

**The FORTNIGHTLY**

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

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

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ISRAEL GOVERNMENT ACTIONS & STATEMENTS

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* 1. “What’s Good for Europe is Good for Israel” Reform Passes

The “What’s Good for Europe is Good for Israel” reform, an amendment to Israeli standards law, passed the Knesset in its third hearing on 5 August after lengthy discussion in committees. The legislation, brought forward by Minister of Economy Barkat, is the last stage in a reform that started under former Minister of Economy Barbivai with the goal of reducing regulation around imports. The law passed with 22 members of Knesset in support and none against. Additional related proposals passed as well.

The reform, which will commence in September, will fundamentally change the way Israel handles the quality standards required for imported goods. According to the new legislation, imported goods will not have to be checked for adherence to Israeli standards if the exporter provides a statement that the goods meet European standards. This change means that about 90% of the goods entering Israel will no longer need to be checked.

Israeli standards will also adopt a new principle based on the European system. According to this principle, if an importer whose goods have been found not to meet the standard can prove with lab tests that the goods are in fact acceptable, that importer can receive retroactive approval for the import.

The products that are handled by the exceptions committee are expected mostly to be allowed to enter through the European stream. The makeup of the exceptions committee was assigned by the outgoing director general of the Ministry of Economy, who is interested in allowing as many products as possible to be included in the reform. Indeed, representatives of authorities and bodies subordinate to the Ministries of Finance and Economy have a majority among the members of the committee. (Davar 6.8)

ISRAEL MARKET & BUSINESS NEWS

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* 1. Toronto's Element Fleet Management Buys Israel's Autofleet

Toronto's Element Fleet Management Corp., which manages vehicle fleets primarily in North America and has a market cap of C$10 billion, is buying Tel Aviv based startup [Autofleet](http://www.autofleet.io) for $110 million. Autofleet, an innovator in fleet and mobility solutions, Autofleet has a robust and highly scalable fleet optimization technology platform alongside optimized mobility solutions tailored for the fleet industry.

Founded in 2018, Autofleet has a skilled team of approximately 70 professionals including developers, engineers and data scientists. Element anticipates that the combination of its own scale, market leadership, and comprehensive fulfillment capabilities with Autofleet's digital, data, and cloud capabilities, will advance its purpose to Move the World Through Intelligent Mobility and unlock new revenue streams for both companies.

The completion of the acquisition is subject to customary closing conditions, and the terms of the transaction remain undisclosed. The Company expects the transaction to close in early Q4/24. (Element Fleet 14.8)

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* 1. Chaos Labs Secures $55 Million in Series A Funding

Tel Aviv's Chaos Labs has successfully closed a $55 million Series A funding round led by Haun Ventures. This investment marks a significant milestone in Chaos' journey to scale onchain economic security across Decentralized Finance (DeFi). Chaos welcomed new investors, including F-Prime Capital, Slow Ventures, and The Spartan Group, alongside existing partners Lightspeed, Galaxy, Wintermute, PayPal Ventures, General Catalyst, Bessemer Venture Partners and Coinbase.

In the past year, Chaos Labs tripled its customer base, with more than 20 protocols, including Aave, GMX, and Jupiter, relying on Chaos Labs' technology to secure, monitor, and scale their products. To date, Chaos Labs' technology has secured $860 billion in cumulative trading volume, $25 billion in loans, and $35 million in incentives.

[Chaos Labs](https://chaoslabs.xyz/) will use this funding to accelerate new product development and scale its cutting-edge risk management platform. The platform currently features enhanced observability tooling, innovative risk oracles, and real-time parameter recommendations. (Chaos Labs 15.8)

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* 1. HUB Security Announces $3.3 Million Investment to Accelerate Corporate Growth

HUB Cyber Security announced the successful completion of a $3.3 million private placement from non-U.S. investors. This investment is in the form of convertible notes with a conversion price of $0.70 per share. As part of the transaction, the Company has also issued warrants with an exercise price of $1.00 per share. In parallel, HUB Security is engaged in discussions to extend the maturity date of a $4.0 million principal note, originally due in August 2024, as part of its broader financial strategy.

Tel Aviv's [HUB Cyber Security](https://hubsecurity.com/) was established in 2017 by veterans of the elite intelligence units of the Israeli Defense Forces. The Company specializes in unique cyber security solutions protecting sensitive commercial and government information. The company debuted an advanced encrypted computing solution to prevent hostile intrusions at the hardware level while introducing a novel set of data theft prevention solutions. (HUB 19.8)

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* 1. Check Point Software to Acquire Cyberint to Transform Security Operations

Check Point Software Technologies signed a definitive agreement to acquire Cyberint Technologies. This will significantly enhance Check Point’s Security Operations Center (SOC) capabilities and expand its managed threat intelligence offerings. Cyberint’s advanced capabilities will be integrated into the Check Point Infinity Platform for collaborative threat prevention and will also be available as a managed service through Check Point Infinity Platform Services. Closing of the transaction is subject to customary closing conditions and is expected to occur by the end of 2024.

Founded in 2010, with over 170 employees worldwide, Cyberint is one of the fastest growing External Risk Management companies in the market. Recognized as ‘Company of the Year’ in 2023 by Frost & Sullivan in the External Risk Mitigation & Management category. Organizations face critical security challenges every day, including stolen employee credentials, fake websites, and social media impersonation. To prevent these and other challenges from negatively impacting companies, Cyberint specializes in threat intelligence, digital risk protection, and attack surface management, serving a diverse global clientele, including Fortune 500 companies.

Petah Tikva's [Cyberint](https://cyberint.com/), the Impactful Intelligence company, reduces risk by helping organizations detect and mitigate external cyber threats before they have an adverse impact. The Cyberint Argos platform’s technology provides superior visibility through continuous discovery of the evolving attack surface, combined with vast quantities of intelligence from across the open, deep, and dark web. A team of global military-grade cybersecurity experts work alongside customers to rapidly detect, investigate, and disrupt relevant threats – before they have the chance to develop into major incidents. (Check Point 27.8)

REGIONAL PRIVATE SECTOR NEWS

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* 1. MENA Startups Raise $355 Million in July 2024, Recording 206% M-o-M Growth

Wamda announced on 12 August that the amount invested in MENA startups rebounded in July 2024, recording $355 million raised by 38 startups—a 206% rise month on month (MoM) and a more than 260% increase year on year (YoY). Debt financing made up less than 1% of total investments last month, sending an optimistic message that the investment slump the MENA tech ecosystem saw at the beginning of the year is abating.

Despite several months of hardship, Egyptian entrepreneurs secured the highest funding in the region, raising $185 million over seven deals, $157.5 million of which went to one transaction made by MNT-Halan. However, it’s still a remarkable growth from last month’s $15 million raised through four deals. The UAE dropped to second place, with $96 invested in 12 startups. Saudi startups experienced a dramatic decline in investment in July, garnering just $31 million over seven deals, sending them to fourth place behind Oman, which secured this ranking thanks to the $37 million raised by 44.01.

By examining the sectoral map, fintech remains the investors’ favorite, drawing up to $181 million invested in 16 startups. With $85 million investment in two startups, Web 3 providers came next. Deeptech and cleantech have leapfrogged to third and fourth positions, respectively, because of the large ticket sizes allocated for 44.01 and Intelmatix deals. However, e-commerce still holds its own when it comes to deal volume, with six e-commerce startups raising $15.7 million.

Last month saw some activity related to mergers and acquisitions (M&A), most of them took place in the Emirati ecosystem. The key deal was the acquisition of BitOasis by the India-based crypto exchange company CoinDCX. Power League Gaming was acquired by Muller & Phipps Middle East Group and Lableb acquired Majarra. (WAMDA 12.8)

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* 1. Saudi & UAE Account for Most MENA Venture Investors in First Half

Saudi Arabia and the UAE accounted for 68% of MENA-based venture investors in H1/24, contributing to 8% y-o-y growth in the number of local investors in the region, according to MAGNiTT’s H1/24 MENA Investor Ranking. The Kingdom had four investors among MENA’s top 10 most active by transaction count. The number of global investors active in VC transactions in the region rose 75% y-o-y during the first six months of the year, buoyed by investments in the UAE and Saudi. MENA was the only region among emerging venture markets to see investor number growth during the period.

E-commerce continues to lead with $215 million despite a 40% y-o-y drop. Coming in second is fintech with $62 million (up 360%), transport and logistics with $45 million (up 275%), agriculture with $16 million, and food and beverages with $14 million (up 67%). Agriculture jumped 12 spots to become the fourth-most VC funded industry in the Kingdom, driven by a single $16 million series A round for the agritech startup Iyris (formerly RedSea), in May. PIF-owned Sanabil Investments emerged as the top investor across MENA in terms of deployed capital in H1/24, investing $57.3 million in two Saudi-based startups (Oto and SiFi). California-based VC firm 500 Global was the most active by agreement count at 16 investments.

VC investments continue to dominate the regional startup ecosystem, comprising 53% of the investor base in H1/24, up from 47% in 2022, suggesting a robust environment for early-stage ventures. Investment companies now make up 19% of all investors in regional startups (up from 10% in 2020), while the share of corporate investors declined, with that trend possibly creating gaps in funding for late-stage startups. Additionally, the share of accelerator investments fell to its lowest in a decade at 9% in 1H 2024, down from 15% in H1/23, indicating a growing disposition towards direct investment. (Various 20.8)

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* 1. Loft Orbital & Marlan Space Create First Satellite Production Company in the Middle East

Abu Dhabi-based [Marlan Space](https://www.marlan.space), a new space company affiliated with International Holding Company (IHC), has established a joint venture with San Francisco's [Loft Orbital](https://www.loftorbital.com/) to form Orbitworks, the Middle East’s first private space infrastructure company.

Orbitworks marks a significant milestone in the UAE’s rapidly growing space sector, becoming the first to produce commercial low Earth orbit (LEO) satellite constellations. With an initial investment of over $100 million, Orbitworks aims to produce up to fifty 500 kg satellites annually. Loft Orbital, established in 2017, brings extensive expertise, technology, and a strong reputation to the venture, supporting a wide range of missions across telecommunications, earth observation, and scientific research.

Orbitworks is set to begin construction of a state-of-the-art facility that will employ advanced hardware, software and industrial technologies for integration and test of satellites. Orbitworks has secured components for its first ten satellites, the first of which could be launched as early as the first quarter of 2026. Orbitworks will help Loft Orbital further its vision of flying any payload for any customer in the shortest time to orbit. Orbitworks aims to partner with local component manufacturers and technology providers in the UAE, leveraging Loft’s solutions for seamless technology integration. (Loft Orbital 26.8)

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* 1. Dubai-based Companies Invest $1.4 Billion in China Between 2015 - 2023

The President and CEO of Dubai Chambers said that Dubai-based companies had invested a total of $1.4 billion in the Chinese market from 2015 to 2023. The number of active Chinese companies registered with the Dubai Chamber of Commerce reached around 5,400 at the end of H1/24. Out of these, 742 companies were newly established this year, marking a significant 12% growth, which underscores the increasing appeal of Dubai as a strategic hub for Chinese businesses looking to expand internationally.

While Chinese companies have traditionally focused on sectors like trade, logistics, and business consulting in Dubai, there is now a noticeable increase in their interest in emerging sectors such as AI, green technologies, data centers, Web 3 and the infrastructure needed to support these sectors. These future-oriented sectors are expected to witness significant growth in Dubai. (WAM 22.8)

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* 1. TJ Maxx Acquires 35% Stake in Dubai’s Brands for Less

The owner of American retail giant TJ Maxx is acquiring a significant stake in Dubai-based off-price chain Brands for Less (BFL), as part of its global expansion strategy. The TJX Companies, which just raked in net sales of more than $13 billion, signed a definitive agreement to own a 35% stake in BFL for approximately $360 million, subject to customary working capital adjustments.

