

**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.*

**TABLE OF CONTENTS**

[1. ISRAEL GOVERNMENT ACTIONS & STATEMENTS](#_Toc174457589)

[1.1. Jerusalem Launches a $155 Million Yozma 2.0 VC Fund](#_Toc174457590)

[1.2. Sderot is to Receive its Own Innovation Center](#_Toc174457591)

[2. ISRAEL MARKET & BUSINESS NEWS](#_Toc174457592)

[2.1. Fiverr Acquires Leading Dropshipping Automation Tool AutoDS](#_Toc174457593)

[2.2. Zenity Announces Strategic Investment Led by M12](#_Toc174457594)

[2.3. Relativity & Cellebrite Partner to Unleash the Power of Mobile Data](#_Toc174457595)

[2.4. LightSolver Awarded €12.5 Million to Advance its All-Optical Supercomputer](#_Toc174457596)

[3. REGIONAL PRIVATE SECTOR NEWS](#_Toc174457597)

[3.1. UAE’s Mamo Receives $3.4 Million Investment](#_Toc174457598)

[3.2. Boston Oncology & KFMC Partner to Advance Localized Cell Therapy in Saudi Arabia](#_Toc174457599)

[3.3. Saudi Arabia’s Blend Closes $1.3 Million Pre-Seed Round](#_Toc174457600)

[3.4. Intelmatix Closes Region’s Largest AI Series A Financing Round](#_Toc174457601)

[3.5. Egypt's Synapse Analytics Secures $2 Million to Support Expansion](#_Toc174457602)

[3.6. Egyptian Fintech Lucky ONE Raises $3 Million in a Convertible Note](#_Toc174457603)

[3.7. Krispy Kreme Announces its Expansion Into Morocco](#_Toc174457604)

[4. CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS](#_Toc174457605)

[4.1. New Buildings in Israel Required to Have Solar Panels](#_Toc174457606)

[4.2. Egypt is Reportedly Reviewing $4 Billion in Hydropower Plans](#_Toc174457607)

[4.3. Egyptian State Companies to Build a $40 Million Ethane Pipeline](#_Toc174457608)

[4.4. Egypt Considers Two New Hydropower Projects in Upper Egypt](#_Toc174457609)

[5. ARAB STATE DEVELOPMENTS](#_Toc174457610)

[5.1. Jordan's Inflation Rises By 1.7% Over First Seven Months of 2024](#_Toc174457611)

[5.2. Jordan & USAID Collaborate to Empower Women and Boost Micro Enterprises](#_Toc174457612)

[5.3. Jordan Receives $2.067 Billion in Foreign Aid Through July](#_Toc174457613)

[5.4. Jordan Sees 6% Rise in E-Wallet Users Reaching 2.17 Million](#_Toc174457614)

[►►Arabian Gulf](#_Toc174457615)

[5.5. Bahrain’s First Quarter GDP Rises by 3.3% Fueled by Non-Oil Sector Growth](#_Toc174457616)

[5.6. Dubai to Trial Four-Day Work Week for Public Sector Employees](#_Toc174457617)

[5.7. UAE and Vietnam to Sign CEPA Agreement by End of 2024](#_Toc174457618)

[5.8. Saudi Arabia's GDP Continues to Shrink, Albeit at a Slower Pace](#_Toc174457619)

[5.9. Saudi Arabia Records $4 Billion Budget Deficit in Second Quarter](#_Toc174457620)

[5.10. Saudi Arabia Reforms Investment Law in Bid to Attract Foreigners](#_Toc174457621)

[5.11. Saudi Garners SAR 255.6 Billion from Tourists in 2023](#_Toc174457622)

[►►North Africa](#_Toc174457623)

[5.12. Egypt's Inflation Falls to Lowest Level Since December 2022](#_Toc174457624)

[5.13. Egypt's Non-Oil Trade Deficit Declines by 16% in First Half](#_Toc174457625)

[5.14. Remittances from Egyptians Abroad Rise by 65.9% in June](#_Toc174457626)

[5.15. Egypt Bets Big With Historic 3.8 Million Metric Tonne Wheat Tender](#_Toc174457627)

[5.16. Tunisia Signs Six Green Hydrogen Production Agreements](#_Toc174457628)

[5.17. Algeria & Italy to Begin Feasibility Studies on Subsea Electricity Interconnector](#_Toc174457629)

[5.18. Morocco's Unemployment Rate Increases to its Highest Level Since 2001](#_Toc174457630)

[5.19. US Agricultural Exports to Morocco Reach $610 Million in 2023](#_Toc174457631)

[5.20. Morocco's Cannabis Industry Surges in Growth](#_Toc174457632)

[5.21. Remittances from Moroccan Diaspora: $5.7 Billion in First Six Months of 2024](#_Toc174457633)

[6. TURKISH, CYPRIOT & GREEK DEVELOPMENTS](#_Toc174457634)

[6.1. Turkey’s Annual Inflation Slows Down to 9-Month Low Increase of 61%](#_Toc174457635)

[6.2. US Tourist Numbers & Spending in Greece Increase](#_Toc174457636)

[7. GENERAL NEWS AND INTEREST](#_Toc174457637)

[7.1. KACST Contributes to Augmented Reality, E-Sports Technologies in Saudi Arabia](#_Toc174457638)

[7.2. 175 Chinese Language Teachers to Begin Teaching in Saudi Schools](#_Toc174457639)

[8. ISRAEL LIFE SCIENCE NEWS](#_Toc174457640)

[8.1. TruLeaf Medical Awarded NIS 11.5 Million Grant by the Israel Innovation Authority](#_Toc174457641)

[8.2. Nasus Pharma Announces Five Years' Stability of its Nasal Epinephrine Powder](#_Toc174457642)

[8.3. PainReform Develops New Formulations Providing Anti-Inflammatory Effects](#_Toc174457643)

[9. ISRAEL PRODUCT & TECHNOLOGY NEWS](#_Toc174457644)

[9.1. Savvy Security’s Zero-Touch Integrations Deliver Comprehensive SaaS Visibility](#_Toc174457645)

[9.2. Rail Vision Installs its AI- based Product at a Leading Global Mining Company](#_Toc174457646)

[9.3. Lightrun Redefines Observability with the First GenAI Runtime Autonomous Debugger](#_Toc174457647)

[9.4. Fareportal Sees 60% Jump in Cybersecurity Efficiencies Using CyberArk](#_Toc174457648)

[9.5. monday Releases Ready-to-Use, Standardized Portfolio Management Solution](#_Toc174457649)

[9.6. Zeekr & Mobileye to Accelerate Technology Collaboration in China](#_Toc174457650)

[9.7. aiOla Releases Breakthrough AI Model that's 50% Faster than OpenAI's Whisper](#_Toc174457651)

[9.8. Marketeam.ai Launches Maya, the AI Brand Analyst Agent](#_Toc174457652)

[9.9. Epsilor's High Voltage Military Battery System Based on Standard NATO 6T Batteries](#_Toc174457653)

[9.10. Loora Launches Android App to Expand Access to its AI English Tutor](#_Toc174457654)

[9.11. AU10TIX' Advanced AML Solution Featuring Proprietary Decision-Making Mechanism](#_Toc174457655)

[9.12. Innoviz LiDARs to Be Deployed Across Major International Airports in the US](#_Toc174457656)

[9.13. Rockford Mutual Selects Sapiens ReinsurancePro to Enhance Efficiency](#_Toc174457657)

[10. ISRAEL ECONOMIC STATISTICS](#_Toc174457658)

[10.1. Israeli Startups Raised Over $700 Million in July](#_Toc174457659)

[10.2. Israel’s Fiscal Deficit Widens to 8.1% of GDP](#_Toc174457660)

[10.3. Hi-Tech Accounts for 36% of Income Tax Payments in Israel](#_Toc174457661)

[10.4. Israel’s Foreign Exchange Reserves Rise Sharply](#_Toc174457662)

[10.5. Number of Israeli Exits Fall by Half During 2023](#_Toc174457663)

[10.6. Israel’s Top Percent Pays Less Tax In Proportion To Income](#_Toc174457664)

[10.7. The Average Wage in Israel Jumped by 4.7% in June](#_Toc174457665)

[11. IN DEPTH](#_Toc174457666)

[11.1. ISRAEL: Fitch Downgrades Israel to 'A'; Outlook Negative](#_Toc174457667)

[11.2. UAE: UAE Cookware Market Report 2024-2030](#_Toc174457668)

[11.3. SAUDI ARABIA: The Impact of Tourism on the Saudi Economy](#_Toc174457669)

ISRAEL GOVERNMENT ACTIONS & STATEMENTS

[Back to Table of Contents](#TOC)

* 1. Jerusalem Launches a $155 Million Yozma 2.0 VC Fund

The [Israel Innovation Authority](https://innovationisrael.org.il/en/) has launched Yozma Fund 2.0, a new program aimed at encouraging investments by institutional entities in Israeli venture capital funds that support Israeli companies. The fund targets institutional investors such as insurance companies, pension funds, and provident funds, providing them with a unique mechanism to enhance returns on their investments in Israeli venture capital funds over the next 20 months.

The IIA said that the initiative was oversubscribed by about $474 million, with almost all Israel’s institutional Investment entities choosing to participate. To address this over-demand, a second phase of the fund is planned for the 2025 budget year.

As part of the plan, the Innovation Authority will provide matching funding for institutional investments in Israeli venture capital funds under the program and will fully or partially waive its share of the returns from the investments in these funds, thereby increasing the returns for institutional investors from these investments. The program is state-funded and upside-oriented, because there is full confidence in the Israeli tech industry’s ability to overcome the current crisis and continue to be the growth engine of the Israeli economy.

The fund’s aim is to support Israeli high-tech companies, expand the ties between institutional entities and local venture capital funds as is customary in leading markets worldwide, and increase the stability of the local venture capital market against shocks and macroeconomic fluctuations. As a result of the program, the scope of institutional investments in Israeli venture capital funds is expected to grow, thereby increasing the availability of capital for Israeli tech companies. (IIA 1.8)

[Back to Table of Contents](#TOC)

* 1. Sderot is to Receive its Own Innovation Center

An innovation center will be built next to the railway station in Sderot in southern Israel. Construction of the first part of the center will begin shortly - four years after the corner stone was laid. The cost, estimated at NIS 30 million, will be covered by a donation from JNF Australia, Keren Kayemeth LeIsrael, and a budget from the Tekuma administration responsible for the rehabilitation of the Gaza Strip border area.

The first building will have 3,000 square meters of space on two floors. It is due to be ready for occupancy in May 2026. It will initially house a technology incubator with startup companies in the fields of defense, high-tech and the environment. Altogether, the center, from which there will be direct access to Sapir College, will consist of three buildings with 10,000 square meters of space.

The innovation center is part of a broader plan of the Sha’ar HaNegev regional council for development of the region, especially after the events of 7 October. Construction of the innovation center is a significant step towards rehabilitation of the region. It will represent an important economic and social lever, and will allow residents of the area new opportunities in employment and technology. (Globes 1.8)

ISRAEL MARKET & BUSINESS NEWS

[Back to Table of Contents](#TOC)

* 1. Fiverr Acquires Leading Dropshipping Automation Tool AutoDS

[Fiverr](http://www.fiverr.com) announced its acquisition of Tel Aviv's [AutoDS](https://www.autods.com/), which provides a subscription-based end-to-end solution for dropshippers, including product research and sourcing, inventory management, and automated fulfillment. With its expansive global reach and an omni-channel approach, it aggregates over 150 million products and serves tens of thousands of paying subscribers on its platform.

AutoDS brings tens of thousands of dropshippers into the Fiverr ecosystem, adding to the existing dropshipping and e-commerce buyer base on Fiverr. This acquisition expands Fiverr’s footprint in the value chain in categories with existing dominance and growth momentum, including dropshipping, website development, e-commerce management and social media marketing. AutoDS will remain independently operated while working together to maximize synergies between both companies.

Tel Aviv, Fiverr’s mission is to change how the world works together. From small businesses to Fortune 500, around 4 million customers worldwide worked with freelance talent on Fiverr in the past year, ensuring their workforces remain flexible, adaptive and agile. With Fiverr Business Solutions, large companies can find the right talent and tools tailored to their needs to help them thrive and grow. (Fiverr 31.7)

[Back to Table of Contents](#TOC)

* 1. Zenity Announces Strategic Investment Led by M12

Zenity announced a strategic investment led by M12, Microsoft's Venture Fund. Partnering with Microsoft is a strategic move for Zenity as Microsoft's global reach, robust technology stack and commitment to innovation align perfectly with our vision. This investment allows Zenity to leverage Microsoft's resources to accelerate growth and work closely on a joint go-to-market strategy, enhancing the security and success of mutual customers.

Zenity researchers have found upwards of 79,000 applications being developed per organization using copilots and low-code platforms. This research further found that over 60% of these applications contain serious security vulnerabilities; be it hard-coded secrets, untrusted guests gaining privileged access to critical assets, over-exposing bots to the public internet, or apps and copilots with poorly configured authentication mechanisms.

