

**The FORTNIGHTLY**

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

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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. BIRD to Invest $6.55 Million in 6 New Projects

During its meeting on 2 July 2024, held in Washington D.C., the Board of Governors of the Israel-U.S. Binational Industrial Research and Development (BIRD) Foundation approved $6.55 million in funding for six new projects between U.S. and Israeli companies. In addition to the grants from BIRD, the projects will access private-sector funding, boosting the total investment in all projects to $16 million.

The submitted projects are reviewed by BIRD staff and evaluators appointed by the National Institute of Standards and Technology (NIST) of the U.S. Department of Commerce and the Israel Innovation Authority. The six projects approved by the Board of Governors are in addition to the over 1100 projects the BIRD Foundation has approved for funding during its 47-year history. To date, BIRD's total investment in joint projects exceeds $396 million, helping to generate direct and indirect sales of over $10 billion. The projects approved are:

* Amarel Embedded Solutions (AES) (Yokneam, Israel) and Gleason Corporation (Rochester, NY) to develop a Smart Machine platform to provide real-time feedback on the machining process.
* CyberRidge (Tel Aviv, Israel) and Molex (Lisle, IL) to develop a next-generation optical key technology for post-quantum photonic layer encryption.
* Datos Health (Tel Aviv, Israel) and Permanente Health Care Ventures (Portland, OR) to develop an effective digital-first home-based pulmonary rehabilitation service.
* Groundwork BioAg (Mazor, Israel), and Indigo Agriculture (Boston, MA) to develop a novel poly-microbial system that combines mycorrhizal inoculants enabling carbon removal and bacterial inoculants enabling efficient nitrogen acquisition for emission reduction in Agriculture.
* Quai.MD (Tel Aviv, Israel) and MUSC Health (Charleston, SC) to develop and implement a Clinical Process Automation Platform to guide providers in the emergency department.
* Quantum Art (Ness Ziona, Israel) and BlueQubit (Los Angeles, CA) to develop and optimize a quantum machine learning algorithm and a quantum processor configuration and methods.

The deadline for submission of Executive Summaries for the next BIRD cycle is 5 September 2024. Approval of projects will take place in December 2024.

The [BIRD (Binational Industrial Research and Development) Foundation](https://www.birdf.com/) encourages and facilitates cooperation between U.S. and Israeli companies across a wide range of technology sectors, offering funding to selected projects. The Foundation supports projects without taking any equity or intellectual property rights from the participating companies or the projects themselves. BIRD funding is repaid through royalties from sales of products that were commercialized because of BIRD support. (BIRD 30.7)

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* 1. Changes to Entry Process in Israel Begins on 1 August 2024

Effective 1 August 2024, passengers traveling to Israel and holding foreign passports will be required to apply for ETA (ETA – Electronic Travel Authorization). ETA application is available at the Ministry of Interior website: [Israel entry](https://etaisrael.com/) The ETA cost is NIS 25 and an answer to the application request will be received within 72 hours. The ETA-IL will be valid for a two-year period, for multiple trips of 90 days or less within that period. If any single visit will be for more than 90 days, a request for an extension of that stay must be submitted.

All visitors to Israel must have a valid visa or ETA-IL approval before they start their trip. The application for the ETA-IL may be submitted any time prior to travel, but it is recommended that it be submitted at least 72 hours before making any other travel arrangements (tickets, lodging, etc.). The application will first inform the applicant whether they are eligible for an ETA-IL, based on their country of origin. There are then a few basic questions to answer.

The ETA-IL system opened for applications starting 1 June 2024, as a pilot program for holders of American and German passports only. Israel joins Canada, the UK, Australia, Kenya and Korea, among others, who already have this regime in place. (Various 23.7)

ISRAEL MARKET & BUSINESS NEWS

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* 1. LeakZon Emerges from Stealth Mode with Seed Investment

LeakZon has emerged from stealth mode with a significant seed investment from Kfar Shmaryahu's Peal Holdings A.A. In the face of a global climate crisis, LeakZon addresses the need to conserve every drop of water. The company has developed a unique AI engine that efficiently manages urban water networks, providing essential insights to water utilities to reduce response time and address water anomalies.

As a global remote meter reading leader equipped with established patents in the metering industry and renowned expertise in water distribution networks, LeakZon firmly asserts that utility personnel faces challenges in managing the substantial influx of data from field sensors and water meters daily. This data overload impedes their ability to derive valuable and actionable insights. LeakZon alleviates this pain by providing comprehensive solutions that streamline data analysis, saving utilities time and resources while enhancing network management capabilities.

Kfar Saba's [LeakZon](https://www.leakzon.com/) is a leader in water management technology, leveraging AI to provide innovative solutions for urban water networks. With a mission to combat climate change, LeakZon is committed to advancing water technology and sustainability. (LeakZon 22.7)

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* 1. New Israeli Airline to be Launched in September

Israel’s first new airline in three decades is preparing to take off this fall from Haifa, providing residents of the north of the country additional travel opportunities. The new low-cost airline, Air Haifa, will begin operations as early as September.

Billed as “Israel’s startup airline”, the carrier will offer domestic and international short-haul flights to Mediterranean and Red Sea locations, starting with Eilat, and then likely to Cyprus and Greece. The airline was founded last year by a team of entrepreneurial Israeli aviation professionals, together with former senior executives of the flagship carrier El Al Israel Airlines.

Air Haifa is awaiting final accreditation from Israel’s Civil Aviation Authority—which is expected in the near future—before it announces its official launch date and begins selling tickets to confirmed destinations. The new Haifa-based airline will operate three ATR 72-600 turboprops, the first of which is expected to arrive at the end of the month. (ITN 24.7)

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* 1. Chicago's Applied Systems Acquires Israel's Planck

Chicago's Applied Systems has acquired Planck, the leading Artificial Intelligence (AI) company for the insurance industry. This strategic acquisition will significantly expand Applied’s AI capabilities, accelerating its vision for the next generation of the digital roundtrip of insurance and creating more value at every stage of the insurance lifecycle for the benefit of agencies, carriers and their clients.

Applied Systems is a leading global provider of cloud-based software that powers the business of insurance. Recognized as a pioneer in insurance automation and the innovation leader, Applied is one of the world’s largest provider of agency and brokerage management systems, serving customers throughout the United States, Canada, Ireland and the United Kingdom. By automating the insurance lifecycle, Applied’s people and products enable millions of people around the world to safeguard and protect what matters most.

Tel Aviv's [Planck](https://www.planckdata.com/) provides an AI-based data platform for commercial insurance, working with top US insurance companies and helping them increase premiums while reducing loss and expense ratios. Its mission is to empower commercial insurers by generating insights that streamline the commercial underwriting process, enabling insurers to instantly and accurately underwrite any policy. (Planck 23.7)

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* 1. SiMa.ai & Ortecs Announce Agreement to Deliver Edge AI Technology in Israel

San Jose, California's SiMa.ai, the software centric, embedded edge machine learning system-on-chip company, and Ortecs announced a strategic agreement for representation and distribution of SiMa.ai’s Machine Learning System on Chip (MLSoC) products in Israel.

Through its partnership with SiMa.ai, Ortecs will expand its portfolio and provide its customers and the market in Israel with a new artificial intelligence offering, which has consistently been an area growing in demand from its large customer base. SiMa.ai will support Ortecs on this expansion with products poised to disrupt legacy vendors in the region, increasing power and efficiency for aerospace and defense, robotics, industrial, commercial, automotive, and medical customers, among others.

Established in 2006, Yad Rambam's [Ortecs](http://www.ortecs.com) is a global authorized Representative and Distributor of electronic components that provides smart solutions to support a variety of projects and applications. They specialize in cutting-edge solutions that exceed expectations, excelling in strong commitment to customers and vendors worldwide. (SiMa.ai 24.7)

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* 1. Dazz Secures $50 Million to Accelerate AI-Powered Cloud Security Remediation

Dazz secured $50 million in a funding round co-led by Greylock, with participation from Cyberstarts, Insight Partners and Index Ventures, who doubled down on their initial investments to accelerate its momentum in redefining risk prioritization and remediation using AI technologies. The latest financing brings the company’s total funding to $110 million and will fuel its mission to help security and engineering teams reduce exposure efficiently.

Since its launch in late 2021, Dazz has experienced rapid customer growth with Fortune 500 and hyper-growth companies such as BHG Financial, Healthfirst, TaxSlayer, iCapital, and Abnormal Security across financial services, healthcare, pharmaceutical, technology, retail, and manufacturing industries. To date, customers have used the Dazz Unified Remediation Platform to automatically find and manage 1.2 billion vulnerabilities and resolve close to 500 million issues at root causes, saving significant security and engineering time, plus dramatically reducing the chance of security incidents.

Tel Aviv's [Dazz](https://www.dazz.io/%E2%80%8E) enables security and development teams to remediate risks and reduce exposure across code, clouds, applications, and infrastructure. Their Unified Remediation Platform rapidly uncovers blind spots, prioritizes issues, and streamlines fixes in a developer-friendly workflow, so risk windows shrink from weeks to hours. Dazz is a critical foundation for Application Security Posture Management (ASPM), DevSecOps, and Continuous Threat Exposure Management (CTEM) strategies. (Dazz 24.7)

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* 1. Clutch Security Launches With a $8.5 Million Seed Round

Tel Aviv's [Clutch Security](http://www.clutch.security) emerged from stealth and unveiled its groundbreaking Universal Non-Human Identity (NHI) Security Platform. The company also announced an $8.5 million Seed funding round led by Lightspeed Venture Partners, with participation from Merlin Ventures, and notable angel investors. Clutch’s mission is to deliver end-to-end NHI security and proactively bridge NHI security gaps across the entire organizational landscape, without affecting business velocity.

Clutch provides a comprehensive solution with its Universal NHI Security Platform. Clutch empowers security teams with complete visibility, encompassing any NHI type across the entire organizational landscape. The Clutch platform allows security teams to easily understand which NHIs exist, their full context, and associated risks through simplified yet detailed Identity Lineage visualization. Clutch offers comprehensive NHI security and management functionality, including risk identification and prioritization based on severity and business impact, and provides tailored actionable remediation playbooks to address identified risks effectively. When any NHI-related suspicious or abnormal behavior occurs, Clutch immediately detects those behaviors and enables swift response and incident resolution, while being seamlessly integrated with existing security workflows, protecting enterprises from potential breaches. It also enables unique Zero Trust protections, allowing enterprises to proactively thwart risks.

In today's digital landscape, enterprises encounter significant challenges in securing and managing Non-Human Identities (NHIs) due to their massive scale, decentralized, and privileged nature. Clutch’s Universal NHI Security Platform addresses these challenges, empowering security teams to know, understand, control, and secure all NHIs across the entire organizational ecosystem. With unparalleled visibility and contextual insights, Clutch offers an industry-first Zero Trust-based solution, enabling security teams not only to enforce policies and mitigate risks but also to proactively shield mission-critical NHIs based on organizational risk appetite. (Clutch 30.7)

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* 1. Monto Exits Stealth with $9 Million to Bring Order to B2B Payments Chaos

Monto, the first-of-its-kind AI connector designed for any ERP, exited stealth with $9 million in seed funding to bring order to B2B payments collection chaos. Monto enables B2B finance teams to seamlessly get paid from any AP portal used by their enterprise customers. The company also announced the opening of a U.S. office in New York City.

The round was led by Scale Venture Partners with participation from Verissimo Ventures, F2 Venture Capital, Firsthand Alliance and Room40 Ventures. Serial entrepreneur Ariel Maislos and fintech angels who come from executive positions at Intuit, Plaid, Salesforce and more also participated. Monto will use the funding for its U.S. expansion and continue advancing its technology to make the collection of B2B payments–mostly ACH and RTP–as easy as tapping a card.

Monto has created smart connections between financial systems, primarily between ERPs and AP portals. Its AI-based platform learns each customer’s invoicing requirements to ensure a seamless payment flow for the supplier to significantly reduce manual workload, mitigate the risk of late payments and improve cash flow management.

Tel Aviv's [Monto](http://www.montopay.com) is the first-of-its-kind AI connector designed for any ERP, enabling B2B finance teams to seamlessly get paid from any AP portal used by their enterprise customers. The platform connects Monto’s customers’ ERP systems to their customers' payment platforms and brings these businesses into the future of B2B payments, where getting paid is a one-click process. (Monto 30.7)

REGIONAL PRIVATE SECTOR NEWS

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* 1. Plenty & Mawarid Launch Regional Partnership to Grow Produce in GCC

San Francisco, California's Plenty Unlimited and Mawarid Holding Investment entered into an exclusive region-wide partnership to bring locally grown fresh produce to countries across the Gulf Cooperation Council (GCC). The Plenty and Mawarid JV will invest more than $130 million into the partnership's first project in the GCC – an indoor vertical farm in Abu Dhabi, designed to grow more than 2 million kilograms of strawberries annually. The joint venture plans to develop up to five farms in the next five years, which would require investing up to $680 million and bring thousands of direct and indirect employment opportunities to the region.

The Abu Dhabi farm will develop a year-round supply of berries with peak-season flavor for both the local UAE market and export to other GCC countries, replacing air freight and reducing food miles compared to current imports. The farm's complete production of strawberries is already pre-committed to Plenty partner and global premium berry leader Driscoll's, which will also contribute its proprietary genetics, global brand and extensive market experience.

