vision to establish a safer standard of care through its proprietary 3D drug delivery system.

OCON Therapeutics continues to lead in the development of innovative drug delivery systems for tackling the most prevalent pathologies in women's health. Leveraging its validated 3D stent drug delivery frame IUB, which has demonstrated safety and usability in over 150,000 women with its IUB Ballerine, OCON is set to advance its IUB SEAD and IUB PRIMA assets, both designed to tackle abnormal and heavy uterine bleeding, affecting 15% of the global population (1 in 3 women), providing long-term hormonal and short-term non-hormonal options for treatment.

The investment round, totaling $10 million, was led by RH Capital, with participation from Features Capital, Astia Angels, Exerte Partners, grants from the Israeli Innovation Authority and other business angels, all of whom bring a wealth of expertise and a strong commitment to advancing women's health solutions. This funding will accelerate OCON's ongoing efforts to deliver cutting-edge solutions that meet the unique needs of women.

Modi'in's [OCON Therapeutics](http://www.oconmed.com) is a women-led women's health company dedicated to developing, manufacturing, and commercializing innovative drug delivery systems based on the company's patented IUB® (Intra-Uterine Ball) platform. Recognized as a World Economic Forum Technology Pioneer, OCON is committed to providing physicians with impactful and groundbreaking innovations for treating the most prevalent uterine pathologies, with a focus on improving patient outcomes and experiences. (OCON 24.6)

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* 1. Better Juice Gives Sorbets & Fruit Ice Creams a Sugar Reduction Revamp

Better Juice has expanded its innovative sugar-reduction technology to lower the sugar loads in fruit sorbets. This will grant manufacturers new opportunities to give their products a better-for-you upgrade. The ingredient list of the beloved frosty scoops typically includes around 50% puréed fruit, added sugars or alternative sweeteners and water. Sorbets are generally viewed by consumers as refreshing to cool down with in the summer, imbued with natural goodness from real fruits.

The downside to sorbets is their naturally high sugar content. To create sugar-reduced sorbets, the company successfully adapted its patent-protected technology to process fruit concentrates and purées, the core ingredient of sorbets. The start-up produced sorbets in a range of flavors, including apple, orange, and strawberry, reducing sugar content by 50% to-70% and calories by 40%.

Better Juice's groundbreaking enzymatic technology is based on non-GMO microorganisms that naturally transform fruit juice's composition of sucrose, glucose, and fructose into prebiotic oligosaccharides and other non-digestible fibers, without any impact on their natural complex of vitamins, fiber, and nutrients. The fruit juices are treated in continuous-flow columns that contain immobilized sugar-reducing beads.

Rehovot's [Better Juice](https://www.better-juice.com/) was founded in 2018 by a team of biochemists and microbiologists from industry and The Hebrew University in Jerusalem to help beverage manufacturers produce better-for-you, lower-sugar fruit juice. Their technology earned several patents, and the company was initially funded and supported by The Kitchen Hub, Strauss Group's food-tech incubator. (Better Juice 24.6)

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* 1. N2OFF Breakthrough Reduces N₂O Emissions in Corn Cultivation

N2OFF announced its subsidiary NTWO OFF achieved a breakthrough in reducing nitrous oxide (N₂O) emissions by successfully applying its innovative bacterial technology to a corn cultivation. The Company believes this development marks an important advancement in sustainable farming practices and greenhouse gas reduction, tackling both environmental and agricultural challenges.

The cornerstone of the breakthrough is its methodology for utilizing bacteria to reduce N₂O emissions, a potent greenhouse gas with a global warming potential 310 times greater than CO₂. The Company’s approach has successfully reduced N₂O emissions by 40-50% after applying bacteria to wheat plants cultivated in a greenhouse controlled environment in soils with different structural properties. Now, the Company announced it has demonstrated that its bacteria, isolated from the wheat roots, can potentially reduce N2O emissions when applied to corn seedlings at comparable levels obtained in wheat. This in turn could potentially enable the Company to target a wider spectrum of the technology to agricultural practices to apply its solutions, which it believes could contribute to more sustainable farming and a healthier environment.

Neve Yarak's [N2OFF](http://www.n2off.com) is an agri-food tech company that through its three operational arms delivers integrated solutions for improved safety, quality, and sustainability every step of the way from field to fork. Save Foods focuses on post-harvest treatments in fruit and vegetables to control and prevent pathogen contamination. NTWO OFF contributes to tackling greenhouse gas emissions, offering a pioneering solution to mitigate nitrous oxide (N2O) emissions. NTWO OFF Ltd. aims to promote agricultural practices that are both environmentally friendly and economically viable. (N2OFF 25.6)

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* 1. Medasense Strategic Agreement with Nihon Kohden Corporation for Japan

Medasense announced a strategic partnership with Nihon Kohden for the exclusive distribution of its revolutionary pain monitoring device in Japan. This partnership is intended to transform pain management practices across Japanese healthcare facilities, offering a significant advancement in patient care.

Nihon Kohden is partnering with Medasense to introduce its nociception monitor to the Japanese market. This cutting-edge device, with its state-of-the-art AI powered NOL - Nociception Level Index, provides real-time, objective pain monitoring, enabling the personalization and optimization of pain treatment. It will be accessible to hospitals and clinics throughout Japan through Nihon Kohden's extensive distribution channels pending regulatory approval. NOL monitoring provides an AI powered, clinically validated index to objectively quantify the physiological response to pain (nociception) supporting clinicians in delivering personalized anesthesia tailored to patient requirements.

