

2022 ANNUAL REPORT

ABRAHAM ACCORDS

PEACE INSTITUTE



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Building an Infrastructure for Peace

In the United Arab Emirates, religious pluralism and inclusion, mutual acceptance and respect, education and partnership are core values that have guided the nation's development.

The Abraham Accords are the diplomatic embodiment of these principles. They are also a testament to the power of US diplomacy.

Still in its early stages, this breakthrough agreement has become a source of bipartisan pride across two Presidential administrations and on Capitol Hill.

The Abraham Accords allowed the Emirati and Israeli governments to create an infrastructure for peace.

We signed a normalization agreement and opened embassies. Our cabinet ministers established direct links. We completed Memorandums of Understanding, a Comprehensive Economic Partnership Agreement, and a tax treaty.

Warm peace, however, demands something more.

It requires Emiratis and Israelis to work together and learn from one another. Governments cannot mandate these personal ties.

That is the essence of why the Abraham Accords are so unique.

Emiratis and Israelis are drawn to each other. The hope is to build a better future and the agenda is robust: Artificial Intelligence, life sciences, biomedicine, space exploration, water desalination, and the green economy.

These are the shared goals and our vision for the Middle East.

The UAE is establishing peace with Israel that promotes greater stability, prosperity, and hope; a peace that creates new opportunities for a two-state solution that benefits Palestinians and the broader Arab World; a peace that sets a new course for the region.

This report tells that story.

Ambassador Yousef Al Otaiba
UAE Ambassador to the United States and Minister of State
Member, AAPI Honorary Advisory Council



The Abraham Accords represent a major turning point in the Arab-Israeli conflict that has existed since the creation of the State of Israel. The past year witnessed a dramatic increase in economic cooperation and investment in industries ranging from aviation and tourism to utilities, manufacturing, technology, healthcare, and agriculture. But it is just the beginning and there is still work to do. Efforts to grow trade, increase tourism, and foster people-to-people development between Accords members will strengthen bonds and encourage others to join.

Jared Kushner

Former Senior Advisor to the President
of the United States and AAPI Founder

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L to R: Avi Berkowitz, Ambassador Yousef Al Otaiba (UAE), Robert Greenway, Ambassador Michael Herzog (ISR), and Jared Kushner participate in AAPI's second Abraham Accords commemoration event in September 2022.

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The Abraham Accords hold tremendous promise for the United States, and for our allies and friends across the Middle East. These historic agreements are built upon our shared commitment to a future of cooperation and innovation, our shared goals of sustainable development and stability, and our shared belief that every person is created in the image of God, and that Christians, Muslims, and Jews are all children of Abraham. This is why the Accords continue to enjoy wide bi-partisan support across parties and administrations.

I am proud of the impact the Abraham Accords Peace Institute has had, and for its pivotal role in strengthening and expanding the Accords across diverse sectors and fields, from trade and agriculture, to academic collaboration and people-to-people ties. I look forward to working with the Institute in the coming year to help ensure that the Accords reach their full potential, and that the spirit of warm peace and mutual understanding continues to spread throughout the region.

Senator Joe Lieberman (Ret.)

Senior Counsel, Kasowitz, Benson, Torres LLP
Member, AAPI Honorary Advisory Council

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The Abraham Accords were built on the foundation of diplomatic and economic ties promoting greater stability, prosperity, and hope. AAPI is playing a central role helping the Accords members build a brighter future together by expanding opportunities for their people and the region.

Over the past two years, the commitment to peace has seen these countries achieve numerous milestones. With AAPI's support they have turned plans into concrete action, and developed thriving relationships enabling them to accomplish shared strategic objectives.

Since the Accords were signed, people-to-people contact is flourishing and generating tremendous business opportunities, cultural exchanges, healthcare cooperation, and even joint scientific initiatives. AAPI will continue to build on these steps, encouraging other nations to keep pace, and work to leverage these growing ties into progress toward a more stable, peaceful region. I applaud AAPI for their tireless efforts.

Haim Saban

Chairman and CEO of Saban Capital Group, LLC
Member, AAPI Honorary Advisory Council



The Abraham Accords is the most significant breakthrough for peace and prosperity since the Marshall Plan. They most certainly have unlocked unlimited economic and cultural expansion between the UAE and Israel. Over 450,000 Israelis have visited, trade has expanded 4x in just 2 yrs. and the potential to build peace throughout the broader Middle East is limitless. More specifically the population is approaching 500 million creating sizable market poised for explosive growth. The partnership between Israel and the UAE can help the other Gulf and broader Middle East nations enter a golden period where the standard of living can expand significantly.