[Plenty](http://www.plenty.ag) is rewriting the rules of agriculture through its technology platform that can grow fresh produce almost anywhere in the world, year-round, with peak-season quality and up to 350x more yield per acre than conventional farms. Plenty farms are the world's highest-efficiency system for converting electricity into fresh fruits and vegetables. Plenty's proprietary approach is designed to preserve the world's natural resources, make fresh produce available to all communities and create resilience in our food systems against weather, location, pests and climate impacts. (Plenty Unlimited 18.7)

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* 1. Majarra Acquires Arabic AI/NLP Startup Lableb

Abu Dhabi's [Majarra](https://majarra.com/en), the MENA region's leading digital content provider, has announced acquisition of Dubai's [Lableb](https://lableb.com/en), a trailblazing startup in Arabic AI and Natural Language Processing (NLP). This strategic move solidifies Majarra's position at the forefront of Arabic digital innovation and marks its entry into the rapidly expanding AI sector. This transaction makes Majarra the majority owner of Lableb, enabling a more complete integration of the two entities. It also aligns with Majarra's vision to enhance the utility of Arabic online through reliable content, advanced user experiences, and Arabic language technologies.

Lableb's state-of-the-art AI and NLP technologies power content discovery and personalization software products, including enterprise search and recommendation engines. Their solutions have been embraced by a diverse clientele, including online stores, government platforms, news websites, and enterprise software providers, where nuanced and accurate Arabic language processing is crucial for success. Over the years, Lableb has collaborated closely with Microsoft and AWS, in addition to leading e-commerce platforms, including Zid, Salla, and Shopify and CMS software providers like NVSSoft.

As one of Lableb's earliest clients, Majarra has firsthand experience with the transformative power of Lableb's Arabic technologies. Manhom.com, powered by Lableb's groundbreaking Named Entity Recognition (NER) technologies, has become the region's premier Arabic source for professional information. Lableb's innovations have also driven search and content discovery across all Majarra platforms, including the flagship Majarra app. (Majarra 17.7)

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* 1. Dar Global to Develop the Trump Tower Dubai

Saudi builder Dar Global and The Trump Organization have partnered up to develop Trump Tower Dubai. The new development will include a luxury hotel and Trump-branded residential units, with details on location and design expected by the end of the year. Financial details were not disclosed.

This is not the Trump Organization's first foray into Dubai: It currently operates a golf course in Dubai in partnership with real estate developer Damac. This is the Trump Organization’s third venture in the region with Dar Global. Earlier this month, they announced a Trump Tower in Jeddah and unveiled a $500 million Trump International Hotel project in Oman.

The Trump Organization is seeking more real estate in the region. It’s also one of many luxury-branded tower projects planned in the emirate. Mercedez and Binghatti are set to complete a $1 billion tower in 2026, while Mered is developing the world’s tallest apartment building in partnership with Pininfarina. Arada is also developing an Armani-branded residence, while the Bulgari Lighthouse — which saw the sale of the most expensive apartment for AED 410 million — is also set for completion in 2027. (Enterprise 22.7)

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* 1. UAE’s Sentient Labs Secures $85 Million in a Seed Round

Dubai's Blockchain-based AI startup [Sentient Labs](https://www.sentientlabs.xyz/) has raised $85 million in seed funding. The round was co-led by Peter Thiel’s Founders Fund, Pantera Capital and Framework Ventures. Additional strategic investors include Arrington Capital, Canonical, Dao5, Delphi, Dispersion, Ethereal, Folius, Foresight, Hack VC, Hashkey, Hypersphere, IDG, Mirana, Nomad, Primitive Ventures, Protagonist, Republic, Robot Ventures, Sky9, Spartan, Symbolic Capital, Topology, and several more.

Sentient Labs will use the capital to accelerate the development of an open source AI platform. It will also expand its team by hiring experts in AI research and blockchain engineering. It also intends to establish partnerships with leading academic institutions and industry players.

The system rewards engineers for tasks such as data labelling and refining, which are essential for training AI models. This platform utilizes software from Polygon, which is also venturing into the AI space. It aims to build a community-driven open AGI platform, leveraging blockchain technology via Polygon. There are numerous AI projects on platforms such as GitHub, GitLab and OneDev. Most projects are redundant or replicas of existing ones. This is where the need for an AI project like Sentient sits.

The company aims to build an open world through blockchain to achieve transparency and fairness in a world dominated by tech giants. This approach makes Sentient Labs different from other AI giants such as OpenAI, Google, or Meta. While most of these AI projects are closed-source or semi-closed, this company offers an open-source approach. (Sentient Labs 15.7)

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* 1. UAE's Watermelon Secured a $4 Million Series A Funding Round

Dubai-based food supply ordering platform [Watermelon Market](https://watermelon.market/) secured $4 million in a series A funding round. The funding saw participation from prominent investors — with Daman Investments acting as the exclusive fundraising advisor — giving new investors a 13.8% stake and valuing the company at $29 million. Guarantee Investments contributed as the exclusive advisor to the $4 million funding round.

Founded in 2020, Watermelon connects over 200 suppliers with 400 restaurants, according to the Abu Dhabi SME Hub. Watermelon concluded its seed funding round back in 2022. Watermelon plans to use the new funds to expand locally and regionally and to enhance their product offerings. (Watermelon 29.7)

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* 1. Evofem Signs Phexxi License Agreement for Middle East with Pharma 1

San Diego's women's health innovator Evofem Biosciences and private Emirati health care company Pharma 1 Drug Store signed a License and Supply Agreement for the Middle East rights to Phexxi (lactic acid, citric acid, potassium bitartrate), Evofem's FDA-approved hormone-free contraceptive. Under the terms of the agreement, Pharma 1 will have the exclusive commercialization rights for Phexxi in the Middle East, including the UAE, Kuwait, Saudi Arabia, Qatar and certain other countries in the region. Pharma 1 will be responsible for obtaining and maintaining any regulatory approvals required to market and sell Phexxi, and will handle all aspects of distribution, sales and marketing, pharmacovigilance and all other commercial functions in these countries.

Since its inception in 2019, [Pharma 1](https://pharma1ds.com/.%E2%80%8E) has continued to successfully execute its mission of offering practical solutions to fulfill health care needs based on scientific studies and accurate surveys. The company's success reflects its substantial expertise, scientific approach, and agility to adapt to the very dynamic and growing market in the GCC. (Evofem Biosciences 23.7)

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* 1. Wa'ed Ventures Backs California's aiXplain's $6.5 Million Pre-Series A Round

Saudi Aramco's $500 million venture capital fund Wa'ed Ventures has led a $6.5 million pre-Series A funding round for San Jose, California's AI no-code/low-code platform startup [aiXplain](https://aixplain.com/). The new funding round follows a successful $8 million seed round announced in April last year and has raised a total of $16.5 million to-date. The company opened operations in the Middle East earlier this year securing AI contracts with a number of large organizations in the region, including Saudi Data and Artificial Intelligence Authority (SDAIA). aiXplain's subsidiary in Riyadh will become the company's Middle East and North Africa (MENA) headquarters, driving growth in the Kingdom and across the region.

The GCC has proved to be one of the most receptive regions in the world to artificial intelligence adoption, led by Saudi Arabia and the UAE both who have invest heavily in national AI strategies. Meanwhile, government and large commercial organizations are very positive towards AI and its benefits, but are often limited to what AI they can implement due to shortage of expertise, lack of local AI services and development resources. Demand for Generative AI models, solutions and services is growing fast, but again there are insufficient resources available to support growth. aiXplain is one of a relative few GenAI specialists in the region that is providing services to help meet these needs. (Carrington Malin 17.7)

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* 1. Saudi Arabia Shows Stable Growth in Hi-Tech Funding Rounds

Even amid the overall funding decline observed across MENA, non-mega funding in Saudi Arabia grew by a marked 83% YoY in H1/24. Its share rocketed from 35% in H1/23 to some 68% in H1/24, setting a positive tone for the future pipeline.

The rise was driven by growth in both seed and Series A stages, with seed funding achieving 2.5x growth from H1/23 and hitting $69 million in H1/24. Deals also rose from 12 to 16 — mirroring the early-stage enthusiasm sweeping across emerging venture markets. Series A also had a stellar run, with funding leaping from $19 million in H1/23 to $87 million in H1/24, and deals more than doubling from 3 to 7. This pushed the share of Series A deals to a record 14%.

But when looking at deal flow in general, Saudi Arabia had 63 transactions, staying steady with the average over the last three half-year periods. Transaction activity in the Kingdom saw a slight 3% YoY drop, but was still healthier than the overall MENA region, which faced an 18% dip in deals. (MAGNiTT 29.7)

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* 1. Egypt’s Dopay Secures a $13.5 Million Series A Extension Round

Cairo based [Dopay](https://www.dopay.com/), a rapidly growing FinTech startup providing a digital payroll and payments platform serving unbanked and underbanked workers in emerging markets, announced the closing of a strategic $13.5 million Series A extension round. This funding milestone tops up a previous $18 million Series A funding round and marks a significant step in Dopay's mission to transform cash-based economies by digitizing payments and providing financial inclusion for millions of workers.

Dopay is an innovative virtual banking platform that digitizes cash payments from employers to workers and other beneficiaries, directly tackling one of the most significant FinTech opportunities in emerging markets. The Series A extension funding, led by Argentem Creek Partners with participation from existing investors, will enable Dopay to accelerate its rapid expansion in its initial market, Egypt. Additionally, the company plans to launch a range of new financial services and expand its multi-bank, multi-country platform to other markets.

Dopay's platform revolutionizes payroll by enabling real-time payments, even on weekends and holidays. Each account is equipped with a prepaid debit card, in partnership with Mastercard, providing 24/7 access to funds via ATM withdrawal. Enrolled businesses benefit from a secure and cashless payroll system, with user-friendly interfaces and complete transparency. Employees gain instant and secure access to banking facilities, regardless of their earnings. Dopay's agent banking license allows for the swift delivery of digital banking services and seamless onboarding of employees and beneficiaries, positioning the company as a leader in Egypt's digital payroll space. (Dopay 17.7)

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* 1. Flat6Labs Plans to Launch a New $85 Million Fund

Cairo based VC firm [Flat6Labs](https://www.flat6labs.com/) is planning to launch an $85 million seed fund that will focus on startups in Egypt, Tunisia and Africa at large by next year. The firm is currently in talks with a number of financial institutions — including the International Finance Corporation — over their participation in the fund. Climate change solutions are among the firm’s priority sectors, as well as edtech, logistics, healthcare and agritech — a field that is in high demand in Egypt and other African markets.

The firm currently manages some $96 million of investments in Egypt and the Arab world. It has invested in 160 startups in the Egyptian market across various fields — including 95 companies operating in the tech, healthcare, e-commerce, and logistics sectors through its first $13 million fund. (Flat6Labs 22.7)

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* 1. Canada’s Genius Metals Acquires Morocco’s BMR Copper-Gold Project

Québec's Genius Metals has signed an option agreement — a try-before-you-buy-agreement — with Morocco’s Société Bleida Mineral Resources to acquire 100% of its BMR copper-gold (BMR Cu-Au) project in Ouarzazate. Genius Metals will make the acquisition payments totaling CAD 250k (c. $182.7k) over four years, and incur operating expenses of CAD 225k (c. $164.5k) over the next three years. Canadian exploration consultants are conducting a surface sampling program on exposed rock formations and trenches to evaluate the copper potential and assess the presence of gold.

The BMR project — covering around 9 sq. km. — features two main zones of mineralization including a mineralized structure containing a brecciated (broken down into angular fragments) quartz-carbonate vein with chalcocite (a common sulfide that is made up of 80% copper by weight) and malachite (a copper carbonate hydroxide mineral). Chalcocite is one of the most profitable types of copper ores. One part of the mining grounds has a "historical" copper quarry from which 4k tons of material were extracted and remain on the property. (GM 17.7)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. Cairo Seeks to Generate $10-18 Billion from Green Hydrogen Projects by 2040

Egypt's government is aiming to generate $10-18 billion from green hydrogen projects by 2040. The government plans to accelerate the implementation of its green hydrogen strategy, aiming to produce 3.2 million tons annually by 2030, increasing to 9.2 million tons by 2040. The green hydrogen projects are also expected to create over 100,000 jobs by 2040. The goals outlined in the document are revised down from a previously announced target of exporting 12.5 million tons of green hydrogen by 2035. Egypt aims to reach a cost of $1.7 per kg by 2050 to capture 8% of the global hydrogen market share.

Egypt published a hydrogen roadmap but is yet to release its national hydrogen strategy, according to consulting agency Alexec. The country joined the African Green Hydrogen Alliance, launched the Hydrogen Egypt association and announced a tax and VAT cut of 33-55% on various project-related equipment and materials. However, the tax incentives are eligible for projects that can secure 70% of its investment from foreign financial institutions, start operations within five years, meet a minimum 20% local-content requirement, and cap foreign employees at 30% of the total workforce for up to 10 years, Alexec’s report noted. (Enterprise 18.7)

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* 1. Egypt Looks to Accelerate its Shift to Renewable Energy Sources

While increased gas exploration and production could provide short-term relief, Egypt is also looking to accelerate its shift to renewable energy sources. Prime Minister Madbouly recently pointed to plans to accelerate this transition to reduce energy security vulnerabilities. Currently, renewables make up just 11% of Egypt's energy sources.

The government aims to raise the share of renewables in its energy mix to 42% by 2035 — a goal that carries an extremely high price tag. World Bank estimates indicate that it would cost Egypt $52 billion (13% of annual GDP) to meet this goal, as well as an additional $60 billion to continue at this pace until 2050. Aiming for zero emissions by 2050 would require additional investments of $96 billion, making for a total price tag of $209 billion.