Ramat Gan's [Medasense](http://www.medasense.com) is transforming pain management with its breakthrough technology that empowers clinicians to optimize and personalize pain control, significantly reducing the risk of pain or of overmedication. The company's flagship product, the PMD-200, equipped with the NOL-Nociception Level Index, leverages advanced artificial intelligence and a proprietary non-invasive sensor system. This unique platform provides objective monitoring and quantification of a patient's pain response, making it an essential tool in an operating room and critical care unit settings where patients cannot communicate their pain levels. The PMD-200 is the first and only monitor to be authorized by the FDA for pain measurement for anesthesiology. (Medasense 26.6)

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* 1. ThaMa-Vet Introduces Innovative Fixed Dosage Swine Syringes

ThaMa-Vet has launched two new innovative swine syringes, which combine fixed dosage precision with a transparent barrel, ensuring highly accurate administration while maintaining ease of use. ThaMa 312 and ThaMa 313 are the latest additions to ThaMa-Vet's line of automatic swine syringes, offering unique all-metal, fixed-dosage single or double syringes as well as adjustable glass barrel automatic syringes.

The new Clearly Fixed ThaMa 312 and ThaMa 313 eliminate the need for manual adjustments during mass injections. With pre-set dosages pistons, users can focus on efficient vaccination without worrying about settings. The three fixed-dosage pistons (0.5 cc, 1 cc, and 2 cc) guarantee consistent and accurate dosing for every inoculation. The transparent barrel provides complete visibility during the vaccination process. Users can monitor the liquid flow, ensuring precise delivery with no need to pause production.

Petah Tikva's [ThaMa-Vet](https://www.thama-vet.com/en) specializes in the development and manufacturing of state-of-the-art automatic syringe systems and injectors for veterinary and healthcare applications. The company has been servicing poultry, swine, cattle, aquaculture and small animal producers globally for more than 60 years, and prides itself on delivering high-quality, easy-to-use, and affordable solutions that enhance animal health and welfare. (ThaMa-Vet 2.7)

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* 1. U.S. FDA Grants Clearance to IceCure for Next-Gen XSense Cryoablation System

IceCure Medical has received marketing authorization from the US FDA for its next-generation single probe cryoablation system, the XSense Cryoablation System with CryoProbes. XSense and its cryoprobes are cleared for all of the indications for which ProSense has already received the requisite FDA clearance, including general minimally invasive cryoablation in the fields of general surgery, dermatology, neurology (including cryoanalgesia), thoracic surgery, ENT, gynecology, oncology, proctology and urology. The system is designed to destroy tissue by the application of extreme cold temperatures, including fibroadenomas, kidney tissue, liver metastases, tumors, skin lesions and warts.

IceCure's platform technology, including the ProSense Cryoablation System and XSense Cryoablation System and CryoProbes, provides a minimally invasive treatment option to destroy tumors by freezing them. The systems uniquely harness the power of liquid nitrogen to create large lethal zones for maximum efficacy in tumor destruction in benign and cancerous lesions, including breast, kidney, lung and liver.

Caesarea's [IceCure Medical](https://www.icecure-medical.com/) develops and markets advanced liquid-nitrogen-based cryoablation therapy systems for the treatment of tumors (benign and cancerous) by freezing, with the primary focus areas being breast, kidney, bone and lung cancer. Its minimally invasive technology is a safe and effective alternative to hospital surgical tumor removal that is easily performed in a relatively short procedure. The Company's flagship ProSense® system is marketed and sold worldwide for the indications cleared and approved to date including in the U.S., Europe and China. (IceCure Medical 1.7)

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* 1. Lavie Bio Announces Commercial Expansion of Yalos to Winter Wheat

Lavie Bio announced the commercial expansion of its bio-inoculant product Yalos to winter wheat, following successful trials. This expansion effectively doubles the potential market for Yalos compared to markets in which Lavie Bio already operates. Winter wheat growers across the US will have access to Yalos for the upcoming 2024-2025 season.

During the successful field trials, Yalos has demonstrated enhanced early vigor, biomass, root and shoot development, nutrient availability, and feed quality in winter wheat. Yalos aims to reduce crop abandonment rates and increase farm productivity through advanced biological technologies. In addition, Lavie Bio is expecting to expand Yalos into other key crops, such as soybean and canola, with ongoing field trials in North America and an expected commercial launch in 2025.

Ness Ziona's [Lavie Bio](http://www.lavie-bio.com), a subsidiary of Evogene, aims to improve food quality, sustainability, and agriculture productivity through the introduction of microbiome-based ag-biological products. Lavie Bio utilizes a proprietary computational predictive platform, the BDD platform, powered by Evogene's proprietary MicroBoost AI tech-engine, harnessing the power of big data, AI and advanced informatics, for the discovery, optimization and development of bio-stimulant and bio-pesticide products. (Lavie Bio 2.7)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Rail Vision Secures Japanese Patent for AI-Powered Railway Obstacle Detection System

Rail Vision received a notice of allowance from the Japan Patent Office for its innovative AI-based railway obstacle detection system. This achievement marks a significant milestone in Rail Vision's global expansion strategy, reinforcing its commitment to enhancing railway safety across the world. The patented technology integrates advanced electro-optical imaging with artificial intelligence to detect obstacles on railways, significantly mitigating the risk of collisions and enhancing the safety of rail operations.

Ra'anana's [Rail Vision](https://www.railvision.io/%E2%80%8E) is a technology company that 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 believes that its technology will significantly increase railway safety around the world, while creating significant benefits and adding value to everyone who relies on the train ecosystem: from passengers using trains for transportation to companies that use railways to deliver goods and services. In addition, the company believes that its technology has the potential to advance the revolutionary concept of autonomous trains into a practical reality. (Rail Vision 24.6)

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* 1. proteanTecs Launches Automotive Electronics Real-Time Safety Monitoring

proteanTecs launched its RTSM (Real-Time Safety Monitoring), a deep data application for fault detection and failure prevention in mission-critical automotive applications. proteanTecs RTSM introduces a new industry-grade safety layer, serving as the ECU’s silent guard. A real-time safety monitoring, predictive & prescriptive maintenance application, it allows systems to stay always-on while receiving immediate alerts about faults before they become errors. RTSM augments the best-in-class safety diagnostic methods, by monitoring timing margins in the chip at a real-time resolution, under actual workloads and with high diagnostic coverage. Combining on-chip data with algorithm-based identification of issue severity, RTSM enables dynamic system adjustment and failure prevention.