Tel Aviv's [Zenity](https://www.zenity.io) is the first platform designed to help enterprises secure and govern copilots and low-code/no-code development. The Zenity platform is built from the ground up with a security-first approach centered on three pillars: Visibility, Risk Assessment, and Governance. As the founding member of the OWASP Top 10 project specifically focused on low-code/no-code development, Zenity takes a community-oriented approach to this rapidly evolving security vector. (Zenity 30.7)

[Back to Table of Contents](#TOC)

* 1. Relativity & Cellebrite Partner to Unleash the Power of Mobile Data

Chicago's Relativity, a global legal technology company, and Cellebrite announced a strategic partnership that will deliver cutting-edge solutions for mobile device collection, processing and review. The new solutions will drastically improve how mobile evidence is managed for legal data use cases by increasing efficiency through streamlined workflows and improving accessibility and usability of mobile evidence.

The collaboration focuses on the development and offering of a RelativityOne and Cellebrite Remote Mobile Collection and Conversion integration, in which Relativity is the only e-discovery provider to have direct integrations with Cellebrite Endpoint Inspector and Cellebrite Endpoint Mobile Now.

Additionally, Cellebrite will be the only mobile collection provider that will natively integrate its offerings into RelativityOne Collect. This will allow customers to initiate and manage remote mobile device collections from within Collect, and automatically transfer the collected data to RelativityOne for review and analysis. Now, through one tool and leveraging Cellebrite's conversion capabilities and expertise, mobile data will automatically and accurately convert from Cellebrite's proprietary UFD file format to Relativity Short Message Format (RSMF) upon collection, creating a more streamlined user experience.

Petah Tikva's [Cellebrite](https://cellebrite.com/en/home/)'s mission is to enable its customers to protect and save lives, accelerate justice and preserve privacy in communities around the world. They are a global leader in Digital Investigative solutions for the public and private sectors, empowering organizations in mastering the complexities of legally sanctioned digital investigations by streamlining intelligence processes. (Relativity 30.7)

[Back to Table of Contents](#TOC)

* 1. LightSolver Awarded €12.5 Million to Advance its All-Optical Supercomputer

LightSolver has been selected for the European Innovation Council (EIC) Accelerator Program. The company will receive an initial grant of €2.5 million from the EIC Fund combined with a future equity investment of €10 million, totaling €12.5 million. The funding is a direct endorsement of LightSolver’s commitment to building the first all-optical supercomputer, drastically reducing the carbon footprint and the Total Cost of Computing (TCoC). The company will leverage the grant by the EIC to advance the commercialization of its platform and accelerate its growth in high-performance computing (HPC).

LightSolver’s novel processor, the Laser Processing Unit (LPU), harnesses the natural properties of light to execute complex mathematical operations, enabling industry and research to process compute-intensive workloads in a rapid and energy-efficient way. Applications such as computer-assisted engineering (CAE), bio-science computations and optimization problems can be accelerated by LightSolver’s platform.

Tel Aviv's [LightSolver](https://lightsolver.com/) has successfully harnessed the unique physical properties of light to develop the first pure laser-based processing unit (LPU), an innovative computing method that is poised to outpace and outperform quantum and supercomputers. It uses all-optical coupled lasers to compute, enabling it to be as small as a traditional desktop computer while offering unrivaled scalability. (LightSolver 6.8)

REGIONAL PRIVATE SECTOR NEWS

[Back to Table of Contents](#TOC)

* 1. UAE’s Mamo Receives $3.4 Million Investment

Dubai's [Mamo](https://www.mamopay.com/) announced the successful completion of a $3.4 million funding round to help Mamo expand its product offerings and extend its market presence. The funding round was completed by an existing investor 4DX Ventures and the Dubai Future District Fund. Other investors included Cyfr Capital.

The newly raised capital will be allocated to expand Mamo’s product offering within the UAE and support regional expansion. The company has plans to further develop its comprehensive financial services platform to address the deeper finance operations needs of SMEs in the UAE. Additionally, Mamo will use the funds to begin testing its innovative product lines in Saudi Arabia, further extending its regional footprint.

To date, Mamo has raised a total of $13 million in funding, and the team stands at 30 people. Mamo’s current product offering includes payment collection, corporate cards, and expense management all housed under one beautiful, intuitive financial services platform. This consolidation of financial services has been key to helping SMEs save on transaction fees. (Mamo 25.7)

[Back to Table of Contents](#TOC)

* 1. Boston Oncology & KFMC Partner to Advance Localized Cell Therapy in Saudi Arabia

In a landmark initiative poised to transform healthcare in Saudi Arabia, Boston Oncology and King Fahd Medical City (KFMC) have signed a Letter of Intent to collaborate on the localization of Cell & Gene Therapy.

Saudi Arabia's [Boston Oncology](https://bostononcology.com/.%E2%80%8E), known for its customer-centered model, brings extensive expertise in localizing technology. Laser-focused on the real-world needs of patients and hospitals, Boston Oncology is positioned to provide cutting-edge technologies and Cell & Gene Therapies through this partnership. This collaboration will establish a local treatment option, relieving bottlenecks in therapy provision and improving patient outcomes. The resulting Research & Development and clinical trials will significantly contribute to innovative advancements in the healthcare sector of Saudi Arabia.

[King Fahad Medical City (KFMC)](https://www.kfmc.med.sa) in Riyadh, Saudi Arabia is one of the largest medical complexes in the Middle East, with a capacity of 1,200 beds. Operating within the second health cluster, KFMC consists of four hospitals and four specialized medical centers, offering comprehensive healthcare services. Known for its advanced medical technologies and high standard of care, KFMC serves over 30,000 inpatients and 500,000 outpatients annually. (KFMC 31.7)

[Back to Table of Contents](#TOC)

* 1. Saudi Arabia’s Blend Closes $1.3 Million Pre-Seed Round

Riyadh's Blend has successfully raised SAR 5 million in a Pre-Seed investment round, backed by a group of angel investors. These investments aim to develop innovative tech solutions serving the restaurant, cafe, hypermarket and cloud kitchen sectors.

Founded in 2023, Blend offers a unique system that integrates multiple food delivery platforms into a single screen. This allows restaurant owners to efficiently manage orders and items while easily tracking reports. So far, the company has successfully integrated with five local delivery applications.

Blend plans to expand to other Gulf countries, including Kuwait and Bahrain, by the end of next year, aiming to reach all beneficiaries in the region by the end of 2026. These developments come at a time when the restaurant and cafe sector is undergoing significant changes in line with Saudi Arabia’s Vision 2030, which aims to attract tourists and increase the population in the Riyadh region to 15 million people. (EntArabi 7.8)

[Back to Table of Contents](#TOC)

* 1. Intelmatix Closes Region’s Largest AI Series A Financing Round

Saudi Arabia's [Intelmatix](https://intelmatix.ai/%E2%80%8E) closed a $20 million series A funding round, marking the region’s largest series A round for an AI startup. The round was led by Shorooq Partners, with participation from Saudi Venture Capital Company, Saudi Technology Ventures (STV), Olayan Financing Company, Sultan Holdings, Zain Ventures, and Rua Growth Fund. Information about the size of the stake offered to investors and the investment structure, as well as the specific amounts each institution invested, was not disclosed. It is also unclear where Intelmatix plans to earmark the funds.

Intelmatix closed a seed round back in 2021 with STV and Sultan Holdings with an undisclosed amount. The AI startup also signed an agreement with Prince Sultan University to launch the first AI initiative in the university in March. Founded by MIT scientists, Intelmatix seeks to bridge the region’s AI gap through its flagship product, the Enterprise Decision Intelligence Platform, which is designed to provide comprehensive AI solutions for organizations without requiring extensive AI expertise. (Intelmatix 1.8)

[Back to Table of Contents](#TOC)

* 1. Egypt's Synapse Analytics Secures $2 Million to Support Expansion

Cairo's [Synapse Analytics](https://www.synapse-analytics.io/), an Egyptian artificial intelligence (AI) startup, has secured a $2 million in investment to support expansion of AI-powered solutions across the GCC and Africa, with a focus on transforming the financial sector. This development comes two years after the company raised a $2 million pre-Series A round to accelerate efforts to help businesses adopt AI and expand its operations.

The startup, a part of Hub71, Abu Dhabi’s global tech ecosystem, addresses the challenge of financial inclusion and access by providing modern AI software for financial decisions. This includes credit scoring, cross-selling, dynamic pricing, and eKYC/eKYB (Know Your Customer/Business) processes. Its suite of solutions includes Konan, a flagship Machine Learning Operations (MLOps) platform that enables the integration and adoption of AI in financial institutions’ operations in areas such as credit risk assessment, pricing optimization, and product matching. There is also Doxter, a comprehensive document extraction and process automation platform which enables clients to process and store verifiable data from diverse documents, such as IDs, financial statements, and legal documents.

Synapse Analytics currently has existing partnerships with major banking product providers including, Amazon Web Services (AWS), a cloud computing platform, Crealogix, a startup that offers software solutions for digital banking, wealth management, and processing of applications. (Wamda 31.7)

[Back to Table of Contents](#TOC)

* 1. Egyptian Fintech Lucky ONE Raises $3 Million in a Convertible Note

Leading Cairo-based consumer credit fintech, [Lucky ONE](https://thelucky.app/), announced the successful raise of $3 million in a convertible note, bolstering its path to profitability by Q1/25 and enabling the scaling of its credit lending offering for the Egyptian masses. The financing round witnessed participation from existing investors, including Lorax Capital Partners, KEM and DisrupTech Ventures.

As Lucky ONE remains steadfast on its path to profitability, this financing round marks a significant milestone in the company’s growth trajectory. The funds raised will be strategically utilized to expand the platform’s credit services, further enhancing its position as a leading consumer credit fintech in Egypt in alignment with the national financial inclusion agenda.

The traction built by the Lucky ONE over the past 5 years lets them to take the next step towards offering a comprehensive range of financial services. Ranging from instant discount and cashback needs, all the way to lending, they seek to empower customers to stay ahead of their financial needs. (Lucky ONE 7.8)

[Back to Table of Contents](#TOC)

* 1. Krispy Kreme Announces its Expansion Into Morocco

Charlotte, North Carolina based [Krispy Kreme](http://www.krispykreme.com) announced its inaugural Moroccan shop will open on 9 August 2024. In partnership with franchisee Americana, the company known for its iconic Original Glazed doughnuts and coffee will now be making doughnuts fresh daily in Morocco. This expansion is part of their strategic growth plan to bring its world-famous, fresh doughnuts to more consumers around the globe through its capital-efficient hub and spoke model.

The selection of Morocco is motivated by its economic vitality and the consumption habits of its population, who appreciate moments of pleasure and conviviality. To commemorate this exceptional opening, a grand festive event is planned. Attendees will enjoy a variety of entertainment and can participate in raffles for a chance to win exclusive prizes. Among these prizes, a few fortunate guests will win a year’s supply of Krispy Kreme doughnuts. Special offers and discounts will also be available throughout the inaugural day.

To cater specifically to Moroccan tastes, Krispy Kreme has developed a range of exclusive doughnuts inspired by local flavors. This includes a caramel doughnut, reminiscent of the sweetness of *dulce de leche* and churros, two desserts particularly cherished in Morocco. A cinnamon doughnut has also been created to reflect traditional Moroccan flavors. Additionally, a lemon dream doughnut celebrates the frequent use of citrus in Moroccan cuisine.

Committed to supporting the local economy, Krispy Kreme is already collaborating with Moroccan suppliers for a significant portion of its ingredients and materials. This collaboration will be further strengthened after the shop's opening, fostering sustainable and mutually beneficial relationships with local communities and producers. (Krispy Kreme 5.8)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. New Buildings in Israel Required to Have Solar Panels

On 6 August, Israel's National Planning and Building Committee approved new regulations requiring all new non-residential buildings and houses to install renewable energy systems with solar panels on their roofs. As part of the regulations, all new buildings that are not residential with a roof area larger than 250 square meters will be obligated to install a system to generate electricity from renewable energy. Similarly houses with a roof area of more than 100 square meters will be required to install photovoltaic panels with a minimum production capacity of 5 kilowatts. Exemptions can be granted at a city engineer’s discretion for buildings for preservation or with unique architectural features and if there are future plans to extend the building higher.

The Ministry of Energy and Infrastructure estimates that the new regulations will lead to the building of thousands of new installations for the production of renewable energy with a total installed capacity of about 3,500 megawatts by 2040. This capacity will save solar arrays on land covering about 8,750 acres and save billions of shekels in electricity network infrastructures that occupy large areas while contributing to the decentralization of the energy economy and strengthening its resilience. (Globes 6.8)

[Back to Table of Contents](#TOC)

* 1. Egypt is Reportedly Reviewing $4 Billion in Hydropower Plans

Egypt is currently reviewing investment offers valued at $4 billion over three years to build hydroelectric power projects for use in the country’s green hydrogen projects. The proposal revives shelved plans suspended by Egypt in recent years over concerns of water scarcity due the disputed Grand Ethiopian Renaissance Dam (GERD). While Egypt plans to review offers and sign MoUs to accelerate planned projects and sources say China was on the lookout for a partner in Africa for such projects amid offered incentives in the continent. Hydroelectric power reportedly contributed 15k GWh of renewable power to Egypt’s clean energy portfolio last year.