More foreign investment and international assistance will be needed to chip away at this funding gap. Egypt stands to be able to access $1.2 billion in green financing from the IMF Resilience and Sustainability Facility should we successfully pass the third review of our current IMF program. Green bonds have a role to play in financing the green transition as well, with officials suggesting in 2023 that issuances could reach $3-5 billion by 2028. (Enterprise 28.7)

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* 1. Algeria Advances Progress on Desalination Plants

Construction on one of the Algerian Energy Company’s (AEC) six solar-powered seawater desalination plants is around 68% complete. The project — part of the country’s 2022-2024 plan to tackle water security — aims to produce 300k cubic meters per (cbm) of potable water daily. The project is managed by AEC and executed by Sonatrach subsidiaries SARPI and ENAC.

Once all plants are operational — in addition to another five currently being built with a capacity of 1.5 million cubic meters per day set to launch in December — Algeria’s water production capacity is expected to rise to 5.4 million cbm in 2028 to meet 60% of the country’s drinking water needs at subsidized prices. The plants are set to become operational between 2027 and 2028. (Enterprise 24.7)

ARAB STATE DEVELOPMENTS

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* 1. Lebanon’s Inflation Rate Records a 41.78% Increase in June 2024

The Central Administration of Statistics (CAS) revealed that Lebanon’s inflation rate remained at high levels as it recorded a yearly 41.78% rise in June 2024, though less than the rates of 2021 – 2023, mainly due to the stability of the exchange rate at the parallel market especially since August 2023. 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 consequently, elevated consumer prices. Lebanon, already struggling with the political and economic challenges causing persistent high inflation since late 2019, has encountered heightened difficulties in preserving price stability amid prolonged economic uncertainty.

Education costs (6.6% of CPI) increased by 587.67% 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 28.07% by June 2024. Similarly, Owner-occupied rental costs increased by 43.11% year-on-year (YOY) and the prices of water, electricity, gas, and other fuels followed a rise by 11.91% YOY. Food & non-alcoholic beverages (20% of CPI) prices surged by 29.58% 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 18.55% and 47.24% respectively by June 2024. Also, Restaurant and Hotels (2.8% of CPI) increased yearly by 23.77% by June 2024. (CAS 23.7)

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* 1. Jordan's Agricultural Exports Surge by 25% to Reach JD500 Million by May

Jordan's Minister of Agriculture Hunaifat announced on 28 July that national agricultural exports have reached half a billion Jordanian dinars, reflecting a 25.3% increase by the end of May compared to the same period in 2023. The value of fruit and vegetable exports rose to JD125.5 million, a 22.3% increase from the beginning of the current year compared to the same period in 2023. This growth is attributed to the total exports of fruits and vegetables, which surged to 178,000 tons, marking a 32% increase until the end of May compared to 2023.

The minister pointed out that the value of vegetable exports increased by 19% during the same period, due to the cumulative quantity of vegetable exports rising to 130,000 tons, a 27% increase until May, compared to 2023. The value of fruit exports saw a significant rise of 29.5%, as the cumulative quantity of fruit exports reached 48,000 tons, a 48% increase compared to 2023.

Hunaifat also noted a remarkable increase in the value of live animal exports, which soared to JD44.2 million, a 259% increase until the end of May compared to last year. This rise is attributed to the cumulative export of live sheep, which reached 220,000 heads, reflecting a 260% increase compared to 2023. These figures underscore the robust growth in Jordan’s agricultural sector, driven by enhanced export performance and increased demand in international markets. (Petra 28.7)

►►Arabian Gulf

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* 1. UAE Signs CEPA Agreement with Mauritius

The UAE has signed a comprehensive economic partnership agreement (CEPA) with Mauritius. The agreement will eliminate tariffs on 99% of UAE imports to Mauritius and 97% on incoming Mauritian imports, making it the first of its kind to be signed between the UAE and an African country. The agreement will also make way for investment into priority sectors such as logistics, manufacturing, tourism and financial and professional services in Mauritius.

The UAE is in talks with Japan and Malaysia to finalize the terms of bilateral trade agreements, with up to seven other pacts set to be inked before year-end, in addition to seven more agreements pending final ratification. The trade pact with South Korea is scheduled to enter into force by Q1/25, pending final approval in Korea.

The UAE is also hoping to reactivate both bilateral and GCC-level trade talks with the EU by the end of the year. A trade zone agreement with the Eurasian Economic Union could also be finalized before year’s end> It was reported earlier this year that the UAE is nudging the EU towards a bilateral trade pact separate from an Arab bloc, due to slow trade negotiations between the Union and the GCC. (WAM 22.7)

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* 1. UAE & Morocco Finalize a Comprehensive Free Trade Agreement

The UAE and Morocco concluded negotiations for a Comprehensive Economic Partnership Agreement (CEPA), marking a significant step forward in strengthening trade and investment ties between the two nations. Once implemented, the UAE-Morocco CEPA will facilitate the free flow of goods and services by reducing or removing tariffs, eliminating unnecessary barriers to trade, improving market access for services, enhancing customs harmonization, and establishing flexible rules of origin for goods. Additionally, the agreement will create platforms for investment and private-sector collaboration in key sectors such as renewable energy, tourism, infrastructure, mining, food security, transport, logistics and ICT.

In 2023, the two countries shared $1.3 billion in non-oil trade, representing a 30% increase from 2022 and an 83% increase compared to 2019. The UAE stands as the largest Arab investor in Morocco, with more than $15bn invested in various strategic projects.

The UAE’s CEPA program aims to increase the country’s non-oil foreign trade to Dhs4 trillion by expanding relations with strategically important markets around the world. In 2023, the UAE’s non-oil trade in goods reached an all-time high of $710 billion, a 12.6% increase from 2022 and 34.7% more than 2021. Morocco is the latest African nation to conclude CEPA terms with the UAE, following Mauritius, Kenya, and Congo-Brazzaville. This agreement is expected to further enhance the economic cooperation between the UAE and Morocco, fostering a new era of mutually beneficial trade and investment opportunities. (WAM 28.7)

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* 1. UAE & Chile Formalize Trade Pact

On 29 July, the UAE and Chile signed an economic partnership yesterday aimed at boosting bilateral investments, private sector partnerships, as well as trade between the countries. The agreement marks the UAE’s second economic partnership with a South American country following the agreement signed with Colombia in April.

The agreement will eliminate tariffs for 99.5% of UAE imports from Chile, paving the way to achieve the countries’ target of doubling non-oil trade to $750 million by 2030, up from $306 million last year. UAE exports to Chile are projected to rise by $247 million by the end of the decade. The countries concluded negotiations on the trade and economic agreement last April.

Several MoUs were signed at that time, covering food security, agrifood investment, cooperation in investment and information technology and space research. The two countries also signed a declaration of intent to collaborate in the field of mining. The talks highlighted the two countries’ mutual interest in renewable energy, digital economy, and climate action. The UAE & Chilean leaders also reviewed progress on the Bi-Oceanic Corridor, announced during Cop28 last year by the UAE, Chile, Brazil, Paraguay and Argentina. The railway is set to enhance trade in South America as it will span the full width of the continent, from Brazil to Chile. (WAM 29.7)

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* 1. UAE to Issue 3 New Policies to Boost Cybersecurity by end of 2024

The UAE Cybersecurity Council is currently working on developing three new policies to be issued by the end of 2024 to support the country's cybersecurity system. These policies aim to enhance the UAE's position as a global hub for advanced technology and artificial intelligence (AI). The new policies include cloud computing and data security, Internet of Things security and cybersecurity operations centers. Executive regulations for the "encryption" law, which sets the main standards for securing data transmission in line with quantum systems, are expected to be issued before the end of 2024.

The UAE Cybersecurity Council Chairman explained that the digital transformation in the UAE encompasses all sectors, such as health, energy, education, aviation and other strategic sectors, which creates a growing need for an advanced cybersecurity system to protect the cyberspace from potential attacks, especially given the evolving AI solutions used by various entities to conduct general surveys to identify digital vulnerabilities in the critical infrastructure of vital sectors.

The UAE faces malicious cyberattacks targeting strategic sectors, especially the financial sector, to compromise national security or obtain financial information to blackmail individuals or countries for illicit gains. The UAE's cybersecurity system continues to repel and thwart such attacks, identify the hackers, and deal with them as per the highest international standards. (WAM 27.7)

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* 1. Ethiopia & UAE Launch '5 Million Ethiopian Coders' Initiative in Addis Ababa

A joint initiative between Ethiopia and the UAE dubbed “5 Million Ethiopian Coders” was launched in Addis Ababa. The joint initiative, which is an offshoot of a proposal by Sheikh Mohammed Bin Rashid Al Maktoum, at the 2017 World Economic Forum under the “One Million Arab Coders” program, aims to provide basic digital literacy training to 5 million Ethiopian youth by 2026 with a target if making at least 50% of the trainees to be young women.

The training programs are expected to equip youth from all regions, with a focus on rural areas by partnering with schools, TVET institutes, and other centers to integrate training into the schools’ curriculum, according to the stated objectives of the joint initiative.

Ethiopian learners will gain skills in Programming Fundamentals, Data Science Fundamentals and Android Kotlin Developer Fundamentals. Learners will be supported by mentors who will support them on a dedicated Community Platform to unblock technical questions daily throughout the 6-7 week course. Upon successful course completion, learners will be awarded skill-based certifications. (AS 23.7)

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* 1. Dubai’s GDP Grew by 3.2% During the First Quarter

Dubai saw its GDP expand 3.2% y-o-y to over AED 115 billion in Q1/24, Dubai Crown Prince Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum said in a statement. Trade, transport, financial activities, real estate and manufacturing collectively accounted for some 64% of the emirate’s total economic growth, while the remaining sectors contributed 36% to overall growth.

The biggest contributors to growth were the wholesale and retail sectors, accounting for 22.9% of GDP and growing 2.8%; while the transport and storage sector grew 5.6% y-o-y to account for 13.4% of GDP. The financial and insurance sector climbed 5.6% y-o-y, contributing 13.1% to GDP and manufacturing and real estate each accounted for 7.3% of GDP.

Dubai’s economy rose by 3.3% y-o-y in 2023 to AED 429 billion, with the real estate sector among those seeing the highest growth rates at 5.6% y-o-y, alongside transport and storage, which also saw a 9.2% jump. Abu Dhabi saw its GDP expand 3.3% y-o-y in 1Q 2024 to AED 286 billion, with the non-oil economy growing 4.7% y-o-y. (WAM 23.7)

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* 1. Dubai's Inflation Rate Rises in June

Dubai’s annual inflation came in at 3.85% y-o-y in June, inching up from 3.81% in May, but remaining slightly lower than its peak in April, according to figures from the Dubai Statistics Center. The higher inflation reading was driven by price increases across all goods and services categories.

Prices of housing, water, electricity, gas and other fuels — the largest component of the basket of goods and services — increased at the highest pace this year to 6.66% during June, compared to 6.58% in May, while food and beverage inflation accelerated to 2.35% from 2.28%. Month-on-month, Dubai’s inflation rose to 0.28%, reversing the 0.24% decline recorded in May, according to the statistics center’s monthly inflation report. (DSC 17.7)

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* 1. Oman Posts Lowest Inflation in GCC

Inflationary pressures in Oman and other GCC countries remained low during H1/24, underpinned by a strong US dollar, subdued import prices, and continued subsidy policies of the region’s governments. The growth of the consumer price index (CPI) in the GCC remained low and hovered around the 3% year-on-year level despite persistent geopolitical instability in the greater MENA region.

Among the six GCC countries, Oman reported the lowest average year-on-year growth in inflation during H1/24. Oman’s inflation rate in May 2024 was 0.9%, compared to 0.4% growth in April 2024. The sultanate’s annual inflation rate further decreased to 0.7% in June 2024.

Comparatively, Dubai witnessed the biggest inflation increase in the GCC during May 2024, reporting a growth of 3.8% year-on-year during the month compared to 3.9% in April 2024. Kuwait reported 3.2% inflation growth during May 2024, while the remaining three countries of the GCC reported monthly inflation growth of less than 2.5% during the month (Saudi Arabia at 1.6%, Bahrain at 2.5%, and Qatar at 0.9%). Inflation data for June 2024 published by Saudi Arabia showed a year-on-year increase of 1.5%.

The International Monetary Fund (IMF) recently warned that inflation in major economies has been declining slower than anticipated, complicating monetary policy normalization. The IMF projects GCC inflation to average 2.2% in 2024 and 2.1% in 2025.

The data from Oman’s National Centre for Statistics and Information (NCSI) for June 2024 showed an increase in the price of food items and non-alcoholic beverages by 3.8%, goods and services by 3.3%, health by 2.4%, culture and entertainment by 0.5%, restaurants and hotels by 0.4%, tobacco by 0.2%, and garments and shoes by 0.1%. (Muscat Daily 25.7)

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* 1. Saudi Inflation Dips for the First Time in Three Months

Saudi Arabia's inflation decelerated slightly to 1.5% y-o-y in June, marking the first month of decline following a three-month plateau, according to the General Authority for Statistics’ (Gastat) latest consumer price index. The figure had been holding steady at 1.6% from March through to May. Overall, consumer prices increased at a slower clip in June compared to the previous month, inching up 0.1% primarily driven by a 0.7% increase in housing rents.