RTSM is part of the company’s comprehensive portfolio of Health and Performance proteanTecs Monitoring solutions, addressing the needs of the AI, Datacenter, Automotive, Consumer, Aerospace & Defense and Telecommunications markets. The latest addition to their robust suite of applications for Automotive electronics, RTSM leverages proteanTecs’ foundational deep data approach, and adds real-time monitoring to their existing software offering of Degradation Monitoring, Mission Profile Monitoring, and Continuous Performance Monitoring.

Haifa's [proteanTecs](http://www.proteanTecs.com) is the leading provider of deep data analytics for advanced electronics monitoring. Trusted by global leaders in the AI, datacenter, automotive, communications and mobile markets, the company provides system health and performance monitoring, from production to the field. By applying machine learning to novel data created by on-chip monitors, the company's solutions deliver unparalleled visibility and actionable insights—leading to new levels of power, quality and reliability. (proteanTecs 24.6)

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* 1. Upword Rolls Out AI Research Companion & Completes $3 Million Funding Round

Upword announced the launch of its AI-powered research companion tool as well as the completion of a $3 million pre-seed funding round. The research companion uses Generative AI to transform how research is conducted and managed by leveraging data provided by the user. The tool delivers a personalized experience that adheres to traditional research methods while significantly boosting productivity.

The new tool's public launch follows a successful beta that engaged 30,000 users and 1,000 paying customers. Upword was designed for researchers and students, but among beta users, 50% of paid subscriptions were professionals outside of academia, suggesting broad appeal across industries. The beta was featured as Product of the Day and listed as one of the top AI products of the year on Product Hunt. Additionally, Upword has "Quick AI tools" like translation and summarization to help with daily tasks.

In parallel to its product launch, Upword also completed its $3 million pre-seed round from prominent investors, including Telefonica (Wayra X), Go Ahead Ventures, and Goodwater Capital. The funding will be used for further development of the new product as well as expansion into additional markets.

Tel Aviv's [Upword](http://www.upword.ai) provides AI-powered research and knowledge management solutions that enhance productivity and efficiency while maintaining traditional research methods. Leveraging state-of-the-art Generative AI, Upword offers tailored and context-specific support to help organize knowledge more efficiently. (Upword 25.6)

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* 1. Artlist Revolutionizes Video Creation with an Innovative AI Voiceover Feature

Artlist announced its latest offering — an in-product AI voiceover generator for video creators. This groundbreaking feature marks a new era in content creation and another significant step in Artlist's mission to empower brands and creators with everything they need to create videos in one place. The AI voiceover generator feature is included in the Artlist Max plan, offering even more value for the same price, and as a stand-alone plan.

Artlist's AI voice generator feature seamlessly integrates into existing workflows alongside Artlist's music, sound effects, footage, and template offering. By eliminating the need for external voiceover services, brands and creators can save valuable time and resources, accelerating content creation and unlocking new storytelling possibilities. Artlist's voiceover feature represents a significant breakthrough in content creation, providing creators with unparalleled access to a unique, high-quality voice catalog crafted by top-tier artists. Creators can now enrich their videos with professional-grade narrations, elevating the quality of their content and captivating audiences like never before with an array of exclusive voices at their fingertips.

Tel Aviv's [Artlist](http://www.artlist.io) is a leading creative technology company empowering global brands and individual creators with an extensive catalog of over 2.5 million high-quality, royalty-free digital creative assets, including music, sound effects, footage, templates and plugins, made by award-winning artists. The company has over 26 million users, including top-tier global brands like Google, Amazon, Microsoft and Calvin Klein, who trust Artlist as a complete solution for video creation. (Artlist 24.6)

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* 1. Voiceitt Launches Chrome Extension to Empower People with Speech Disabilities

Voiceitt announced the launch of Voiceitt for Chrome, a groundbreaking browser extension that empowers individuals with speech disabilities, accented English or aging voices to dictate directly into websites. This transformative tool seamlessly integrates with products such as professional workspaces, email platforms, collaboration tools, and social media pages, enabling voice-to-text content creation and helping people with disabilities create content and engage on the internet independently, often for the first time.

Voiceitt for Chrome expands the company's voice AI offerings built upon its speech recognition technology for non-standard speech. The signature Voiceitt product, a web-based application, recognizes the speech patterns of individuals with non-standard speech resulting from various conditions affecting voice, speech or fluency, accented speech or age-related changes. Voiceitt for Chrome, unlocks dictation for everyone. Customers who have been unable to access dictation or voice typing tools built only for standard speech can now dictate their ideas.

Tel Aviv's [Voiceitt](https://www.voiceitt.com/)'s mission is to help people with disabilities live more connected, independent lives. The proprietary automatic speech recognition (ASR) enables people with speech disabilities to access mainstream voice technologies, communicate by voice, and be understood. (Voiceitt 20.6)

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* 1. aiOla Awarded 'Best Speech to Text Solution' in an International AI Competition

aiOla has won the 'Best Speech to Text Solution' award in the seventh annual AI Breakthrough Awards. This program is conducted by AI Breakthrough, a market intelligence organization recognizing top companies, technologies, and products in the global AI market.

aiOla's technology combines Natural Language Processing (NLP) and Automatic Speech Recognition (ASR) to accurately capture complex jargon and acronyms. It provides customizable solutions tailored to specific company workflows and seamlessly integrates with existing systems. aiOla's solution can recognize and distinguish jargon in over 100 languages, regardless of accents or background noise. aiOla was recognized in the AI Breakthrough Awards out of more than 5,000 nominations from over 20 countries.