Egypt is reportedly looking to set up a water pumping and storage station with a renewable electricity production capacity of 2.4 GW in Egypt’s mountainous Ataka region. The government had reportedly inked a MoU with a Chinese company over three years ago to implement the project, before being indefinitely postponed due to financial and technical issues.

[Back to Table of Contents](#TOC)

* 1. Egyptian State Companies to Build a $40 Million Ethane Pipeline

A consortium of Egyptian state-owned companies plans to construct a $40 million pipeline to transport imported liquefied ethane gas derived from US shale gas from Alexandria's Dekheila Port to Sidi Kerir Petrochemicals (Sidpec) and the Egyptian Ethylene and Derivatives Company (Ethydco).

State-owned companies Egyptian Petrochemicals Holding, Sidpec and the Egyptian Natural Gas Company (Gasco), alongside private sector player Gama Construction came together to form a $660 million joint venture — dubbed Alexandria for Supply Chain Company — to set up a permanent offshore facility at the Dekheila Port. The new joint venture aims to import 1.1 million tons of liquefied ethane gas a year, ensuring a steady supply of raw materials for the petrochemical industry in the region.

The 40-km pipeline will be built by Gasco, which will also finance the project in exchange for a transportation fee of around $20 per ton, as well as the right to fully manage and maintain the pipeline. Gasco will launch a tender for the pipeline's construction this month, with implementation expected to begin in January for a two-year period. A dedicated berth will be constructed to receive imported ethane shipments. The company that develops the berth will lease it for 25 years under an usufruct contract. (Enterprise 5.8)

[Back to Table of Contents](#TOC)

* 1. Egypt Considers Two New Hydropower Projects in Upper Egypt

The Egyptian government has reportedly finished studies for two pumped storage hydropower projects in Luxor and Qena with a combined capacity of 2 GW. The projects could cost up to $2.5 billion.

The news follows reports that the Electricity Ministry plans to carry out $4 billion worth of hydroelectric power projects in partnership with private sector players. Among these projects, the ministry is looking to set up a water pumping and storage station with a capacity of 2.4 GW in Egypt’s mountainous Ataka region. Unlike the Ataka project, which will use treated wastewater, the new projects will pump Nile water.

Pumped storage hydropower works by using surplus electricity to pump water uphill into a reservoir in periods of low demand or high supply, releasing it downhill through turbines to generate electricity when demand rises or supply falls. This energy storage method allows networks that rely on solar and wind power to keep the lights on even when the wind drops or the sun goes down. The Electricity Ministry plans to offer these projects to investors shortly. (Enterprise 8.8)

ARAB STATE DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Jordan's Inflation Rises By 1.7% Over First Seven Months of 2024

Jordan's General Consumer Price Index (CPI) increased by 1.7% in the first seven months of 2024, reaching 110.45 points compared with 108.6 points in the same period of 2023, according to the latest report from the Department of Statistics (DoS). The report cited personal effects as the most significant contributors to increasing inflation, accounting for 8.88% increase, followed by water and sanitation at 7.34%, union contributions at 5.86%, rents at 3.97% and vegetables, dried and canned legumes at 3.96%.

For July 2024, the CPI reached 111 points, marking a 1.92% increase compared with 108.91 points in July 2023. Key drivers of the monthly inflation were personal luggage, up by 11.81%, dried and canned vegetables and legumes by 9.88%, water and sanitation by 7.34%, fruits and nuts by 7.18%, and union contributions by 5.86%. However, declines in oils and fats by 2.08%, furniture, carpets, and bedding by 1.69%, clothing by 1.58%, and home textiles by 1.36% helped moderate the overall increase, Petra reported. (DoS 11.8)

[Back to Table of Contents](#TOC)

* 1. Jordan & USAID Collaborate to Empower Women and Boost Micro Enterprises

Jordan's Ministry of Social Development and the National Aid Fund signed two MoUs with Mercy Corps as part of the Micro and Small Enterprises Productivity Development Program (Iqlaa), funded by the United States Agency for International Development (USAID). These memoranda are part of a joint initiative to enhance strategic and effective cooperation in supporting and developing home-based, micro, and small projects in Jordan.

The initiative aims to support the local economy, enhance social sustainability and achieve tangible results that raise income levels and provide job opportunities. It is to support beneficiaries and productive families, enhance their skills, and develop their entrepreneurial projects, contributing to economic development and improving the quality of life, aligning with the Economic Modernization Vision. The National Aid Fund has also amended the legislative framework governing training and employment programs to motivate beneficiaries by exempting income from microfinance projects for two years. (Petra 31.7)

[Back to Table of Contents](#TOC)

* 1. Jordan Receives $2.067 Billion in Foreign Aid Through July

Jordan has received a total of approximately $2.067 billion in foreign aid, comprising grants and concessional loans, up to the end of July this year, according to the Ministry of Planning and International Cooperation.

Regular grants amount to $583.59 million, directed towards development projects across various sectors, including water, sanitation, employment, vocational training, livelihoods, municipal services, solid waste management, social protection, economic development, youth and culture, justice, good governance, human rights, agriculture, food security, information technology, health and education.

Key donors include the U.S. Agency for International Development, Saudi Arabia, Canada, Kuwait, Germany, the United Kingdom, Switzerland, Australia, the World Bank, the European Bank for Reconstruction and Development, the International Finance Corporation, the European Investment Bank, the European Union, the International Labour Organization, Norway, the Netherlands, the U.S. Trade and Development Agency, and Italy, through the Food and Agriculture Organization and the United Nations Development Program.

The report highlights that the main sectors benefiting from this aid are budget support (70.6%), water and sanitation (9.7%), economic development (6%), education (4.1%), and employment, vocational training, and livelihoods (3.2%). Other sectors receiving aid include health, justice, good governance, human rights, environmental protection, municipal services, solid waste management, tourism, social protection, agriculture, food security, youth and culture, and information and communications technology. (Petra 8.8)

[Back to Table of Contents](#TOC)

* 1. Jordan Sees 6% Rise in E-Wallet Users Reaching 2.17 Million

The number of e-wallet users in Jordan has risen by 6%, according to recent statistics released by the Central Bank of Jordan (CBJ). Digital wallet usage among Jordanians reached 2.17 million users, and there are eight payment and electronic transfer companies operating in the country that are authorized by the CBJ, in addition to connecting 19 banks to provide consumers with mobile payment services, thereby exchanging financial transactions between mobile wallets and to and from bank accounts. (JT 31.7)

►►Arabian Gulf

[Back to Table of Contents](#TOC)

* 1. Bahrain’s First Quarter GDP Rises by 3.3% Fueled by Non-Oil Sector Growth

Bahrain’s real gross domestic product (GDP) grew by 3.3% year-on-year (YoY), according to a quarterly economic performance report by the Ministry of Finance, driven by robust growth in the key sectors of the non-oil economy. The latest data from the ministry shows that non-oil economy increased 3.3% in the January-March period, contributing almost 85.9% to overall GDP.

The Gulf state’s oil GDP grew 3.4%, the report indicated, with accommodation and food services, and financial services and insurance among the top performing sectors. The hospitality sector led the growth at 10.7%, driven by a 31.7% YoY rise in inbound tourists and 1% increase in hotel occupancy rates for 4- and 5-star hotels, which averaged 50.8%. Similarly, the transportation and storage sector grew by 5.3%, driven by an 11% increase in passengers travelling through Bahrain International Airport and a 10% rise in aircraft movements. The manufacturing sector also grew by 3.9%, with production at Bapco Refining and Aluminum Bahrain (Alba) increasing by 25.3% and 1.9%, respectively.

Bahrain’s economic growth is projected to accelerate in 2024, following a slowdown last year, driven by vigorous activity in the non-oil sector, as the Gulf state makes a push toward a sustainable and more diversified economic future. The finance ministry projects that the country’s economy will expand by 3% in 2024, driven mainly by non-oil sectors, as the government accelerates efforts to diversify income sources and economic sectors away from hydrocarbons. (GN 6.8)

[Back to Table of Contents](#TOC)

* 1. Dubai to Trial Four-Day Work Week for Public Sector Employees

Authorities in Dubai have announced a pilot scheme to reduce working hours for selected government entities during the summer. This initiative, known as ‘Our Flexible Summer,’ will commence in the second week of August and run until the end of September. It will also suspend work on Fridays, according to the Dubai Government Human Resources Department (DGHR). Under this scheme, working hours will be reduced to seven per day for employees in 15 participating government entities, as per the report.

Currently, most government employees in Dubai benefit from a two-and-a-half-day weekend (Friday half-day, Saturday and Sunday). With the new initiative, these employees will enjoy an extended weekend for seven weeks. While the DGHR has not specified which entities will participate, it highlighted that the scheme aims to “enhance workplace flexibility,” ensure safety during the summer, and promote a better work-life balance. The department conducted a survey to assess the willingness of government agencies to adopt reduced working hours.

As part of ‘Our Flexible Summer,’ work will be suspended on Fridays, and the workday will be reduced to seven hours for the participating government entities from 12 August to 30 September. The DGHR will periodically review observations and feedback to determine whether this initiative should become a long-term policy for future summers. (WAM 7.8)

[Back to Table of Contents](#TOC)

* 1. UAE and Vietnam to Sign CEPA Agreement by End of 2024

The UAE and Vietnam are set to finalize the details of a comprehensive economic partnership agreement (CEPA) by the end of the year. The UAE is Vietnam’s largest export market and second-largest trading partner in the Middle East behind Kuwait. Bilateral trade between the two countries netted $3.2 billion in H1/24, up 43% y-o-y. Vietnam's exports exceeded $2.8 billion while imports reached over $435 million.

Vietnam's exports electronics, machinery, textiles, cars and agricultural products like cashews, fruit and rice. Imports from the UAE mainly include petroleum products, liquefied gas, animal feed, metals and chemicals. (Enterprise 8.8)

[Back to Table of Contents](#TOC)

* 1. Saudi Arabia's GDP Continues to Shrink, Albeit at a Slower Pace

Saudi GDP dipped 0.4% y-o-y in Q2/24, marking the fourth consecutive quarter of contraction, according to preliminary figures from state statistics agency Gastat. The second quarter saw the slowest rate of contraction in the series. The downturn came on the back of lower oil activity, which recorded an 8.5% y-o-y decline. Oil activity accounts for c.40% of GDP and about 75% of government revenues. Non-oil activity was up 4.4% y-o-y and government activity was also up 3.6% y-o-y during the quarter.

The Kingdom cut oil production by 500k barrels per day in April 2023 in a bid to arrest falling oil prices. That figure became a 1 million bpd voluntary cut by June. Though originally seen ending in December 2023, the government extended the 1 million bpd cut through Q1/24 and now seems poised to continue it through June 2024, maintaining production at 9 million bpd.

GDP climbed 1.4% compared to the previous quarter, with growth buoyed by government activity — which rose 3.2% q-o-q — and non-oil activity (up 1.4% q-o-q). Oil activity was also up 1.3% compared to the previous quarter. (Enterprise 1.8)

[Back to Table of Contents](#TOC)

* 1. Saudi Arabia Records $4 Billion Budget Deficit in Second Quarter

The Saudi state budget closed with a SAR 15.3 billion ($4.09 billion) deficit in Q2/24, widening from SAR 12.4 billion in the previous quarter, according to the Finance Ministry’s quarterly budget performance report. Total government revenues grew 12% y-o-y to SAR 353.6 billion during the quarter, driven by an 18% increase in oil revenues and 4% in non-oil revenues.

The Kingdom recorded a budget deficit of SAR 27.7 billion in H1/24, with expenditures coming in at SAR 674.8 billion and total government revenues closing at SAR 647 billion in the first half of the year. Public debt stood at SAR 1.15 trillion during the six-month period, split into SAR 680.3 billion domestically and SAR 468.9 billion externally.

Total expenditures for 2Q 2024 rose 15% y-o-y to reach SAR 368.9 billion, with most sectors seeing considerable growth in public spending aside from grants, which fell 50%. Subsidies saw the biggest increase at 68% y-o-y to SAR 13 billion. Employee compensation accounted for the lion’s share of public spending at SAR 139.8 billion. Money spent on employee compensation clocked in at SAR 139.8 billion — the largest line item during the period — followed by goods and services usage at SAR 75.6 billion and non-financial assets (Capex) at SAR 64.9 billion. Total expenditure rose 12% y-o-y to SAR 674.8 billion in the first half of this year. (SFM 1.8)

[Back to Table of Contents](#TOC)

* 1. Saudi Arabia Reforms Investment Law in Bid to Attract Foreigners

Saudi Arabia announced new business regulations aimed at boosting transparency and easing the process of investing in the Kingdom as it looks to attract more foreign capital to support economic diversification. The updated investment law enhances investor rights by guaranteeing the rule of law, fair treatment and the freedom to transfer funds without delay, among other things, the Ministry of Investment said. Foreign investor licenses will also be scrapped and replaced with a “simplified” registration process, while dedicated service centers will open to help expedite the process of investing in Saudi Arabia. The reforms are due to take effect in early 2025.