With a portfolio of 100 stores primarily in the UAE and Saudi Arabia, BFL is the only major off-price branded apparel, toys and home fashions retailer in the region. The transaction, which is slated to close later this year, will mark the American retailer’s entry into the Middle East market. The investment represents a non-controlling, minority position in BFL, the firm said.

The BFL Group operates stores in the UAE, Saudi Arabia, Qatar, Bahrain Kuwait, Malta and Oman. TJX Companies reported net sales of $13.5 billion for Q2/25, up by 6% from Q2/24. BFL plans to double its number of stores in the next five years. The acquisition will grant BFL access to TJX’s 5k stores globally, fueling its expansion into new markets in the Arabian Gulf and beyond. (Zawya 22.8)

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* 1. MealPlanet Secures $6 Million for Expansion

UAE-based food delivery platform MealPlanet raised $6 million in a seed round led by regional VCs Middle East Venture Partners, AlTouq Group, Sanabil 500, Faith Capital, and Alturki Ventures, according to a press release. The funding round also saw participation from entrepreneurs Marc Lore and Samih Toukan.

Founded in 2024, Dubai's [MealPlanet](https://www.mealplanet.com/) is a delivery application and marketplace for meal plan brands, enabling customers to curate and manage their meal plans from various brands. The startup currently has over 100 brand partners, including Prep & Co, Basiligo, PrepHero, The Lean Co., Aleen’s, Pura, Health Road, Nutrition Kitchen, Healthy Little Secrets, Freshii and Embody Fitness. It is operational in the UAE, and plans regional expansion, starting with Saudi Arabia in the first quarter of 2025. (MealPlanet 14.8)

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* 1. Yuze Secures $30 Million in Funding

UAE-based fintech Yuze closed a $30 million funding round led by East African-based real estate investment firm Osten Investments. Yuze will use the freshly-secured funds to fast-track its expansion into new markets. The company aims to reach 1 million customers within five years.

Founded in 2022, [Yuze](https://www.yuzedigital.com/) will provide bespoke financial services to underbanked businesses and individuals in emerging markets and support government initiatives of financial inclusion. The company’s digital platform offers business accounts, card programs, and financial services for startups, micro and small businesses in emerging markets. (Yuze 19.8)

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* 1. PowerSchool Expands AI in the Classroom Across the Middle East and Africa

PowerSchool announced continued momentum in the MENA region, including new partnerships with leading schools in the UAE, Egypt and Lebanon. These schools selected PowerSchool to help achieve some of their top strategic initiatives, such as enhanced communication and streamlined administrative processes across their communities. This expansion underscores a growing global trend of implementing AI-guided solutions and providing effective student interventions. Schools are increasingly rethinking their education systems and modernizing teaching approaches to cater to personalized education and significantly improve student outcomes.

Recognizing the significant growth potential and increasing demand for educational technology solutions in the UAE and across the GCC, PowerSchool established its headquarters in Dubai in 2023. This year, it launched PowerSchool in Arabic – a localized platform tailored for the region, which incorporates comprehensive translation as well as multiple localization features, including right-to-left user interface orientation and the Hijri calendar.

Folsom, California's PowerSchool is the leading provider of cloud-based software for K-12 education in North America. PowerSchool offers end-to-end product clouds that connect the central office to the classroom to the home with award-winning products including Schoology Learning and Naviance CCLR, so school districts can securely manage student data, enrollment, attendance, grades, instruction, assessments, human resources, talent, professional development, special education, data analytics and insights, communications and college and career readiness. (PowerSchool 14.8)

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* 1. A New $200 Million VC Fund Founded in Saudi Arabia

Saudi investor Yaser AlGhamdi, the AlMajed and AlMisfer family offices, and other GCC-based investors and family offices have launched Riyadh-based VC fund [Waad Investment](https://waad.vc/) in a bid to support growth-stage startups. Information about the ticket size that will be offered by the fund wasn’t disclosed.

The SAR 750 million fund aims to bridge the financial gap many startups face and will offer comprehensive support that includes financial investment, mentorship and guidance. The fund currently has a portfolio of 23 startups, in fintech, proptech, AI, and F&B. Waad Investment has invested in a total of 35 companies.

The fund's backers aim to change the rules of how family offices invest in startups, and to reassure the entrepreneurial ecosystem that family offices possess the expertise in exit strategies, IPOs and financial solvency to lead the tech scene. (Enterprise 27.8)

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* 1. Convergint Expands into Saudi Arabia

Schaumburg, Illinois' Convergint, a global leader in systems integration, announced the expansion of its Middle East & Africa (MEA) operations into Saudi Arabia. The company will offer customers a comprehensive suite of advanced solutions in security, IT infrastructure and audio-visual systems. With the largest technical workforce in the market, including 10,000 colleagues across 220 global offices, Convergint leads the industry in developing seamless, next-generation technology systems for key sectors—including government, critical infrastructure, energy, education, healthcare and finance.

Convergint Middle East (MEA) is a longtime trusted provider of engineering-driven technology solutions, with established offices in Dubai, Abu Dhabi & Iraq. As Convergint enters the Saudi Arabian market, it is well-positioned to support the region's rapid digital evolution. The company's advanced security, automation, and IoT solutions align with Saudi Arabia's ambitious drive towards smart cities, enhanced cybersecurity, and tech-driven economic diversification. Through this expansion, Convergint aims to support innovation, contribute to the growing tech ecosystem, and assist in developing a skilled digital workforce. (Convergint 14.8)

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* 1. Jacobs to Support New Airport Development in Saudi Arabia

Dallas, Texas' Jacobs was selected by King Salman International Airport Development Company to provide concept masterplan validation, detailed masterplan design, runway design and other services for the King Salman International Airport in Riyadh, Saudi Arabia. The masterplan will cover an area of approximately 57 square kilometers and include six parallel runways, new terminals and real estate development in the surrounding area.

King Salman International Airport Development Company anticipates the airport will accommodate up to 100 million passengers annually by 2030. The project will prioritize low-carbon design, use of renewable energy and technological innovation to deliver more sustainable and efficient operations, achieving LEED Platinum certification and offering a unique travel experience for visitors. Jacobs and architects Foster + Partners previously won a competition to design the concept masterplan for King Salman International Airport. (Jacobs 20.8)

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* 1. Energy Recovery Signs $27.5 Million in Desalination Contracts in Morocco

San Leandro, California's Energy Recovery has signed contracts to supply its PX Pressure Exchanger to seawater reverse osmosis (SWRO) desalination projects in Morocco, totaling $27.5 million. These contracts have previously been reported in the company’s financial guidance, and all orders are expected to be fulfilled in 2024.

The PX can reduce energy consumption in desalination by as much as 60% and offers the lowest lifecycle cost of any energy recovery device on the market. When these desalination projects are completed and operating, Energy Recovery estimates that the PX will prevent more than 475,000 tons of carbon emissions from entering the atmosphere each year, the equivalent of removing more than 100,000 passenger cars from the road. Energy Recovery is a trusted global leader in energy efficiency technology. Energy Recovery has delivered transformative solutions that increase operational efficiency and environmental sustainability to customers worldwide for more than 30 years. (Energy Recovery 15.8)

CLEAN TECH & ENVIRONMENTAL DEVELOPMENTS

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* 1. KAUST & NEOM Join to Advance Green Economy with Sustainable Fuel Technologies

King Abdullah University of Science and Technology (KAUST) has announced a strategic partnership with NEOM to accelerate the transformation of the Kingdom's green economy. The collaboration focuses on developing hydrogen and sustainable fuel production technologies through three cutting-edge applied research projects. Under this partnership, NEOM's Education, Research, and Innovation Foundation, through the Hydrogen and E-Fuels Applied Research Institute (HEFARI), is sponsoring the development of hydrogen as a renewable energy source.

This collaboration aligns with Saudi Arabia's ambitious goals to generate 50% of its electricity from renewable sources by 2030 and to become the world's largest producer and supplier of green hydrogen. Additionally, it supports the Kingdom's target of achieving carbon neutrality by 2060 through the circular carbon economy approach. This strategy emphasizes replacing and localizing advanced carbon management technologies, enhancing integrated solutions to combat climate change and the Kingdom's commitment to maintaining global leadership in this critical field. (Asharq Al Awsat 25.8)

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* 1. Saudi Arabia is Planning Major Investments in Renewables

Saudi Arabia is set to invest around $235 billion in clean energy — especially renewables — by 2030, up from an earlier estimate of $148 billion, according to Goldman Sachs Research. Saudi will invest a total of $1 trillion in six sectors including minerals and transportation by the end of the decade, with approximately 73% of the funds allocated to the non-oil sector, up from a previously forecast of 66%.

Saudi has some 11 GW of solar photovoltaic capacity in the execution pipeline and some 16.7 GW of solar or wind capacity in the planning stages. The Saudi government has revised its solar energy target for 2030 — increasing it to 100-130 GW, compared to the previous 58.7 GW — while also investing heavily in mining to help supply the materials for the energy transition. The country aims to award over 30 new exploration licenses this year. The Saudi Energy Ministry has mandated a $40 billion cut in oil sector capital expenditures between 2024 and 2028, the country still plans to invest $190-220 billion in upstream oil and gas. (Various 20.8)

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* 1. Masdar to Help Power Egypt with 200MW Wind Project

Egypt has partnered with a consortium led by Infinity Power and the UAE’s Masdar to build a 200MW wind power plant in the Gulf of Suez. The agreements mark a significant step in Egypt’s renewable energy efforts. The consortium, comprising Egypt’s Infinity Group and UAE-based Masdar, will develop, finance, and operate the onshore wind project, located in Ras Ghareb.

A Power Purchase Agreement (PPA) was signed with the Egyptian Electricity Transmission Company (EETC). Although construction timelines were not disclosed, the project is expected to begin commercial operations in October 2026. Infinity Power estimates the plant will generate 810,000 megawatt-hours of electricity annually, reducing carbon dioxide emissions by 403,672 tonnes per year. The company, which already operates the 252MW West Bakr wind farm in Egypt, aims to expand its renewable energy footprint across Africa, targeting 10GW by 2030.

The project aligns with Egypt’s goal to increase the share of renewables in its energy mix, as the country seeks to add 4 gigawatts of renewable energy to its grid by next summer. The Egyptian government sees this as a crucial step towards meeting its objective of sourcing 42% of its energy from renewables by 2035. This project follows previous discussions between Egyptian and UAE officials on enhancing cooperation in the energy sector. (GB 18.8)

ARAB STATE DEVELOPMENTS

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* 1. Lebanon’s Inflation Rate Increased by 35% in July 2024

Lebanon’s annual inflation rate fell to 35.37% in July 2024, from 41.78% in June 2024, recording its lowest level since March 2020, according to the Central Administration of Statistics (CAS). The decrease resulted from the increase of dollarization rates by businesses and to the stability of the exchange rate especially since August 2023. Meanwhile, the continued escalating political and military tensions in the Middle East and its effect on Red Sea sea-shipping traffic threatens to disrupt supply chains, which will increase shipping costs, and consequently lead to an increase in inflation.

It is worthwhile to note that Education (6.6% of CPI) increased by 587.67% YOY due to the dollarization of education fees while furnishings, household equipment and routine household maintenance (3.8% of CPI) decreased by around 9% YOY during the same period. On a monthly basis, inflation between June and July 2024 stood at 1.97%. (CAS 27.8)

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* 1. Jordan to Complete Second Phase of Electrical Connection with Iraq by 2025

Jordan is set to complete the second phase of its electrical connection project with Iraq by Q1/25, according to the Ministry of Energy and Mineral Resources' 2023 Annual Report. The project is progressing on schedule, marking a significant milestone in enhancing regional energy cooperation. The report detailed the ongoing civil and engineering work, including the supply of essential materials, circuit breakers, transformers and related equipment. The implementation of the 400 kV electrical transmission line is also underway.