Ambassador John Rakolta (Ret.)

Former United States Ambassador to
the UAE and Chairman of Walbridge Group, Inc.
Chairman, AAPI Honorary Advisory Committee



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Letter from Robert Greenway

President and Executive Director
Abraham Accords Peace Institute



The Abraham Accords' progress this past year demonstrates the dedication and commitment of its members, the potential of their collaboration, and the vital contributions which the historic agreements have made towards economic prosperity and regional stability. Israel's trade with its Arab neighbors nearly doubled, and numerous multilateral initiatives were established. The Abraham Accords Peace Institute (AAPI) has served as the primary platform for disseminating the progress made through the Accords, while developing new opportunities for growth by convening and leveraging both public and private sector entities for discussion, planning, and execution.

In 2022, AAPI worked with a growing constellation of partners to tangibly strengthen and solidify the bonds among Abraham Accords members. Together, we have ensured that the agreements continue to reach their full potential by demonstrably improving the lives of signatory countries' citizens. These efforts have contributed to a measurable increase in connectivity and prosperity, thereby positively reinforcing signatories' decision to join the Abraham Accords, and incentivizing future members.

The Institute has enabled bilateral and multilateral economic and cultural progress and opportunity by promoting private-sector investment and tangible U.S. commitment, leveraging Institute relationships to bridge business-to-government obstacles as appropriate, coordinating the range of activities currently ongoing, and focusing required resources to address critical gaps. As a result, Accords members have been able to leverage new ties to advance their economies and pool collective resources and assets to achieve common goals.

We continue to work in close collaboration with public and private sector entities engaged in advancing the Accords, partner with all who seek to further the relationships among its members, acquire the necessary data to identify obstacles and opportunities, and establish the required bilateral foundations to make multilateral solutions possible. The Institute has expanded existing relationships with key regional leaders, directed resources required to advance shared efforts, and nurtured the bipartisan consensus in support of the Accords.

In the coming year, we will pursue at the intersection of Accords member priorities, including emerging opportunities with potential for impact, as well as initiatives designed to reduce residual risk to the Accords and their expansion. These efforts will include:

- Identifying and seizing opportunities to increase the movement of people between and among Accords members, in order to expand support for normalization and combat misinformation, while facilitating regional tourism initiatives which contribute to members' GDPs.
- Developing viable options for Accords members to provide European partners with the required energy to sustain economic growth and offset the loss of Russian imports, while also identifying potential areas for increased collaboration between Asian markets and Accords members.
- Creating opportunities for Accords members to meaningfully collaborate on commercially-viable agricultural projects to ensure adequate supply of food, expand popular supports for normalization, and offset the impact of rising food prices. This will include advancing the Institute's unique joint agricultural venture in Sudan.
- Developing the infrastructure necessary to realize the potential created by the Abraham Accords for regional overland trade, including through the enhancement of border crossings. Regional overland trade is expected to provide significant economic and national resilience benefits to Accords members, while encouraging other MENA countries to join.
- Building collaborative mechanisms among Accords members to tangibly address the impact of drought, inadequate infrastructure, and management gaps, through cooperation and targeted projects.
- Establishing an Abraham Accords Innovation Network, aimed at building connections, synergies and shared initiatives between the innovation and start-up ecosystems of the Accords member countries.

The Abraham Accords, and the Institute which bears its name, hold the potential to serve as the foundation for a sustainable peace in the Middle East, by demonstrating the tangible benefits of interpersonal ties, trade, commerce, dialogue and mutual cooperation. Together with our growing partner network, we will continue to work tirelessly to seize this historic opportunity and unleash the Middle East's potential, helping the region turn the page on a generation of conflict and instability.

None of this would be possible without the support of our visionary donors, dedicated supporters, committed partners, and staff. I extend my thanks and the sincere appreciation and gratitude from the Abraham Accords members who recognize the efforts taken on their behalf.