Herzliya's [aiOla](https://aiola.com/)'s patented technology comprehends over 100 languages and discerns jargon, abbreviations and acronyms, demonstrating a low error rate even in noisy environments. aiOla's technology converts manual processes in critical industries into data-driven, paperless, AI-powered workflows through cutting-edge speech recognition. (aiOla 26.6)

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* 1. CorrActions' Life-Saving AI-Powered Solution Prevents Cognitive Distraction in Drivers

CorrActions is unveiling a new transformative AI cognitive distraction detection solution. The CorrActions software aims to enhance road safety and save lives by assessing if a driver is intoxicated, drowsy or distracted. When cognitive impairment is detected, the NeuroMonitoring solution can take immediate action, such as alerting the driver or activating safety measures.

The innovative CorrActions' Driver NeuroMonitoring solution is the first software-only monitor of driver cognitive impairments caused by alcohol, drowsiness, cognitive distraction and more, using data already existing in the vehicle – from the steering wheel, seat, in-cabin radar and additional sensors and is implemented by OTA (Over The Air) software update without any new hardware being required. The software works passively in the background and doesn't use visual identification or a camera of any kind, making it completely non-intrusive to protect the driver's and passengers' privacy.

CorrActions' NeuroMonitor technology is based on a scientific discovery that reads EEG brain activity through the imprint of EEG signals on muscle sub-movements. One of the measures advocated by the NHTSA is the use of EEG, referred to as an objective measure that is most frequently used to measure brain states. Last year, NHTSA began the process of standardizing impaired-driving prevention technology that would be mandatory by manufacturers to prevent intoxicated driving.

Tel Aviv's [CorrActions](https://corractions.com/) was founded in 2019. CorrActions raised $7.25 million in its Series A round which closed in October last year. CorrActions is the developer of the world's first Driver NeuroMonitoring solution – a software-only, multi-symptom brain activity monitor that is highly accurate, privacy-centric and market proven. (CorrActions 27.6)

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* 1. Beamr Cloud Sprinkles AI Magic on Video Processing

Beamr Imaging announced that it is launching its first AI capability integrated into Beamr Cloud, the company’s GPU-powered video service. The video AI enhancement released today allows for automatic caption and transcription generation for videos in multiple languages. It is a first step in augmenting Beamr Cloud with AI capabilities. Later this year, Beamr plans to release additional video AI enhancement features.

Research published earlier this year by the company showed that video files that were downsized by 40% using Beamr Content-Adaptive technology (CABR), without sacrificing quality thanks to Beamr tech, streamlined Machine Learning processes and allowed significant savings in storage and costs. Beamr Cloud offers essential, easy-to-use and efficient video processes, tailored for businesses with large video libraries or those who rely heavily on video for their operations. The service is designed for customers in industries such as AI, the Internet-of-Things (IoT), User-generated content and other emerging markets. Beamr Cloud is based on Beamr’s patented and award-winning technology that reduces file size by 30%-50%, resulting in decreased storage, networking and CDN costs while maintaining video quality.

Herzliya's [Beamr](http://www.beamr.com) is a world leader in content adaptive video solutions. Backed by 53 granted patents, and winner of the 2021 Technology and Engineering Emmy award and the 2021 Seagate Lyve Innovator of the Year award, Beamr's perceptual optimization technology enables up to a 50% reduction in bitrate with guaranteed quality. (Beamr Imaging 1.7)

ISRAEL ECONOMIC STATISTICS

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* 1. Israeli Tech Fundraising Recovered Strongly During Second Quarter

Israeli tech companies raised $2.9 billion in Q2/24, up 47% from Q2/23, IVC-LeumiTech reports. The recovery in Israel's tech industry is continuing despite the war and perhaps because of the less intense fighting. Initial figures from IVC-Research - LeumiTech for Q2/24, show that after the number of foreign investors making first investments in Israeli tech companies has been consistently falling, there is now a rise.

Some 110 privately held Israeli tech companies, including early stage and growth startups, raised $2.9 billion in Q2/24, a similar number of financing rounds to the first quarter but up from $1.62 billion raised in the first quarter and $1.47 billion in Q4/23.

Even when deducting the huge amount of $965 million raised by cybersecurity company Wiz in May, Israeli tech companies still raised 19% more in the second quarter than in the first quarter. Even so six companies were responsible for 62% of the overall amount raised in the second quarter, including four cybersecurity companies - Cyera, Island, Semperis and Wiz.

$2.9 billion is the most raised by Israeli tech companies since the second quarter of 2022 when $5 billion was raised. The amount of money raised in the second quarter was 47% higher than the corresponding quarter of 2023 and 78% higher than the first quarter of 2024. The figures could be distorted by a large number of cybersecurity companies announcing financing rounds for marketing strategy purposes.

The recovery comes amid reports about a return to high company valuations being demanded by entrepreneurs from investors during negotiations for financing rounds, recalling the kind of valuations being sought until early 2022, before the tech bubble burst. (IVC-LeumiTech 30.6)

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* 1. Israel Ranks Third for Leading GenAI Companies Worldwide

A series of international studies presented by the Israel Innovation Authority has shed light on Israel’s impact on the GenAI space, with 73 Israeli companies engaged in the field. Representing 4% of all GenAI companies, it means that Israel ranks third globally after only the USA and UK. The studies presented include reports from Tortoise, the AI Index Report 2024 - Stanford University, the QUID 2023 database, Europe and Israel’s Founder Factories GenAI Edition, the Dealroom 2004 database, and the IVC database.