The project's second phase focuses on supplying electricity to the Al-Qa'im region in Iraq. The connection, once complete, will deliver between 150 and 200 megawatts (MW) at 400 kV. This will be facilitated through constructing a 330 kV transmission line and completing the 132/400 kV Al-Qa'im substation on the Iraqi side and the 33/132/400 kV Al-Risha substation on the Jordanian side.

The report also highlighted progress in Jordan’s electrical connection initiatives with other countries. All technical and economic studies, as well as agreements related to the Jordan-Saudi electrical connection project, have been completed. An initial agreement has been signed with the Arab Fund for Economic and Social Development to secure a loan and guarantee worth approximately $71.6 million for the project. Final agreements are expected to be signed soon, paving the way for implementation. (JT 26.8)

►►Arabian Gulf

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* 1. Kuwait Opens Call for Solar Panel Production Bids

Kuwait’s Ministry of Electricity, Water and Renewable Energy has approved the budget to construct a solar panel production facility in FY 2024-2025. The Central Agency for Public Tenders has opened the bid for companies to submit their proposals after they gave financial backing for the project. The manufacturing facility will be developed under the ministry’s oversight.

Kuwait asked for expressions of interest for its $3.9 billion, 4 GW Shagaya solar power project last year. The Kuwait Authority for Partnership Projects also invited global and local developers to bid on the 1.1 GW third phase of the Al Dibdibah Power and the Shagaya project in January. Kuwait’s government wrapped two weeks of discussions with an undisclosed Chinese state-owned firm earlier this year for the development of a planned solar energy farm at the Al Shagaya Renewable Energy Park. (Enterprise 19.8)

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* 1. Qatar is Forecast to Double its Economy's Size by 2031

Qatar is poised to double the size of its economy by 2031, as it restores government revenues to pre-2014 oil price shock levels, according to a new report by Standard Chartered. The recovery is attributed to Doha’s strategic positioning in the global energy market and its ongoing efforts toward economic diversification.

Qatar, currently the world’s sixth-largest gas producer and holder of the third-largest gas reserves, has effectively leveraged rising hydrocarbon prices and a surge in global energy demand, particularly in liquefied natural gas (LNG). The expansion of LNG capacity, with a planned 85% increase in output at the North Field by 2025, is expected to nearly double the country’s natural gas production by 2030 from the current 77 million tonnes per annum (mtpa).

Although recovering from the 2014 price shock, the global oil market remains volatile due to geopolitical risks and shifts in global demand. However, robust demand, particularly during the summer, has driven Brent crude prices towards an anticipated $100 per barrel by the end of 2024.

Qatar's economic diversification, guided by its third National Development Strategy (2023-30), has reduced dependence on hydrocarbons, with non-oil sectors now accounting for two-thirds of its GDP. Key growth sectors include real estate, construction, financial services, trade, manufacturing, logistics and tourism. The LNG sector remains a cornerstone of the Qatari economy, contributing about 70% of government revenue and 80% of export receipts. (GB 21.8)

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* 1. Planet Satellite Data + AI Enables Bahrain to Manage Smart Cities

Planet Labs announced that their SkySat data has been leveraged by the government of Bahrain, the Kingdom’s Survey and Land Registration Bureau (SLRB), to enhance urban planning initiatives nationwide. In collaboration with Planet Labs, Aetosky (formerly known as SkyMap Global) has implemented an advanced urban planning system. This turnkey solution integrates AI-enabled change detection technology with Planet’s high-resolution satellite imagery, exemplifying a sophisticated approach to modern urban management.

Leveraging Planet’s SkySat 50 cm satellite imagery, Planet partner Aetosky has enabled government authorities in Bahrain to deploy this comprehensive urban planning system, covering 850 sq. kilometers. This sophisticated system integrates Planet's high-resolution satellite data with Aetosky's advanced Change Detection Analysis capabilities to monitor and categorize various changes in the region, including modifications to existing buildings, rooftop alterations, vegetation shifts, and water changes. This innovative approach has led to an increase in effectiveness of building permit validation activities by the municipalities, highlighting the system's significant impact on efficient urban management and planning.

San Francisco's Planet is a leading provider of global, daily satellite imagery and geospatial solutions. Planet is driven by a mission to image the world every day, and make change visible, accessible and actionable. Founded in 2010 by three NASA scientists, Planet designs, builds, and operates the largest Earth observation fleet of imaging satellites. (Planet Labs 15.8)

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* 1. UAE’s Non-Oil Foreign Trade Surpasses Dhs1.4tn

The UAE’s non-oil foreign trade reached a record high of Dhs1.39 trillion ($379.85 billion) in H1/24, Sheikh Mohammed bin Rashid Al Maktoum, Ruler of Dubai, announced. The UAE’s non-oil exports to its top 10 trade partners rose by 28.7%, while trade with all other nations increased by 12.6%.

Gold, jewelry, cigarettes, oils, aluminum, copper wires, printed materials, silver, iron industries and perfumes topped the list of the country’s most important exports in the first half of the year, collectively growing by 36.8% compared to the same period in 2023. The UAE's trade increased by 10% with India, 15% with Turkey and 41% with Iraq, making Iraq the top destination for UAE exports, followed by India, Turkey and others. The UAE’s non-oil imports approached Dhs800 billion in H1/24, growing by 11.3% compared to the same period in 2023 and increasing by 34.6% compared to the same period in 2022.

Meanwhile, the UAE has initiated a raft of bilateral trade, investment, and cooperation deals – called Comprehensive Economic Partnership Agreements (CEPAs) since 2021 – to bolster efforts to diversify income sources and economic sectors. The UAE has ratified five CEPAs with India, Israel, Indonesia, Turkey, Cambodia and Georgia so far. It is also in negotiations with more markets of strategic importance at the regional and global levels, including Congo-Brazzaville, Malaysia and New Zealand. (Various 26.8)

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* 1. Dubai Inflation Numbers Down in July

Dubai’s inflation rate has shown signs of cooling, with the latest figures for July 2024 indicating a drop to 3.32%, down from 3.85% in June, according to the latest data from Dubai Statistics Centre. This marks the lowest inflation rate recorded in the emirate since the start of the year, raising speculation about the potential for an interest rate cut in the near future.

Dubai’s overall inflation rate remains comparatively low when measured against other major cities in the region, a testament to the government’s effective management of price stability, noted the report. The emirate’s economy has continued to demonstrate resilience despite global inflationary pressures, buoyed by diversified sectors such as tourism, real estate and trade.

The housing, utilities, and fuel sector, which constitutes a significant portion of Dubai’s Consumer Price Index (CPI), saw a 6.76% year-on-year increase in July, up slightly from 6.66% in June. This sector has been a major driver of inflation throughout the year, reflecting the ongoing rise in housing costs within the emirate. Additionally, food and beverage prices saw a modest increase of 2.46% in July, up from 2.35% in June, signaling ongoing volatility in essential goods.

In contrast, certain sectors experienced price declines. Notably, the tobacco sector registered a 3.63% drop in July, maintaining the same rate of decline as observed in June. Similarly, the recreation, sports, and culture sector saw a decrease of 2.42% in July, a sharp turnaround from the 1.5% increase recorded the previous month. The information and communication sector also posted a 2% decline in prices, following a slight increase of 0.02% in June. (GB 16.8)

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* 1. Dubai Welcomed Almost 700,000 Medical Tourists in 2023

The Dubai Health Authority (DHA) announced that the emirate welcomed over 691,000 international health tourists in 2023, a significant increase from the 674,000 recorded in 2022. This influx of medical tourists contributed to a substantial rise in healthcare spending, which surpassed Dhs1.03billion, up from Dhs992m the previous year. The surge in health tourism aligns with the Dubai Economic Agenda D33, which aims to double the emirate’s economy and enhance its status as a leading hub for business, investment, and tourism. Dubai’s health tourism sector generated indirect revenues of Dhs2.3billion in 2023, providing a significant boost to the emirate’s GDP and supporting key economic sectors.

The report reveals that 58% of health tourists were women, while 42% were men. Also, 33% of these tourists came from Asia, followed by 28% from GCC countries and 23% from Europe and the Commonwealth of Independent States. Among the most sought-after medical specialties, dentistry led with 29% of the demand, followed by dermatology at 27% and gynecology at 13%.

Dental services were predominantly sought by patients from Arab and GCC countries (48%), and gynecology services were most in demand among Asian patients (49%). In 2022, Dubai welcomed 674,000 medical tourists spending Dhs992 million in the year. (GB 20.8)

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* 1. Dubai Health’s Blue Café Aims to Support Autism Care

[Dubai Health](https://dubaihealth.ae/) has taken a significant step towards enhancing autism care with the launch of Blue Café, a new initiative designed to support parents and caregivers. The platform, developed as part of Dubai Health's commitment to putting "Patients First," is a digital space and a future physical location where families can connect, share, and learn. Blue Café aims to transform the way autism care is approached by providing easy access to valuable resources and fostering a supportive community environment.

Blue Café operates as a digital platform that offers parents and caregivers access to a wealth of knowledge and resources. Originally introduced as a clinical consultation program at Al Jalila Children's Hospital, the initiative has now expanded under Dubai Health's umbrella. It features concise, research-informed content on various autism care topics, presented in a micro-learning format. This approach makes it convenient for families to integrate learning into their daily routines, no matter how busy they may be.

Beyond these educational resources, Blue Café hosts webinars that translate the latest autism research into practical strategies for families. Another platform feature is its online community forum — a safe space where families can ask questions, share experiences, and support one another. (Dubai Health 23.8)

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* 1. Dubai Court Recognizes Crypto Salary Payments as Valid

Dubai’s Court of First Instance made a landmark ruling recognizing the validity of paying salaries in cryptocurrency, a significant shift from its 2023 ruling, where a similar case was rejected because the employee was unable to provide an accurate valuation of the digital currency, Khaleej Times reported.

The case centers on an employee's lawsuit for unpaid wages, wrongful termination and benefits. The employee's contract specified a monthly salary in fiat currency and 5,000 EcoWatt tokens — which the employer failed to pay for six months. Despite the employer challenging the legality of the crypto payment, Dubai Courts ruled in favor of the employee, ordering payment in EcoWatt tokens as stipulated in the contract, rather than converting them to AED. This ruling marks a shift in the court’s approach, by recognizing cryptocurrency as a valid and enforceable means of remuneration, according to a note by law firm Wasel & Wasel. (KT 20.8)

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* 1. Oman’s Trade Surplus Hits $7.79 Billion in 5 Months

Oman recorded a trade surplus of RO2.989billion in the first five months of 2024, marginally up from RO2.986billion during the same period last year, according to the latest data from National Centre for Statistics and Information (NCSI). The total value of Oman’s exports increased 5% to RO9.689billion between January and May 2024, compared to RO9.224billion during the same period in 2023. Meanwhile, the sultanate’s total imports rose 7.4% to RO6.7billion this year, up from RO6.238billion in the corresponding period of last year.

The rise in the value of exports is primarily driven by growth in Oman’s oil and gas exports, which increased 1.8% to RO5.937billion in the first five months of 2024, compared to RO5.833billion during the same period last year. Breaking down the oil and gas exports, crude oil exports amounted to RO4.297billion, marking a 7.6% increase year-on-year. In contrast, the value of refined oil exports fell 8.7% to RO579million, and liquefied natural gas exports dropped 12% to RO1.61billion.

The NCSI data also showed an increase of 11.2% in non-oil exports to RO3.045billion in the first five months of 2024 from RO2.737billion during the same period in 2023. Additionally, re-exports from Oman grew 8.1% year-on-year, totaling RO707million. Minerals were of the highest value among non-oil exports, amounting to RO1.101billion, up 23.1% from the same period in 2023, followed by base metals and their articles – 8.9% increase to RO560million. Chemical products were third among non-oil exports with an export value of RO435million, a decrease of 7%.