Executive Summary



On March 27-28, 2023, Abdullatif bin Rashid al-Zayani of Bahrain, Sameh Shoukry of Egypt, Yair Lapid of Israel, Antony J. Blinken of the United States, Nasser Bourita of Morocco, and Sheikh Abdullah bin Zayed al-Nahyan of the United Arab Emirates participated in the Negev Summit in Israel. Photo Credit: Pool photo by Jacquelyn Martin

At its inception on August 13, 2020, diplomatic normalization between Israel and the UAE ushered in an unprecedented transformation in the Middle East based on the pursuit of common interests unimpeded by past disagreements. It expanded rapidly as Bahrain joined the signing ceremony on September 15th, followed by Sudan's agreement to normalize relations with Israel on October 23rd and Morocco agreeing to restore diplomatic relations with Israel on December 10th. Fundamentally, it belied recognition that its members' interests were not only shared but inextricably tied.

The Abraham Accords refer collectively to the agreements of peace, diplomatic relations, and full normalization between Israel and partner countries including the United Arab Emirates, Bahrain, Morocco, Sudan, and Kosovo. All were built on the foundations of Israel's Peace with Egypt in 1979 and Jordan in 1994. All were brokered by the United States. The Abraham

Accords¹ constitute the beginning of a transformation within a region that has confounded many, and which will continue to be a vital battleground astride the security and economic interests of world powers. American leadership was a necessary, but alone insufficient, condition to the Accords' emergence and will remain essential to their growth and evolution.

The Accords' success over the last year highlights the potential benefits to future signatories and the necessity of integration for economic prosperity and the stability of the region. Throughout the Institute has served as the primary platform for disseminating the progress made through the Accords and has developed new opportunities for growth by convening and leveraging both public and private sector entities and organizations for discussion, planning, and cooperation.

Throughout history, the Middle East has been a center of innovation and progress. Today, with vast natural resources, aspirational societies, and a growing population with approximately 65% of persons under the age of 30, the Middle East is ready to move forward and seize new opportunities and to build on its limitless potential. The Abraham Accords provide the pathway to a future of peace, tolerance, and opportunity in the Middle East and around the world. The Accords have already led to tremendous economic opportunities, which will increase prosperity and quality of life in the participating countries. As commercial ties grow, so will the strength of the bonds between the countries and their people. The opportunity could create as many as 4 million new jobs and \$1 trillion in new economic activity in the coming decade, while in the near term helping the region recover from the global pandemic.²

While diplomatic relations between Israel and Accords countries have been advancing primarily on a bilateral basis, 2022 witnessed several significant multilateral diplomatic developments such as the historic Negev Ministerial & Forum. Institutionalizing diplomatic relations on a multilateral basis is critical in reinforcing commitment and realizing the full spectrum of benefits among Accords members and will require concerted effort to yield tangible outcomes addressing shared interests and challenges to endure.

The United States brokered the Abraham Accords, and continued U.S. support for the Accords is critical for the continued deepening and expansion of the Accords. In a Washington that is deeply polarized along partisan lines, support for the Abraham Accords is a rare instance of bipartisan consensus. The Abraham Accords have also received growing support in Europe and Asia. Both will play integral roles in strengthening and expanding the Accords and, along with the United States, constitute the global markets the Accords members can leverage through integration. There are numerous ways that this support among European and Asian partners can be translated into actions that can both address challenges in global markets in the wake of the war in Ukraine and increasing challenges in the Indo-Pacific to strengthen the Abraham Accords.

Prior to the Accords, the Middle East had the lowest rate of intra-regional trade in the world, with just 5% of exports from Middle East and North African countries to their regional neighbors. Since the signing of the Accords, trade and investment have increased between Israel and all the Accords countries for which data exists. While the rapidly-expanding trade between Israel and the UAE has rightfully attracted much of the media attention, steady progress has been made with Bahrain, Morocco, Egypt, and Jordan as well across numerous sectors. Total trade between Israel and Accords countries reached \$3.47 Billion in 2022, up from \$1.905 Billion in 2021 and \$593 Million in 2019.³

While the deepening of bilateral economic relations has been impressive, the true economic potential of the Accords lies in multilateral cooperation between Accords countries.⁴ Each Accords country possesses distinct comparative advantages and thus can contribute unique capabilities to joint initiatives. These capabilities,

combined with the strategic location of the region, open up a host of possibilities that, if seized, can change the lives of millions of people across the world. Furthermore, stronger economic relations provide a strong justification for deepened security and diplomatic relations.