Israel intends to invest around NIS 600 million ($160 million) from the national program budget of NIS 1 billion ($267.1 million) by the end of 2024. The Israel Innovation Authority announced that in July, a call for proposals will be published for the establishment in Israel of a supercomputer for training large artificial intelligence models, for the benefit of the high-tech industry and academia.

According to Startup Genome, the Tel Aviv startup ecosystem moved up to fourth place position on its ranking and is now tied with Los Angeles. StartupBlink’s annual Startup Ecosystem Report ranks Israel in third place behind the USA and UK with its gap to the UK narrowing. It also ranked Israel 1st in the world for the number of R&D branches, including 11 global tech brands such as Intel, IBM and Oracle. (IIA 26.6)

IN DEPTH

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* 1. ISRAEL: Preliminary Data from IVC and Leumitech Israeli Tech Review Q2/2024

**The Israeli tech ecosystem continues to grow: Israeli technology companies raised $2.9 billion in 110 rounds in Q2/2024.**

According to the data, the positive trend continues in the Israeli tech ecosystem with a growing volume of capital raising compared to the previous quarters. Q2 is the first quarter since the beginning of 2022, in which there has been no decrease compared to the corresponding quarter last year. Israeli tech companies raised $2.9 billion in 110 fundraising rounds. Six large deals captured approximately 62% of the total capital raised in Q2/2024. Four of which were cyber companies.

The positive upward trend that began in the first quarter is also evident in neutralizing WIZ's massive fundraising ($965 million); the total capital raising increased by approximately 19% in the volume of fundraising (roughly $1.93 billion).

**Mia Eisen-Tzafrir**, Leumitech CEO: "We are happy to see that the signs of recovery felt in recent months are also reflected in the second quarter data. The data demonstrate growth in the number of deals and the transaction amount compared to Q1/2024 and the corresponding quarter last year. If such activity volumes continue, we are at a pace where the tech sector will finish a year of growth compared to the previous year. In addition, in the in-depth checks we did regarding the identity of the investors, it is encouraging to see foreign investors - who have never invested in Israel - taking part in transactions even since the beginning of the war".

**Ben Klein**, IVC CEO: "Q2/2024 ends today with positive growth indicators. The volumes of activity in Israeli tech continued to grow moderately. It's not trivial, given the circumstances. The growing presence of foreign investors shows the attractiveness of Israeli tech companies."

***Source: IVC-LeumiTech Israeli Tech Review Q2/2024***

The number of rounds in Q2/24 was similar to Q1/24, in which we saw a break in the downward trend since the beginning of 2022. In an annual comparison, quarter to quarter, the current quarter is the first since the beginning of 2022, in which there has been no decrease compared to the corresponding quarter last year (excluding Wiz's deal).

***Source: IVC-LeumiTech Israeli Tech Review Q2/2024***

The participation of foreign investors continued to increase in Q2. The number of investments by foreign investors (an entity owned by a foreigner and whose head office is not in Israel) increased somewhat in the last six months after the slump in Q4/2023. The positive trend continues even with the participation of Israeli investors and overall stabilizes at the level we saw in 2018-2019.

***Source: IVC-LeumiTech Israeli Tech Review Q2/2024***

An analysis of the activity of foreign investors in recent quarters reveals that in Q2, the number of new foreign investors (investing in an Israeli tech company for the first time) increased \*.

\*The data - which do not refer to the activity of private investors are normalized according to the methodology of the periodic reports and, therefore, do not show the total number of new investors added each year.

***Source: IVC-LeumiTech Israeli Tech Review Q2/2024***

**About the Israeli Tech Review**

The quarterly report reviews all Israeli high-tech activity: capital raising, mergers and acquisitions, and activity in the public capital market. The report analyzes the past year, leading trends, estimates of capital raising and insights. This report is based on data from the IVC and summarizes the activity of Israeli tech companies or those with Israeli affiliation in 2014-2024. The number of deals and scope may change throughout the reporting year due to real-time data updates.

**About IVC Research Center**

IVC operates the comprehensive database [www.ivc-online.com](http://www.ivc-online.com) , which contains information on over 9,350 high-tech companies by technological sector and stage of development, hundreds of Israeli and foreign venture capital and private equity funds, investment companies, angels, technology incubators, accelerators, multinational corporations, and more.

IVC's products and services include periodic studies and reviews on the industry, insights on trends, and scouting services. IVC also offers analytical tools within the framework of [IVC Industry Analytics](https://www.ivc-online.com/Research-Center/Analytics)**,** offering research and analysis and leading trends, investments, opportunities, exits, fundraising, investors, and more.

**About Leumitech**

Established in 2014, Leumitech is the high-tech banking arm of the Leumi Group and is the leading financial platform for the high-tech industry in Israel. Leumitech provides loans and comprehensive financial support by two dedicated teams specializing in all stages of high-tech companies' lifecycle, from young companies through growing companies to technology giants, investors, and other factors in the ecosystem. (IVC 1.7)

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* 1. JORDAN: IMF Executive Board Completes the First Review Under the EFF

The Executive Board of the [International Monetary Fund (IMF)](http://www.imf.org/) completed the first review of Jordan’s program supported by the Extended Fund Facility (EFF). The completion of the review makes another SDR 97.784 million (about $130 million) available to Jordan, out of the previously approved program size of SDR 926.370 million (about $1.2 billion and equivalent to 270% of Jordan’s quota). The Executive Board’s decision on the first review was taken without a meeting.