Saudi Arabia has taken several steps in recent years to attract foreign investment, including issuing visas specifically for investors, creating special economic zones with lower tax rates and introducing new laws related to civil transactions and bankruptcy. The Kingdom’s goal is to bring in more than $100 billion in foreign direct investment a year by 2030 as part of an effort to develop new industries that will create jobs and generate fresh sources of revenue outside of the oil industry.

The country also sees FDI as critical to the transfer of knowledge needed to help it scale up in new sectors. FDI inflows amounted to just over $19 billion in 2023 — above the annual average of $17 billion from 2017-2022 but shy of last year’s target of $22 billion. The Kingdom took in $4.5 billion in the first quarter and is targeting flows of $29 billion for 2024. Saudi Arabia said the updated law takes international practices into account and was developed after soliciting input from global investors and organizations. (Al Arabiya 11.8)

[Back to Table of Contents](#TOC)

* 1. Saudi Garners SAR 255.6 Billion from Tourists in 2023

Saudi Arabia welcomed 27.4 million foreign tourists in 2023 — up 64.8% y-o-y, according to the Tourism Ministry. Tourist spending from both domestic and inbound tourism also rose by 24.3% y-o-y to SAR 255.6 billion over the same period, with domestic tourists accounting for SAR 114.4 billion and inbound tourists spending around SAR 141.2 billion during the year.

Some 8.6 million tourists came from neighboring Gulf countries, accounting for 31.5% of all inbound tourists. These tourists spent a little over SAR 15 billion in the Kingdom — around 10.6% of all inbound tourist spending. Tourists from Asia were a close second at 7.9 million tourists, but spent the most in the country at SAR 55.1 billion. Middle East tourists were the second-highest spenders at SAR 32.9 billion.

Religious tourism took the lion’s share of tourist spending and visits, with 11.6 million pilgrims spending SAR 77.4 billion during their visits. Business travel brought in 1.9 million visitors spending SAR 12.8 billion throughout the year.

The Saudi Tourism Ministry doubled its target for 2030 earlier this year, hoping now to be host to 150 million tourist trips after it hit its target last year ahead of schedule. The new 2030 target sees 80 million by domestic travelers and 70 million by international travelers. The ministry also launched in May a program to make it easier for foreign and domestic investors to get licenses for a range of activities, with fees and procedures pegged to the type and scale of operations in the hospitality sector. The government is investing some $800 billion into the tourism sector under plans to build new future destinations, including Neom, the Red Sea, Diriyah and Qiddiya, among others. (Enterprise 5.8)

►►North Africa

[Back to Table of Contents](#TOC)

* 1. Egypt's Inflation Falls to Lowest Level Since December 2022

Egypt's annual urban inflation cooled to 25.7% in July, down 1.8% from 27.5% in June, according to data from CAPMAS. This came despite recent hikes to the prices of subsidized bread and fuel. July’s inflation figure is the lowest recorded since December 2022.

Food and beverage prices — the largest component of the basket of goods and services used to calculate headline inflation — continued to rise but at a softer rate of 29.7% y-o-y in July, down 2.2% from a month prior. On a monthly basis, the rate of food and beverage inflation came in at only 0.3%, down 1.3% from the month before — this helped monthly inflation slow to 0.4% in July from 1.6% the month before.

Annual core inflation — which excludes volatile items such as food and fuel — slowed to 24.4%, down from 26.6% in June, according to data from the Central Bank of Egypt. While monthly core inflation was negative for the second time since August 2021, coming in at -0.5%, down from 1.3% in June. (Various 11.8)

[Back to Table of Contents](#TOC)

* 1. Egypt's Non-Oil Trade Deficit Declines by 16% in First Half

Egypt’s non-oil trade deficit narrowed by 16% y-o-y to $15.9 billion in the first half of 2024, down from $18.9 billion during the same period last year, driven by a rise in exports and a dip in imports.

Non-oil exports increased by 9.8% y-o-y to some $19.6 billion in the first six months of the year, which can be attributed to the float of the EGP in March, making Egyptian products more competitive in foreign markets. Construction material exports made up nearly a quarter of all non-oil exports in H1/24, accounting for 24% of total exports at $4.7 billion. Chemical products and fertilizer exports came in second, standing at $3.8 billion, representing 19% of total exports. Food industries were close behind in third place, clocking in $3.1 billion worth of exports, accounting for 15% of total export receipts. Meanwhile, agricultural exports stood at $2.7 billion, making up 14%, followed by engineering products and electronics, which registered $2.6 billion in exports.

Non-oil imports dipped by 3.3% y-o-y to EGP 35.6 billion. Electronics and engineering goods made up the largest part of Egypt's imports, accounting for 30% of the country’s imports, totaling $10.8 billion during the six-month period. Construction materials were the second biggest contributor to our import bill, totaling $6.8 billion throughout the period and making up 18% of the country’s total imports. Coming in third, fourth, and fifth, were chemical and fertilizer imports at $5.1 billion, agricultural imports of $4.9 billion, and foodstuff imports that came in at $3.9 billion. (Various 1.8)

[Back to Table of Contents](#TOC)

* 1. Remittances from Egyptians Abroad Rise by 65.9% in June

Remittances from Egyptians abroad rose 65.9% y-o-y in June, recording $2.6 billion, while on a monthly basis, remittances were down 3.7%. Egyptians abroad have started sending more of their remittances through official channels after the float of the EGP. Remittance inflows had fallen 30% y-o-y in 2023 on the back of a widening gap between the official rate and parallel market pushing many to send remittances into the country outside official channels. The government said it wants to raise remittances — one of Egypt’s biggest sources of FX — from Egyptian expats by 10% each year to reach $53 billion by 2030. (CBE 8.8)

[Back to Table of Contents](#TOC)

* 1. Egypt Bets Big With Historic 3.8 Million Metric Tonne Wheat Tender

Egypt’s state grains buyer, the General Authority for Supply Commodities (GASC), announced a massive tender for 3.8 million metric tonnes of wheat to cover imports between October 2024 and April 2025, its largest ever, according to traders. Egypt has been one of the world’s largest wheat importers, mainly to provide subsidized bread for tens of millions of its people. GASC alone imports some 5.5 million metric tonnes of wheat annually for bread subsidies. GASC is seeking wheat for shipment periods spanning 1-15 and/or 16-30 of each month, starting in October until April, with the shipment date in February to be 16-28. Egypt is seeking the cargoes on a free-on-board basis and will purchase using 270-day letters of credit.

Traders said this tender is an enormous change to GASC’s whole purchasing strategy and could be a win-all or lose-all situation for the North African country, which is working to keep its economy afloat with the support of the IMF and friendly Gulf countries who have injected billions of dollars in loans and investments in 2024 alone. Speaking at a press conference, Egypt’s Finance Minister Kouchouk said that not all repercussions of the global sell-off wave are negative, as commodity prices are now at an almost four-year low. GASC said it aims to maintain a wheat reserve sufficient to meet nine months of demand. As of July, wheat Egypt’s strategic reserves of wheat were estimated to be sufficient for 6.9 months. (Various 7.8)

[Back to Table of Contents](#TOC)

* 1. Tunisia Signs Six Green Hydrogen Production Agreements

Tunisia’s Industry, Mines and Energy Ministry signed six MoUs with a number of international firms to produce green hydrogen in the country. No further details on planned capacity, investment tickets, or timelines were disclosed.

The ministry said the agreements come under Tunisia’s national green hydrogen strategy which targets the production of 8.3 million tons of green hydrogen and derivatives annually by 2050. Some 2.3 million tons of the green hydrogen will be used locally while 6 million tons will be directed to exports. The strategy seeks to attract investments worth approximately €120 billion, leveraging Tunisia’s industrial and energy infrastructure.

TE H2 — a JV between French energy giant TotalEnergies and Luxembourg’s Eren Groupe — and Austrian utilities company Verbund signed an agreement in May with Tunisia to study the production of 200k tons of green hydrogen for export annually. Acwa Power also signed an MoU with the Tunisian government to develop a $6.2 billion renewables-powered green hydrogen project capable of producing 200k tons of green hydrogen. The hydrogen will be exported to Central Europe via the SoutH2 Corridor pipeline – expected to be operational by 2030 – which connects North Africa to Italy, Austria, and Germany. TE H2 and Verbund will oversee the development, financing, construction, and operation of the project, with Verbund coordinating the transport of hydrogen to Europe. (Enterprise 1.8)

[Back to Table of Contents](#TOC)

* 1. Algeria & Italy to Begin Feasibility Studies on Subsea Electricity Interconnector

Algeria’s state-owned oil and gas firms Sonatrach and Sonelgaz signed a MoU with Italian energy group Eni to study the feasibility of a planned subsea power interconnector line to export electricity to the Italian and European markets. This agreement follows two initial strategic intent agreements signed in Algeria in January last year to identify future joint projects related to energy supply, energy transition, and decarbonization. The exported electricity will be generated from both renewable sources and natural gas.

Italian energy firm Zhero is developing the Medlink project in a bid to import renewable energy from Tunisia and Algeria, which would cover nearly 8% of Italy’s electricity needs. The project is scheduled to kick off operations in 2030, and could expand to deliver green energy to Austria, Germany and Switzerland.

Italy and Tunisia are already working on a separate ‎€‎1 billion electric interconnection project dubbed Elmed. Italy's Environment and Energy Security Ministry officially authorized the project in May. The 600 MW subsea interconnector will transport 400-600 MW of clean power generated from hydroelectricity and is targeting an operational launch by 2028. The EU and its Team Europe partners — which include the EIB and EBRD — pledged ‎€‎472.6 million for the Elmed electricity interconnection project in June among other commitments by key partners. (Enterprise 5.8)

[Back to Table of Contents](#TOC)

* 1. Morocco's Unemployment Rate Increases to its Highest Level Since 2001

According to data released by Bank Al-Maghrib, Morocco’s unemployment rate increased to 13% in 2023, which is the highest level since 2001. The report also stated that the labor market situation remained challenging, with 157,000 jobs lost, meaning that the size of the labor market was 3.5% smaller than it was before the pandemic. In particular, the agriculture sector, which has been negatively impacted by adverse weather and water stress lost 202,000 jobs, bringing its percentage of the labor market down to 27.8% from 42.8% in 2000 and 37.8% in 2008.

The industrial sector, which includes traditional businesses, added 7,000 jobs, but these additions were insufficient to counterbalance the 15,000 jobs lost in the agricultural sector. On the other hand, after nearly stagnating in 2022, the situation in the construction and public works industry improved last year, with 19,000 new jobs created.

Morocco’s unemployment rate has historically averaged 10.3%, higher than the 6.8% average for the Middle East and North Africa region. According to the bank’s annual report, the unemployment rate among young people aged 15 to 24 reached 48.3%, with two-thirds of the working-age population living in metropolitan regions where the rate was 16.8%. (BAM 2.8)

[Back to Table of Contents](#TOC)

* 1. US Agricultural Exports to Morocco Reach $610 Million in 2023

The United States saw a significant increase in its agricultural exports to Morocco, reaching a total value of $610.17 million in 2023, according to recent data from the U.S. Department of Agriculture (USDA). Over the past three years, the average annual export value of US agricultural products to Morocco has reached $592.65 million. From 2014 to 2023, this value has grown at a compound average rate of 3.9%. This marks the highest export value in the past decade. US agricultural exports to Morocco were valued at $603.43 million in 2022, $564.34 million in 2021, and $477.06 million in 2020.

The leading US agricultural product exported to Morocco in 2023 was soybean meal, which saw 276% growth over the past decade. The US exported 427,272 tons of the product to Morocco, worth $225.40 million. It was followed by tree nuts, including almonds, Brazil nuts, cashews, hazelnuts, macadamia nuts, pecans, pine nuts, pistachios and walnuts.

Morocco ranks as the 36th largest market for US agricultural exports. In light of this growing trade relationship, the two countries are working to revamp their 2006 free trade agreement (FTA). Both sides acknowledged the FTA’s successes but highlighted areas for improvement, such as overcoming non-tariff barriers that limit market access for Moroccan agricultural products like poultry and certain fruits and vegetables. (USDA 2.8)

[Back to Table of Contents](#TOC)

* 1. Morocco's Cannabis Industry Surges in Growth

Morocco's National Agency for the Regulation of Cannabis-Related Activities (ANRAC) has reported a staggering surge in cannabis-related licenses issued since the start of 2024. According to the latest data, the agency has approved nearly 3,000 licenses, a dramatic increase from the 609 issued in all of 2023. ANRAC has also approved 200 licenses for cannabis-related activities to 98 operators. This group includes a pharmaceutical establishment, 23 cooperatives, 24 individuals, and 50 companies.

These licenses, building on the 179 issued in 2023, cover a range of activities: 59 for industrial purposes, one for medical transformation, 49 for commercialization, 39 for export, 24 for seed importation, 18 for transportation and one for nursery establishment. The Ministry of Health has issued 19 registration certificates: nine for dietary supplements and ten for cosmetic and personal hygiene products. Additional products are currently under review and are expected to receive certification upon meeting the necessary standards.