Since the signing of the Accords, tourism has increased between Accords countries, but remains below its true potential. Certainly, the global pandemic constrained movement, and the reconfiguration of flights between countries connected for the first time remains ongoing. While seventeen new flight routes between Israel and Accords countries have been launched, and Israelis have been visiting the UAE and Morocco at high rates, citizens of Accords countries have not yet been visiting Israel at a high rate. Multilateral cooperation between Accords countries—either through a regional tourism council, the Negev construct, or some other mechanism—can work to expand regional tourism by replacing competition with cooperation. While 2022 saw an increase in the quantity and quality of people-to-people initiatives, there remains significant room for progress in deepening people-to-people relations between Israel and Accords countries. Based on available data,⁵ popular support for normalization has declined since the Abraham Accords were signed in 2020, reflecting both the increase in popular support following the signing of the historic agreements and the insufficient volume of people-to-people contact. In order to improve both people-to-people ties between Accords countries as well as popular support for normalization, citizens could be exposed to tangible consequences of normalization that have improved their lives.

Expansion of the Accords remains viable despite the loss of momentum following the initial agreements in 2020. The conditions required persist and include U.S. commitment and mediation, which remains essential. It is now also important to demonstrate the benefits of signing onto the Accords among existing members and encourage others to join and overcome the barriers to entry. The list of prospective nations includes Arab Muslim states in the Middle East and Muslim majority countries in Africa and Asia whose addition would exponentially increase the opportunities and benefits of all concerned by encompassing greater flexibility for trade and investment. The barriers also persist but differ among prospective member states ranging from security concerns associated with the decision to normalize and ambiguity regarding the economic benefits accrued. In both cases, the durability of the Accords serves to encourage expansion. Without U.S. leadership the historic agreements would not have been concluded; absent sustained investment they would fail to achieve their potential.

Since its inception, AAPI has measurably and tangibly strengthened and solidified the bonds among members of the Abraham Accords, ensuring that the historic agreements achieve their full potential by demonstrably improving the lives of signatory countries' citizens. These strengthened relationships have served to positively reinforce signatories' prudent and remarkably beneficial decision to join the Accords and, simultaneously, incentivize future signatories.

¹ AAPI considers Egypt and Jordan to be legacy members of the Abraham Accords having normalized relations with Israel in 1979 and 1994 respectively.

² <https://www.rand.org/pubs/perspectives/PEA1149-1.html>

³ Israel Central Bureau of Statistics (https://www.cbs.gov.il/he/mediarelease/doclib/2023/029/16_23_029t1.pdf)

⁴ <https://www.rand.org/pubs/perspectives/PEA1149-1.html>

⁵ <https://www.washingtoninstitute.org/policy-analysis/arab-public-opinion-arab-israeli-normalization-and-abraham-accords>
<https://www.arabbarometer.org/2022/09/how-do-mena-citizens-view-normalization-with-israel/>

Multilateral Diplomatic Developments

The United States brokered the Abraham Accords. Therefore, continued U.S. support for the Abraham Accords is critical in the strengthening of these agreements.



Representatives of the UAE, US, Israel, Bahrain Morocco and Egypt at the Steering Committee of the Negev Forum, June 27, 2022.
Photo Credit: Bahrain Ministry of Foreign Affairs

In March, an unprecedented and historic event dubbed the “Negev Summit” saw the foreign ministers of the United States, Israel, Bahrain, Egypt, Morocco, and the United Arab Emirates come together in Israel’s southern Negev desert. During the meeting, the foreign ministers committed to expanding economic and diplomatic cooperation. The participation of Morocco’s Foreign Minister Nasser Bourita constituted the first ever official visit by a Moroccan minister to Israel. The Summit also provided the occasion for the first ever visit to Israel by the United Arab Emirates’ Foreign Minister Abdullah bin Zayed Al Nahyan. Afterwards, Israel’s then foreign minister, Yair Lapid, stated that the countries would strive to make the summit an annual event.

In June, representatives from the United States, Israel, United Arab Emirates, Bahrain, Morocco, and Egypt met in Bahrain to follow up on the Negev Summit and reaffirm that the foreign ministers of these six countries will meet annually. The meeting also confirmed that working groups will investigate cooperation in six areas, including security, clean energy and food and water security. Morocco will host the next Negev Ministerial meeting in the first quarter of 2023, to be attended, according to reports, by the Foreign Ministers of the United States, Israel, Egypt, the United Arab Emirates, Jordan, Bahrain, and Morocco. It will be essential to encompass trade and investment as the forum takes shape as a pillar of cooperation among Accords members. It will be equally important to expand the scope of participation of the forum beyond the foreign ministries to the ministries and vital private entities (commercial and non-governmental) that can translate goals into tangible results rapidly. There is significant opportunity to demonstrate benefit to the Palestinian people and encourage their incorporation in the Accords, and while a priority for all members, it will have to be done carefully to prevent a return to the inertia the Abraham Accords overcame.