Jordan’s economy continues to show resilience, including in the face of the challenges posed by the Hamas assault on Israel from Gaza and the disruptions to trade in the Red Sea. This reflects the strong progress that Jordan has made in recent years thanks to the steadfast implementation of sound macro-economic policies and structural reforms that have strengthened the country’s resilience and enabled it to weather the impact of successive external shocks. The economy continues to grow, with growth projected to moderate to 2.4% in 2024, after having reached 2.6% in 2023. Growth is expected to pick up pace in 2025, contingent upon the conflict ending and its impact fading. Inflation is low and reserve and reserve buffers are strong.

Despite this strong performance, challenges remain. Unemployment remains high. Importantly, the unsettled regional situation weighs on Jordan’s near-term outlook. Strong international support remains needed to support the authorities’ policy efforts and to help shoulder the cost of hosting a large number of Syrian refugees.

The authorities remain firmly committed to sound macro-economic policies and advancing structural reforms, to maintain macro stability, further strengthen economic resilience, and foster stronger, job-rich growth and improved living standards for all Jordanians. Fiscal policy remains focused on continuing to reduce public debt through a gradual fiscal consolidation, while expanding targeted support to vulnerable households and creating more room for public investment. Monetary policy remains focused on maintaining monetary and financial stability and safeguarding the exchange rate peg. The adverse impact of the conflict on growth and investment underscores the need to continue with, and to accelerate, structural reforms, to improve the viability of public utilities and to create a more dynamic private sector that can create more jobs and achieve the goals of the authorities’ Economic Modernization Vision. (IMF 1.7)

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* 1. UAE: Saudi Arabia’s and the UAE’s Quest for African Critical Minerals

Said Bakr wrote on 20 June in [AGSIW](https://agsiw.org/) that Saudi and Emirati efforts to expand the countries’ presence in Africa’s critical mineral industry bring the potential for both economic collaboration and geopolitical tension with China.

On 27 May, Abu Dhabi’s International Holding Company, a government-backed investment entity, announced it is in negotiations with the Zambian government to acquire Konkola Copper Mines. The move is part of an intensive effort by the United Arab Emirates as well as Saudi Arabia to increase investment in critical minerals as the Gulf oil producing countries strive to diversify their economies away from fossil fuels.

Minerals such as copper, cobalt, lithium and graphite are critical for manufacturing electric vehicle batteries and in renewable energy infrastructure. Investing in these resources paves the way for Saudi Arabia and the UAE to not only generate substantial returns but also become key actors in the clean energy sector. Such investments, however, have geopolitical implications for China, a major established player in this sector.

**The UAE Takes the Lead, Saudi Arabia Plays Catch Up**

Between these two Gulf states, the UAE is leading the way in critical mineral investments in Africa. In July 2023, the UAE signed a $1.9 billion deal with the Democratic Republic of Congo’s state-owned mining company, Sakima, to develop four critical mineral mines, though the specific minerals and the exact Emirati entity involved have not been disclosed. In December 2023, the UAE signed a $1.1 billion investment agreement in Zambia, acquiring a 51% stake in Mopani Copper Mines. The deal was carried out by International Resources Holdings, an entity of International Holdings Company, chaired by UAE National Security Advisor Tahnoun bin Zayed al-Nahyan. That month, International Resources Holdings and Jubilee Metals Group, a metals recovery company, established a strategic partnership to recover approximately 350 million metric tons of copper in Zambia. Finally, International Holdings Company announced in May that it entered into joint venture agreements to mine iron ore in Angola, and it is in advanced discussions to extract various critical minerals in Burundi, Tanzania and Kenya.

Over the past year, Saudi Arabia has been actively pursuing critical mineral deals in Africa, though it has not yet closed on any. In June 2023, the Public Investment Fund expressed interest in investing in the Democratic Republic of Congo’s critical minerals through Maaden, a state-owned Saudi mining company. Additionally, at the Future Minerals Forum in Riyadh in January, Saudi Arabia signed memoranda of understanding for mining investments with the Democratic Republic of Congo, Egypt and Morocco. Following the forum, the kingdom established Manara Minerals, a joint venture between the PIF and Maaden, to invest in mineral resources worldwide. Manara Minerals was listed as a potential bidder for up to a 30% stake in Zambia’s copper mines owned by First Quantum Minerals, a Canada-based mining company.

**Geopolitical Double-Edged Sword**

Given China’s dominant presence in Africa’s critical mineral industry, the entry of Saudi Arabia and the UAE into the arena may have geopolitical implications for their relationships with China.

There is potential for economic cooperation on African critical minerals among the three states. China has established expansive economic partnerships in both Gulf countries’ renewable energy sectors. Given the success of these economic partnerships and the essential role of critical minerals in the clean energy industry, forming similar partnerships on African critical minerals could yield significant economic benefits for all parties.

However, Saudi and Emirati investments in Africa’s critical minerals could counter China’s strategic interests. China currently has a monopoly over Africa’s Copperbelt, owning 72% of cobalt and copper mines in the Democratic Republic of Congo alone. By contrast, the volume of actual and planned Saudi and Emirati critical mineral investments in Africa has remained relatively low and so has not yet posed a threat to China’s interests. However, Abu Dhabi’s International Resources Holdings reportedly has expressed interest in bidding for the 80% stake in Zambia’s Lubambe Copper Mine that Hong Kong-based private equity manager EMR Capital owns, which would complicate the sale already agreed upon with Chinese mining company JCHX. The sale is currently pending approval from the Zambian government. If the bid is awarded to International Resources Holdings instead of JCHX, it will mark the first Gulf challenge to China’s mineral investments in Africa.