Actual housing rents — which weighs the heaviest of all components in the Saudi consumer basket — experienced the most significant y-o-y rise, growing 10.1% in June compared to the same month in 2023 on the back of a 7.9% increase in villa rents, according to the statistics agency. Retailers and mall operators are also facing higher rents, with average rental rates in Riyadh’s retail market increasing by 3% y-o-y to SAR 2.7k per sqm for regional and international malls, according to a recent Saudi market overview by Knight Frank. ِEven so, occupancy rates have risen to 90% y-o-y, supported by a 56% y-o-y tourism boom in 2023.

Food and beverage and the education sectors each saw prices rise 1.1% y-o-y in June, mainly driven by a 6.5% y-o-y rise in vegetable prices and a 4.1%y-o-y rise in secondary school fees. The cost of dining out or staying at a hotel grew 2.4% y-o-y on the back of a 9.8% increase in accommodation service prices. Producer prices remained unchanged from May, holding steady at 3.2% y-o-y in June, according to Gastat’s wholesale price index. The rise was driven by basic chemicals (up 13.4% y-o-y) and refined petroleum products (up 12%), as well as food, beverages, tobacco and textiles, which rose 1.3% y-o-y. (Gastat 18.7)

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* 1. IMF Once Again Lowers Saudi's 2024 Growth Target to 1.7%

The International Monetary Fund (IMF) has cut its forecast for Saudi economic growth to 1.7% this year, down 0.9% from its earlier forecast of 2.6% in April. The IMF said the downgrade came based on ongoing oil production cuts — it’s the largest single downgrade on growth outlook for the major economies the IMF tracks.

This is the IMF’s third downgrade of Saudi Arabia's GDP growth forecast this year due to combined effects of lower oil prices and production cuts. It first lowered its projections for the economy’s growth to 2.7% in January from an earlier forecast of 4.0% in October 2023. It then trimmed its forecast further to 2.6% in spring. The Kingdom’s economy contracted 0.9% last year, down from 8.7% growth in 2022 despite continued growth in the non-oil economy. The IMF also lowered its projections for Saudi GDP growth in 2025 to 4.7%, 1.3% below its April forecast.

The Kingdom has voluntarily cut oil production by 1 million barrels per day to stabilize the global market as per its ongoing agreement with OPEC+ to slash oil production by a combined 3.7 million barrels per day until October of this year. The Finance Ministry is targeting GDP growth of 4.4% for the current fiscal year, Finance Minister Al Jadaan said in December. (Enterprise 18.7)

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* 1. Where the Saudi Arabian Health Sector Stands

Saudi Arabia has already delivered on many of the 2025 targets it had set for the local healthcare sector, including receiving patient evaluations, raising users' satisfaction rates, providing basic medical services to the majority of the population, and lowering traffic fatalities, according to the health sector transformation program annual report.

The average human life expectancy in the Kingdom stood at 77.6 years by the end of 2023. Around 96.4% of the population is currently covered by basic health care services, including in remote areas. This exceeds the 88% target set for the year 2025. The Kingdom currently has 733 nursing staff for every 100,000 people, a little behind the 738 target for 2023.

Users of the national population health platform (Sehhaty) rose 15% y-o-y to 30 million in 2023, with 1.6 million virtual consultation and 9.2 million virtual appointments. Adherence to newborn testing procedures in public hospitals rose to 94.3% in 2023, up from 63% in 2022. In private sector hospitals, that figure rose to 84% in 2023, up from just 7% in 2022.

Some 82% of healthcare service beneficiaries evaluated the services they received by primary health care centers. The Kingdom had set a target of 81.2% in 2023 and 81.7% for 2025. Meanwhile, 87.5% of all healthcare patients reported their satisfaction with the services they had received during hospitalization, coming in just above the 2025 target of 85.8%.

The number of pharmacies affiliated with the Online Drug Track and Trace System (RSD) grew 13% y-o-y to 11,100 in 2023. RSD is a platform sponsored by the Saudi FDA to track the availability of local and imported pharma products which aims to enhance oversight and ensure drug safety, by identifying and documenting the source and movements of each drug before it reaches patients. (Enterprise 29.7)

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* 1. Saudi Non-Oil Exports Rose by 2.1% in May While Imports Grew by 2.6%

Saudi Arabia's non-oil exports rose by 2.1% y-o-y in May 2024, according to the latest data from the General Authority for Statistics. Total non-oil exports, including re-exports increased 8.2% in May compared to the same month last year. Meanwhile, import volumes increased 2.6%.

Merchandise exports were up 5.8% y-o-y in May on the back of a 4.9% increase in oil exports, according to figures by Gastat. Oil sales accounted for 72.4% of all exports in May, down from 73% in the same month last year. Meanwhile, imports rose 2.6% in May, and the surplus of the merchandise trade balance increased by 12.8% on an annual basis.

Exports to China accounted for 15.2% of total exports in May, followed by South Korea at 9.8%, and India at 7.7%. Chinese products and services also accounted for the largest share of Saudi’s imports during the month (25%), followed by the US (9.3%) and UAE (6.5%). Chemical products accounted for 24% of total non-oil exports in May despite shrinking by 6% y-o-y. Plastics, rubber and their derivatives came in second to account for 22% of total exports during the period, down from 26.2% in April when it led non-oil exports. Annually, plastics saw a 3.4% y-o-y decline in volume.

Machines and electrical equipment made up 27% of our total imports after reporting a 22% y-o-y growth in May. Transportation goods accounted for 13% of total imports despite a 16% y-o-y decline in volume. (Gastat 28.7)

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* 1. PIF Partners with Chinese to Make Components Wind & Solar Energy in Saudi

The Public Investment Fund signed three separate agreements with major Chinese producers to localize the manufacturing of wind and solar power generation components. The agreements were signed by the PIF’s wholly-owned subsidiary Renewable Energy Localization Company (Relc) along with Riyadh-based and privately owned renewable energy firm Vision Industries. Financial details on the agreements were not made public.

Relc will partner with Envision Energy (China’s second-largest wind turbine manufacturer) and local player Vision Industries to make wind turbines. Its ownership structure will see the Chinese company hold a stake of 50% with a 40% and 10% stake for Relc and Vision. The second JV agreement was signed with China’s solar module manufacturer JinkoSolar and Vision Industries for the manufacturing of 10 GW of photovoltaic cells and modules. Relc and JinkoSolar will both hold a 40% stake each with Vision owning 20%. A third agreement was signed with Lumetech — a subsidiary of China’s TCL Zhonghuan Renewable Energy — along with Vision for the production of solar PV ingots and wafers with annual capacity to generate 20 GW of power. The JV will see Relc and Lumetech owning a 40% holding each with Vision holding 20%.

Officials in Beijing recently discussed ramping up trade and investment with Saudi in a sign of a growing interest in the region. They have singled-out priority areas including infrastructure and energy as well as the digital and green economies. These agreements are also part of PIF’s efforts to localize advanced technologies in the renewable sector in Saudi Arabia and contribute to localizing the production of 75% of the components in renewable projects by 2030. These projects will also enable Saudi Arabia to become a global hub for export of renewable technologies. (Enterprise 18.7)

►►North Africa

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* 1. Eni to Boost Egypt's Energy Hub Status Amid Domestic Challenges

Italian energy giant Eni plans to leverage Egypt’s position as a regional energy hub to export gas produced in Eni’s fields throughout the whole Eastern Mediterranean through Egyptian facilities. The company also agreed to ramp up its exploration and development activities locally and increase the number of operational rigs in its concessions in Egypt.

Earlier this month, it was revealed that the oil giant has plans to drill two new wells in the Zohr field in H2/25 with investments of $160 million. This coincided with news that the government had cleared $1.3 billion worth of arrears to foreign oil and gas companies operating in the country at the end of June.

Egypt has been struggling with electricity shortages, partly due to declining domestic natural gas production since Q4/21, according to Capital Economics. This decline, coupled with rising electricity consumption and higher average temperatures, has forced Egypt to increase gas imports, shifting the country from a net energy exporter to an importer. Egypt's current account deficit widened by 225% y-o-y to $17.1 billion in the first nine months of FY 2023-24. Capital Economics partially blamed an increased energy imports for the widening deficit. The situation has been exacerbated by less secure gas imports, with the large share coming from Israel disrupted by attacks from Gaza. (Enterprise 28.7)

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* 1. Morocco's Food Prices Drive Inflation, But Some Relief Found in Other Categories

Inflation in Morocco picked up steam in June 2024, with the Consumer Price Index (CPI) rising 1.8% compared to the same month last year. This upward trend reflects increases in food (1.7%) and non-food (1.9%) prices. Housing led the pack with a significant rise of 3.7%, while healthcare costs saw a slight decline (-1.2%), Morocco’s High Commission for Planning reported. Looking at changes within the month, the CPI increased 0.4% compared to May.

Food prices were a key driver, with fruits (+4.5%), meat (+2.2%), and coffee, tea, and cocoa (+0.6%) experiencing notable increases. Some relief came from price decreases in vegetables (-1.6%), milk, cheese, and eggs (-1.2%), and oils and fats (-0.4%). On the other hand, gas prices jumped a significant 10.9% due to a government decision to reduce subsidies gradually.

Experts say a combination of local and global factors contributed to the inflation rise. At the same time, an agreement on wage increases between the government and unions, boosted consumer spending and domestic demand. Additionally, the Central Bank’s recent reduction in the primary interest rate is expected to have a stimulating effect, although its full impact may take time to materialize. (Hespress 22.7)

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* 1. Morocco's Budget Deficit to Reach 3.8% of GDP in 2025

Morocco’s budget deficit is expected to reach 3.8% of GDP in 2025, down from 4% of GDP in 2024, according to the High Planning Commission (HCP). These forecasts take into account the development of investment expenditure, which is expected to reach 6.5% of GDP, HCP pointed out in its recently published 2025 Exploratory Economic Budget, noting that fiscal policy in 2025 will be marked by the maintenance of public investment effort as well as the ongoing partial and gradual decompensation of butane gas, which began in May 2024. The implementation of the measures taken as part of the social dialogue, with the second phase of salary increases scheduled for 2025, should increase staff expenditure up to 10.3% of GDP, according to the same source.

In the same vein, the ratio of ordinary expenditure to GDP should fall from 20% in 2024 to 19.5%, benefiting from the fall in the ratio of compensation expenditure in 2025, which should be close to 0.7% of GDP after an average of 1.8% between 2014 and 2023. Ordinary income is expected to stabilize at around 22% of GDP, benefiting from the expected increase in tax revenue due to the continued favorable trend in direct and indirect taxes in 2025. Supported by receipts from innovative financing mechanisms, non-tax receipts are expected to increase to 3.7% of GDP.

In terms of debt, the Treasury’s debt ratio will be reduced to around 70.1% of GDP. Taking into account a decline in the ratio of state-guaranteed foreign debt, from 12.8% of GDP expected in 2024 to 12.3% in 2025, the overall public debt ratio is expected to fall to about 82.4% of GDP, instead of 83.1% forecast in 2024. (HESPRESS 19.7)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkey Has Lost Export Competitiveness & Won't Meet Annual Export Goals

Turkey has lost its competitiveness with exports and the country is on course to fall short of its year-end export target of $267 billion amid high costs and low exchange rates, the Turkish Exporters Assembly said. The TIM is an umbrella organization representing more than 140,000 Turkish exporters registered under 61 associations and operating in 27 sectors.

The country’s trade deficit widened to $6.44 billion June from $5.33 billion the same month in 2023, with both exports and imports declining, according to official data. The main reasons were high costs fueled by breakneck inflation as well as low exchange rates of the Turkish lira against the US dollar. Turkish exports are likely be $264-267 billion for 2024. On 3 July, Turkey’s annual consumer inflation fell for the first time in eight months. Inflation was 71.6% in June after hitting an 18-month high of 75.45% in May, according to official data.

Earlier, Turkey received a welcome boost to its exports sector when China’s BYD, the world’s largest electric vehicle firm, agreed to invest $1 billion to set up a manufacturing plant in Turkey that will make some 150,000 vehicles a year. Turkey plans to be a major exporter of electric cars to the European market. BYD sells around 3 million electric vehicles a year but is hampered with high export costs to the EU. Manufacturing them in Turkey will help them avoid these costs. (Al-Monitor 11.7)

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* 1. Turkey Repays $5 Billion Deposit to Saudi Arabia to Curb Liabilities

The Central Bank of Turkey is terminating its $5 billion deposit transaction with Saudi Arabia in a show of economic confidence less than two weeks after the country received a revised growth forecast of 3.6% from the International Monetary Fund (IMF), up from April’s 3.1%. The Central Bank said it was reviewing its international deposit transactions to reduce external liabilities as part of reserve management, resulting in the termination of the deposit transaction of $5 billion carried out with the Saudi Fund for Development in 2023, by mutual agreement.

Recently, international credit ratings agency Moody’s also upgraded Turkey’s ratings to ‘B1’ from ‘B3’, with positive outlook. The country's Improvements in governance and increasingly well-established return to orthodox monetary policy were cited as reasons for the upgrade. In March, the Saudi fund granted a $55 million loan to Ankara to support infrastructure projects following the earthquake that devastated parts of the country in 2023 that resulted in the death of more than 53,000 people. (Zawya 25.7)

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* 1. Cyprus Composite Leading Economic Index Growth Rate Stable in June

The year-over-year growth rate of a leading indicator Cyprus remained stable in June, as a result of opposing trends within the economic indicators composing the CCLEI, the University of Cyprus said in a monthly report. The Cyprus Composite Leading Economic Index (CCLEI), estimated by the university’s Economics Research Centre (CypERC), remained stable in June, following the year-over-year decreases of 0.4% and 0.1% in April and May, respectively, based on recent and revised data. Half of the variables positively affected the CCLEI during this period, while the rest restrained the further growth of the Index.