It is forecast that the sector could generate annual revenues of MAD 4.2 to 6.3 billion by 2028, provided Morocco achieves a 10-15% share of the European market. The government has targeted a cultivation area of 2,400 hectares across the northern provinces of Taounate, Chefchaouen, and Al Hoceïma for this year. To date, 1,700 hectares have been planted, with 1,500 hectares dedicated to Beldia cannabis, which is currently being harvested. (MWN 4.8)

[Back to Table of Contents](#TOC)

* 1. Remittances from Moroccan Diaspora: $5.7 Billion in First Six Months of 2024

The inflow of remittances sent by diaspora members to Morocco reached MAD 56.72 billion ($5.7 billion) by the end of June, new data indicate. The Moroccan Exchange Office released statistics detailing that this number represents a 1.8% increase as of June compared to the same period last year. Notably, Morocco’s diaspora remittances reached approximately $5.6 billion, or MAD 55.3 billion in the same period last year. That number represented an increase compared to $4.9 billion recorded a year earlier.

Diaspora remittances reached $11.8 billion last year, making the country the second largest recipient of remittances in the Middle East and North Africa (MENA) region after Egypt. A recent forecast from Morocco’s central bank, Bank Al Maghrib, suggested that remittances are expected to grow by 1.9% this year, followed by a more robust 5.3% increase in 2025. Remittances will reach a historic $12 billion record next year, the bank said, stressing that this momentum is in tandem with projections of the expected overall improvement in the global economic environment.

As transfers from the diaspora are key to Morocco’s economy, the country’s government seeks to further strengthen the diaspora’s contribution and investments in the North African country, particularly in real estate. As part of the direct aid program, members of the Moroccan diaspora have also been registering to benefit from the government’s housing initiative. (MWN 1.8)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

[Back to Table of Contents](#TOC)

* 1. Turkey’s Annual Inflation Slows Down to 9-Month Low Increase of 61%

Turkey's annual consumer inflation fell 13.75% to a nine-month low of 61.78% in July, from 75.45% in June, according to official data. The drop in the second consecutive month was slightly more than the 62% forecast in a Bloomberg survey of economists. Annual inflation was driven primarily by rising prices in education, housing and restaurants. Month-on-month inflation, meanwhile, rose to 3.23% with rising prices in the housing, alcoholic beverages and tobacco group as well as transportation.

Following President Erdogan’s return to economic orthodoxy after the May 2023 presidential and parliamentary elections, the central bank began aggressively hiking interest rates, raising them from 8.5% to 50% starting in June 2023. (TurkStat 5.8)

[Back to Table of Contents](#TOC)

* 1. US Tourist Numbers & Spending in Greece Increase

The number of US tourists visiting Greece has increased substantially, to the point where they are about to displace the French in absolute numbers this year, behind the Germans and the British. Moreover, US tourists tend to stay longer and spend more than others.

From 2013 to 2023, the number of US visitors to Greece rose from 466,500 to 1.4 million; this year, so far, arrivals from the US at Athens Airport are up 7% on last year and growing. This is, to a large extent, due to the growth of direct flights. Airplane seat capacity has increased 118% since 2019, according to Athens International Airport data. This summer alone, seat capacity has grown 25.3%, according to INSETE, an institute founded by four professional tourist associations.

The size of the US market, Greece’s rising reputation over there and the relative strength of the dollar compared to the euro are some of the factors fueling the increase in visitors. The survey also showed that US visitors tend to be middle-aged, around 45, and they prefer luxury hotels more than other groups.

US tourists are the biggest national group among visitors. Data by the Bank of Greece show US tourists stay on average 12 days in Greece, compared six days for visitors overall and they spend €100 daily, compared to €70 for all visitors. They spend almost half their stay in the capital.

In 2023, the total number of tourists rose 20.8%, to 36.082 million. The number of US visitors rose 29%, to 1.406 million. This year, following the airlines’ expectations, this number will rise to 1.7 million. When one looks at revenue from tourists by nationality, the Germans topped the list in 2023, spending a total of €3.571 billion, followed by UK visitors (€3.294 billion), the French (€1.425 billion) and the Americans (€1.41 billion). US visitors’ spending is forecast to overtake that of the French in 2024. (eKathimerini 13.8)

GENERAL NEWS AND INTEREST

[Back to Table of Contents](#TOC)

* 1. KACST Contributes to Augmented Reality, E-Sports Technologies in Saudi Arabia

Riyadh, Saudi Arabia's King Abdulaziz City for Science and Technology (KACST) has embarked on various research projects focused on augmented reality technologies, gaming and e-sports. These projects involve studying and analyzing player behavior and performance and developing their skills in e-sports through artificial intelligence and machine learning algorithms. The aim is to identify patterns, trends, and areas of weakness in performance to improve them.

The Augmented Reality and e-Games Technologies Institute at KACST provides a conducive environment for researchers to develop e-games within the future economies sector, a national priority for research and innovation initiated by Crown Prince Mohammed bin Salman. The institute aspires to become a leading research, development, and innovation center in electronic games and augmented reality technologies. These projects involve establishing cutting-edge laboratories, conducting scientific research to develop products and services in this field, and attracting and empowering talented individuals and innovators to participate in its research initiatives and projects. (SPA 2.8)

[Back to Table of Contents](#TOC)

* 1. 175 Chinese Language Teachers to Begin Teaching in Saudi Schools

A total of 175 Chinese language teachers will begin their careers in Saudi elementary and intermediate schools from the middle of August. They will become the first batch of Mandarin teachers to serve in Saudi Arabia. The program is part of an agreement concluded between the two countries in 2023 to enhance cooperation in Chinese language education. Accordingly, the teachers have recently completed pre-service training at Tianjin Normal University. The training was organized by the university, in association with the Saudi Education Ministry and the Chinese Ministry of Education's Center for Language Education and Cooperation. China will send 800 Chinese language teachers to Saudi Arabia. (SG 7.8)

ISRAEL LIFE SCIENCE NEWS

[Back to Table of Contents](#TOC)

* 1. TruLeaf Medical Awarded NIS 11.5 Million Grant by the Israel Innovation Authority

The Israel Innovation Authority, part of the Ministry of Economy and Industry, approved an additional grant of approximately NIS 1.5 million (approx. $410,000) to TruLeaf Medical as part of the Minimally Invasive Transcatheter Mitral Valve Replacement program. This is the 6th time TruLeaf has received the grant, bringing the total to approximately $3.14 million.

The RoseDoc platform developed by TruLeaf is a unique, first-of-its-kind innovation that can replace the diseased valve through catheterization alone. This groundbreaking minimally invasive procedure, performed through two needle punctures without surgery, on a beating heart, and without the use of a heart-lung machine, will significantly reduce the risk associated with valve replacement involving open-heart surgery. As a result, millions of patients worldwide who were previously considered high-risk for surgery will be able to undergo valve implantation. Consequently, they will experience a significant improvement in heart function, quality of life, and life expectancy, essentially returning to normal function and living normative lives.

This grant comes several weeks after the announcement that TruLeaf had received approval from the Helsinki Committee in Uzbekistan to conduct clinical trials on humans. As part of the trials, a mitral valve will be implanted in the heart through a full two-stage catheterization without the need for open-heart surgery. The implantation of TruLeaf's innovative platform will be carried out in two stages – in the first stage, a docking station will be implanted in the left atrium. In the second stage, an artificial 'biological' mitral valve will be implanted. (AllMeD 6.8)

[Back to Table of Contents](#TOC)

* 1. Nasus Pharma Announces Five Years' Stability of its Nasal Epinephrine Powder

Nasus Pharma announced the results of a 5 years stability study of its FMXIN002 drug candidate – nasal powder epinephrine for the treatment of severe allergy and anaphylactic shock. FMXIN002 is an investigational intranasal epinephrine powder spray device that is noninvasive, needle-free, user-friendly, and reliable and could provide timely effective rescue for severe potentially life-threatening allergic reactions to food, medications, and insect bites.

Epinephrine, the mainstay of immediate treatment for severe allergy and anaphylaxis is known to be unstable in liquid form requiring the addition of multiple excipients and stabilizers some of which may be associated with added safety concerns. Epinephrine in solution carries between 12-18 months expiration dates. FMXIN002 is a proprietary powder dosage form that requires no stabilizers and offers extremely long stability period and excellent safety profile. The long stability of Epinephrine carries meaningful advantages both for patients (currently need to replace injectors on average every 12 months) and healthcare payors given the high costs of Epinephrine autoinjectors.

Based on its unique microsphere technology, Tel Aviv's [Nasus Pharma](https://www.nasuspharma.com) is developing a number of intranasal powder products aimed at assisting patients in several acute emergency situations such as opioid overdose and anaphylactic shock. (Nasus Pharma 6.8)

[Back to Table of Contents](#TOC)

* 1. PainReform Develops New Formulations Providing Anti-Inflammatory Effects

PainReform announced the successful development and manufacturing of new patented formulations of its extended postoperative pain relief therapy, PRF-110. These novel formulations may incorporate both the analgesic and an anti-inflammatory agent, designed to enhance postoperative recovery.

Ropivacaine is preferred over bupivacaine for surgical blocks due to its lower neurotoxicity and cardiotoxicity, as well as a reduced risk of bone chondrotoxicity. By combining ropivacaine with dexamethasone, a potent anti-inflammatory agent, PainReform aims to deliver superior pain management. This combination is already employed in various peripheral nerve blocks, including transversus abdominis plane blocks, interscalene blocks, and adductor canal blocks.

PainReform's PRF-110 formulation uniquely supports the administration of ropivacaine-steroid mixtures while ensuring product stability—a challenging feat with such combinations. The company holds a patent for the ropivacaine and dexamethasone mixture and has successfully manufactured specific combination products of PRF-110, containing 3.6% or 3.0% ropivacaine and 0.1-0.5% dexamethasone. These formulations have demonstrated promising stability in ongoing studies.

Tel Aviv's [PainReform](http://www.painreform.com) is a clinical-stage specialty pharmaceutical company focused on the reformulation of established therapeutics. PRF-110, the Company's lead product is based on the local anesthetic ropivacaine, targeting the postoperative pain relief market. PRF-110 is an oil-based, viscous, clear solution that is deposited directly into the surgical wound bed prior to closure to provide localized and extended postoperative analgesia. (PainReform 12.8)

ISRAEL PRODUCT & TECHNOLOGY NEWS

[Back to Table of Contents](#TOC)

* 1. Savvy Security’s Zero-Touch Integrations Deliver Comprehensive SaaS Visibility

Savvy Security introduced Zero-Touch Integrations (ZTIs), a patent-pending approach that leverages already-established client-side sessions to eliminate the need for manual server-side configuration steps to integrate and manage SaaS apps. As the first to offer these capabilities, Savvy empowers businesses to seamlessly integrate and configure all of their SaaS apps, sanctioned or unsanctioned, without manual setup or technical expertise, improving visibility, saving time and reducing SaaS identity risks.

ZTIs allows new or previously unmanaged SaaS apps to be integrated into an organization’s security stack effortlessly and at scale. It ensures seamless implementation of key functions such as automated data collection, real-time updates, and enhanced user interaction without requiring coding or developer knowledge.

Ramat Gan's [Savvy Security](https://www.savvy.security/%E2%80%8E) offers a modern SaaS security platform with an identity-first approach to provide organizations with unparalleled visibility into SaaS usage and risk. Savvy specializes in mitigating toxic combinations of SaaS-identity risk, including reused and compromised passwords, lack of multi-factor authentication (MFA) and incomplete offboarding. (Security Savvy 31.7)

[Back to Table of Contents](#TOC)

* 1. Rail Vision Installs its AI- based Product at a Leading Global Mining Company

Rail Vision has successfully installed its product at one of Latin America’s leading mining companies. A Rail Vision team arrived at the mining company’s installation site, where both sides installed the AI-based MainLine product. The company plans on evaluating the system’s performance over the upcoming months.

The MainLine product, designed to overcome modern railway industry challenges and to support operators in identifying potential hazards on the tracks, operates at a distance of up to two kilometers in challenging weather and low light conditions. Rail Vision’s products enhance train operation safety and preserve business continuity. Combining electro-optical sensors with artificial intelligence and machine learning technologies Rail Vision’s products detect and classify obstacles on and along the tracks.

Ra'anana's [Rail Vision](https://www.railvision.io/%E2%80%8E) is a technology company that is seeking to revolutionize railway safety and the data-related market. The Company has developed cutting-edge, artificial intelligence-based, industry-leading technology specifically designed for railways. Rail Vision believes that its technology will significantly increase railway safety around the world. (Rail Vision 31.7)

[Back to Table of Contents](#TOC)

* 1. Lightrun Redefines Observability with the First GenAI Runtime Autonomous Debugger

Lightrun launched the industry's first Runtime Autonomous AI Debugger, now available in private beta. By automating the entire debugging journey – from the initial ticket to pinpointing the exact culprit line of code in the IDE – Lightrun liberates developers from the endless cycle of troubleshooting. This innovative approach redefines observability and software debugging by saving developers from spending 50% of their time on troubleshooting, and cuts the operational MTTR of production incidents to mere minutes. Lightrun also announced that it raised an additional $18 million last year from GTM Capital and existing investors Insight Partners and Glilot Capital, bringing the company’s total funding to date to $45 million and solidifying its position as a dominant player in the observability landscape.