The UAE emerged as the largest market for Oman’s non-oil exports and re-exports in 2024. Non-oil exports to the UAE rose 15.1% year-on-year to RO395million during the January–May period, while re-exports to the UAE reached RO244million. Oman’s imports from the UAE during the same period amounted to RO582million. (Muscat Daily 19.8)

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* 1. Saudi Arabia's Inflation Rate Stabilized at 1.5% in July

Inflation in Saudi Arabia stabilized at 1.5% in July on an annual basis, remaining at its lowest level since December 2023, according to the latest data released by the General Authority for Statistics (GASTAT). The data came despite the acceleration of the pace of increase in housing rents to the highest level since data collection began in 2013, which showed that actual housing rents rose by 11.1% during the past month on an annual basis, affected by a 12% increase in apartment rents. Housing prices recorded a 10.1% increase in June.

The food and beverages segment also rose by 0.4%, affected by a 5.3% increase in vegetable prices, while the restaurants and hotels section recorded a 2.3% increase, affected by a 7.0% increase in hotel services and furnished apartments prices, while the education section recorded a 1.6% increase, affected by a 3.8% increase in intermediate and secondary education fees.

In contrast, consumer prices declined for about 9 groups by rates ranging between 1.2% and 3.5%, which may have prevented an increase in inflation rates during the past month, most notably the 3.5% decline in the transportation section due to a 4.8% decrease in vehicle purchase prices. (Saudi Gazette 16.8)

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* 1. Saudi Arabia’s Non-Oil Exports Increase By 10.5% in Second Quarter

Saudi Arabia's non-oil exports increased by 10.5% during Q2/24, compared to Q2/23, the General Authority for Statistics (GAS) announced. National non-oil exports increased by 1.4%, excluding re-exports, and the value of re-exported goods increased by 39.1% during the same period. The results showed that the value of non-petroleum exports including re-exports increased by 4.3%, while commodity exports in Q2/24 decreased by 0.2% compared to Q2/23, and the value of imports decreased by 5.6%, due to a decrease in petroleum exports by 3.3%. The proportion of petroleum exports in total exports in the second quarter of 2024 decreased to 75% compared to 77.4% in the same quarter of last year. (WAM 22.8)

►►North Africa

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* 1. Egyptian Cabinet Approves Executive Regulations to Hospital Privatization

On 14 August, the Egyptian government approved a number of new decisions. Leading among them was approval of a resolution regarding the issuance of executive regulations for the hospital privatization bill — which allows private entities to set up, manage and operate healthcare facilities and public hospitals for a period of 3-15 years.

The cabinet is to make the final decision regarding the privatization of healthcare facilities, based on Health Ministry proposals. The move will be taken only after the approval of the entity that owns the facility and reaching agreements on service pricing, a schedule of follow-ups on the facility’s progress, and a plan for transferring the facility back to state ownership. The medical facility operator must continue to offer free health services to beneficiaries of the Universal Health Ins. System and in cases of disasters, epidemics, and emergencies.

The Health Ministry will prepare a review of health facilities targeted for privatization, alongside proposed dates for their privatization, to be regularly updated. The ministry will also delineate the regulations around granting foreign doctors, nurses and technicians' licenses to work within privatized facilities. President El Sisi ratified the hospital privatization bill back in June. (Enterprise 15.8)

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* 1. CBE Expected to Lift Import Restrictions on Non-Essential Goods

The Central Bank of Egypt (CBE) has indicated that it could ease import restrictions on all non-essential goods after requesting banks to list import requests. The CBE reportedly asked local banks for data on requests submitted for letters of credit (LCs) for 13 non-essential commodities, a move that bankers have interpreted as an indicator that it will soon end restrictions that currently require the central bank to approve any LCs to fund the import of these goods.

Bankers believe the CBE’s move was prompted by the country’s growing supply of foreign currency. The uptick in FX liquidity following the $35 billion Ras El Hekma agreement and float of the EGP just following it in March has led to “an increase in the flows of foreign exchange resources in Egypt sufficient to finance import operations without restrictions, and without this process causing a financing gap.

In March 2022, the CBE prohibited banks from issuing credit lines for a list of 13 commodities unless the importer had secured the central bank’s approval. The commodities include fully assembled cars, mobile phones, food plants and seeds, fresh fruits, cocoa, jewelry, electric appliances, ready-made garments, furniture and heavy equipment. (CBE 21.8)

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* 1. Egypt’s Foreign Debt Drops by $7.4 Billion in First Quarter

Egypt’s foreign debt fell by $7.4bn in the first three months of 2024, according to Central Bank of Egypt data. The country’s finances were boosted in late February when it sold the development rights to prime Mediterranean land at Ras El-Hekma to the UAE for $35 billion.

The total foreign debt declined to $160.6 billion by the end of March, from $168 billion at the end of December to $164.5 billion at the end of September, according to the central bank data. Egypt has quadrupled its external debt since 2015 to help finance new capital, build infrastructure, buy weapons, and support an overvalued currency.

In March, it signed a $8 billion financial support package with the International Monetary Fund (IMF), which it committed to a free-floating currency. The IMF disbursed an initial $820 million in March, the rest of which will be drawn in semi-annual instalments until September 2026. The foreign debt, of which 84.2% is long-term, was equivalent to 39.8% of the GDP, down from 43% in December. (Various 21.8)

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* 1. Egypt Prepares for a New and Improved Industrial Sector

The Egyptian government presented President El Sisi with a comprehensive plan to boost the industrial sector, according to Prime Minister Madbouly. The plan has three main objectives — enhancing the industrial investment environment to encourage the establishment of new factories and attract fresh investments, improving the quality of Egyptian products and increasing their competitiveness, reviving factories that shut off operations due to economic challenges and providing the necessary support for struggling factories.

The state will offer some 10 million m2 of industrial land to investors under its plan to boost the sector, Industry and Transport Minister Kamel El Wazir said. The plots will be located in Sadat City, Borg El Arab, Sixth of October, Tenth of Ramadan and Badr City. (Enterprise 15.8)

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* 1. Morocco Sees Record Revenue From Foreign Film Productions in 2023

Revenue from foreign film productions in Morocco reached a record high of 1.109 billion dirhams in 2023, marking the highest figure since 2015, according to a recent report from the Moroccan Film Center. Topping the list of foreign productions was “Gladiator II,” with a substantial budget of MAD 306 million. It was followed by the series “Atomic,” which had a budget of MAD 150 million and the German series “The Terminal List,” with a budget of MAD 125 million.

According to box office data from the Moroccan Film Center, the top 30 highest-grossing films in Moroccan cinemas in 2023 generated a combined revenue of MAD 63.193 million. Moroccan films accounted for MAD 29 million of this total. The success of Moroccan films is attributed to the increasing diversity and quality of local productions, alongside a growing national pride and support for Moroccan cinema.

Hollywood films also made a significant impact on the Moroccan box office. “Barbie” led the foreign film chart with MAD 4.879 million, followed by “Oppenheimer” with MAD 3.962 million, “Mission: Impossible – Dead Reckoning Part 1” with MAD 3.144 million and “Avatar: The Way of Water” with MAD 2.878 million. (MWN 20.8)

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* 1. 2024 GOI Says Morocco Needs to Boost Financial Sector to Attract More Investors

Despite commendable efforts in recent years to boost its business attractiveness, Morocco still has a long way to go on the financial and economic fundamental front, according to the Milken Institute’s 2024 Global Opportunity Index (GOI). The index, which aims to assess the attractiveness of the business and investment environment in various countries, ranked the North African country 80th out of the 129 countries whose business infrastructure was evaluated by the Milken Institute in this year’s report.

Morocco’s performance in the GOI was mixed, with varying rankings across different categories. The country came in 56th position in the International Standards and Policy category, reflecting a good alignment with international norms. However, it ranked 97th in the Economic Fundamentals category, indicating challenges that need to be addressed to enhance the country’s investment attractiveness.

On a positive note, Morocco stood out in the Institutional Framework category, ranking 64th in the 2024 Global Opportunity Index report. This ranking reflects the strength of Morocco’s institutional infrastructure, which is a favorable factor in attracting investors and fostering a conducive business environment. Regarding the Financial Services indicator, Morocco ranked 87th, highlighting the need to strengthen the financial sector and make it more attractive to investors. The country also ranked 88th in the Business Perception indicator, suggesting room for improvement in investors’ perceptions of the business environment in the country. (GOI 13.8)

TURKISH, CYPRIOT & GREEK DEVELOPMENTS

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* 1. Turkey’s Central Bank Keeps Interest Rates at 50% as Inflation Cools

On 20 August, Turkey’s Central Bank kept interest rates steady after the country’s year-on-year inflation slowed to a nine-month low of 61% in July. The Monetary Policy Committee left the rate at 50%, citing high and persistent service inflation as well as geopolitical developments that could exacerbate inflationary pressures.

Turkey has faced one of the worst cost-of-living crises in history in recent years, with large swaths of the population struggling to keep up with soaring food and housing prices. Before being reelected in May 2023, President Erdogan — who previously called high interest rates the “mother and father of all evil” — bucked economic orthodoxy by insisting on keeping interest rates stubbornly low. After his reelection, the central bank raised borrowing costs from 8.5% to 50% in an aggressive run of hikes between June 2023 and March of this year as the government looks to shore up foreign investment.

A spate of measures to buoy the electorate ahead of nationwide local polls earlier this year — including hiking the minimum wage by 49% — have complicated efforts to contain runaway inflation. The Turkish currency, the lira, has also been shedding value ahead of the central bank's move. The bank’s year-end inflation projection stands at 38%, revised from 36% — down from a peak of 75% in May. (Al-Monitor 21.8)

GENERAL NEWS AND INTEREST

\*ISRAEL:

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* 1. Israeli Universities Retain Top 100 Status in Shanghai Ranking

The Weizmann Institute of Science in Rehovot has become the highest ranked Israeli university, leapfrogging the Hebrew University of Jerusalem, in the Shanghai Ranking of the world’s best universities. Indeed, three Israeli schools are in the top 100.

The Weizmann institute rose 14 places from 83rd place to 69th place, while the Hebrew University slipped from 77th place to 81st place. The Technion, Institute of Technology in Haifa fell slightly to 85th place from 83rd place last year. Outside the top 100, Tel Aviv University is in the 201-300 category, Bar-Ilan University in the 301-400 category, Ben Gurion University of the Negev is in the 401-500 category and the University of Haifa is in the 501-600 category. The Shanghai Rankings encompasses what it ranks as the world’s top 2,500 universities.

All top ten universities are in the US or the UK and the top five are ranked in the same order as last year: Harvard, Stanford, MIT, Cambridge and UCLA. (Globes 18.8)

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* 1. Haifa Readies World’s Largest Underground Hospital

The largest hospital in northern Israel has worked to create the largest underground hospital in the world. The three-floor, $140 million Fortified Underground Emergency Hospital was constructed following the Second Lebanon War in 2006, when the Iranian terrorist proxy Hezbollah fired about 70 missiles on this northern port city over a month, shaking the hospital in an era before the Iron Dome air-defense system was in place.

The 2,000-plus bed subterranean emergency hospital, which has been ready if unused over the last decade, is essentially a 1,500-car garage that has been seamlessly converted into a fortified hospital for warfare and that can be put into full use within eight hours. Unfortunately, nearly two decades after that, Hezbollah's threats have only grown against Israel; they have been raining down missiles on Israel almost daily since the 7 October Hamas massacre in southern Israel that triggered the war in Gaza.

Based on a model in Singapore, the facility received 30% of its funding from the state with the remainder financed by Jewish and Christian philanthropists, including the late Israeli shipping magnate Sammy Ofer (the hospital is named after him) and charities. During the corona virus pandemic, it was converted into the largest COVID-19 facility in Israel. Restrooms, showers and even a daycare center area can fit 8,000 people at full capacity, with enough electricity, water, oxygen, food and gas to make it self-sufficient for several days of warfare. (JNS 20.8)

\*REGIONAL:

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* 1. Jordan Unveils 2023 Population and Family Health Survey Findings

Jordan's Department of Statistics revealed the findings of the 2023 Population and Family Health Survey, highlighting that the average Jordanian household consists of 4.8 members, with women heading 15% of households. A significant portion of the population is young, with a third of Jordanian household members under the age of 15. The survey found that the median age at first marriage stands at 22.5 years for women and 27.5 years for men. It also recorded an infant mortality rate of 14 deaths per 1,000 live births and a mortality rate of 15 deaths per 1,000 live births for children under five.