Specifically, the increase in tourist arrivals in Cyprus, credit card transactions, retail sales volume, and the Economic Sentiment Indicator (ESI) in the euro area had a positive impact on the CCLEI. Conversely, the negative year-over-year growth rate of the ESI in Cyprus, coupled with the increase in international Brent crude oil prices and the decline in the year-over-year growth rate of property sales contracts and temperature-adjusted electricity production volume, had a negative impact on the CCLEI in June. (FM 23.7)

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* 1. Polish Tourist Arrivals to Cyprus Rise Significantly as Flights Increase

The recent announcement by the Deputy Ministry of Tourism regarding the resumption of LOT Polish Airlines flights to Larnaca Airport this winter did not come as a surprise to tourism stakeholders. Demand for Cyprus from Poland, a country with a population of 38 million, has been steadily increasing. Overall, the number of weekly flights from Poland to Cyprus this summer is expected to reach 50. This includes 30 additional flights per week from seven Polish airports to Larnaca Airport. Last summer, there were 33 weekly flights from Poland to Cyprus.

Recently, several airlines have announced new flight schedules to Cyprus: Cy Airways from Barcelona, EasyJet from Amsterdam, Wizzair from Milan, Royal Jordanian from Amman, and Wizzair has increased its flight frequencies from 11 different airports.

The growth of the Polish market is evident in the Statistical Service’s data on tourist arrivals. Last year, 273,872 Polish tourists visited Cyprus, compared to 186,000 in 2022, with Polish visitors accounting for 7.1% of the total arrivals, which amounted to 3,845,652. In the first half of this year, tourist arrivals from Poland increased to 146,924, compared to 121,134 in the same period last year, making up 8.89% of total visits from January to June 2024. This represents a double-digit increase of 21% compared to the first half of last year. In June alone, arrivals from Poland increased by about 20%, reaching 36,000 compared to 30,000 in the same month last year. (FM 22.7)

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* 1. More Tourists Visit Greece But Spend Less Per Trip

According to data released by the Bank of Greece, 21.3% more tourists visited Greece this May compared to May 2023, but the average expenditure per trip decreased by 12.2%. Despite this, travel receipts increased by 6.8% in May 2024, amounting to €1.9 billion, compared to €1.8 billion in May 2023.

The travel balance, which compares Greek expenditures on travel abroad with the receipts generated by non-resident travelers in Greece, showed a surplus of €1.64 billion in May 2024, compared to a surplus of €1.60 billion in the same month of 2023.

In the period from January to May, travel receipts amounted to €3.8 billion, an increase of €531.2 million (16.2%) compared to last year, while travel payments also increased by €212.6 million (23.6%), amounting to €1.1 billion. The increase in travel receipts was due to a 20.6% increase in travel traffic, despite a 3.6% decrease in average spend per trip. (BoG 23.7)

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* 1. Greece's Public Debt is in Steady Decline

The recovery of the Greek economy and the return to primary surpluses after the COVID-19 pandemic have been the two key factors driving the steady and significant reduction of public debt as a percentage of gross domestic product (GDP). Due to this progress, Greece regained its investment grade status in 2023 and continues to enjoy upgrades from credit rating agencies.

The latest data for the first quarter of 2024 show that the general government debt decreased to 159.8% of GDP from 169.4% a year earlier and from the 207% peak reached due to the pandemic and economic support measures at the end of 2020. While Greek debt is still the highest in the Eurozone, it has fallen to its lowest level since 2012, when it dropped to 157.2% of GDP following the 53.5% haircut on Greek government bonds as part of the PSI (private sector involvement).

Furthermore, all rating agencies indicate a clear downward trajectory, with Scope Ratings predicting that by 2026 it will be lower than Italian debt as a percentage of GDP. Bank of Greece forecasts Greek debt decreasing to 60% of GDP in approximately 40 years. This is assuming that primary surpluses close to 2% of GDP are maintained and economic reforms continue, ensuring a favorable difference between the debt repayment interest rate and the economic growth rate. (BoG 28.7)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. ‎Tisha B'Av to be Observed on 12/13 August 2024‎

Tish'a B'Av for Hebrew Year 5784 begins at sundown on Monday, 12 August 2024 and ends at nightfall on Tuesday, 13 August. Tisha B'Av (or the Ninth of Av) is an annual fast day in Judaism, named for the ninth day (*tisha*) ‎of the month of Av in the Hebrew calendar. Tisha B'Av is the culmination of a three week period ‎of increasing mourning, beginning with the fast of the 17th of Tammuz. The fast ‎commemorates the destruction of both the First Temple and Second Temple in Judaism’s ‎holiest site, Jerusalem, which occurred about 656 years apart, but on the same Hebrew ‎calendar date. Accordingly, the day has been called the "saddest day in Jewish history". ‎While the day recalls general tragedies which have befallen the Jewish people over the ages, ‎the day focuses on commemoration of five events: the destruction of the two ancient Temples in ‎Jerusalem, the sin of the ten spies sent by Moses, who spoke disparagingly about the Land of ‎Israel, the razing of Jerusalem following the siege of Jerusalem in 70 CE and the failure of the Bar ‎Kokhba revolt against the Roman Empire.‎

The fast lasts about 25 hours, beginning at sunset on the eve of Tisha B'Av and ending at ‎nightfall the next day. In addition to the prohibitions against eating or drinking, observant Jews ‎also observe prohibitions against washing or bathing, applying creams or oils, wearing leather ‎shoes, or having marital relations. In addition, mourning customs similar to those applicable to ‎the *shiva* period immediately following the death of a close relative are traditionally followed for ‎at least part of the day, including sitting on low stools, refraining from work and not greeting ‎others. The Book of Lamentations (Eicha) is traditionally read, followed by the *kinnot*, a series ‎of liturgical lamentations. ‎

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* 1. Over 5 Million Eligible Voters for Jordan's Upcoming Parliamentary Elections

Jordan's Independent Elections Commission (IEC) said that the final number of eligible voters for the upcoming parliamentary elections scheduled to take place on 10 September was around 5.1 million. After going through the legal procedures regarding any complaints or objections, the total number of eligible voters was 5,115,219, including 2,689,926 females, which represents 52.5% of the total voters. The number of eligible voters who are eligible to cast their ballots for the first time was 590,794. Meanwhile, the number of eligible voters under 25 years old is 1,119,832, while the number under 35 is 2,323,478.

On 24 April, King Abdullah ordered the holding of the elections for the House of Representatives, in accordance with the law. In 2022, the Senate and the Lower House passed the 2022 amendments to the Political Parties Law, which require political parties to increase the percentage of women and youth to at least 20% within three years after their foundation. There should be no less than 1,000 founding members of political parties, and at least 10% should be women and young people between 18 and 35 years old. The law also allows university students who join political parties to engage in partisan activities on campus without any infringement on their rights, as a bylaw will be issued to regulate such activities. (JT 24.7)

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* 1. Over 90% of Moroccan Households Unable to Save Money

The findings of HCP’s latest survey paint a grim picture of the financial situation of Moroccan households. A staggering 90.2% of households reported that they will be unable to save any money over the next 12 months, compared to just 9.8% who said they will be able to save. This has pushed the savings index down to a negative 80.4 points in the second quarter of the current year, compared to a negative 81.5 points in the previous quarter. During the same period, 55.8% of households reported that their income covered their expenses. However, 42.1% of households have depleted their savings or resorted to borrowing and only 2.1% of households were able to save a portion of their income.

According to HCP, there was a slight improvement in household confidence compared to the first quarter of the year, with the confidence index settling at 46.1 points, up from 45.3 points last March. Regarding living standards, 82.6% of households felt theirs had worsened in the past 12 months, with only 13% reporting stability and 4.4% noting improvement, resulting in a negative living standards index of 78.2 points, compared to 78.1 points from January to March last year. The report also indicated that 78.9% of households felt the current conditions were unfavorable for durable goods purchases in the second quarter of the year, contrasting with 9.5% who thought otherwise, leading to a negative durable goods index of 69.4 points, down from 72.9 points in the previous quarter.

A whopping 96.4% of households reported that food prices have increased over the past 12 months, while only 0.4% said they have decreased. This has kept the balance of these opinions at a negative 96 points, compared to a negative 96.5 points from one quarter to the next of the current year. Only 16.7% of households expect their situation to improve over the next 12 months, while 52.7% expect it to remain stable and 30.6% expect it to worsen.

As for the outlook on food prices in the upcoming period, 82.1% of households expect them to continue rising, 14.9% foresee stability, and 3% anticipate a decrease. This positions the index at a negative level of -79.1 points during the second quarter of the year. (HESPRESS 16.7)

ISRAEL LIFE SCIENCE NEWS

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* 1. CytoReason Secures $80 Million to Scale Its AI Disease Models

CytoReason has raised $80 Million to expand their disease models and proprietary data, enabling R&D leaders at partner companies to make strategic decisions with greater speed and precision. CytoReason will use this investment to expand the application of its models into additional indications, grow its proprietary molecular and clinical data, and establish an office in Cambridge, Massachusetts later this year.

Reduced R&D timelines and improved probability of technical and regulatory success (PTRS) are top priorities across life sciences companies. Speed, safety, and accuracy are critical when making asset-related R&D decisions. CytoReason provides therapeutic area leaders with molecular-level insights and valuable AI tools to make data-driven decisions, helping them improve the probability of phase 2 success and optimize their R&D portfolio.

Since the company announced the expansion of its Pfizer partnership in 2022, CytoReason has added three major pharma partnerships, expanded its coverage of disease models to central nervous system (CNS)-related diseases, and partnered with leading data organizations.

Tel Aviv's [CytoReason](https://www.cytoreason.com/) is a tech company transforming biopharma’s decision-making from trial and error to data-driven, using computational disease models for predictive asset insights. Therapeutic area leaders, research teams, and scientists of all levels rely on CytoReason’s technology to increase the speed and accuracy of R&D decisions. (CytoReason 17.7)

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* 1. Restore Medical Receives Breakthrough Device Designation from ContraBand System

Restore Medical has been granted Breakthrough Device Designation by the U.S. FDA for its ContraBand device. This designation is specifically for treatment of heart failure with reduced ejection fraction (HFrEF) patients who remain symptomatic despite maximally tolerated guideline-directed medical therapy, without significant pulmonary hypertension or right heart failure.

ContraBand is the world's first transcatheter Pulmonary Artery Banding (PAB) system designed specifically for HFrEF patients with the aim of improving the quality of life for these patients. This minimally invasive procedure offers hope to patients suffering from left ventricle failure who currently have limited treatment options. FDA's decision to grant Breakthrough Device Designation was based on compelling results from an ongoing feasibility study demonstrating promising outcomes in safety and efficacy. These results include significant left ventricular volume reduction, improved hemodynamic function, and enhanced physical capacity in patients treated with the ContraBand device.

Or Yehuda's [Restore Medical](https://restoremedical.co) is a privately held company dedicated to revolutionizing the treatment of heart failure. Restore Medical is funded by Peregrine Ventures, the European Innovation Council (EIC), and an undisclosed strategic investor, reflecting strong support and confidence in its mission and innovative technology. (Restore Medical 18.7)

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* 1. Dror Ortho-Design Launches New ZSMILE Product Brand

Dror Ortho-Design announced the launch of its new “ZSMILE” brand. The rebranding of the Company’s platform to ZSMILE from Aerodentis aligns with the pending commercial release of its revolutionary teeth straightening solution that is intended to be used while sleeping or discreetly at home.

The ZSMILE platform aims to revolutionize the way people correct their smile, by taking advantage of recent advancements in technology that have made traditional aligner solutions no longer the most effective treatment option. ZSMILE has been developed to correct people's smiles in a discreet and gentle manner using a single smart aligner to gently move teeth into their optimum position with pulsating air while the patient is asleep or at home. Using AI technology, the ZSMILE platform allows general practice Dentists as well as Orthodontists to monitor and change their smile correction treatment plan remotely, reducing the need for unnecessary office visits.

Jerusalem's [Dror Ortho-Design](http://www.zsmile.com) is an AI-based orthodontic platform company that has developed a proprietary solution to correct people's smiles by straightening teeth using pulsating air delivered by a single custom-made smart aligner. Dror plans to disrupt the aligner market by offering millions of people a revolutionary alternative to traditional aligners. The Company’s ZSMILE solution is intended to provide general practice Dentists as well as Orthodontists a way to grow their practice efficiently by offering a unique and scalable service. (Dror Ortho-Design 17.7)

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* 1. Rivulis & Phytech Strategic Partnership to Advance Sustainable Agriculture

Rivulis and Phytech announced their new strategic partnership. This collaboration represents a major step forward in sustainable farming, combining Rivulis' global presence and leadership in micro irrigation products and solutions with Phytech's cutting-edge real-time plant health and hydraulic monitoring and automation technology.

Rivulis, recognized for enhancing irrigation efficiency and boosting productivity across diverse farming environments, will integrate its cloud-based precision irrigation subsidiary, Manna, into Phytech. Phytech's data driven approach, initially focused on aiding agronomic decision-making through real-time plant/tree health monitoring, has gradually expanded into real time hydraulic monitoring and automation of grower's irrigation and fertigation infrastructure, providing farmers with a comprehensive view of their entire irrigation and fertigation system and further improving efficiency and sustainability.