Lightrun’s new proprietary runtime debugging GenAI model, designed to automate live production debugging, enables developers to troubleshoot production applications and reduce MTTR from days or weeks to mere minutes. Lightrun mimics and automates the existing developer workflow for troubleshooting runtime issues. This iterative process involves hypothesizing the potential root cause based on ITOps and observability signals, then adding dynamic snapshots/logs on-the-fly to specific lines of code using its dynamic observability SDK, which enables line-by-line runtime debugging. This cycle repeats until the root cause is identified. Lightrun’s proprietary runtime debugging GenAI models suggest potential root causes, validating these hypotheses with real-time production data gathered by the SDK.

Tel Aviv's [Lightrun](http://www.lightrun.com) revolutionizes runtime troubleshooting for developers. With its patented platform, Lightrun "shift left" observability, giving developers deeper insights into running applications by allowing them to insert logs, metrics and traces and more during runtime, drastically reducing Mean Time to Resolution (MTTR) and logging costs while elevating developer productivity and improving software quality. Boasting the richest set of observability pillar tools for observing applications directly from within the IDE, Lightrun simplifies every aspect of incident resolution. (Lightrun 31.7)

[Back to Table of Contents](#TOC)

* 1. Fareportal Sees 60% Jump in Cybersecurity Efficiencies Using CyberArk

CyberArk announced that leading travel technology company, Fareportal, has chosen the CyberArk Identity Security Platform to improve its security management, reduce risk and gain greater privileged access control and visibility. The CyberArk Identity Security Platform enables secure access for any identity — human or machine — to any resource or environment from anywhere, using any device.

Fareportal deployed CyberArk Privileged Access Manager, a component of the CyberArk Identity Security Platform, to enable the company to map all privileged accounts to its existing corporate user directory. In a friction-free process, privileged users now only need their corporate IDs to access their privileged accounts instead of needing multiple identities. Credentials and passwords are hidden from users and are automatically granted and rotated within CyberArk.

As a result, Fareportal estimates that cybersecurity management efficiencies have improved by as much as 60%. In addition, CyberArk also helps the company meet regulatory demands more easily by streamlining audit and reporting processes.

Petah Tikva's [CyberArk](v) is the global leader in identity security. Centered on intelligent privilege controls, CyberArk provides the most comprehensive security offering for any identity – human or machine – across business applications, distributed workforces, hybrid cloud environments and throughout the DevOps lifecycle. (CyberArk 31.7)

[Back to Table of Contents](#TOC)

* 1. monday Releases Ready-to-Use, Standardized Portfolio Management Solution

Tel Aviv's [monday.com](http://www.monday.com‎), the multi-product platform that runs all core aspects of work, announced the full release of its Portfolio management solution, a new enterprise offering within the monday work management product. Developed for enterprise customers, this ready-to-go solution provides portfolio managers and executives with a holistic view of all relevant projects. Its user-friendly interface allows them to gain visual clarity without sifting through a myriad of complex reports.

The release of monday.com’s Portfolio management solution is a significant step in the company’s multi-product vision. It empowers enterprise customers to connect their day-to-day workflows with more extensive strategies and scale projects to achieve company goals.

The monday.com Work OS is a low code- no code platform that democratizes the power of software so organizations can easily build work management tools and software applications to fit their every need. The platform intuitively connects people to processes and systems, empowering teams to excel in every aspect of their work while creating an environment of transparency in business. (monday.com 31.7)

[Back to Table of Contents](#TOC)

* 1. Zeekr & Mobileye to Accelerate Technology Collaboration in China

Building on the success from their collaboration over the last several years, Hangzhou, China's Zeekr and Mobileye have announced their plan to accelerate technology localization in China, integrate Mobileye technologies into the next-generation Zeekr models and further their state-of-the-art driving safety and automation there and in the global market.

Since the end of 2021, Zeekr has delivered more than 240,000 Zeekr 001 and Zeekr 009 vehicles, powered by the Mobileye SuperVision platform, to customers in China and globally. To be more responsive to the growing customer demands in China, the companies intend to accelerate the scaling and delivery of core underlying technologies for the Mobileye SuperVision platform. Zeekr will be able to use the powerful road intelligence technologies for any of its vehicles. The expanded collaboration will enable Zeekr engineers to better utilize Mobileye’s technologies and development tools to conduct validation of data and more efficiently deliver software upgrades to customers. Additionally, the collaboration will accelerate comprehensive automated driving solutions roll-out for other Mobileye customers in China.

The joint effort will also locally tailor other key Mobileye technologies such as the Driving Experience Platform (DXP), a collaborative tool that enables automakers to customize automated driving styles and customer experience. Moreover, the companies will leverage Zeekr’s state-of-the-art vehicle technologies and Mobileye’s autonomous driving technology to launch next-generation products for ADAS, automated and driverless vehicles (Level 2+ through Level 4), based on the EyeQ6H system-on-chip, for Zeekr and its related brands in global markets.

Jerusalem's [Mobileye](https://www.mobileye.com) leads the evolution of mobility with our autonomous driving and driver-assistance technologies, based on world-renowned expertise in artificial intelligence, computer vision, mapping, and integrated hardware and software. Since its founding in 1999, Mobileye has enabled the wide adoption of advanced driver-assistance systems while pioneering groundbreaking technologies such as REM crowdsourced mapping, True Redundancy sensing, Responsibility-Sensitive Safety driving policy and Driving Experience Platform (DXP). (Zeekr 1.8)

[Back to Table of Contents](#TOC)

* 1. aiOla Releases Breakthrough AI Model that's 50% Faster than OpenAI's Whisper

aiOla announced the release of its new open-source AI model, Whisper-Medusa. The new model, based on a multi-head attention architecture, outperforms OpenAI's Whisper, the most popular and best available AI speech recognition model, by performing 50% faster with no loss in performance.

aiOla's new open-source model, Whisper-Medusa, greatly improves the speed compared to Whisper by altering how the model predicts tokens. While Whisper predicts one token at a time, Whisper-Medusa can predict ten at a time, resulting in a 50% increase in speech prediction speed and generation runtime. As a result of this significant advancement, aiOla has decided to release the model's weights and code today on GitHub and Hugging Face for the community to access.

Whisper-Medusa, based on multi-head attention, is trained using weak supervision. In this process, the main components of Whisper are initially frozen while additional parameters are trained. This training process involves using Whisper to transcribe audio datasets and employing these transcriptions as labels for training Medusa's additional token prediction modules. aiOla currently offers Whisper-Medusa as a 10-head model, with future plans to release a 20-head version with equivalent accuracy.

Herzliya's [aiOla](https://aiola.com/)'s patented technology comprehends over 100 languages, and discerns jargon, abbreviations and acronyms, demonstrating a low error rate even in noisy environments. aiOla's technology converts manual processes in critical industries into data-driven, paperless, AI-powered workflows through cutting-edge speech recognition. (aiOla 2.8)

[Back to Table of Contents](#TOC)

* 1. Marketeam.ai Launches Maya, the AI Brand Analyst Agent

Marketeam.ai announced the launch of Maya, the latest addition to its AI marketing dream team. As an advanced AI Brand Analyst, Maya is expertly trained to collect and analyze extensive real-time data covering brand performance, competitor activities, audience engagement, and market trends across multiple platforms. This powerful agent not only crafts comprehensive marketing insights to fuel strategies and planning but also significantly enhances the capabilities of Marketeam.ai's other AI agents by providing deep insights and ideation.

Maya's introduction marks yet another significant milestone in Marketeam.ai's mission to redefine the future of marketing in the AI age. Trained on the company's own LLM and leveraging data from diverse sources, Maya doesn't just deliver insights; she actively drives strategic planning and execution across multiple marketing channels. Her insights fuel the company's action agents, who then create social media posts, articles, blogs, ads and more, ensuring that every piece of content is precisely aligned with the overarching brand strategy and context.

Ramat HaSharon's [Marketeam.ai](http://www.marketeam.ai) is a GenAI startup pioneering the development of the first proprietary Foundation Language Model for marketing. The company is at the forefront of training autonomous AI agents to work collaboratively with humans, offering an end-to-end marketing suite that empowers businesses to achieve unparalleled results. (Marketeam.ai 5.8)

[Back to Table of Contents](#TOC)

* 1. Epsilor's High Voltage Military Battery System Based on Standard NATO 6T Batteries

Epsilor Electric Fuel launched its cutting-edge Military High Voltage Battery System. Based on Epsilor's NATO standard 6T batteries, stacking up to 1,000V. In addition, Epsilor introduces its new NATO standard 6T battery for defense vehicles. Named COMBATT ELI-52526-GM, this new battery boasts an unmatched energy capacity of 4,400Wh/175Ah, setting a new benchmark in the industry.

Epsilor's new high-voltage tactical battery solution, based on its standard 6T modules, addresses the growing demand for power in deployable high-power defense systems and forward operating bases (FOB), as well as in hybrid and electric defense vehicles. This innovative approach leverages standard 6T batteries connected in series to build up high voltage, and in parallel, to achieve higher capacity. The connected battery strings are controlled by a joint high Voltage Battery Management System (BMS), which monitors and controls the BMS of each individual 6T battery.

Beit Shemesh's [Epsilor Electric Fuel](http://www.epsilor.com) is a globally recognized developer and manufacturer of custom and standard smart batteries, battery chargers, and mobile power management systems. With over four decades of expertise in electro-chemistry and Battery Management Systems (BMS), Epsilor delivers high-energy-density solutions tailored for extreme environments across defense, aerospace, medical, industrial, and marine sectors. (Epsilor 8.8)

[Back to Table of Contents](#TOC)

* 1. Loora Launches Android App to Expand Access to its AI English Tutor

Loora announced the Android launch of its virtual AI English tutor app. Previously only available on iOS, Loora's Android launch will make the app available to a much larger audience of non-native English speakers across the globe, marking a significant milestone on Loora's continued journey to democratize access to English education through AI.

Loora's AI is built, trained and optimized specifically for personalized English learning to the point of fluency. The virtual tutor simulates the experience of naturally conversing with a native English speaker, without the availability and discussion topic limitations of a human. Loora is available 24/7 and provides real-time pronunciation and grammar feedback, all at an affordable cost. The app's conversational AI allows learners to hone their English skills using the subjects and situations that matter to them, whether that be real-life scenarios like job interviews, technical conversations around a career-related subject or other topic of interest, or social interactions. In doing so, Loora uniquely empowers learners to gain the English fluency needed to advance in both professional and social environments.

Tel Aviv's [Loora](https://loora.ai/%E2%80%8E) is an AI English language learning company that leverages purpose-built AI to make English fluency accessible. Loora's advanced conversational AI tutor offers users the experience of naturally conversing with a native English speaker, providing real-time feedback on any topic. Unlike human tutors, Loora is designed specifically for English learners, eliminating common barriers such as high costs, limited availability, inconvenient scheduling, and the embarrassment of practicing with an audience. It tailors the learning experience to individual needs and goals, allowing users to express themselves freely, discuss their interests, perfect their accents, learn new words daily, and build confidence. (Loora 8.8)

[Back to Table of Contents](#TOC)

* 1. AU10TIX' Advanced AML Solution Featuring Proprietary Decision-Making Mechanism

AU10TIX unveiled its advanced anti-money laundering (AML) solution. Designed to address the significant business risks posed by financial crimes such as money laundering, fraud and terrorism financing, the solution incorporates rigorous internal quality checks and a proprietary decision-making mechanism to filter out unreliable data and ensure a safer approach to risk mitigation. The AML solution's high flexibility and agility, along with a range of integration tools and deployment options, enable fast and hassle-free implementation processes.

Hod HaSharon's [AU10TIX](http://www.au10tix.com/) plays a pivotal role in establishing trust between individuals/companies and digital systems. Founded in 2002, it is the global leader in identity verification and management, protecting the world's largest brands against advanced fraud. The company's future-proof product portfolio helps businesses provide frictionless customer onboarding and verification in 4-8 seconds while staying ahead of emerging threats and evolving regulatory requirements. AU10TIX offers the world's only 100% automated global identity management system, as well as the industry's only solution that can detect organized mass attacks by analyzing traffic patterns and cross-checking data in a consortium of more than 60 major companies. (AU10TIX 7.8)

[Back to Table of Contents](#TOC)

* 1. Innoviz LiDARs to Be Deployed Across Major International Airports in the US

Innoviz Technologies entered into a distribution agreement with The Indoor Lab, a world leader in non-automotive LiDAR analytics, to deploy InnovizTwo LiDARs across its airport portfolio, beginning with Denver, Tampa, and Nashville International airports. This collaboration will enable airport partners with exceptional visibility and data analytics to help create a safer and more efficient environment for travelers.

The Indoor Lab is pioneering the shift from cameras to LiDAR-based solutions, providing higher-quality and exceptionally accurate data for stakeholders. By utilizing InnovizTwo LiDARs for end-to-end airport operational and safety management using machine learning and AI capabilities, The Indoor Lab will be able to offer an accurate solution that identifies, classifies and informs infrastructure and transit management professionals about potential challenges or threats that may occur. The LiDAR enables AI-based perception systems to interpret what cameras and other RF-based sensors cannot, therefore vastly improving safety across entry and exit points, tarmacs, baggage check, terminals and runways.