Jordan’s total fertility rate has decreased to 2.6 children per woman, continuing its steady decline from 1990 when the rate was 5.6 children per woman. This downward trend stabilized from 2002 to 2012 before further decreasing in recent years. The highest fertility rates were found in the governorates of Ajloun and Mafraq, where women average 3.1 children. Aqaba recorded the lowest birth rate at 1.9 children per woman. Fertility rates were higher in rural areas (2.8 children per woman) than in urban areas (2.6 children).

The report also provided insights into smoking habits, revealing that 14% of currently or previously married women and 48% of men aged 15 to 49 smoke some form of tobacco. Additionally, 14% of Jordanians over the age of 15 experience difficulties in at least one area of functioning.

The fertility rate among women living in Syrian refugee camps was notably higher than that of women outside the camps, averaging 4.9 children compared to 3.9 children per woman. Meanwhile, 97% of women aged 15 to 49 reported attending at least one prenatal care visit, and approximately 90% attended four or more visits during pregnancy. Nearly all births (99%) occurred in health facilities, with 69% in public sector facilities and 30% in private facilities.

On the issue of disabilities, 4% of Jordanians face severe difficulty performing their jobs or are unable to work altogether, with the highest rate among those aged 60 and above. Difficulty seeing was the most common challenge, affecting 9% of the population, followed by difficulty walking or climbing stairs (7%) and difficulty remembering or concentrating (4%). (Petra 21.8)

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* 1. One Percent of Jordanian Families Use Animal-Drawn Carts for Transportation

A detailed report from Jordan's 2023 Population and Family Health Survey revealed that 98% of households in the kingdom own a mobile phone and television. The report indicated that computers are the second most common possession, owned by 29% of households, while only 8% have a radio. The survey found that more than half of Jordanian households, 55%, own a car or truck. Additionally, 7% of households have a bicycle, 2% own a motorcycle and 1% use an animal-drawn cart. The report highlighted that 59% of rural households own a car or truck, compared to 55% in urban areas.

Regarding internet usage, the report showed that 80% of married women aged 15-45 use the internet, compared to 90% of men in Jordan. The report also confirmed that nearly all households in Jordan have access to clean energy and cooking technologies, with 78% relying on clean fuel and technology for heating. It noted that almost all households have electricity and use clean fuel and technologies for lighting.

In the field of education, the report showed that 2% of married women and men aged 15-49 have not received any education, while 97% of women and 98% of men are literate. Regarding the labor market, the report noted that 13% of currently married women and 80% of married men aged 15-49 are currently employed. The report found that 49% of women with an income earn less than their husbands, while 25% earn more, and 21% earn the same as their husbands.

The report also indicated that 23% of married women aged 15-49 have a bank account and have used a mobile phone for banking transactions in the past 12 months. Meanwhile, 51% of men in the same age group have a bank account and use a mobile phone for banking transactions. (Various 26.8)

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* 1. Jordan's School Year Opens with 1.6 Million Public School Students

Around 1.6 million Jordanian students returned to public schools on 18 August, marking the start of the 2024/2025 academic year. Meanwhile, 600,000 students enrolled in private schools will begin classes on 1 September. The Ministry of Education confirmed that 2,039 new teachers had been appointed, including 905 BTEC teachers. The final number of students transferring between public and private schools will be determined after the two-week transfer period that begins when classes begin.

In preparation for the new year, a total of 20 new schools have been completed in various governorates, and tenders have also been launched for the construction of additional classrooms in 24 schools at a total cost of JD6 million, while tenders for maintenance work has included 473 schools across the Kingdom, at a cost of JD15 million.

With the reopening of schools on 18 August, the ministry is implementing an educational recovery program, including two weekly Arabic language classes and 10 minutes of each class for mathematics practice. Classes start at 08:00 and a new attendance policy will be implemented allowing students to miss no more than 10% of the school year, which consists of between 195 and 200 teaching days. Education staff across the Kingdom resumed their duties on 11 August in preparation for the return of students. (JT 17.8)

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* 1. Casablanca’s Hassan II University Stands Tall in Shanghai’s 2024 Ranking

The latest edition of the Shanghai Academic Ranking of World Universities is out, and Morocco was notably highlighted with Hassan II University in Casablanca making the list, landing between 901st and 1000th place. In the faculty rankings, this Moroccan institution is also attracting attention with its biology department, where it proudly sits between 201st and 300th place.

Harvard is once again on top, marking its 22nd consecutive year as number one. Stanford and MIT are right behind, proving that the American academic juggernaut shows no signs of slowing down. Meanwhile, across the pond, UK’s Cambridge and Oxford claim the 4th and 6th spots. Since its inception in 2003, the Shanghai Ranking has been the gold standard for measuring university performance on the world stage. The ranking is all about measuring research impact, from Nobel laureates to top-cited researchers, rather than just classroom prowess.

This ranking is a snapshot of where the world's best places of learning are making their mark, and Hassan II University’s presence is a reminder of Morocco’s growing academic influence. (MWN 15.8)

ISRAEL LIFE SCIENCE NEWS

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* 1. IceCure Destroyed 100% of Breast Cancer Tumors in Independent Patient Study

IceCure Medical announced the publication of an independent study titled "Acceptance and results of cryoablation for the treatment of early breast cancer in non-surgical patients" in the British Journal of Radiology. The aim of the study was to evaluate the acceptance of percutaneous cryoablation treatment by patients with early-stage breast cancer who choose not to have surgery. Of the 45 patients offered cryoablation with ProSense, 43 patients, or 95.6% accepted; 36 of these, representing 39 malignant tumors (median size 24mm), proceeded to undergo cryoablation. After a median follow-up of 16 months, the complete ablation rate in luminal breast cancer with tumors ≤ 25mm was 100%. No major complications were seen.

The study investigators concluded that most non-surgical patients with early-stage breast cancer accepted cryoablation when the treatment was offered and that cryoablation is safe, effective, and well-tolerated as an outpatient procedure. The published article went on to state that outcomes suggest cryoablation could be an alternative to surgery for the management of breast cancer in this group of patients and pointed to financial, physical, and cosmetic benefits.

Caesarea's [IceCure Medical](https://www.icecure-medical.com/) develops and markets advanced liquid-nitrogen-based cryoablation therapy systems for the treatment of tumors (benign and cancerous) by freezing, with the primary focus areas being breast, kidney, bone and lung cancer. Its minimally invasive technology is a safe and effective alternative to hospital surgical tumor removal that is easily performed in a relatively short procedure. (IceCure 14.8)

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* 1. Johnson & Johnson to Acquire V-Wave

Johnson & Johnson entered into a definitive agreement to acquire Israel's V-Wave. Under the terms of the agreement, Johnson & Johnson will acquire V-Wave for an upfront payment of $600 million, subject to customary adjustments, with the potential for additional regulatory and commercial milestone payments up to approximately $1.1 billion. V-Wave will join Johnson & Johnson as part of Johnson & Johnson MedTech.

The planned acquisition of V-Wave will extend Johnson & Johnson MedTech’s position as an innovation leader in addressing cardiovascular disease. It will further accelerate its shift into high-growth and high-opportunity markets and will deepen its relationships with structural interventional cardiologists and heart failure specialists.

Caesarea's [V-Wave](http://www.vwavemedical.com) is a privately held medical device company that was established in 2009 and is focused on developing innovative treatment options for people living with heart failure and cardiovascular disease. The company was built on a foundation of science, engineering, and medicine and has decades of experience in these fields. (JNJ 20.8)

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* 1. MediWound Gets FDA Approval of NexoBrid for Severe Thermal Burn Treatment

MediWound announced that the U.S. FDA approved a pediatric indication for NexoBrid (anacaulase-bcdb) allowing for eschar removal in pediatric patients aged newborn through eighteen with deep partial- and/or full-thickness thermal burns. With this FDA approval, NexoBrid is now authorized for use in the U.S. for all age groups, aligning with its approvals in the European Union and Japan.

The submission was supported by the results of a global Phase III clinical trial, Children Innovation Debridement Study (CIDS), which evaluated the safety and efficacy of NexoBrid in hospitalized pediatric patients, as well as additional pediatric data available from Phase III and Phase II studies conducted during the clinical development of NexoBrid. Of note, the CIDS trial was funded by the Biomedical Advanced Research and Development Authority (BARDA), part of the Administration for Strategic Preparedness and Response (ASPR) within the U.S. Department of Health and Human Services.

NexoBrid is a topically administered biological product that enzymatically removes nonviable burn tissue, or eschar, in patients with deep partial and/or full-thickness thermal burns without harming viable tissue. NexoBrid development has been supported in whole or in part with federal funds from the U.S. Department of Health and Human Services; Administration for Strategic Preparedness and Response; Biomedical Advanced Research and Development Authority (BARDA).

Yavne's [MediWound](http://www.mediwound.com) is the global leader in next-generation enzymatic therapeutics focused on non-surgical tissue repair. The Company specializes in the development, production and commercialization of rapid and effective biologics that improve existing standards of care and patient experiences, while reducing costs and unnecessary surgeries. MediWound’s first drug, NexoBrid, is an FDA and EMA-approved orphan biologic for eschar removal in deep partial-thickness and/or full-thickness thermal burns, which can significantly reduce surgical interventions. (MediWound 15.8)

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* 1. Talicia Launched in the United Arab Emirates

RedHill Biopharma announced the launch of Talicia (omeprazole magnesium, amoxicillin and rifabutin) in the UAE – making it available by prescription to treat adults with Helicobacter pylori (H. pylori) infection. The commercial launch of Talicia in the UAE triggers RedHill's eligibility for additional potential milestone payments, minimum sales payments and tiered royalties up to mid-teens on net sales. Talicia is the first approved low-dose rifabutin-containing all-in-one combination product in the UAE specifically designed to treat H. pylori.

Talicia is the only low-dose rifabutin-based therapy approved for the treatment of H. pylori infection and is designed to address the high resistance of H. pylori bacteria seen with other antibiotics. The high rates of H. pylori resistance to clarithromycin have led to significant rates of treatment failure with clarithromycin-based therapies and are a strong public health concern, as highlighted by the ACG, FDA and the World Health Organization (WHO) in recent years.

Tel Aviv's [RedHill Biopharma](http://www.redhillbio.com) is a specialty biopharmaceutical company primarily focused on gastrointestinal and infectious diseases. RedHill promotes the gastrointestinal drugs Talicia, for the treatment of Helicobacter pylori (H. pylori) infection in adults and Aemcolo for the treatment of travelers' diarrhea in adults. (RedHill Biopharma 21.8)

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* 1. GrayMatters Health Expands Access to FDA-Cleared Prism for PTSD Treatment

GrayMatters Health (GMH) is expanding its U.S. footprint with additional clinics now offering Prism for PTSD to patients. Prism for PTSD is the first prescribed self-neuromodulation device, cleared by the FDA to treat post-traumatic stress disorder (PTSD) as an adjunct to standard-of-care therapies.

Home Base, the first and largest private sector brain health clinic in the US, is adding Prism as a potential supplementary treatment option to enhance their existing PTSD programs at the National Center of Excellence in Charlestown, Massachusetts. Fermata, a New York-based interventional psychiatry practice, is providing Prism treatment to help patients gain control of their PTSD symptoms. GMH is working with additional clinics to continue expanding access to Prism treatment in the coming months. Prism uses a proprietary amygdala-based biomarker and computer simulation to help patients learn to control brain activity associated with PTSD symptoms, guided by a trained healthcare professional.