This integration enables farmers to optimize plant performance and resource usage with unprecedented accuracy and simplicity, setting a new standard in the ag-tech sector. By merging Phytech's detailed, sensor-based field data with Manna's spatial remote sensing capabilities, farmers will gain unparalleled monitoring and insights into their crops, irrigation systems, and fields, alongside actionable irrigation recommendations and closed-loop system automation. The integration of Manna into Phytech also includes the Jain Logic and Observant offerings in the USA and Australia, respectively.

Kibbutz Gvat's [Rivulis](https://www.rivulis.com) is a global irrigation and climate solutions leader empowering farmers to adopt sustainable farming practices through micro irrigation and climate-resilient models. Rivulis offers the most innovative irrigation solutions for seasonal, permanent, and protected crop environments, through its multiple product and service portfolio brands.

Rosh HaAyin's [Phytech](https://www.phytech.com/) helps growers optimize the farming production value chain by utilizing proprietary plant and field condition sensors, delivering data-driven agronomic insights and recommendations executed by in-field automation controls for repeated economic & environmental impact with optimized yields, water & input savings by direct daily service to more than 1000 leading global fruit, nut and commodity crop producers, covering 45 million trees on 18,000 sites. (Rivulis 22.7)

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* 1. 99.74% Recurrence Free Rate for Women with Breast Cancer Treated by ProSense

IceCure Medical announced that key findings from three clinical studies of ProSense in the treatment of breast cancer were presented at the 32nd Annual Meeting of the Japanese Breast Cancer Society in July 2024 in Miyagi, Japan.

Demand for minimally invasive breast cancer treatment was an overarching theme of the Japanese Breast Cancer Society Annual Meeting and of high interest to the over 3,500 meeting attendees. The data on cryoablation was well received at the symposium. Professor Fukuma, who has performed over 600 breast cryoablation procedures with ProSense, presented a summary of IceCure's ICE3 study data as well the latest data from his ongoing research of ProSense to treat breast cancer at Kameda Medical Center. From April 2014 through August 2020, 389 breast cancer patients with tumor lesions of less than 15 millimeters in diameter were treated with ProSense. The ipsilateral breast tumor recurrence rate (IBTR) was 0.26%, resulting in a 99.74% recurrence free rate.

The ProSense Cryoablation System provides a minimally invasive treatment option to destroy tumors by freezing them. The system uniquely harnesses 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. ProSense enhances patient and provider value by accelerating recovery, reducing pain, surgical risks, and complications. With its easy, transportable design and liquid nitrogen utilization, ProSense opens that door to fast and convenient office-based procedure for breast tumors.

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 an effective alternative to hospital surgical tumor removal that is easily performed in a relatively short procedure. (IceCure Medical 22.7)

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* 1. Magenta Medical Closes a $105 Million Financing Round Led by Novo Holdings

Magenta Medical closed a $105 million financing round led by global healthcare investment firm Novo Holdings. New investors Viking Global Investors and RA Capital Management and existing investors OrbiMed, New Enterprise Associates (NEA), JVC Investment Partners and ALIVE - Israel HealthTech Fund, also participated in this round. The financing will be used to advance the company's U.S. clinical programs in multiple mechanical circulatory support (MCS) indications and to secure the first FDA approval for the Elevate System in patients undergoing high-risk percutaneous coronary interventions (HR-PCI).

Magenta's proprietary technology miniaturizes a powerful percutaneous Left Ventricular Assist Device to fit into a 9 Fr delivery system, the smallest crimping profile of any such device. The Elevate pump is first folded and then inserted percutaneously through a small puncture in the groin to accommodate a commercially available 10 Fr introducer sheath. The pump is delivered into the heart fully sheathed, over a guidewire, through the aorta, and across the aortic valve. Employing standard catheterization techniques and equipment for placement provides important advantages in terms of ease-of-use, safety, physician access, and vascular access closure.

Prior to activation, the device self-expands inside the heart, and the flow through the pump is adjusted based on the clinical circumstances of the patient, up to the entire cardiac output of an adult (> 5 L/min of mean flow at physiological blood pressures). This allows the heart to rest and the patient to recover.

Kadima's [Magenta Medical](http://www.magentamed.com) is a privately-held company dedicated to the development of miniaturized blood pumps intended to provide minimally-invasive support to the native heart during acute episodes of dysfunction that could lead to dangerously low blood pressure and compromised perfusion of vital organs. Magenta's Elevate percutaneous Left Ventricular Assist Device (pLVAD) is currently in clinical trials to be evaluated for at least two indications: patients undergoing high-risk percutaneous coronary interventions (HR-PCI) and patients with cardiogenic shock. (Magenta Medical 23.7)

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* 1. ImPact Biotech Receives €13.5 Million from the European Innovation Council

ImPact Biotech announced an investment commitment of €13.5 million from the European Innovation Council’s (EIC) Accelerator program, including a grant of €2.5 million and a conditional equity investment of up to €11 million. ImPact plans to use these proceeds to advance Padeliporfin VTP through its ongoing Phase 3 ENLIGHTED trial in low-grade upper tract urothelial cancer (UTUC).

Ness Ziona's [ImPact Biotech](http://www.impactbiotech.com) is an advanced clinical-stage oncology company focused on the development and commercialization of Padeliporfin Vascular Targeted Photodynamic (VTP) therapy, a minimally invasive drug-device combination for selective ablation of unresectable solid tumors. The novel VTP platform delivers non-thermal laser light via optical fibers to locally activate Padeliporfin in the tumor microenvironment. Padeliporfin VTP is currently being evaluated in a pivotal Phase 3 study in low-grade upper tract urothelial carcinoma (UTUC) with earlier stage studies ongoing or planned in high-grade UTUC, pancreatic ductal adenocarcinoma (PDAC) and non-small cell lung cancer (NSCLC). The Company has longstanding collaborations with the Weizmann Institute of Science and Memorial Sloan Kettering Cancer Center and operations in the EU, Israel and the US. (ImPact Biotech 24.7)

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* 1. Scopio Labs Secures $42 Million in Funding Led by Fortissimo Capital

Scopio Labs announced the completion of its Series D funding round, raising $42 million. This round was led by Fortissimo Capital, with participation from existing investors. The newly secured capital will fuel commercial expansion and accelerate the innovation of new products that leverage Scopio's Full-Field technology. This Series D brings Scopio's total fundraising to $130 million.

Scopio's breakthrough platform uses computational photography to provide unprecedented digital imaging of thousands of cells. Lab practitioners, therefore, have a full-field view of all regions of clinical interest on the sample at the highest resolution, supplanting the need for manual microscopy. By harnessing the power of clinical AI-based decision support combined with Full-Field digital imaging, Scopio delivers unparalleled workflow efficiency in blood cell analysis designed to enhance remote consultation and collaboration, expedite decision-making, and bolster patient care. This platform not only amplifies diagnostic capabilities but also significantly curtails the time and expenses traditionally associated with manual methods.

The Series D funding will enable Scopio to accelerate its market penetration and expand its global footprint. This includes scaling sales and marketing efforts and strengthening customer support. The funding will support the continued development of Scopio Labs' digital morphology platform and the creation of next-generation products to meet the evolving needs of hematology laboratories and hospitals.

Tel Aviv's [Scopio Labs](http://www.scopiolabs.com) is the developer of Full-Field imaging fueling the digital transformation of hematology laboratories worldwide. Scopio solves cell morphology's age-old trade-off between resolution and field of view. Its high-resolution imaging and embedded AI combine for more efficient remote workflow, contributing to better diagnostics across care. (Scopio Labs 25.7)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Oversee Launches AgentAI to Drive TMC Efficiency & Improved Traveler Experience

Oversee unveiled its “AgentAI” system at the 2024 Global Business Travel Association (GBTA) Convention in Atlanta. Designed to revolutionize Travel Management Companies (TMCs), “AgentAI” automates travel consultant interactions, reducing costs and enhancing traveler satisfaction. Post-pandemic, TMCs are asked to meet evolving customer requirements while skilled travel counselors are harder to hire. In this competitive landscape, “AgentAI” offers a solution by automating non-revenue-generating tasks, reading and responding to traveler emails, and serving as a co-pilot for agents.

Oversee's “AgentAI” engages with travelers using natural language processing, providing a seamless and personalized experience. It recalls and references details and traveler preferences, providing continuity and relevance in ongoing conversations. Acting as an extension of the existing automation suite, “AgentAI” identifies traveler intent, comprehends trip context, and can automate the front-facing and offline aspects of the travel agent’s workflow. It is also customizable to suit each TMC’s unique operations. The system can suit the specific flow required by each TMC. This includes the ability to collect additional information in accordance with company policies, add remarks, queue tasks, and integrate extra confirmation steps into communications.

For nearly a decade, customers have relied on Tel Aviv's [Oversee](http://www.oversee.biz)’s air and hotel travel price assurance technology and travel data analytics to optimize their travel spend, turning airfare and hotel rate volatility into savings, increasing their return on travel investment. Oversee also offers a portfolio of actionable intelligence that help travel programs make better business decisions while measuring the efficacy of their programs. (Oversee 19.7)

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* 1. Brenmiller to Expand bGen Capabilities for AI Data Center Cooling Applications

Brenmiller Energy will expand its proprietary technology’s capabilities and develop a Cold Thermal Energy Storage (CTES) solution for data center applications, called the bGen Cool. The Company will continue bGen production for power-to-heat applications in service of its current commercial opportunities, valued at up to $500 million in potential sales.

Similar to the value proposition for industrial power consumers, CTES systems can drive significant decarbonization and financial value for data center owners like Apple, Google and Meta. The bGen’s modular design aligns with the data center industry’s trend toward prefabrication and modular (PFM) solutions, and its industry-leading fast-charging capabilities are well-suited to lower data center energy costs while delivering around-the-clock cooling and 24/7 operational reliability. With the ability to charge and discharge simultaneously or independently and on-demand, the bGen can also help alleviate data center strain on the grid and transform them into flexible balancing assets.

Brenmiller’s TES system, bGen, converts electricity into heat to power sustainable industrial processes at a price that is competitive with natural gas. The bGen charges by capturing low-cost electricity from renewables or the grid and stores it in crushed rocks. It then discharges steam, hot water or hot air on demand according to customer requirements.

Rosh HaAyin's [Brenmiller Energy](https://bren-energy.com) helps energy-intensive industries and power producers end their reliance on fossil fuel boilers. Brenmiller’s patented bGen thermal battery is a modular and scalable energy storage system that turns renewable electricity into zero-emission heat. The most experienced thermal battery developer on the market, Brenmiller operates the world’s only gigafactory for thermal battery production and is trusted by leading multinational energy companies. (Brenmiller 18.7)

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* 1. Waterfall Security's HERA Revolutionizing Secure Remote Access for OT Environments

Waterfall Security launched HERA - Hardware Enforced Remote Access, a new technology designed to enable safe and secure remote access into cyber-physical systems and OT networks. HERA allows organizations to reap the operational and economical value of remotely accessing and controlling OT devices and workstations, without introducing the risks that come with external connectivity.

With Waterfall's new HERA solution, enterprise-grade remote access capabilities are enabled and secured with engineering-grade security. Leveraging Waterfall's battle-tested hardware platform, HERA physically maintains network segmentation, keeping OT environments safe and secured. HERA's patented technology has been designed from the ground up with OT cybersecurity in mind. It harnesses decades of know-how, expertise, and field-tested technology to deliver the safest solution to remotely access OT networks.

Rosh HaAyin's [Waterfall Security](http://www.waterfall-security.com) provides cyber-physical OT security that keeps our world running. For more than 15 years, critical industries and infrastructure have trusted Waterfall to guarantee safe, secure, and reliable operations. Waterfall's global install-base includes customers in national infrastructures, power plants, nuclear reactors, onshore and offshore oil & gas facilities, refineries, manufacturing plants, utilities, and more. (Waterfall 17.7)

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* 1. Cipia Secures Aftermarket Order to Serve 40,000 Vehicles of an Express Delivery Fleet

Cipia has received an order for 40,000 licenses of its driver monitoring software, which will be integrated into an aftermarket fleet camera system to serve one of the world's largest express delivery companies.

The volume of deliveries in the U.S. is surging, with over 21 billion packages shipped annually. However, this increase in road hours has led to a rise in accidents. In 2022 alone, 5,837 large trucks were involved in fatal crashes, marking a 49% increase over the past decade. Many of these accidents could be prevented with a Driver Monitoring System (DMS) that alerts drivers when they are distracted or drowsy. This order signifies a major advancement in Cipia's expansion into the US and global fleet aftermarket industry, showcasing the growing demand for robust AI based driver monitoring technology. The integration of Cipia's driver monitoring system will significantly enhance the safety and operational efficiency of this leading fleet and beyond.

Herzliya Pituah's [Cipia](https://cipia.com/) is a leading provider of intelligent sensing solutions that use edge-based computer vision and AI for safer and better mobility experiences. The company's product lineup includes Driver Sense (driver monitoring system), Cabin Sense (driver and occupancy monitoring system) and Cipia-FS10, a video telematics and driver monitoring solution for telematics service providers and fleets. (Cipia 22.7)

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* 1. Ceragon's New Smart Activation Key Software Gains Significant Adoption

Ceragon announced a significant milestone in its transition toward a more durable, recurring revenue model. The shift from a hardware-centric business to one that integrates Software as a Service (SaaS) is well underway. This evolution is part of Ceragon's strategy to mitigate the traditional revenue fluctuations associated with cyclical hardware sales.