Kfar Saba's [Innoviz](http://www.innoviz.tech/) is a global leader in LiDAR technology, serving as a Tier 1 supplier to the world's leading automotive manufacturers and working towards a future with safe autonomous vehicles on the world's roads. Innoviz's LiDAR and perception software "see" better than a human driver and reduce the possibility of error, meeting the automotive industry's strictest expectations for performance and safety. Innoviz has been selected by internationally recognized premium car brands for use in consumer vehicles as well as by other commercial and industrial leaders for a wide range of use cases. (Innoviz 6.8)

[Back to Table of Contents](#TOC)

* 1. Rockford Mutual Selects Sapiens ReinsurancePro to Enhance Efficiency

Sapiens International Corporation announced that Rockford Mutual Insurance Company has selected Sapiens ReinsurancePro to fully automate their reinsurance management processes, to maximize efficiency and profitability, and mitigate costly claims leakage. ReinsurancePro's strong automation and highly transparent, efficient platform will enable Rockford Mutual to seamlessly conduct auditable processing, manage complex reinsurance transactions, and quickly respond to new reinsurance offerings. Sapiens' automated solution systematically eliminates complexities within treaties by balancing the appropriate coverage with the rising costs of coverage, enabling Rockford Mutual to track, bill, recover reinsurance, and capture data appropriately.

Sapiens ReinsurancePro efficiently automates the underwriting and administration of reinsurance, including treaty and facultative, ceded, assumed and retroceded reinsurance. Created and designed exclusively for the reinsurance market, Sapiens ReinsurancePro manages the entire range of reinsurance contracts and activities for all lines of business.

Holon's [Sapiens International Corporation](http://www.sapiens.com) is a global leader in intelligent insurance software solutions. With Sapiens' robust platform, customer-driven partnerships, and rich ecosystem, insurers are empowered to future-proof their organizations with operational excellence in a rapidly changing marketplace. Recognized by industry experts and selected for the Microsoft Top 100 Partner program, Sapiens is committed to partnering with customers for their entire transformation journey and is continuously innovating to ensure their success. (Sapiens 6.8)

ISRAEL ECONOMIC STATISTICS

[Back to Table of Contents](#TOC)

* 1. Israeli Startups Raised Over $700 Million in July

Israeli startups have now raised $5.2 billion in the first seven months of 2024 with the upward trend and recovery in the tech sector in recent months continuing.

For July alone, Israeli startups raised over $700 million. The figure may be more as some companies prefer to remain in stealth and sometimes do not publicize the investments they have received. Large financing rounds were led by heart pump company Magenta Medical, which raised $105 million. Enterprise software company Ctera Networks raised $80 million and AI disease models company CytoReason raised $80 million. Cybersecurity company Dazz raised $50 million, AI care company K Health raised $50 million blood diagnostics company Scopio Labs Raised $42 million.

Israeli privately-held tech companies raised $4.5 billion in H1/24, according to IVC-LeumiTech, indicating a recovery from 2023 when $6.9 billion was raised in the entire year, after $15 billion was raised in 2022 and a record $25.6 billion was raised in 2021. (Globes 1.8)

[Back to Table of Contents](#TOC)

* 1. Israel’s Fiscal Deficit Widens to 8.1% of GDP

Israel's fiscal deficit continued to widen in July, reaching 8.1% of GDP over the past 12 months, or NIS 155.2 billion, the Ministry of Finance accountant general reported, up from 7.2% of GDP at the end of May. The fiscal deficit has grown in each of the past 16 consecutive months. The fiscal deficit had been 7.6% of GDP at the end of June and it is now 1.5% higher than the fiscal deficit target of 6.6% set by the government for the end of 2024 in the 2024 budget.

In July itself, the fiscal deficit stood at NIS 8.5 billion compared with NIS 600 million in July 2023. Since the start of 2024, the fiscal deficit has totaled NIS 72 billion compared with a surplus of NIS 6 billion in the first seven months of 2023.

Government spending since the beginning of the year has amounted to more than NIS 352 billion, up 32.8% compared with the corresponding period last year. The main increase in the deficit has been due to high spending on defense and by civilian ministries due to the war. However, even excluding war expenses, the increase in government spending is about 8.7%. This, in contrast to an increase of only about 3.1% in the state's revenues, which since the beginning of the year have amounted to about NIS 278 billion, compared with NIS 269 billion in the first seven months of 2023. (Globes 8.8)

[Back to Table of Contents](#TOC)

* 1. Hi-Tech Accounts for 36% of Income Tax Payments in Israel

Around 24% of all tax payments in Israel were from companies and wages in the hi-tech sector in 2020 and hi-tech employees made around 36% of all income tax payments in 2021, said Israel's Innovation Authority in a report released on 13 August. This highlights the centrality of this sector in Israel's economy, the authority emphasized, saying it is a key driver.

The report also showed the importance of foreign hi-tech companies to Israel's economy, finding that although foreign hi-tech companies make up only 0.3% of all businesses in Israel and foreign hi-tech company workers represent only around 20 to 25% of Israel's hi-tech workforce, their work and corporate taxes account for over one third of the total hi-tech contribution to state revenue.

Hi-tech activity revenue amounted to around 9.2% of the 2020 state budget, said the authority. This revenue is driven by the sector's workers, and 85% of state revenue was from them, while 15% came from corporate tax. The dependence of Israel's economy on income tax from the sector is growing and income tax collected from hi-tech workers grew 66% in real terms between 2016 and 2021.

The authority also called for increased government investment in R&D infrastructure and startups in deep tech in order to maintain a technological advantage for Israel. (IIA 13.8)

[Back to Table of Contents](#TOC)

* 1. Israel’s Foreign Exchange Reserves Rise Sharply

Israel’s foreign exchange reserves at the end of July 2024 stood at $213.634 billion, an increase of $3.353 billion from their level at the end of June, the Bank of Israel reports. The level of the reserves relative to GDP was 42%. The increase was mainly the result of a revaluation that increased the reserves by about $4.278 billion. This increase was partly offset by the government’s foreign exchange activities totaling about $932 million.

Despite announcing in October 2023 at the start of the war a plan to sell up to $30 billion in foreign currency to support the shekel, the Bank of Israel again did not sell any foreign currency in July and has only sold $8.5 billion since the start of the war, most of it in October. In fact the foreign exchange reserves have risen from $204.665 billion to $213.634 billion over the past 12 months, slightly below the record-ever forex reserves of $213.731 billion in March 2024. (Globes 7.8)

[Back to Table of Contents](#TOC)

* 1. Number of Israeli Exits Fall by Half During 2023

The Israel exits report for 2010-2023, which was published on 7 August by the Central Bureau of Statistics in cooperation with the Ministry of Innovation, Science and Technology’s Nation Council for Regional R&D found that the number of tech exits in 2023 was down 36% from 2022. There were 96 deals in 2023 including mergers and acquisitions as well as initial public offerings (IPOs). The report also found that most of the tech exit deals were in cybersecurity - 26 deals representing 30% of all the exits in 2023.

The report also found that the total amount of the exits in 2023 fell 50% to $11.5 billion from $22.4 billion in 2022. The total amount of exits in the cybersecurity industry was $7.2 billion in 2023, which was 63% of the total exits last year. Over a third of the companies have existed for five years or less

The report also found that over a third of the companies have an exit do so within five years of being founded. In terms of the size of deals, the number of exit deals worth up to $50 million was 64% of the total number of exits in 2023, compared with 70% in 2022.

The report also examined what happened to the companies after the exit and found that 34% of them closed in the year they made the deal. In terms of the buyers, the report found that 52% of the companies were acquired by entities from the USA and/or were floated on the stock exchange in the US. In 2023, both the number and amount of exits in which companies were acquired by Israeli entities, or held an IPO on the TASE, declined 47% in acquisitions and 19% in IPOs compared with 2022. (Globes 7.8)

[Back to Table of Contents](#TOC)

* 1. Israel’s Top Percent Pays Less Tax In Proportion To Income

Income of the top percent in Israel between 2013 and 2021 totaled about NIS 100 billion per year, according to a study by the Israel Tax Authority. The study found that the top percent has 13.2% of all income and pays just 26% of its income in direct taxes.

The minimum income needed to be part of the top percent was on average NIS 1.4 million per year, and the average annual income of a person in the top percent was about NIS 4 million. Unlike the rest of the population, where most income is from work, about two-thirds of the income of the top percent comes from capital income, with about half of it originating from dividends, interest, rent, etc. and the other half from capital gains from the sale of assets.

Looking at the composition of the income of the top percent from work (income from salary, allowances, professional services and business), from capital income (dividends, interest, rent, etc.) and from capital gains (sale of assets such as stocks, options and real estate) - income from work is on average for a household in the top percent ‘only’ NIS 1.2 million per year, only about 30% of the income.

Thus the average capital income per household during the period examined by the Israel Tax Authority, was NIS 2.4 million annually, double income from work, and the volatility in this type of income is greater, especially in 2017 when the large income from dividends (following the release trapped profits) increased the average capital income by double the annual average to NIS 4.6 million per household. In total, capital income during the entire period was 62% of all income.

From the analysis conducted by the Tax Authority Planning and Economics Division, it appears that Israel is characterized by a relatively high proportion of the income earned by the top percent out of total national household income, before and after tax. The share of the top percent, the top 0.1%, and the top (0.01%) out of all household incomes before tax is on average 15%, 7.4% and 3.6%, respectively. After tax the figure falls to 13.2%, 6.8% and 3.3%, respectively. In other words, the reduction of the share of the richest Israelis in the national income through the tax system is relatively low. The data also found that the household income of the top percent has been gradually increasing over the years at an average real rate of about 6% per year.

Segmenting income within the top percent is very unequal. The top 0.1% has 50% of the income of the top percent and the top 0.01% has 50% the income of the top 0.1% and 25% of the income of the top percent. Moreover, capital income becomes even more dominant with the top 0.1% and 0.01%. Total direct taxes per individual paid by the top percent is about NIS 25 billion representing 9% of all taxes paid to the state.

An international comparison conducted by the Israel Tax Authority, shows that in terms of the top percent’s share in total national income, which is a key indicator for measuring inequality in the economy, Israel is somewhere between European countries and countries on the American continent (North, Central and South). The degree of progressivity of the tax system is more similar to countries in the Americas than Europe. (Globes 5.8)

[Back to Table of Contents](#TOC)

* 1. The Average Wage in Israel Jumped by 4.7% in June

The Central Bureau of Statistics reported that in June 2024, the average wage in Israel was NIS 13,865, up 4.7% in real terms from NIS 12,836 in June 2023. Inflation was 2.9% over the same period. Estimates for May 2024 show that the average wage rose by 6.1% compared with May 2023, well above the 2.8% inflation over the same period. Excluding the effects of inflation, there was a 3.2% increase in the average wage in May this year compared with May 2023.

The Central Bureau of Statistics data found 4,059,000 salaried jobs in the Israeli economy in June 2024, up 1% from May 2024 but down 1% from June 2023. It is possible that part of the increase in wages compared with last year stems from a slight reduction in the number of jobs compared with the corresponding period in 2023 - before the war. The number of salaried jobs in Israel dropped to about 3.8 million at the beginning of the war, and has gradually recovered until today it already stands at a similar number, excluding seasonal adjustment, to where it stood on the eve of the war in September 2023.

Israel's ICT, which includes much of high-tech, continues to have the highest monthly wages, at NIS 28,822, while hospitality and catering has the lowest, with an average monthly wage of NIS 6,192 - only just above the minimum wage of NIS 5,880. In May 2024, the overall average wage in the tech sector was NIS 29,804, up 5.7% from May 2023, and the number of jobs in the tech industry in May 2024 rose about 0.7% from May 2023, and represents about 10% of all jobs in the Israeli economy. (CBS 4.8)

IN DEPTH

[Back to Table of Contents](#TOC)

* 1. ISRAEL: Fitch Downgrades Israel to 'A'; Outlook Negative

On 12 August, [Fitch Ratings](https://www.fitchratings.com) downgraded Israel's Long-Term Foreign-Currency (LTFC) Issuer Default Rating (IDR) to 'A' from 'A+'. The Outlook is Negative.

**Key Rating Drivers**

**Continued War Drives Downgrade:** The downgrade to 'A' reflects the impact of the continuation of the war in Gaza, heightened geopolitical risks and military operations on multiple fronts. Public finances have been hit and we project a budget deficit of 7.8% of GDP in 2024 and debt to remain above to 70% of GDP in the medium term. In addition, World Bank Governance Indicators are likely to deteriorate, weighing on Israel's credit profile.

**Geopolitical Risks Underpin Negative Outlook:** In our view, the assaults and threat from Gaza could last well into 2025 and there are risks of it broadening to other fronts. In addition to human losses, it could result in significant additional military spending, destruction of infrastructure and more sustained damage to economic activity and investment, leading to a further deterioration of Israel's credit metrics.