Haifa's [GrayMatters Health (GMH)](https://graymatters-health.com) is the first company to develop a self-neuromodulation treatment based on digital biomarkers of brain-region-specific activity associated with mental disorders. GMH's award-winning, Prism for PTSD™ offers providers an FDA-cleared, evidence-based PTSD treatment for improved patient outcomes, based on a proprietary amygdala-based biomarker. The company is collaborating with leading mental health institutions to evaluate Prism for additional psychiatric disorders. (GrayMatters 20.8)

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* 1. CollPlant & Stratasys Initiate Study for Regenerative Commercial-Sized Breast Implants

In a significant step in the advancement of regenerative medicine, CollPlant Biotechnologies and Stratasys initiated a pre-clinical study with 200cc commercial-sized regenerative implants printed on a Stratasys Origin 3D printer. The collaboration between CollPlant and Stratasys is currently focused on the development of a bioprinting solution for CollPlant's breast implants, in addition to finding solutions to scale-up the implant's fabrication process. The study is intended to test the ability of the implants to promote the growth of natural breast tissue and completely degrade over time.

CollPlant's novel breast implants have been designed to regenerate an individual's natural breast tissue without eliciting an immune response, and could provide a revolutionary alternative for both reconstructive and aesthetic procedures, which represents a significant portion of the overall $3 billion addressable breast implant market. Since announcing the collaboration in April of 2023, Stratasys has adapted the Origin printer to print the regenerative implants, and CollPlant successfully managed to 3D-print them at 200ccs. CollPlant is expecting to have initial results from the study in H1/25.

Rehovot's [Stratasys](http://www.stratasys.com) is leading the global shift to additive manufacturing with innovative 3D printing solutions for industries such as aerospace, automotive, consumer products, healthcare, fashion and education. Through smart and connected 3D printers, polymer materials, a software ecosystem, and parts on demand, Stratasys solutions deliver competitive advantages at every stage in the product value chain. Rehovot's [CollPlant](https://collplant.com/) is a regenerative and aesthetic medicine company focused on 3D bioprinting of tissues and organs, and medical aesthetics. CollPlant's products are based on its recombinant human collagen produced with its proprietary plant based genetic engineering technology. These products address indications for the diverse fields of tissue repair, aesthetics, and organ manufacturing, and are ushering in a new era in regenerative and aesthetic medicine. (CollPlant 19.8)

ISRAEL PRODUCT & TECHNOLOGY NEWS

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* 1. Nokod Expands LCNC Multi-Platform Support to ServiceNow & Joins Partner Program

Nokod Security has expanded its industry-leading multi-platform capabilities with support for ServiceNow LCNC custom application tools (like App Engine and Automation Engine). The Nokod Security platform enables organizations to protect against security threats introduced by custom applications developed on ServiceNow. The company also announced it has joined the ServiceNow Partner Program.

Support for ServiceNow enables customers to connect the Nokod platform within minutes to their ServiceNow environment in order to inventory and achieve immediate visibility into security threats, vulnerabilities, compliance issues and misconfigurations contained in applications. The Nokod platform also provides easy-to-understand remediation guidance, as well as automated remediation, to help security teams and citizen developers strengthen the security posture of their applications and automations.

Ramat Gan's [Nokod Security](http://www.Nokodsecurity.com) is the security company for low-code/no-code (LCNC) application development. The Nokod Security Platform protects enterprises from security risks introduced by LCNC applications and RPAs developed in a wide range of platforms including Microsoft Power Platform, UiPath, ServiceNow, Salesforce and more. (Nokod 13.8)

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* 1. Guardio Launches New Feature to Protect Consumers from Financial Scams in Real Time

Guardio announced the launch of a new feature, Critical Security Alerts, which enables real-time alerts to identify and prevent financial scams, ensuring immediate intervention when suspicious browsing patterns are detected. By leveraging its own sophisticated AI, Guardio monitors and analyzes scam activities and usage patterns to enhance protection while ensuring user privacy with complete data anonymization. The feature detects potential manipulation by analyzing deviations from typical user behavior, such as unexpected sequences of actions and identifies patterns consistent with known scam tactics. Tel Aviv's [Guardio](https://guard.io‎) is a cybersecurity company with over 1.5 million users that makes top-tier security accessible to everyone. Guardio develops innovative products and tools to secure every aspect of our digital lives and helps users navigate the digital world safely and confidently. (Guardio 13.8)

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* 1. Revoltz Launched Innovative Three-Wheel Electric Cargo Bike for Europe

Binyamina's [Revoltz](https://revoltzev.com/) has developed a new, three-wheel, electric cargo bike tailored for the European and UK markets. Building on the success of Revoltz’s PORTO micro-EV, this new bike is designed to offer enhanced stability, increased payload capacity and high-caliber safety features, making it fit for urban transportation and commercial applications. Revoltz expects the first prototype to be ready within the next three months, with commercialization anticipated for early 2025.

Revoltz has integrated its advanced full-tilting suspension system, also implemented in the PORTO, into this new three-wheel electric cargo bike, ensuring a smooth and balanced ride, even with bulky loads. This product meets European and UK regulatory standards and aims to address various urban transportation challenges in the respective urban areas.

The three-wheel design enhances stability and maneuverability, particularly when carrying heavy loads. Equipped with pedals and an electric motor, the electric cargo bike combines manual and assisted pedaling for an efficient and eco-friendly ride. Its larger cargo area and higher payload capacity make it ideal for transporting goods, groceries, parcels, and larger items. The added stability makes the bike accessible for novice riders or those less confident in cycling, while the improved safety features, such as a lower center of gravity, enhance safety both in traffic and on uneven terrain. The bike's versatile configurations, including front-loaders, rear-loaders, and side-loaders, allow customization by individual riders for different transportation needs. (Xylo 14.8)

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* 1. APAC National Security Agency Places $4 Million Cognyte Order

Cognyte Software announced that a long-standing national security agency customer in the Asia-Pacific (APAC) region recently exercised a $4 million option to expand its solution capacity to handle constantly growing data volumes. Cognyte’s solution allows the customer to accomplish its missions of combatting terror and enhancing public safety. Earlier this year, the customer signed a contract worth more than $5 million to scale up its existing solution, enabling the agency to analyze and manage data more effectively.

Herzliya's [Cognyte Software](http://www.cognyte.com) is a global leader in investigative analytics software that empowers a variety of government and other organizations with Actionable Intelligence for a Safer World. Their open interface software is designed to help customers accelerate and improve the effectiveness of investigations and decision-making. Hundreds of customers rely on our solutions to accelerate and conduct investigations and derive insights, with which they identify, neutralize and tackle threats to national security and address different forms of criminal and terror activities. (Cognyte 15.8)

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* 1. Brenmiller to Deliver Low-Carbon Steam to European Premium Pet Food Maker

Brenmiller Energy entered a 12-year Heat as a Service (HaaS) agreement with Partner in Pet Food Hungaria (PPF), one of Europe’s leading private label pet food producers. Under the terms of the agreement, Brenmiller will deliver low-cost and low-carbon steam to PPF and be in a position to offer grid balancing services to the local transmission system operator MAVIR. The Company expects project costs to total around $5 million.

Under the terms of the agreement, Brenmiller will design, build, own and operate a 30 MWh bGen ZERO system next to PPF’s pet food manufacturing plant in Dombovar, Hungary. Brenmiller’s bGen ZERO will take priority over PPF’s existing fossil fuel boilers, significantly reducing the pet food manufacturer’s energy costs and carbon footprint. PPF will purchase steam from Brenmiller at a fixed rate.

Rosh HaAyin's [Brenmiller Energy](https://bren-energy.com) helps energy-intensive industries and power producers end their reliance on fossil fuel boilers. Brenmiller’s patented bGen thermal battery is a modular and scalable energy storage system that turns renewable electricity into zero-emission heat. It charges using low-cost renewable electricity and discharges a continuous supply of heat on demand and according to its customers’ needs. The most experienced thermal battery developer on the market, Brenmiller operates the world’s only gigafactory for thermal battery production. (Brenmiller 19.8)

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* 1. Sapiens Latest Version of CoreSuite for Property & Casualty for Enhanced Performance

Sapiens International Corporation announced the launch of its latest version of Sapiens CoreSuite for Property & Casualty for the North American insurance market. The new release delivers insurers a multitude of functional and performance improvements, as well as enhanced security features. V12.0 is an integral part of Sapiens Insurance Platform, a future-proof, AI-based, open and integrated platform. The release fully supports the platform's digital persona layer and expands the robust core business capabilities.

The new release significantly improves efficiency of billing, database storage for policy and billing, and customer synchronization implementation. The release also increases the functionality of Sapiens' powerful formula capabilities, syncing seamlessly with Sapiens ClaimsPro for Property & Casualty, Sapiens PolicyPro and Sapiens BillingPro. These enhancements further improve the efficiency, ease of use, and automation of the platform. Enhancements to ClaimsPro include the introduction of reporting tables to enable near real-time reporting, augmented deductible tracking capabilities, extended notes capabilities for sent or received correspondence, and enhanced Hi-Marley text support for when a case is re-assigned. These enhancements allow for rapid access to claims data from any reporting tool or system and significantly improve the overall claims customer experience.

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. They help insurers harness the power of AI and advanced automation to support core solutions for property and casualty, workers' compensation, and life insurance, including reinsurance, financial & compliance, data & analytics, digital, and decision management. (Sapiens 27.8)

ISRAEL ECONOMIC STATISTICS

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* 1. Inflation in Israel Rises Back Above Target Range

Israel’s Consumer Price Index (CPI) rose 0.6% in July, slightly above expectations. In the twelve months to the end of July 2024, the rate of inflation has risen to 3.2% from 2.9% at the end of June, according to figures released by the Central Bureau of Statistics. Thus inflation has risen back above the Bank of Israel's annual target range upper limit of 3%.

Prominent price rises in July included fresh fruit and vegetables, which rose 3.2%, culture and entertainment, which rose by 1.8%, rents and housing maintenance, which rose 0.8% each, and food and transport, which rose 0.5% each. Prominent price declines in July included clothing and footwear, which fell 2.4%, and furniture and household equipment, which fell 0.6%.

The Central Bureau of Statistics has also published the change in home prices (which are not part of the general CPI) between April-May 2024 and May-June 2024. On average, prices rose 0.7%. This was the seventh consecutive month that prices have risen after many months of declines. The index of new home prices fell 0.6%. (CBS 15.8)

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* 1. Israel's Per Capita Growth is Negative in Second Quarter

The Central Bureau of Statistics reported Israel experienced negative GDP per capita growth of 0.4% in the second quarter, on an annualized basis. Overall, Israel’s economy grew by 1.2% in the second quarter, on an annualized basis. Private consumption, which rose by 12% on an annualized basis and 2.9% in the second quarter led the growth and has been rising since the start of the year, after falling sharply during Q4/23, at the start of the war.

The rise in GDP stemmed from government spending, which rose by 8.2% in the second quarter, while there was a 1.9% fall in business production. The figures indicate a moderation in consumption in the Israeli economy after the ‘rebound’ in the first quarter, when GDP growth was 14.1% on an annual basis.

Israel's economy grew by 2% in 2023, reflecting negative GDP per capita growth of 0.1%, because of population growth last year. This follows GDP growth of 6.5% in 2022. With the exception of 2020 when the Covid pandemic hit, and Israel's economy contracted by 2.5%, the last time the economy contracted was in 2009, following the global financial crisis. (CBS 18.8)

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* 1. Unemployment Rate in Israel Falls to a New Low

The Central Bureau of Statistics announced that Israel's unemployment rate in July fell to 2.8%, down from 3.1% in June. This is a particularly low rate that has not been seen for many years. Unemployment last November, after seasonal adjustment, and the mass mobilization of army reservists at the start of the war, was initially set at 2.8% but subsequent revised figures raised it to 3%.