A cornerstone of this strategy is the successful development and deployment of Ceragon's Smart Activation Key software. This innovative software simplifies the activation process for network radios and their various licensable features, allowing customers to activate and upgrade thousands of devices simultaneously, significantly enhancing operational efficiency and reducing costs. Moreover, this new software enables higher business flexibility, allowing customers to select from different pricing options, including term licenses and per-usage fees. Intelligent usage tracking features provide customers with detailed insights, facilitating data-driven decisions for network management and expansion.

Rosh HaAyin's [Ceragon](http://www.ceragon.com) is the global innovator and leading solutions provider of end-to-end wireless connectivity, specializing in transport, access, and AI-powered managed & professional services. Via their innovative, end-to-end solutions, covering hardware, software, and managed & professional services, they enable customers to embrace the future of wireless technology with confidence, shaping the next generation of connectivity and service delivery. (Ceragon Networks 23.7)

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* 1. Blings.io Revolutionizes Video Engagement with Patented MP5 Technology

Tel Aviv's [Blings.io](http://blings.io/), a graduate of the prestigious ICON program and the first Israeli startup to graduate from the UC Berkeley SkyDeck accelerator, is revolutionizing video engagement with its patented MP5 technology. Unlike the most popular video format, MP4, which uses server-side rendering, [Blings.io](http://blings.io/)'s patent is based on edge computing, rendering the video on the end user's device in real time. This enables immediate loading times, no exposure of Personally Identifiable Information (PII), and full GDPR compliance. This paradigm shift allows video to scale without limits, having recently sent over 100 million personalized MP5 videos in a millisecond. The interactive nature of the MP5 videos, similar to HTML, allows viewers to type within the video, creating a 2 way communication channel, and the business logic ensures no two viewers receive the same content. This innovation has garnered significant attention and investment, including from McDonald's, which has seen substantial improvements in customer engagement and sales performance. (Blings 25.7)

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* 1. AI-Powered Remediation Capabilities Amplify Backslash's Application Security Platform

Tel Aviv's Backslash Security introduced its Fix Simulation and AI-powered Attack Path Remediation capabilities. The new features equip security teams and developers with enhanced remediation guidance that is safe, secure and in the relevant context of the given application, ensuring that critical vulnerabilities can be fixed without introducing new risks.

Fix Simulation addresses a pervasive pain point faced by AppSec teams and developers: any version upgrade can introduce new risks due to unforeseen code dependencies, undoing progress and placing teams back at square one. Backslash Fix Simulation addresses this issue by simulating multiple fix options and demonstrating the resulting security posture for each one. This enables developers to save time, choose the best option, take multiple considerations into account including those unrelated to security, and avoid introducing new risks while addressing security issues

[Backslash](https://www.backslash.security/%E2%80%8E)'s fusion of SAST and SCA empowers enterprise AppSec teams to focus on fixing only the reachable, exploitable code vulnerabilities. By identifying authentic attack paths pointed at reachable code, Backslash empowers security teams to focus on rectifying only the code and open-source software (OSS) components that are actively in use and accessible to potential attackers. (Backslash Security 25.7)

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* 1. FAA Confirms D-Fend Solutions' EnforceAir2 Safe with Air Traffic Services

D-Fend Solutions received additional confirmation from the Federal Aviation Administration (FAA) for EnforceAir2, the award-winning counter-drone technology acclaimed for its ability to provide protection from unmanned aircraft systems, following completion of a series of evaluations related to airport operational continuity.

In communications with D-Fend Solutions, the FAA commented that, "The Federal Aviation Administration (FAA) evaluated EnforceAir2's (EA2) ability to detect, track, and identify potential risks posed by errant or hostile unmanned aircraft systems, and ensured the system does not adversely impact or interfere with safe airport operations, navigation, air traffic services, or the safe and efficient operation of the National Airspace System. This evaluation was conducted as part of Section 383(a) of the FAA Reauthorization Act of 2018," which requires the FAA to develop a plan for certifying, permitting, authorizing, or allowing UAS detection and mitigation systems in the National Airspace System (NAS).

Ra'anana's [D-Fend Solutions](https://www.d-fendsolutions.com/) is the leading counter-drone, cyber-takeover technology provider, enabling full control, safety and continuity during rogue drone incidents across complex and sensitive environments to overcome both current and emerging drone threats. With thousands of successful deployments performed worldwide, in the most challenging real-life scenarios and for the most demanding end users, EnforceAir, the company's core offering, focuses on the most dangerous drone threats in military, public safety, airport, prison, major event, critical infrastructure, and other environments. EnforceAir autonomously executes RF cyber-takeovers of rogue drones for safe landings and controlled outcomes, ensuring the flow of communications, commerce, transportation, and everyday life. (D-Fend Solutions 25.7)

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* 1. Wi-Charge Wirelessly Powered Display Improves Conference Room Booking

Wi-Charge announced the availability of new wirelessly powered digital displays designed to improve conference room booking solutions in office buildings. The Wi-Spot 3.0 devices, which have already experienced rapid adoption in the retail industry, incorporate Wi-Charge's breakthrough wireless charging technology to enable companies to install these conference room displays anywhere in the office without drilling holes or running wires, making installations on glass, wood and other surfaces easier than ever.

With an accelerating return of workers to the office, organizations are taking a fresh look at how technology can improve in-office conference room management, communications, and collaboration. In response to this market need, Wi-Charge has re-architected its Wi-Spot video displays for installation in the hundreds of thousands of offices struggling to manage conference room bookings and co-working spaces. The Wi-Spot displays provide important company information on meeting room occupancy, important corporate or office announcements, and engaging video content promoting company events and culture. The Wi-Spot, which at seven inches is similar in appearance to an iPad or Android tablet, easily integrates with Google Calendar, Microsoft Outlook Calendar and workplace management applications.

Rehovot's [Wi-Charge](http://www.wi-charge.com) is a long-range wireless power company founded to enable automatic charging of cell phones and other smart devices. Their patented infrared wireless power technology can safely and efficiently deliver several watts of power to client devices over room-sized distances. Giving end-users freedom and product designers the power they need for the next generation of mobile smart devices, Wi-Charge is the power of the future, beyond batteries and power cords. (Wi-Charge 26.7)

ISRAEL ECONOMIC STATISTICS

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* 1. Study Finds Israel's Traffic Jams Add 6% to Cost of Living

Researchers at Reichman University's [Aaron Institute for Economic Policy](https://www.runi.ac.il/en/research-institutes/economics/aiep/) found that Israel's traffic jams contribute to the cost of living. According to the new study, road congestion adds 6% to the gap in the cost of living between Israel and Europe, over and above a gap of 34% in the cost of a basket of products. The researchers found that, in relation to the reference countries, that is, countries similar to Israel in population size that it should aspire to emulate (Austria, Belgium, Denmark, the Netherlands, Finland and Sweden), Israel is more expensive by 34% for the same basket of consumer products and services.

Housing accounts for most of the gap, but road congestion adds 6% to it, and the two factors are related. According to the study, the high cost of housing pushes the population to the outer rings of the main metropolis around Tel Aviv, which depresses productivity and raises the cost of living. The situation is such that about 10% of the residents of the metropolis live in its center, but about 25% of them work there. More and more people are moving to the outer rings, but employment continues to grow at the center, leading to rising numbers of road journeys. The study states that a transport system that cuts the journey time to the center is of high importance, as is increasing the supply of housing.

The researchers’ conclusions are similar to those of dozens of studies and articles published over the years, but Israel still struggles to implement them. Integrated planning of transport and housing could lead to urban planning based on high-quality transport.

The researchers recommend increasing housing density near public transport routes through high-rise construction, mixed land use and the fostering of private-public cooperation mechanisms. Metropolitan transport authorities could advance such long-term planning. The researchers also recommend using the rise in the value of land as a result of planning to finance investment in transport projects through betterment levies and public-private partnerships. These things will be applied in the construction of the Gush Dan Metro project and are anchored in the Metro Law and in the principles of Urban Outline Plan 70.

The Aharon Institute for Economic Policy researchers calls for the preparation of a long-term strategy for housing and transport that will be expressed in the 2025 state budget. They say that adopting their recommendations will lead to a decline in the real cost of housing to the trend line within fifteen years, to a 5% increase in product per worker by 2040, and to a narrowing of the price gap between the periphery and the center. (Globes 24.07)

IN DEPTH

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* 1. ISRAEL: Startup Nation Central's Mid-2024 Report finds Growth in Mega Rounds

On 18 July, Startup Nation Central, a non-profit that promotes the Israeli innovation ecosystem around the world, published a report of the first half of 2024 in Israeli tech, based on data and insights from its ecosystem business-engagement platform, Finder. According to the report, the investment landscape remains robust and dynamic despite Israel's risks. The report presents an ecosystem landscape analysis, including private funding, global comparison, Mergers and Acquisitions (M&A) and public companies' activity. The report also highlights a cross-sectional picture of the most significant sectors of the local ecosystem: Cybersecurity, Fintech & Insurtech, Business Software, Health Tech and Climate Tech.

"The recent risks coupled with the local environment in Israel were overshadowed by growth in mega-rounds and cybersecurity. One might expect the 'Israeli factor' to have a stronger impact on the Israeli tech activity, but the data suggests otherwise," said Startup Nation Central CEO Avi Hasson. "While some investors are hesitant, others are increasing their investments, attracted by high-quality companies and appealing valuations. Star startups in popular sectors continue to secure funding, while early-stage and early-growth companies in less-trending areas face greater funding challenges. Global cyber trends and recent notable investments and M&A activity with companies like WIZ, Palo Alto, CrowdStrike and more underscore the sector's critical importance and attractiveness to investors and the global cyber sector."

"Private funding in H1 2024 saw a 31% increase, amounting to $5.1 billion, with the Cybersecurity sector playing a crucial role, representing 52% of the private funding. This increased activity is driven by global trends in cybersecurity worldwide," said Yariv Lotan, VP of Digital Products and Data at Startup Nation Central. "This growth underscores the confidence in Israeli tech innovation but should not obscure the challenges of raising capital and growing companies across funding stages. The groundbreaking solutions from Israeli tech are maintaining Israel's status as a global innovation hub, drawing investors seeking high-quality opportunities."

**Key findings from the report:**

**Rebound in Private Funding Driven by Mega Rounds:** Private funding in H1 2024 saw a 31% increase compared to H2 2023, amounting to $5.1 billion across 322 rounds. Estimates suggest this figure could reach $6.7 billion when accounting for unreported rounds and undisclosed amounts. Q2 was particularly strong, with funding rising from $1.8 billion in Q1 to $3.3 billion in Q2. Fourteen mega-rounds (above $100 million) contributed $2.8 billion, representing 56% of total private funding, overshadowing weaker sectors and needed funding for many early-stage and mid-stage companies.

**Cybersecurity's Increasing Dominance:** The Cybersecurity sector played a crucial role in the Israeli tech ecosystem, representing 52% of private funding in H1 2024. This prominence was highlighted by Wiz's record $1 billion round. Additionally, Cybersecurity M&A exits totaled $1.5 billion across 9 deals, accounting for 35% of the 2024 H1 exits.

**Examining the global trends in cybersecurity funding reveals a notable divergence between the US and Israel.** In 2018, cybersecurity accounted for 20% of the funding in both ecosystems. Over the years, the share in the US declined to approximately 13%, while in Israel, it grew to 25%. By H1 2024, cybersecurity funding in Israel had surged to just over 50%. These trends underscore the sector's critical importance and attractiveness to investors. The consolidation of solutions worldwide has led to an acquisition spree by the sectors leading companies. We feel this global competition strongly in our ecosystem because we have a relative advantage in cybersecurity. However, if the ecosystem remains overly dependent on cybersecurity in the long term, it risks missing out on other significant trends and opportunities.

**Global Funding Comparison:** Israel's private funding growth of 31% in H1 2024 outpaced other regions. The US saw a 28% increase, while Europe and Asia experienced declines of 6% and 18%, respectively. Israel's significant Q2 surge was notable globally, contrasting with more gradual trends elsewhere.

**Surge in M&A Exit Activity Despite Low Number of Deals:** M&A exits in H1 2024 surged to $4.1 billion with fewer deals, a 70% increase from H2 2023. This marks the highest value since 2018, excluding H2 2021, continuing an upward trend from H1 2023. Notable deals included two exits each exceeding $1 billion. Including all M&A activity, total transactions reached $7.1 billion, aligning with the previous half.

**Global Investor Participation is Pivotal:** The investment landscape featured 217 active investors, with 54% being Israeli. Global investors participated in rounds accounting for 93% of all funding, a seven-year peak. Leading global investors Insight Partners and NFX Capital each had seven rounds, while Sequoia and Greylock reopened local offices.

**Finder NASDAQ Index Signals a 2024 Rebound in Private Funding:** The new Finder Equal-Weight (EW) Index, based on Israeli tech companies traded on NASDAQ, has revealed significant trends correlating with Israel's tech ecosystem private funding. Notably, the Finder NASDAQ Index may serve as a forward-looking indicator for Israel's private funding approximately 6-12 months in advance, providing investors and stakeholders with an early warning system to anticipate and prepare for market shifts. A closer look at the index changes reveals significant divergence coinciding with the government's introduction of Judicial Reform, which led to a decline in the index, followed by further underperformance due to the October War. This war-related underperformance narrowed, reaching parity with the NASDAQ EW index by March 2024. However, following S&P's downgrade of Israel's credit rating, the gap widened again, underscoring the geopolitical and economic challenges faced by Israeli tech companies.