Given the aggressive race between the United States and China to acquire African critical minerals, the United States could leverage its close ties with the Gulf states to further its own strategic interests on the continent through their critical mineral investments. According to a September 2023 Wall Street Journal report, talks are currently underway regarding potential economic partnerships between the United States and Gulf countries on African critical minerals, with discussions with Saudi Arabia so far advancing the furthest. These economic partnerships would reportedly grant U.S. companies purchase rights to some Gulf mineral investments, helping the United States gain indirect access to more of Africa’s critical minerals. This could help the United States counter China’s dominance over these minerals, as the two powers compete for resources. While such economic partnerships would strengthen Saudi and Emirati economic ties with the United States, the two Gulf states could risk being drawn more deeply into the broader geopolitical struggle between the United States and China. If these partnerships with the United States were developed more fully, China might view the UAE and Saudi Arabia as taking the United States’ side in the race for critical minerals, potentially affecting their bilateral ties with the Asian economic powerhouse.

Saudi and Emirati efforts to expand the countries’ presence in Africa’s critical mineral industry bring the potential for both economic collaboration and geopolitical tension. Navigating these complex dynamics alongside established actors in the field will require them to adapt to the multifaceted geopolitics surrounding African critical mineral resources.

*Said Bakr is a research associate in political economy at AGSIW.* (AGSIW 20.6)

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* 1. SAUDI ARABIA: Saudi Arabia’s Tech Renaissance

Atul Soneja posted in [Gulf Business](https://gulfbusiness.com/) that in the heart of the Arabian Peninsula, Saudi Arabia is embarking on a transformative journey towards a future less reliant on fossil fuels. This strategic shift is not merely a change in economic policy but a bold leap into a future where technology, innovation, and sustainability are the bedrock of national development.

Recent announcements, such as those made at LEAP 2024, underscore this vision with record-breaking investments. Over $13.4billion has been pledged to develop the country’s tech ecosystem, solidifying Saudi Arabia’s trajectory towards becoming the largest digital market in the Middle East and North Africa (MENA). This dynamic landscape presents vast opportunities for businesses worldwide to establish and thrive.

**Pioneering with AI and Advanced Technology**

Central to Saudi Arabia’s transformation is the integration of Artificial Intelligence (AI) and cutting-edge technology, which are poised to redefine the socio-economic landscape. The fusion of AI with sustainable technologies is accelerating the kingdom’s march towards becoming the leading green tech hub in the region. Industry reports estimate that AI’s contribution to Saudi Arabia’s economy could exceed $135 billion by 2030, representing 12% of its GDP. This makes the kingdom the largest beneficiary of AI technology in the Middle East.

The Public Investment Fund (PIF) of Saudi Arabia has positioned the kingdom as a prospective AI hub with plans to create a $40 billion investment fund outside the US, leveraging its energy resources and financial capacity. This establishes Saudi Arabia as a market leader in AI, attracting global talent and investment from technology giants worldwide.

**Technology’s Role in Saudi Arabia’s Economic Diversification**

At the forefront of this digital revolution are organizations leading the charge towards economic advancement and innovation. Companies like Tech Mahindra are pivotal in Saudi Arabia’s transformation, leveraging their local presence and global expertise to drive technological and digital services.

**Giga-Projects for the Future**

Saudi Arabia is also spearheading the development of cognitive cities such as The Line, Oxagon and Trojena under its multi-billion-dollar mega-projects. These cities integrate AI, renewable energy and biotechnology, setting a new standard for futuristic, sustainable living. Beyond urban development, AI and high-tech innovations are revolutionizing sectors such as automotive, finance, healthcare, and education.

In healthcare, AI-driven diagnostics, telemedicine and personalized treatment plans promise improved patient outcomes and streamlined services. In education, digital learning platforms, AI tutors and virtual reality experiences are making education more engaging and accessible.

Additionally, the digital transformation of traditional industries, including manufacturing and retail, is gaining momentum, driven by AI and robotics. Investments in digital education are preparing a generation that is not only tech-savvy but also innovative, ready to lead the digital future.

**The Power of Public-Private Partnerships**

Public-private partnerships (PPPs) are crucial in driving economic growth. For Saudi Arabia, these partnerships are essential for accelerating major projects and attracting investment. Through strategic alliances, the Kingdom can diversify its economy and set new global standards for innovation and technology-driven growth.

A prime example of such collaboration is the partnership between Saudi Arabia’s National AI Capability Development Programme and leading global tech companies. This initiative aims to integrate AI technologies across various sectors, enhancing efficiency and innovation.

Saudi Arabia aims to attract $20 billion in foreign investment in data and AI by 2030 and increase its data center capacity to over 1,000 MW. By leveraging the strengths of public resources and private sector dynamism, the Kingdom is fostering a vibrant ecosystem where technological advancements can flourish.

**Regulatory Framework and Policy Initiatives**

The Saudi government’s proactive approach to fostering innovation and technology-driven growth is commendable. Through regulatory frameworks and policy initiatives, Saudi Arabia has emerged as a burgeoning hub for digital advancement.

Key among these initiatives is the Saudi Data and Artificial Intelligence Authority (SDAIA), established to oversee the development and implementation of the country’s AI strategy. SDAIA serves as the national authority on all matters related to the organization, development, and regulation of data and AI, promoting the responsible use of AI in alignment with the country’s values and cultural norms.

The kingdom’s future in technology will be driven by AI and advanced data analytics, empowering it to address complex challenges and drive economic growth. Implementing data protection laws marks a significant step towards aligning with global standards, ensuring data privacy and security.

To further support the growth of startups and attract international investments, Saudi Arabia has introduced various incentives, including financial grants and tax exemptions. The creation of technology zones, such as the King Abdullah Economic City (KAEC), provides state-of-the-art infrastructure and services to facilitate research, development, and innovation.