In addition to the Negev Ministerial, 2022 saw numerous additional examples of Accords countries deepening their diplomatic relations on a multilateral basis. Representatives from Accords countries have appeared together on stage at numerous events, such as when Israel’s Minister of Defense, the Diplomatic Adviser to the President of UAE, and the Undersecretary of the Ministry of Foreign Affairs for Political Affairs of Bahrain participated together at an event at the Munich Security Conference. Another example was when the Ambassadors to the United States of the UAE and Bahrain, as well as Israel’s Ambassador to the UN, participated together in a March event on the Abraham Accords hosted by Liberty University and AAPI. Additionally, diplomats from Accords countries have appeared together at numerous events commemorating the Abraham Accords, such as when the Israeli embassy in Washington hosted diplomats from the United Arab Emirates, Bahrain, Morocco, Egypt, and Jordan for an event that celebrated the second anniversary of the signing of the

Abraham Accords. In another celebration of the Accords, in late October a delegation of paratroopers from Israel took part in a jump over Bahrain alongside soldiers from Bahrain, the UAE, and the United States to mark two years since the signing of the Abraham Accords.

Although traditional voting patterns have not entirely changed, Accords countries have also been cooperating in international forums. For example, in September the United Arab Emirates delivered a joint statement on behalf of Israel, the UAE, Bahrain, Morocco, and the United States at the Human Rights Council in Geneva promoting the use of digital technology in achieving peace.

Institutionalizing diplomatic relations on a multilateral basis is critical in reinforcing commitment and realizing the full spectrum of benefits among Accords members and will require concerted effort to yield tangible outcomes addressing shared interests and challenges to endure. The task of ensuring regional security and stability is one of the primary areas where multilateral cooperation is essential, as U.S. Secretary of Defense Lloyd Austin recently recognized when he discussed opportunities with his Israeli counterpart to build upon the Abraham Accords to increase military cooperation and advance Israel’s integration in the region. A new regional security architecture could help safeguard shared economic interests against threats by radical regimes and their proxies. The alignment of Accords members in both economic and security domains would ensure the Accords endure and incentivize others to join pooling critical capabilities to advance and defend mutual interests.

To that end, over the summer, Israel’s then Defense Minister Benny Gantz confirmed that Israel is building an air defense alliance under U.S. leadership that has already cooperated to foil Iranian air attacks. He also revealed that Israeli defense and military officials have held more than 150 meetings with regional allies, and signed defense deals worth more than \$3 billion since the signing of the Abraham Accords. In February, the Israeli Navy took part in the US Navy’s 5th Fleet biennial International Maritime Exercise 2022 for the first time, joining over 60 naval fleets including those of Arab and Muslim countries with which it does not have diplomatic relations. According to reports, Israel, the United Arab Emirates, Bahrain, and Morocco have held meetings to discuss setting up a common cyber defense platform.

This multilateral cooperation towards regional stability and security is likely to continue and deepen in the coming years based on strong convergence in national interests and common view of threats. Similar substantive multilateral cooperation will be needed in areas such as food security and tourism among others in order for the Accords to reach their full potential.

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We are here today because we truly believe in peace, not the peace in which we ignore each other, but the peace based on the construction of common values and interests.



Nasser Bourita
Moroccan Minister of Foreign
Affairs, Africa Cooperation, and
Moroccan Expatriates

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Support for the Abraham Accords in the United States

The United States brokered the Abraham Accords therefore continued U.S. support for the Accords is critical in the strengthening of these agreements.

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We will continue building on the Abraham Accords, which I strongly support because they deepen Israel’s integration into the broader region and establish lasting ties for business, cooperation and tourism.

U.S. President Joe Biden

In just one year, the Abraham Accords have already transformed the Middle East by contributing to regional peace and stability, promoting U.S. interests, and enhancing Israel’s security. The Abraham Accords Caucus will build on that success by providing bipartisan leadership to strengthen existing partnerships and widen the circle of peace to new countries.

Senator Jacky Rosen (D-NV)
Abraham Accords Senate Caucus co-chair

The [signing of the] Abraham Accords was a remarkable moment in American history. We’ve become so accustomed in the last two years to this discussion about the Abraham Accords, we lose track that it was just two years ago we had one of the greatest breakthroughs in Middle East peace that we’ve had in decades.