The latest low figures also stem from many Israelis still performing army reserve duty and who are not available for civilian employment. This creates employment demand and huge shortages in the workforce, which has also been reflected over the past year in a rise in real wages, despite the economic slowdown.

The percentage of Israelis aged 15 and older participating in the labor force remains almost unchanged at 63%, up from 62.9% last month. The rate of those registered as employees, but absent from work due to reserve duty, is still high (9.4%), but significantly lower compared with the previous month (15.6%). For men, the number is even more extreme: 22.1% of the employees are absent due to reserve duty, down from 28.5% the previous month. (CBS 20.8)

IN DEPTH

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* 1. ARAB WORLD: An Evaluation of Remittances in Lebanon and the Arab World

It is estimated that at least 33 million Arabs live abroad with 44% staying within the Arab region and close to 80% of those in the GCC countries. Migrants are generally viewed positively, especially if they maintain ties with their home countries, transmitting back new ideas, investments and technologies. They also send a lot of money. How much and what is their impact?

In 2023, the Arab world received $55 billion in remittances, close to 6.4% of the world total and 8.4% of the total for low-and-middle income countries. What is interesting, though, is that Arab remittances in 2023 were close to those in 2019 at $57 billion. In other words, they remained largely stagnant. However, the remittances for low-and middle- income countries followed an upward trend, increasing from $548 billion in 2019 to $656 billion in 2023. This indicates that Arab emigrants and expatriates, though increasing, are perhaps beginning to turn their back on their home countries. This is, of course, not a promising prospect, but it is also not surprising, given the unstable economic and political structures in many Arab countries.

In terms of individual countries, Egypt receives the most in remittances at $19.5 billion, followed by Morocco and Lebanon at $11.8 billion and $6.7 billion respectively. However, as a ratio of GDP, Lebanon comes first at 30.7%, followed by the Palestinian Authority at 18.8% and Jordan at 8.8% — though Lebanon’s high ratio is biased upwards because of the low GDP due to its severe financial crisis. But the fact that the biggest recipients, Egypt and Morocco, have among the largest populations in the Arab world, at 115 million and 40 million respectively, means that in terms of remittances per capita Egypt receives $170 only whereas Morocco receives close to $300. These low figures show that remittances in the Arab world are not only not increasing, but perhaps also not large enough to start with!

The above observation leads to an important question: are relatively limited remittances a good or bad thing? Remittances are usually hailed for their positive impact on investments and GDP, exchange rates and the balance of payments, and their economic synergies and exchanges between the host and home countries. But, on the negative side, remittances reflect the ‘brain drain’, could create dependency and have an adverse effect on incentives, and could increase consumption rather than investment; but, perhaps worst of all, they could allow an economy to muddle through and not resort to much needed reforms. In fact, evidence from Lebanon shows that remittances’ effect on the economy has been largely neutral on GDP and the balance of payments, implying that any presumed benefit have been nullified by the negative impact.

Two crucial implications emerge from the analysis above. First, the fact that remittances have been stagnant means that perhaps emigrants in the Arab world are burning their bridges with their original countries; and given that mostly it is the educated corps that are leaving, only much improved economic and political prospects can keep them or lure them back. Lebanon, of course, is a good case in point: its remittances fell from $7.2 billion in 2019 to $6.7 billion in 2023, at a time when the country witnessed intensive outpouring of its educated cohorts to stable foreign destinations. Second, it is quite possible that the relatively limited remittances in the Arab world is a blessing in disguise, in that they can no longer sustain a maligned economic and political systems and consequently help usher in vital structural changes – but don’t bet on it!

What underlies this reality is that the Arab world received $30 billion in Official Development Assistance (ODA) in 2023 but only $52 billion in FDI! (Blom Invest 19.8)

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* 1. BAHRAIN: One Year of the U.S.-Bahrain C-SIPA - Signs of Progress, Regional Potential

Elizabeth Dent posted on 21 August in [TWI](https://www.washingtoninstitute.org/) that the progress the two partners have made through C-SIPA offers a fresh model for future U.S. cooperation with other Middle East countries in the security, economic, and technology sectors.

September 13 will mark one year since US Secretary of State Blinken and Bahraini crown prince and Prime Minister Salman bin Hamad al-Khalifa signed the Comprehensive Security Integration and Prosperity Agreement (C-SIPA). In an era when Middle East partners have sought additional U.S. reassurances over fears that Washington might abandon the region, the signing of C-SIPA offers a new roadmap for multinational cooperation. Most notably, it redefines security by expanding beyond military, defense, and intelligence matters into key sectors such as economic and technological cooperation.

**C-SIPA’s Strategic Value**

The 2023 agreement rests on three core pillars of increased bilateral cooperation: (1) defense and security (including a section on enhanced intelligence sharing), (2) economic, commercial, and trade, and (3) science, technology, and network security. As the United States confronts the region’s most salient challenges—from escalating Iranian aggression to competition with China and questions about the durability of American commitment to the Middle East—designing a structure that offers policy continuity across administrations can help alleviate partner concerns. C-SIPA was designed to provide an innovative model for continuous security and economic integration rather than case-by-case initiatives.

In addition, the security and defense pillar contains an element that many have dubbed “Article 4.5”—a callback to the collective defense clause in Article 5 of NATO’s founding treaty. Specifically, C-SIPA commits Washington and Manama to do the following: “In the event of external aggression or the threat of external aggression against one Party, the Parties shall...immediately meet at the most senior levels to determine additional defense needs and to develop and implement appropriate defense and deterrent responses...in the economic, military, and/or political realms. The Parties stand ready to immediately share available and appropriate information and intelligence in response to such an event.” As Bahraini national security advisor Nasser bin Hamad al-Khalifa put it during remarks at last month’s Aspen Security Forum, the commitment falls “just short of Article 5, but with all the guarantees.”

When C-SIPA was first announced, Iran and its partners appeared to respond immediately: just days after the agreement was signed, a Houthi drone attack along the Saudi-Yemeni border killed four personnel from the Bahrain Defense Force. Because the attack occurred on Saudi soil, it was not viewed as a test case for C-SIPA, but Manama was likely pleased with the strong U.S. statements condemning the attack.

**Why Bahrain?**

It should come as no surprise that Bahrain was Washington’s first choice when selecting an Arab country for increased cooperation. The small Shia-majority island ruled by a Sunni royal family has long been a key economic, security and diplomatic partner in the region. Since the two nations formally established relations in 1971, Bahrain has notched the following achievements:

* Hosted the headquarters of U.S. Naval Forces Central Command and the Fifth Fleet, including around 9,000 American military personnel
* Attained formal U.S. recognition as a “major non-NATO ally” in 2002
* Signed a free trade agreement with the United States in 2004 (entered into force in 2006)
* Became the first Arab state to lead a Combined Maritime Forces Coalition Task Force to patrol regional waters
* Participated in the coalition to defeat the Islamic State
* Provided personnel for the International Security Assistance Force in Afghanistan
* Became a founding signatory to the Abraham Accords with Israel

Indeed, Manama has repeatedly demonstrated both its commitment to the strategic partnership with the United States and its political willingness to support American initiatives in the region.

Bahrain also stood to gain a great deal from a security pact with Washington. Sitting just one hundred nautical miles from Iran, the island has foiled multiple attempted attacks by Tehran-backed groups and broke off diplomatic relations with the regime in 2016. Although Manama is working to restore those relations, its general alignment with the United States in the security and policy spheres makes it a good candidate for testing a new kind of agreement with Middle East partners.

**What Has C-SIPA Accomplished?**

Bahrain and the United States were already jointly pursuing many of the initiatives put forward in C-SIPA, but the agreement helped breathe new life into their planning and accelerate implementation. Over the past year, progress has been made on all three of the agreement’s core pillars:

**Defense and security:** After the Houthis stepped up their attacks on vessels in local waters last November, the United States rolled out several multilateral initiatives to protect international shipping. Bahrain was the only Arab country to join every initiative. On 19 December, it attended the Red Sea ministerial meeting at which Defense Secretary Lloyd Austin announced Operation Prosperity Guardian, a defensive coalition meant to reassure the shipping sector about safe passage. Weeks later, Bahrain joined a smaller coalition supporting U.S. and British-led strikes against Houthi targets in Yemen. It also played a role in the integrated air defense that helped intercept hundreds of Iranian ballistic missiles and drones launched at Israel on 13 April.

Additionally, C-SIPA has helped reinvigorate bilateral defense consultation groups and security cooperation. Last month, U.S. officials hosted the U.S.-Bahrain Military Consultative Committee and held discussions with Sheikh Nasser during his aforementioned visit. On both occasions, the two governments reaffirmed their support for C-SIPA and discussed further ways to deepen the partnership. The United States has also delivered on several initiatives that were already in the pipeline. In March, for example, three F-16 Block 70 jets were delivered with an additional thirteen to follow; Bahrain will soon be the first Arabian Gulf country to integrate the variant into its fleet. All of these moves demonstrate each partner’s clear commitment to meet C-SIPA’s security and defense objectives.

**Economic, Commercial & Trade:** C-SIPA formally made Bahrain a strategic commercial and trade partner, signaling to U.S. companies that it was a trusted destination for investment. While not much public progress has been made on this pillar, both countries are working to identify key areas for expanded economic cooperation.

One example is the push for direct flights from the United States to Manama via Bahrain’s flag carrier Gulf Air—an initiative accelerated by the signing of C-SIPA. Although U.S. officials have no control over the commercial aspect of restoring direct flights (which were halted in 1997 for technical and financial reasons), they have expedited critical steps in the process (e.g., the Federal Aviation Administration conducted a mandatory oversight visit with Bahrain’s Civil Aviation Affairs this June).

**Science, Technology & Network Security**: The low-hanging fruit of cooperation on this pillar is cybersecurity. Bahrain’s private and public networks have been repeatedly targeted by cyberattacks, lending further urgency to discussions of in-depth cooperation on this front. The United States has also been promoting research and development in this field, including matchmaking between American universities and Bahraini institutions.

In November, the Los Angeles-based cybersecurity and intelligence company Resecurity announced the opening of a Manama office that will serve the wider Gulf region, supported by the Bahrain Economic Development Board. The firm has also committed to setting up a technology hub that will include training programs in cybersecurity, boosting Bahraini government initiatives to diversify the country’s highly skilled workforce. These announcements—the first of their kind for Bahrain—have helped solidify the island’s status as an attractive investment opportunity for global technology companies.

**What’s Next?**

Although most of the results that C-SIPA has yielded so far stem from reinvigorating existing initiatives, the agreement’s potential for wider collaboration is exponential—though perhaps on some pillars more than others. The defense and security pillar has not yet been fully tested, since only an attack on Bahraini soil would likely trigger the threat-response clause. As such, it is difficult to assess whether Manama would be satisfied with the U.S. response to this scenario. Moreover, a prospective U.S. defense treaty with Saudi Arabia might overshadow C-SIPA, potentially making the latter format less attractive if regional partners believe binding defense treaties are on the table.

On the economic pillar, Bahrain is a prime candidate to leverage what Treasury Secretary Janet Yellen termed “friendshoring”—that is, strengthening America’s economic resilience by “diversifying supply chains across a wide range of trusted allies and partners.” The twentieth anniversary of the U.S.-Bahrain free trade agreement falls on the same week as the anniversary of C-SIPA—the United States should use these dual anniversaries to market the island as a trusted partner for the private sector. It should also consider granting Manama’s request to repeal U.S. tariffs that were originally put in place to protect the American aluminum industry. In addition to acknowledging the upgraded relationship, this step could help Bahrain become a trusted aluminum supplier at a time when high energy costs and Chinese competition have reduced U.S. domestic production.