**Regional Tensions:** Tensions between Israel and Iran and its allies remain high. Hezbollah is behind a rocket attack killing 12 civilians in the Golan Heights on 27 July and Israel killed a Hezbollah commander on 30 July in Beirut, is believed to have been involved in the assassination of Hamas leader Haniyeh in Iran on 31 July and attacked a Houthi-controlled port in Yemen following a drone attack on Israel. These attacks highlight the high level of tensions in the region and the risk of escalation that could further damage Israel's credit profile.

Israel continues its operations in Gaza, having entered the city of Rafah and taken control of the border with Egypt. The war will likely continue until end-2024 with a risk of intense operations continuing beyond. This implies continued high spending on immediate military needs, and disruptions to production in the border areas and in tourism and construction. Israel has demobilized most of its reservists, reducing the impact on the workforce.

**Wide Budget Deficits:** We project Israel's central government budget deficit to reach 7.8% of GDP in 2024 after 4.1% in 2023. This reflects large outlays related to military operations, the mitigation of economic damage and relocation expenses for those in the north of the country. Revenue collection rebounded in 1H24 to a level above the amended budget and we expect it to remain strong during the rest of the year.

We project a budget deficit of 4.6% of GDP in 2025 on lower military spending and revenue growth, although it could be wider if the war continues in 2025. Moreover, we expect the government will permanently increase military spending by close to 1.5% of GDP versus pre-war levels. Israel is likely to maintain a stronger presence along its borders than in the past, plans to widen mandatory draft and to increase domestic military production, which would also add to spending.

**Challenges to Fiscal Reforms:** Our forecasts include some new fiscal consolidation measures. A 1% rise in the VAT rate (raising about 0.8% of GDP) starting in 2025 was in the 2024 budget and other measures are being discussed to cut spending and increase revenues. However, political fractiousness, coalition politics and military imperatives could hinder consolidation plans and present a risk to our forecast.

**Debt to Rise:** Fitch projects debt-to-GDP to rise to 70% in 2024 and 72% in 2025, above the 71% peak during the pandemic in 2020. However, in the event of higher permanent military spending and uncertain macroeconomic trends debt would remain on an upward trend beyond 2025. Israel's debt is higher than the forecast 'A' peer median of 55% for 2025. Funding conditions have been solid during 2024 with $8 billion issued on public markets, additional funding from private placements and robust demand for domestic debt.

**Domestic Politics Remains Fractious:** An emergency government was formed to include parties beyond the original coalition and to form a war cabinet including National Unity party leader Benny Gantz. The emergency government was dissolved in June 2024 and the original coalition returned to power. It could remain until the next elections in October 2026, although coalitions rarely last a full term and this one will face pressure for early elections, given the events of October 2023 and controversy over the conscription of ultra-orthodox Jews.

**External Metrics Remain Strong:** Israel's external balance sheet remains stronger than peers' despite the shocks, with a net external creditor position of 64.2% of GDP at end-2023 (from 51.6% in 2022) compared with 5.1% for the peer median. The Bank of Israel's foreign exchange reserves increased to $213.4 billion in July 2024, from $204.7 billion at end-2023. We forecast current account surpluses at 4.3% of GDP in 2024 and 3.9% in 2025, versus 4.8% in 2023.

**RATING SENSITIVITIES**

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

- Structural: Lengthening or/and escalation of the conflicts that would have a material and prolonged impact on the economy and public finances

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

-Structural: De-escalation of the conflicts, containing the impact on the economy and public finances

-Public Finances: Greater confidence that debt/GDP will return to a downwards trend, for example as a result of fiscal reforms. (Fitch 12.8)

[Back to Table of Contents](#TOC)

* 1. UAE: UAE Cookware Market Report 2024-2030

The "UAE Cookware Market 2024-2030 Trends, Share, Value, Size, Outlook, Revenue, Growth, Analysis, Industry, Segmentation: Market Forecast By Product Types, By Applications, By Distribution Channels and Competitive Landscape" report has been added to [ResearchAndMarkets.com](http://www.ResearchAndMarkets.com‎)'s offering.

**UAE Cookware Market size is projected to grow at a CAGR of 3.7% during 2024-2030F**

The growth of the cookware market in UAE is driven by replacement needs, especially since the market has entered the pre-maturity stage as cookware items naturally wear out over time, leading consumers to seek new products, thereby fueling market growth. Additionally, the rise of 237 new hotels from 577 in Q1/22 to 814 in Q1/23 in Dubai to cater to increasing tourism across Dubai and the country has contributed to this growth.

In 2023, the United Arab Emirates (UAE) Cookware market has witnessed an HHI of 3523, which has increased slightly as compared to the HHI of 2850 in 2017. The market is moving towards concentrated. Herfindahl index measures the competitiveness of exporting countries. The range lies from 0 to 10000, where a lower index number represents a larger number of players or exporting countries in the market while a large index number means fewer numbers of players or countries exporting in the market.

Furthermore, ongoing real estate housing development projects in UAE such as Sobha Hartland II, Sobha One, Casa Damac Tower, Safa Two, Canal Crown, Damac Bay Cavalli, and others are expected to further boost the demand for cookware in the country in the upcoming years as new households would urge to new and modular cookware purchase.

**United Arab Emirates Export Potential Assessment for Cookware Market**

The UAE cookware market experienced growth in the past few years owing to an average increase of 0.8% in population and a rise in urbanization of 1.12% in 2021 compared to 2020, followed by a 1.09% increase in 2022 compared to 2021. Furthermore, the resurgence in the tourism sector rising from 7.28 million tourists in 2021 to 12.4 million tourists to Q3/23 propelled the growth of the cookware industry, to cater food and beverage demands of increased tourists, the need for expansion of kitchens arises with more and modular cookware.

Additionally, the government's initiative of Dubai Social Agenda 33 with a budget of $56.63 billion is aiming to double the Emirati population by 2033. This substantial population growth is expected to drive the market in the forecast period due to the increasing demand for cookware for more and new family members.

**Market Segmentation by Material Types**

The stainless steel segment is likely to be the most popular among consumers in the forecast period owing to its lightweight and even heat distribution properties and lasting durability.

**Market Segmentation by Applications**

The residential sector garnered the maximum revenue share in 2023 in the Cookware Market in the UAE owing to the growing annual population and rising real estate housing projects. Moreover, rising urbanization is driving the demand for modular kitchen solutions and kitchen up-gradation that would foster the demand for trendy and latest cookware in the country.

**Market Segmentation by Product Types**

Pots are anticipated to register the highest growth in the forecast time frame and should be the focus area by the OEMs on the back of their versatile usage in the cooking of a variety of food items and high demand from residential and commercial sectors.

**Market Segmentation by Distribution Channels**

Offline channels have garnered the maximum revenue share on account of the ease of availability of stores in every locality, no waiting time for delivery of the product along quick hand-to-hand replacement influence people to prefer offline distribution channels over online ones. (R&M 2.8)

[**Back to Table of Contents**](#TOC)

* 1. SAUDI ARABIA: The Impact of Tourism on the Saudi Economy

Tim Callen posted on 2 August is [AGSIW](https://agsiw.org/%E2%80%8E) that the boom in tourism is boosting external revenue, employment, and growth, but it is also contributing to higher imports and remittance outflows that have negatively affected the current account balance.

A key element of Vision 2030 is the development of the tourism industry in Saudi Arabia. The aim is to attract more foreign visitors to the kingdom and to provide locals with increased tourism and entertainment options to reduce the need for overseas travel. Tourism development should help diversify the economy away from oil, create much-needed jobs for Saudi nationals, and have a positive impact on the country’s current account balance.

Important reforms have been introduced over the past five years to develop the tourism sector. While Saudi Arabia has been welcoming visitors for religious purposes for many years, nonreligious tourists were more limited until the introduction of tourist visas in 2019. The subsequent expansion of the availability of e-visas and visas on arrival has further facilitated travel to the country. Significant investments are being made to develop or expand tourist destinations in the kingdom, including Al-Ula, Diriyah, and the Red Sea. Entertainment options are also being expanded through sports and cultural events, concerts, and the “Saudi Seasons” program.

**Big Economic Impact**

The growth of tourism in the kingdom has been rapid. Spending by nonresidents visiting Saudi Arabia was four times higher in 2023 than in 2018. Meanwhile, spending by Saudi residents overseas is still below the peak of a decade ago. As a result, the net balance in the travel account of the balance of payments swung from a deficit of $3 billion in 2018 to a substantial surplus of $13 billion in 2023.



*Source: Saudi Arabian Monetary Authority*

More visitors are traveling to the kingdom for nonreligious purposes. According to the Ministry of Tourism’s “Annual Statistical Report,” 58% of the 27.4 million arrivals in 2023 came for nonreligious purposes compared to 44% in 2019. About 40% of visitors in 2023 were from four countries – Bahrain, Egypt, Kuwait and Pakistan. Tourists from North America, Western Europe, China, and Japan accounted for a small share of arrivals.

The cost of developing the tourist infrastructure and the spending associated with providing more entertainment options is, however, affecting Saudi Arabia’s current account position, although it is not possible to put an exact number on the impact. While the current account remained in a healthy surplus of $34 billion in 2023, this surplus was half the size of that recorded in 2018 despite oil revenue being higher in 2023. This is because imports have grown rapidly in recent years and remittance outflows have increased with the influx of foreign workers.

These trends have more than offset the improvement in the travel balance. The International Monetary Fund forecasts that the current account balance will move into deficit this year and remain there over the medium term.

The annual “Tourism Establishments Survey” shows that the tourism sector has been an important source of job creation. In 2022 (latest data available), 880,000 people (6% of total employment) were engaged in tourist-related activities compared to 550,000 (4.5% of total employment) in 2018. While around two-thirds of the new jobs created between 2018 and 2022 were filled by non-nationals, most of the remainder (95,000) were filled by Saudi women. Indeed, employment in the tourism sector accounted for 7% of Saudi women’s employment in 2022, up from less than 1% in 2018.

*Source: General Authority for Statistics*

Precise numbers on the contribution of tourism to the Saudi economy are hard to come by. Data for gross domestic product only contains a broader industrial classification for the “retail, wholesale, restaurant, and hotels” sector, which captures some tourist-related spending but not all (and some spending that is not tourism-related at all). While an imprecise measure, this category is suggestive of a strong contribution to growth from the expansion of tourism. Since 2018, “retail, wholesale, restaurant, and hotels” has been the second-fastest growing sector of the economy, expanding by 28% in real terms (i.e., after accounting for inflation) compared to 16% for total nonhydrocarbon activities.

**Not All Smooth Sailing**

Tourist arrivals are likely to keep rising in the coming years. New tourist attractions are being announced and developed; connectivity to major markets should improve as Riyadh Air, the airline backed by the Public Investment Fund, launches in 2025; and the planned introduction of the Gulf Cooperation Council unified tourist visa (GCC Grand Tours) should make travel within the region easier for non-GCC citizens. The large tourist markets of North America, Western Europe, China and Japan are still relatively untapped and provide substantial potential growth opportunities.

Nevertheless, challenges remain that could slow tourism growth going forward. The global tourism market is very competitive with many other countries strongly competing to attract tourists. Potential visitors may be deterred by uncertainty and conflict in the broader Middle East region, the negative perceptions of Saudi Arabia in some parts of Europe and the United States, and the alcohol restrictions and different social norms present in the kingdom. Another unknown is how climate change will affect tourism in Saudi Arabia. Hotter and longer summers and the increased risk of extreme weather events may deter foreign visitors and encourage Saudis to increase their travel overseas, although other popular destinations face similar issues and contend with climates that do not encourage year-round tourism.

**Lasting Impact?**

The opening of Saudi Arabia to tourism has provided an important boost to the economy in terms of external revenue, jobs and growth. However, surging imports and higher remittance outflows, both at least partly related to the development of the tourism sector, have more than offset the positive impact on the current account balance.

Ultimately, whether tourism contributes to a current account that is less reliant on oil in the longer term will hinge on three factors: the ability to attract an increasing number of tourists to Saudi Arabia; the willingness of Saudis to limit travel overseas as domestic options for entertainment grow; and whether spending on the importation of goods, services, and labor for tourism-related projects proves temporary or longer lasting.

On the latter, it seems reasonable to assume that investment to develop tourism infrastructure will be “temporary” – once projects are completed, spending will end except for routine maintenance. It is also true, however, that many existing projects will take years to complete, and new projects for the 2030 World Fair, the 2034 World Cup, and other planned events will come on stream. These events will bring new visitors to the kingdom but will also entail large upfront costs and will mean that high levels of spending will likely be sustained for most of the next decade.

Tourism has the potential to make a significant contribution to Saudi Arabia’s diversification efforts, but the full benefits in terms of generating a current account that is less reliant on oil revenue may be years away. Indeed, in the intervening years, the current account may become more vulnerable to swings in oil revenue given the scale of the spending on projects that is envisaged under Vision 2030.

[*Tim Callen*](https://agsiw.org/associates/tim-callen/) *is a visiting fellow at the Arab Gulf States Institute in Washington. Callen is a former assistant director in the Middle East and Central Asia department at the International Monetary Fund.*  (AGSIW 2.8)

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