Senator James Lankford (R-OK)
Abraham Accords Senate Caucus co-chair

In a Washington that is deeply polarized along partisan lines, support for the Abraham Accords is a rare instance of bipartisan consensus. The Biden Administration has expressed approval of the Accords on numerous occasions in 2022, despite their status as a signature foreign policy achievement of the Trump Administration. When President Biden visited Israel in July, he emphasized his strong support for the Abraham Accords, stating that “we will also continue building on the Abraham Accords, which I strongly support because they deepen Israel’s integration into the broader region and establish lasting ties for business, cooperation and tourism.” That day, a Joint Declaration signed by President Biden and Israel’s then Prime Minister Yair Lapid expressed strong support for the deepening and broadening of the Abraham Accords and affirmed their importance “to the future of the Middle East region and to the cause of regional security, prosperity, and peace.” In October, the Biden Administration’s National Security Strategy stated its intention to “extend and deepen Israel’s growing ties to its neighbors and other Arab states, including through the Abraham Accords, while maintaining our ironclad commitment to its security.” The previous month, the United States celebrated the second anniversary of the Abraham Accords and issued multiple statements expressing support for the Accords. In addition to support from Washington, in Israel, United States Ambassador to Israel Tom Nides launched the Ambassadorial Abraham Accords Working Group in January 2022 to strengthen the Accords.

The bipartisan support for the Abraham Accords extends beyond the Executive Branch to the Legislative Branch. In January 2022, the bipartisan, bicameral U.S. Congressional Abraham Accords Caucus was launched by Senators James Lankford (R-OK), Jacky Rosen (D-NV), Joni Ernst (R-IA) and Cory Booker (D-NJ), and Representatives Cathy McMorris Rodgers (R-WA), David Trone (D-MD), Ann Wagner (R-MO), and Brad



On Thursday, September 14, 2022, Senator James Lankford (R-OK) gave a floor speech that highlighted the importance of the Abraham Accords.



AAPI's Executive Director met with Senator James Lankford to discuss ways to increase the implementation of the Abraham Accords.



Top: U.S. Senators Jacky Rosen (D-NV) and Joni Ernst (R-IA) held a press conference to announce the introduction of their bipartisan, bicameral DEFEND (Deterring Enemy Forces and Enabling National Defenses) Act to build on the historic Abraham Accords by advancing an integrated air and missile defense architecture between the U.S., Israel, and Arab states to protect against Iranian aggression in the Middle East. Photo Credit: Rosen.Senate.gov



Left: In May 2022, AAPI convened the Abraham Accords House Caucus co-chairs and the Abraham Accords Knesset Caucus co-chairs in a meeting to discuss ways to further the Abraham Accords.

Schneider (D-IL). In March, the caucus hailed the passage of the “Israel Relations Normalization Act of 2022,” which obligates the US State Department to develop and submit to Congress a strategy on expanding and strengthening the Abraham Accords, and which was signed into law by the President of the United States as part of the Consolidated Appropriations Act, 2022. Also in March, the Caucus urged U.S. Secretary of State Antony Blinken to use the opportunity provided by the Negev Summit to “prioritize efforts to deepen and expand the Abraham Accords.” Members of the caucus, who have expressed support for the Accords on numerous occasions, including on the anniversary of the signing of the Accords, also introduced the Deterring Enemy Forces and Enabling National Defenses (DEFEND) Act that directs the Secretary of Defense to strategize with U.S. partners in the Middle East and establish an integrated air and missile defense architecture to combat the malign threat from Iran and its proxies. The National Defense Authorization Act (NDAA) for the Fiscal Year 2023 that President Biden signed in to law in December included provisions mirroring the DEFEND Act. In May, AAPI facilitated the first ever meeting between members of the U.S. House Abraham Accords Caucus and the co-chairs of the Knesset Abraham Accords Caucus. In December, AIPAC and its charitable affiliate American Israel Education Foundation hosted the “Abraham Accords Interparliamentary Strategic Dialogue,” a virtual event that featured participation from

Senators James Lankford (R-OK), Jacky Rosen (D-NV) and Cory Booker (D-NJ), and Rep. Brad Schneider (D-IL), co-chairs of the Senate and House Abraham Accords caucuses, as well as representatives from 13 European Union countries, the United Arab Emirates, Bahrain, and Canada. In January, members of the Caucus visited the Accords countries, with a U.S. Congressional staff delegation from the Caucus visiting the Gulf in October to prepare for the visit and to meet with ministers.