These zones offer a unique ecosystem where startups and established companies alike can harness cutting-edge technology to create solutions for global challenges. The Saudi government has also introduced policies to promote the development and adoption of AI and high-tech solutions, such as the National Industrial Development and Logistics Program (NIDLP) and the regulations by the Saudi Arabian Monetary Authority (SAMA) governing fintech solutions.

**Navigating the Road Ahead**

As Saudi Arabia strides boldly into the future, its embrace of AI and advanced technology underscores an unwavering commitment to technological transformation. This ambitious journey is reshaping the Kingdom’s domestic landscape and positioning it as a pivotal player on the global tech stage. The essence of this transformation lies in collaborative ties that extend beyond borders.

For international organizations, researchers and policymakers, the imperative is clear: to engage deeply with Saudi Arabia’s growing tech ecosystem. Such collaboration holds the key to unlocking unprecedented opportunities, fostering innovation, and driving the AI and high-tech agenda forward.

Saudi Arabia’s vision for a tech-driven future is about more than economic growth; it is about creating a global community where innovation leads to sustainable development, improved quality of life, and shared prosperity. At this technological crossroads, Saudi Arabia’s invitation is a call to contribute, collaborate, and co-create a future where technology transcends boundaries, promising a horizon brimming with potential for all.

*The author, Atul Soneja, is chief operating officer, Tech Mahindra*. (GB 21.6)

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* 1. SAUDI ARABIA: Global Brands Expected to Enter Via e-Commerce Marketplaces

The "Saudi Arabia Ecommerce Market Opportunities Databook - 100+ KPIs on Ecommerce Verticals (Shopping, Travel, Food Service, Media & Entertainment, Technology), Market Share by Key Players, Sales Channel Analysis, Payment Instrument, Consumer Demographics - Q1 2024 Update" report has been added to [ResearchAndMarkets.com](http://www.ResearchAndMarkets.com‎)'s offering.

E-commerce market in Saudi Arabia is expected to grow by 10.21% on annual basis to reach $20.7 billion in 2024. Medium to long term growth story of E-commerce industry in Saudi Arabia promises to be attractive. The e-commerce is expected to grow steadily over the forecast period, recording a CAGR of 8.53% during 2024-2028. The E-commerce Gross Merchandise Value in the country will increase from $18.8 billion in 2023 to reach $28.7 billion by 2028.

The e-commerce market is poised to record strong growth over the medium term in Saudi Arabia. Over the years, the domestic market has largely depended on global marketplaces to fulfill customer needs. However, as the Kingdom pushes for economic diversification, homegrown players are expected to take center stage over the next three to four years in Saudi Arabia.

The registration of e-commerce firms has grown at a rapid rate in 2023 and the publisher expects the trend to further continue in 2024. This will aid the competitive landscape and sector growth over the medium term. Global brands are forging strategic alliances with e-commerce platforms to tap into the growing B2C market across the Kingdom. Overall, the publisher maintains a positive growth outlook for the market over the next three to four years.

**E-commerce firm registrations are growing at a significant rate in the Kingdom of Saudi Arabia**

An increasing number of businesses are seeking to tap into the growth potential offered by the e-commerce sector. This has resulted in a significant surge in new e-commerce registrations across the Kingdom.

According to the latest data shared by the Ministry of Commerce, the number of e-commerce businesses increased by 24% during Q4/23, compared to the same period in 2022. The number of registered firms increased to reach 37,481 during the last quarter of 2023. In Riyadh, 15,074 registrations were issued, making it the city with the highest number. Mecca followed with 9,529 registrations and the Eastern Province came in third with 6,011 registrations. In contrast, Medina had 1,839 registrations and Qassim had 1259, placing them lower on the list.

This comes at a time when online shopping is becoming more and more important for the economy of the Kingdom. The country is focusing on boosting its digital industry as part of the National Transformation Program. The ongoing fintech boom is also aiding the growth of the e-commerce market in Saudi Arabia. The publisher expects the trend to further continue in 2024, driving registration numbers up across the Kingdom over the medium term.

**Global brands are expected in the Saudi Arabian market via e-commerce marketplaces**

Consumer consumption is poised to record strong growth through e-commerce channels over the medium term. Consequently, to tap into the rising online consumption story of Saudi Arabia, global brands are projected to enter the Kingdom in collaboration with e-commerce marketplaces.

Mensa Brands, the Indian consumer-focused brand, announced that the firm is planning to foray into the Saudi Arabian market through e-commerce marketplace partnerships. In 2023, the firm partnered with Amazon UAE and noon to launch brands like Villian and Pebble. Going forward, the firm is planning to launch the same brands for consumers in Saudi Arabia.

The expansion of global brands, through domestic e-commerce marketplaces, will further support the growth of the industry over the next three to four years. The publisher also expects an increasing number of brands to expand their presence over the next few quarters in the Kingdom.

**Saudi Arabia-based startups are raising capital funds for MENA expansion**

With the regional market expected to report steady growth over the next three to four years, startups are raising capital to fund their expansion plans across the Middle East and North Africa markets.

Soum, a used-electronics platform, announced that the firm had raised $18 million as part of its Series A round in December 2023. The capital round was led by Jahez International company, a domestic food delivery platform. Outliers Venture Capital and Khwarizmi Ventures among other existing investors also participated in the Series A round.

The firm is planning to use the fresh capital to fund its expansion in the Middle East and North Africa region. The platform, notably, connects customers with small businesses and individuals. There are more than 14,000 listings on the platform, as of December 2023. Soum, in 2022, raised $4 million as part of its Seed funding round. Operating in more than 150 cities in the MENA region, the firm has over 4 million registered users currently.

Going forward, the publisher expects more such e-commerce startups to raise venture capital and private equity funding in Saudi Arabia. This will drive the competitive landscape, while also supporting the broader industry growth over the next three to four years. (R&M 20.6)

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