In the technology sector, future growth depends in part on Washington’s ability to convince more investors that Bahrain is a reliable partner with a suitably specialized workforce. The island’s 2018 Personal Data Protection Law, the first of its kind in the world, enhances legal protections for individuals, companies and their data—a big draw for the private sector. Manama also maintains a “cloud-first policy,” requiring government agencies to prioritize the implementation of secure cloud computing technologies. In 2019, Amazon Web Services (AWS) chose Bahrain as the site of its first cloud infrastructure in the Middle East. By demonstrating U.S. commitment to future technological integration and meshing with Bahrain’s unique laws and policies, C-SIPA can help attract more technology companies.

More broadly, Washington and Manama have publicly stated their intent to expand C-SIPA beyond a bilateral agreement, pulling in like-minded countries in the Middle East and beyond. Despite the formidable regional obstacles to this goal, C-SIPA offers an unparalleled opportunity to build out an integrated security and defense structure while simultaneously forming a network of trusted partners for economic development and technological integration.

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* 1. EGYPT: Egypt’s Economy Shows Signs of Recovery Despite Challenges

Egypt’s economy is showing signs of recovery following a difficult period marked by weak economic activity and foreign exchange shortages, according to a recent report by the International Monetary Fund (IMF). While growth slowed to an average of 2.5% in the first half of the fiscal year 2023/24, the IMF sees a path toward a stronger recovery in the future.

The IMF review on Egypt highlights several positive developments. Since the unification of the official and parallel exchange rates in early March, the Egyptian pound has been market-determined, with the spread between the official rate and market-clearing rates narrowing, the foreign exchange backlog at banks eliminated, and daily interbank foreign exchange turnover increasing significantly.

While still high, inflation has generally trended downwards since September 2023, reaching its lowest level since January 2023 in May. The monetary policy hike in March and the reduction in monetary financing of the government are expected to help contain inflation further in the coming months.

Following the exchange rate unification and the policy rate hike, domestic financing conditions have improved significantly. The government is relying more heavily on weekly T-bill auctions and has increased issuance of longer-term T-bills. Nonresident holdings of local currency T-bills and T-bonds have also increased significantly.

The banking system remains stable, with banks on average profitable, liquid and adequately capitalized. The announcement of the Ras El-Hekma deal and the completion of the first and second reviews under the Extended Fund Facility (EFF) arrangement have led to a sharp rebound in banks’ net foreign asset positions.

However, the IMF report acknowledges several challenges and risks facing the Egyptian economy. While the exchange rate unification has improved the situation, foreign exchange shortages remain a concern, particularly in the non-oil sector.

The assault from Gaza against Israel and disruptions in the Red Sea are exacerbating these pressures. Despite projected improvements, Egypt’s public debt remains high, with an elevated interest burden and rollover risk. The development of the Ras El-Hekma region, a massive investment project estimated to reach $150 billion over 20-30 years, could lead to overheating and exert upward pressure on the currency, potentially creating a situation akin to Dutch disease. The financial situation of the Egyptian General Petroleum Corporation (EGPC), a major state-owned enterprise, poses a significant fiscal risk due to liquidity issues and high debt levels.

The IMF report also outlines the government’s reform agenda, which includes achieving a revenue-based fiscal consolidation through tax policy changes, particularly related to the Value-Added Tax (VAT), and continued reduction of untargeted fuel subsidies.

The report indicates that the government is pursuing an active debt management strategy to reduce gross financing needs and debt, including phasing out non-market borrowing mechanisms and promoting market-based financing through auctions.

Moreover, the government is strengthening governance practices and competition in the banking sector, including commissioning an independent assessment of policies, procedures, and controls of state-owned banks. The government is implementing measures to reduce the state’s economic footprint and provide more room for private sector growth, including draft legislation to give key elements of the State-Ownership Policy the force of law.

The IMF report concludes that the strengthened reform package underlying the EFF-supported program is beginning to yield positive results. However, the report stresses that delivering on the program’s objectives will require significant political effort and a sustained commitment to implementing structural reforms. (DNE 27.8)

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* 1. EGYPT: Abdel-Fattah al-Sisi is on the Back Foot

Yezid Sayigh shared on 26 August in [Diwan](https://carnegieendowment.org/middle-east/diwan/2024/08/abdel-fattah-al-sisi-is-on-the-back-foot?lang=en) that a resignation suggests that Egypt’s president has accepted defeat in the struggle to privatize military-owned companies.

President Abdel-Fattah al-Sisi is rightly seen as the most powerful individual in Egypt, but the resignation of his appointee to head the country’s sovereign wealth fund shows that he is not all-powerful. It has not yet been confirmed officially, but Ayman Soliman, who became the first chief executive officer of the Sovereign Fund of Egypt (SFE) soon after Sisi established it in 2018, reportedly submitted his resignation last June. The immediate cause appears to be persistent obstruction by the Egyptian armed forces to the sale of military-owned companies active in civilian markets, which was formally placed in the SFE’s hands in February 2020. The fact that not a single military company has actually been put on the market despite the president’s persistent advocacy in this regard is a measure of the limits to his power.

Soliman’s failure, and indeed Sisi’s, to bring one of the president’s pet projects to a successful conclusion has not been for lack of trying. According to Sisi, his administration had started to discuss the idea of floating military-owned steel and cement companies on the Egyptian Stock Exchange in 2016. He made his endorsement public in August 2018, and again a year later. But flotation required disclosure of company financial data that a highly secretive military was clearly loath to do. Sisi did not confirm this was the reason for delaying, but admitted that “listing in the stock exchange has many requirements that I don’t want to talk about.”

So, a new tack was tried. In February 2020, the SFE signed an agreement with the National Service Projects Organization (NSPO), an affiliate of the Ministry of Defense, to prepare ten of its commercial companies for offer to private investors. Crucially, the shift to the SFE may have been seen both as a means of raising capital without handing over management or control to investors, and as a way of sidestepping questions about land title, held by the Ministry of Defense, and the legal status of investments in designated “strategic zones” around the country, where numerous military-owned ventures are located and where state land may not be transferred to private ownership.

Widely varying explanations have been provided since then of how sales would proceed, and of likely forms of ownership. At one end of the spectrum, following preparation by the SFE, shares in NSPO companies would still end up being offered on the stock exchange, where the open market would determine share price, or by private placements using an over-the-counter setup monitored by the exchange but not listed publicly. In both instances, outright ownership would necessarily pass to buyers, along with a degree of control proportional to their shares. At the other end of the spectrum, the SFE would retain the NSPO companies in an investment portfolio under its management, acquiring private capital through direct negotiation with investors or closed auction. In this case, Soliman explained, investors would probably hold their assets on a long-term leasehold basis.

None of these arrangements have come to pass. Nor for that matter has it ever been made clear how control of company finances and distribution of profits (or losses) would be managed. This is significant because official statements about the precise proportion of company shares to be offered to private investors have varied considerably. In their initial comments on the agreement between the SFE and the NSPO in February 2020, both Soliman and Minister of Planning and Economic Development Hala al-Saeed, who is chairperson of the SFE’s board of directors, suggested that investors might acquire up to 100% stakes in the companies on offer. A year later Soliman stated that the SFE sought to sell 80–90% of the first NSPO company likely to be offered, the National Company for Petroleum (Wataniya), while retaining a 10–20% stake for itself. Later reports suggested that only 20–30% of the second NSPO company likely to be offered, the National Company for Natural Water (Safi), would be sold.

Crucially, anything short of allowing private investors to buy out NSPO companies entirely puts them at risk of partnering with a military that is neither under obligation to divulge financial data nor subject to civilian laws and courts. Even acquiring a supposedly controlling stake under these conditions presents real risks for outside investors. Risk was clearly highest in the formulas Soliman initially proposed, in which, “The [SFE] may invest in these assets with potential investors or help the NSPO create partnerships in these assets directly.” This may explain the apparent preference in Egyptian government circles for “strategic investors,” implicitly in the Gulf, who would perceive lower risk due to their political alliance with the Sisi administration and the military.

In any case, Soliman explained at the outset that an immediate task in taking on the NSPO companies was to “get our hands around the sizes of those assets, the valuations of those assets, and the market space.” Having apparently done so, Wataniya Petroleum and Safi Water were reportedly added to the SFE’s pre-initial public offering (IPO) subfund by January 2023, with the aim of marketing them to sovereign wealth funds in the Gulf. The purpose of this mechanism, the SFE explained, was “to offer a chance to institutional investors to obtain stakes in partially or fully State-Owned Enterprises (SOEs) ahead of their Initial Public Offering.” A month later, Prime Minister Mostafa Madbouly and Minister of Petroleum Tareq al-Molla somewhat confusingly announced that the two companies would be among other state-owned enterprises that would be offered on the stock exchange, but a cabinet spokesperson subsequently stated that the offer would take place through an IPO advisor outside the stock exchange.

These options were not put to the test, in any event. There are various explanations for why sales have not taken place. Successive sharp devaluations of the Egyptian pound against the U.S. dollar between October 2022 (14%) and January 2023 (25%) prompted asset prices to soar more than 47% when measured in pounds in the Egyptian Stock Exchange, but to contract by over 30% in U.S. dollar terms in the year up to November 2022. Potential investors, even “strategic” ones in the Gulf, were reluctant to pay above local currency market rates for shares in state-owned companies generally; the same was probably true when negotiating the price of shares in NSPO companies. The Egyptian military was presumably equally reluctant to sell at a depreciated price.

There were other problems. Insider accounts, partly confirmed by knowledgeable independent media platform Mada Masr, suggested that evaluation of NSPO companies was proving difficult, as they did not follow a standard legal format for their acquisition of land and other assets, could not account for staff salaries, and followed divergent and often undocumented or untraceable procurement processes. This probably explains the resort to a SFE subfund, relieving the companies of making public disclosures of risks, ongoing litigation, and other aspects of their operations and financing, potentially putting investors at risk of limited liquidity, higher fees, financial loss, and an inability to list the companies on stock exchanges.

Whatever the truth of these accounts, the Abu Dhabi National Oil Company withdrew its interest in the Wataniya chain of petrol stations in early 2022, instead buying a 50% stake in the fuel-distribution business of TotalEnergies in Egypt. The NSPO was later believed to be stripping assets from its Wataniya chain and transferring them to its second chain, ChillOut, which was not for sale, reducing the potential attraction of Wataniya for buyers. The SFE was also reported to have split Wataniya and Safi into two separate companies each, in time to open bidding in March 2023, but more than a year later there is no evidence the hived-off companies exist.

Throughout, senior officials have announced the imminent opening of bidding on the two NSPO companies, but successive deadlines for both submissions and decisions have come and gone: June 30, 2021, then “before the summer vacation” of 2022, April 2023, May 2023, December 2023, and finally “soon” according to Saeed in both February and May 2024. Military opposition is clearly the cause. Mada Masr has confirmed this, citing a senior source at the Ministry of Planning who referred to “a state agency”—understood to mean the military—that had repeatedly backed out of painfully-negotiated agreements with purchasers that were ready for signing. The military appears to have balked even at splitting Wataniya, although the SFE’s proposal would have left it with the more lucrative network of fuel stations in Greater Cairo.

In this context, the decision to publicize a meeting in mid-November 2022 between Sisi and key armed forces generals to review the status of preparations for floating Wataniya and Safi on the stock exchange now appears to have been a last-ditch attempt to break the deadlock. Soliman’s resignation nearly two years later indicates that Sisi has accepted defeat. Indeed, military appetite for commercial ventures has only intensified: the number of NSPO companies operating in civilian markets has doubled since he took office in 2014, reaching 66 (including partnerships and joint ventures), with its latest acquisition, of Beshay Steel company, coming as recently as September 2023.

But considerably more than the sale of shares in military-owned companies is at stake. Sisi’s recent reshuffle of armed forces commanders comes against a backdrop of differences with his generals over leasing land and facilities in the Suez Canal zone to foreign investors and, more recently, over the potential resettlement of displaced Palestinians from Gaza in Egypt (which Sisi is believed to support and the military-security establishment opposes). Sisi’s final presidential term was always going to be challenging, but developments at the SFE suggest he is already on the back foot. (Diwan 26.8)

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