Although U.S. partners and allies in the region are accustomed to the ebbs and flows in policy that come with changes in administrations and control of legislative chambers, the formation of a bipartisan legislative caucus and the official statements by the administration expressing support for the Accords are of immense value in demonstrating that the U.S. will continue to support the Accords irrespective of elections results. It is vital the United States sustain its commitments which buttressed the Accords and resurrect the virtual consulate in Dakhla as a step towards a permanent facility demonstrating our commitment to an invaluable regional partner. The U.S. may also revisit the Abraham Fund⁶ to provide for Accords member investment in shared infrastructure projects including those which provide benefits to the Palestinian people as originally envisioned. US Commitment takes many forms and undeniably strengthens the bonds between Accords members and encourages others to join.

⁶ <https://www.dfc.gov/media/press-releases/us-israel-uae-announce-establishment-abraham-fund-following-accords-commitment>

Support for the Abraham Accords in Europe

The Abraham Accords have also received growing support in Europe. In September, ambassadors to Belgium of the various signatory countries of the Abraham Accords attended a ceremony in the Belgian parliament in Brussels celebrating the second anniversary of the Accords. The next month, the United Arab Emirates embassy to the United Kingdom hosted a reception to celebrate the second anniversary of the signing of the Abraham Accords, with the participation of the embassies of Bahrain, Israel, and the United States of America. The ceremony was also attended by members of the House of Commons and Lords, and senior British government officials, diplomats, and businessmen. In May, the President of the French Senate and the European Leadership Network (ELNET) co-hosted The Abraham Accords: A Promise of Peace to the World in the French Senate. In December, the Czech Presidency of the Council of the European Union hosted an event celebrating the second anniversary of the Abraham Accords. Later in the month, at the initiative of the German Permanent Representative in Geneva, the heads of Missions of the member states of the Abraham Accords planted a tree, as a symbol of peace and coexistence.

In the United Kingdom, the UK Abraham Accords Group led by MP Dr. Liam Fox has led parliamentary delegations to the United Arab Emirates and Bahrain and spearheaded the establishment of an All-Party Parliamentary Group dedicated to the Abraham Accords. At an event in London in November organized by the UK Abraham Accords Group, ELNET UK, and the British Jewish Board of Deputies, celebrating the second anniversary of the Accords, British PM Rishi Sunak expressed the UK's strong commitment to strengthening and deepening the Accords. Per Sunak: "The Abraham Accords represent one of the "greatest achievements in the long process of securing peace in the Middle East.....Today we send a clear message about our commitment to the Accords and all that they represent." The event was attended by ministers, senior officials, ambassadors from the Abraham Accords countries, British MPs, and Jewish leaders.

Between January and March 2022, ELNET surveyed 305 parliamentarians from Austria, Finland, France, Germany, Latvia, Spain, and the UK about their views on bilateral relations with Israel, national Middle East policy, and Jewish

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The quest for peace and stability in the Middle East is not only a regional question, but is permanently on the agenda of international diplomacy. For decades, a wide variety of actors have tried to chart ways in which this agenda could actually be implemented. And for decades, their efforts have failed. When the Abraham Accords were signed, many political observers and media were initially skeptical. But soon the first success stories materialized. Since the signing of the Abraham Accords by the United States, the United Arab Emirates, Bahrain and Israel in 2020, two more states have followed suit and I am sure, there will be many more. The Abraham Accords have proven themselves to be a stunning success story. What many developments people would not even have dared to dream about a few years ago, have suddenly become reality: official state visits by government representatives, commercial flights directly linking Israel and the UAE, hundreds of thousands of Israeli tourists visiting the UAE and other Arab countries as well as thriving trade relations. As a European, I know that close economic ties between states always form a strong basis for sustainable peace. But let us now look to the future and what lies ahead: How can we achieve peace, foster tolerance and create opportunities not only for today's generation but also for generations to come? My answer is clear: through dialogue, mutual understanding and, above all, permanent hard work because peace does not come by itself, but is the fruit that can only be reaped by hard work. It is therefore our responsibility to do everything we can to ensure that this inspiring success story continues and that more countries follow. I am therefore very glad about the important contributions the Abraham Accords Peace Institute is making towards this endeavour. I am proud to be part of an inspiring team working towards such an important aim.