[Startup Nation Central](https://startupnationcentral.org/) helps global solution seekers tackle complex challenges by giving them frictionless access to the expertise and solutions of Israel's problem solvers - and their bold and determined approach to innovation. We call this Impatient Innovation. Their free business engagement platform, Finder, grants unrestricted access to real-time, updated information and deep business insights into the Israeli tech ecosystem, explore potential opportunities and forge valuable business connections. (SNC 18.7)

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* 1. UAE: The UAE’s Path to Food Self-Sufficiency

Naser Alsayed posted on 19 July in [AGSIW](https://agsiw.org/) that while under current conditions achieving food self-sufficiency is likely to remain aspirational, taking bold steps could radically improve the UAE’s food security in the interim and make the goal of food self-sufficiency more achievable down the line.

During the coronavirus pandemic, disruptions to global supply chains exposed the United Arab Emirates’ vulnerability to food security issues, posing challenges in maintaining consistent food imports. The UAE government successfully ensured supermarket shelves were stocked by swiftly implementing various safeguarding measures. The UAE has long grappled with ensuring its food security, a challenge made worse by rising food demand due to population growth and environmental factors. Historically, the UAE has approached food-related challenges through the lens of security, prioritizing the protection of this critical resource. The UAE’s commitment to securitizing its food supply is evident through several key initiatives and policies, with the National Food Security Strategy 2051 the cornerstone. Additionally, the country had a designated minister of state for food security from 2017-21 and established the Emirates Council for Food Security. More recently, Dubai announced a plan to develop the world’s largest food trade logistics hub.

The UAE has achieved high rankings in food security indices. However, these rankings do not fully capture all aspects of the UAE’s food supply challenges, which primarily stem from its lack of food self-sufficiency. Food self-sufficiency – having greater control over food supply and reducing vulnerability to external threats – is crucial, as it allows a country to directly manage and influence its food production and availability. Despite the presence of over 38,000 farms in the UAE, their contribution to its food supply is minimal compared to food imports, which constitute up to 85% of consumption and cost about $13.2 billion in 2022. While this amount is manageable for a country as wealthy as the UAE, this reliance on food imports makes the UAE vulnerable to global food supply shocks caused by climate change, geopolitical tensions, pandemics and other disruptions.

**Challenges for Food Self-Sufficiency**

The UAE has faced a persistent increase in food demand, primarily due to its population growing by 6 million over the past decade and having the world’s highest net migration rate. The UAE’s significant reliance on food imports has enabled it to provide food for its population. However, this dependence also renders the UAE vulnerable to fluctuations in the global food supply, such as from India’s recent rice export ban. Two of the many strategies adopted by the UAE in its pursuit of food self-sufficiency include diversifying food imports and acquiring arable land in foreign countries to cultivate and transport produce back to the UAE.

The UAE’s National Food Security Strategy 2051 focuses on diversifying food imports. However, in a world grappling with increased food demand, this is exceedingly difficult. For instance, in its attempt to diversify cereal imports, the UAE has primarily depended on distant countries, such as Canada and Australia, which are vulnerable to logistics issues, as well as high-risk countries such as Russia and Ukraine, thereby putting its food supply chain at risk. Moreover, while global food demand is on the rise, there is a decreasing number of countries exporting food, making it even harder for the UAE to find new suppliers. While diversifying imports is essential, it will not fully shield the UAE’s food supply from potential supply shocks.

Since the early 2000s, the UAE has shifted its emphasis from encouraging large-scale domestic agriculture to purchasing land abroad for farming. Through the “food security alliance,” which was established in 2015, the UAE government and Emirati companies have invested in 19 countries. However, this approach poses risks to food self-sufficiency. For example, land investments in countries such as Indonesia and Cambodia have faced challenges, including local opposition and inadequate property rights, limiting their effectiveness. Furthermore, purchasing land from countries facing their own food supply issues, such as Egypt, Ethiopia, Pakistan and Sudan, carries additional risks. Additionally, host states could potentially use these acquisitions as political leverage. While the UAE’s foreign land acquisition policy may bolster its food security and lessen dependence on imports, it will not necessarily enhance food self-sufficiency.

**Innovation for Domestic Production**

It will not be easy for the UAE to increase domestic production without straining its natural resources, especially its scarce water supply. In 2008, Saudi Arabia had to abandon its food self-sufficiency policy due to the depletion of water resources. Experts agree that conventional and traditional farming methods are neither sufficient nor environmentally feasible for achieving food self-sufficiency in the UAE.

A key objective of the National Food Security Strategy is to increase domestic food production by 30% to 40%, aiming for 50% local production by 2051. To meet these ambitious targets, the UAE has swiftly mobilized generous resources toward prioritizing agricultural technology methods such as vertical farming. This includes investments in agritech, led primarily by government and state-owned enterprises. In 2021, UAE-based entities accounted for 1.1% of global agritech investment capital. Agritech methods enable the UAE to boost domestic food production sustainably, as they are highly water efficient, operate year round, and have minimal environmental impact.

In the UAE, the focus on agritech initiatives largely revolves around indoor vertical farming, leveraging the country’s low electricity costs. However, urban farming has struggled to gain traction. Urban farming encompasses innovative techniques like rooftop farming and hydroponics. It represents the evolution of food and agricultural practices in urban and peri-urban areas, utilizing diverse agritech solutions to enhance efficiency and increase productivity. Furthermore, it promotes awareness about resource conservation practices and enhances green spaces within urban areas. However, for urban farming to thrive, it needs extensive public interest and support, as it relies on residents actively participating by planting and cultivating food in their local areas. To encourage public buy-in and engage UAE residents in contributing to achieving the goals of National Food Strategy 2051, the UAE could offer subsidies for hydroponic systems, grants for urban farming projects, and technical support to help residents start and maintain urban farms.

For now, achieving complete food self-sufficiency in the UAE will remain an aspirational goal due to increasing demand and strained natural resources. However, advancing technologies and implementing effective policies can aid in the UAE’s journey toward food self-sufficiency. Implementing more of these food self-sufficiency policies now will undoubtedly help address the UAE’s food challenges in the long run. As various ongoing factors challenge the resilience of food import-dependent countries, these self-sufficiency policies will be pivotal in ensuring that the UAE eventually achieves full food self-sufficiency and becomes resilient to these challenges.

*Naser Alsayed is a PhD candidate in law at SOAS University of London, researching water security and climate change in the Gulf through a rights-based approach. His research interests span the legal, environmental, and economic aspects of the Gulf region.* (AGSIW 19.7)

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* 1. EGYPT: IMF Completes Third Review Under the Extended Arrangement for EFF for Egypt

The Executive Board of the [International Monetary Fund (IMF)](https://www.imf.org/en/Home) completed the third review of Egypt’s EFF arrangement. This enables the authorities to immediately draw about $820 million (SDR 618.1 million). Egypt’s 46 month EFF arrangement was approved on 16 December 2022.

Macroeconomic conditions have started to improve since the approval of the combined first and second reviews of the program in March. Inflationary pressures are gradually abating, foreign exchange shortages have been eliminated, and fiscal targets (including related to spending by large infrastructure projects) were met. These improvements are beginning to have a positive effect on investor confidence and private sector sentiment. At the same time, the difficult regional environment generated by the conflict in Gaza and Israel and tensions in the Red Sea, as well as domestic policy and structural challenges, call for continued implementation of program commitments.

Maintaining a flexible exchange rate regime and a liberalized foreign exchange system will be imperative to avoid a buildup of external imbalances. At the same time, a data-driven approach by the Central Bank is needed to lower inflation and inflation expectations. Ongoing fiscal consolidation efforts will help place public debt on a decisive downward path. To ensure that resources are still available to meet vital spending needs to help Egyptian families, including on health and education, particular attention will be needed to strengthen domestic revenue mobilization and contain fiscal risks from the energy sector. This will also assist in generating some fiscal space to expand social spending in support of vulnerable groups.

While there has been progress on some critical structural reforms, greater efforts are needed to implement the State Ownership Policy (SOP). Such measures include accelerating the divestment program, pursuing reforms to streamline business regulations to set up new firms, expediting trade facilitation practices and creating a “level playing field” that avoids unfair competitive practices by state-owned companies. Bolstering financial sector resilience and the governance practices and competition in the banking sector should also be key priorities. These measures are crucial for steering Egypt toward private-sector-led growth that can generate jobs and opportunities for everyone.

At the conclusion of the Executive Board’s discussion, Ms. Antoinette M. Sayeh, Deputy Managing Director, and Acting Chair, made the following statement:

“Strengthened reforms under the EFF-supported program are yielding positive results. The unification of the exchange rate and the accompanying monetary policy tightening have curtailed speculation, brought in foreign inflows, and have moderated price growth. With signs of recovery in sentiment, private sector growth should be poised for a rebound.

“Policy settings are expected to help maintain macroeconomic stability. A sustained shift to a flexible exchange rate regime and a liberalized foreign exchange system, continued implementation of a tight monetary policy stance, and further fiscal consolidation coupled with proper implementation of the framework to monitor and control public investment should support internal and external balance. The allocation of a portion of the financing from the Ras El-Hekma deal to reserve accumulation and debt reduction provides an additional cushion against shocks.

“Looking ahead, implementation of the structural reform agenda is key to achieving more inclusive and sustainable growth. Reforms that boost tax revenue, deliver a more robust debt management strategy, and bring additional resources from divestment to debt reduction would create space for more productive spending, including additional targeted social spending. Restoring energy prices to their cost recovery levels, including retail fuel prices by December 2025, is essential to supporting the smooth provision of energy to the population and reducing imbalances in the sector. Enhancing the governance of state-owned banks, advancing the state-ownership policy, increasing fiscal transparency, and leveling the economic playing field are critical to securing greater private investment.

“Risks remain significant. Regional conflicts and uncertainty about the duration of disruption of trade in the Red Sea are important sources of external risk. Maintaining appropriate macroeconomic policies, including a flexible exchange rate regime, would help ensure economic stability. Meaningfully advancing with the structural reform program would significantly improve growth prospects. Managing the resumption of capital inflows prudently will also be important to contain potential inflationary pressures and limit the risk of future external pressures.” (IMF 29.7)

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* 1. MOROCCO: Morocco Set to Make Limited Progress on Fiscal Consolidation

On 17 July, [Fitch Ratings](http://www.fitchratings.com/) projected Morocco’s (BB+/Stable) fiscal deficit to fall to 3.4% of GDP by 2026, from 4.3% in 2023, facilitating a marginal reduction in general government debt/GDP over the period. However, we believe it will be challenging to achieve more significant fiscal consolidation over the longer term without sustainable tax mobilization.

We expect total expenditure to average 25.7% of GDP over 2024-2026, compared with 26.4% in 2023. Capital expenditure over 2024-2026 is likely to be around 1.3% of GDP lower than in 2023, as on-budget reconstruction costs associated with Morocco’s 2023 earthquake fall. We also forecast subsidy spending to be about 1.2% of GDP lower. The government raised prices for subsidized butane gas cylinders by 25% in May 2024, and we expect subsidies will continue to be rolled back for gas as well as other products, like sugar and wheat. However, there is a risk that further external shocks could constrain the government’s willingness to roll back subsidies, which could threaten fiscal consolidation, given the large role that we expect lower subsidies to play in deficit reduction.

Meanwhile, we believe spending on social benefits will rise by around 1.4% of GDP on average over 2024-2026, compared with 2023. This will in part reflect the implementation of authorities’ plans to extend unemployment benefits to self-employed and non-salaried workers, and follows other recent moves to expand social benefits, including a new family allowance scheme launched in late 2023 and the broadening of the compulsory basic health insurance system in 2022. Collectively, these measures may help to contain social tensions, including those arising from subsidy reduction.

On the revenue side, we see total revenue averaging 21.9% of GDP in 2024-2026, down from 22.2% in 2023. Within this, we expect tax revenue to fall by around 0.5% of GDP from 2023 levels. We do not expect a significant improvement in near-term revenue mobilization from Morocco’s planned convergence of its six corporate income tax rates towards two standard rates by 2026, or reduction in the number of value-added tax rates to three, from five, as higher tax rates in some areas will be offset by lower rates in others.

We expect the government to raise the share of revenue derived from so-called “innovative financings” to around 2.1% of GDP in 2024-2026, from 1.0% in 2019-2023. The government has used these mechanisms, which generally involve the sale and lease-back of state assets, to enhance revenue since 2019. They provide a way to offset lower-than-budgeted revenue or higher-than-expected spending, while giving time to implement reforms to better align underlying budget balances. However, “innovative financings” tend to be one-off in nature, and their long-term impact on public finances remains untested. We believe greater reliance on more sustainable revenue sources would strengthen the durability of fiscal consolidation.

A significant and sustained fall in general government debt/GDP over the medium-term could lead to positive rating action on Morocco’s sovereign rating, as we stated when we affirmed the rating in October 2023. Our current baseline assumes that the ratio will fall only marginally to 69.7% of GDP by 2026, from 70.2% in 2024 (compared with a median of 55% for ‘BB’ category sovereigns).

Our forecasts for the budget deficit are more conservative than the government’s targets, which aim to reduce it to 3% of GDP by 2026. Deficit reduction could proceed more quickly than we assume if, for instance, social spending is lower than we project, the simplification of the tax system enhances revenue mobilization or annual economic growth over 2024-2026 exceeds projected average of 3.3%. (Fitch 17.7)

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**\* END \***