Sebastian Kurz, Former Chancellor of Austria
Member, AAPI Honorary Advisory Council

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life in Europe. About two-thirds of the European politicians surveyed expressed support for greater cooperation with Israel and argued that their countries should assume more responsibility under the Abraham Accords. There are numerous ways that this European support can be translated into actions that can both address European interests in the wake of the war in Ukraine and strengthen the Abraham Accords. The European Union's interest in offsetting reliance on Russian gas can be addressed more effectively if it looks to the potential of the Accords countries seen as a collective. Furthermore, European investment in initiatives such as improving the efficiency of border crossings and ensuring the economic viability of the Blue/Green Prosperity Project would provide tangible benefits to the lives of Israelis, Palestinians, Jordanians, and citizens of other countries, thereby strengthening the foundation upon which a lasting peace can be built. To advance these and other initiatives, European countries could create legislative groups to support and encourage the Abraham Accords in their parliaments similar to the bipartisan Abraham Accords caucus in the Israeli Knesset and U.S. Congress. Such initiatives are a priority for the Institute and are already under way. In the United Kingdom, an All-Party Parliamentary Group has been established. Progress has also been made in France, Germany, Hungary, Romania, and the EU Parliament among others with organizations such as AIPAC, ELNET, Nahost Frieden Forum (NAFFO), American Jewish Committee, and the European Jewish Association playing an instrumental role in advancing these initiatives. We will likely see the formal establishment of some of these caucuses in the coming year.



Top: AAPI Executive Director, Robert Greenway, speaks to NAFFO–Nahost Friedensforum e.V. in Berlin, Germany.

Center: On Monday, May 2, 2022, ELNET and the French Campus of the Academic College of Netanya organized a symposium at the French Senate entitled "The Abraham Accords: a promise of peace to the world", under the high patronage of President Gérard Larcher, and the sponsorship of Vice President Roger Karoutchi, President of the France-Israel Friendship Group, and Senator Olivier Cadic, President of the France-Gulf countries friendship group.

Photo Credit: ELNET Network EU

Bottom: AAPI presents Dr. Liam Fox and Lord Jonathan Mendelsohn with a commemorative copy of the Abraham Accords agreements in December 2022.

The Abraham Accords matter because they offer a chance of looking at issues in the Middle East in a new way, getting away from the sterile thinking that has limited progress in the past.

It is not to ignore longstanding issues such as that of the Palestinians, but to look for new pathways to resolution via normalisation of relations, economic integration, shared prosperity, and the building of mutual trust.

Success matters to the UK because of our extensive trade and investment links in the region, our shared history and our common security issues, including the threat from Iran.

The UK Abraham Accords group will work tirelessly to help bring peace and prosperity to a region with huge potential, but which has been held back for too long by unnecessary division, suspicion and lack of trust.

Dr. Liam Fox MP
Chairman of UK Abraham Accords Group



Impact of the Abraham Accords on Israel's Foreign Relations

The impact of the Abraham Accords has extended beyond the signatory countries to improve Israel's relations with numerous countries in the region and beyond, and this process accelerated significantly in 2022. As part of the larger process of regional integration set in motion by the Abraham Accords, Israel and Turkey announced in August the return to full normalization of relations, including reinstating ambassadors and consuls-general. In another indication of how the Abraham Accords have led to stronger diplomatic ties between Israel and countries in the region, in November the Azerbaijani parliament approved a historic motion proposing to open the first embassy of a Shiite-majority state in Israel. In March, Singapore announced that it will open an embassy in Israel.

The changed regional dynamics created by the Abraham Accords have also demonstrably altered the nature of Israel's ties with countries with which it does not have formal relations.

In March, members of the Israeli Knesset led an Israeli delegation to an International Parliamentary Union conference in Bali; the first official Israeli visit to Indonesia in 30 years. In November, reports indicated that a senior Israeli official met with Oman's Foreign Minister Sayyid Badr bin Hamad bin Hamood al-Busaidi to advance ties and boost regional cooperation. In yet another indication of how the Abraham Accords have led to a trend towards normalization between Israel and its Arab neighbors, Israel and Qatar reached a deal whereby Israelis could visit Qatar for the FIFA World Cup just like citizens of any other country, and direct flights between Ben Gurion airport and Hamad international airport in Qatar took place throughout the tournament.

The relationship which has received the most media attention has been Israel's relationship with Saudi Arabia, which saw several notable developments in 2022. During his visit to the region in July, President Biden flew directly from Israel to Saudi Arabia, becoming the first U.S. President to do so. Concurrently, Saudi Arabia announced that it would open its airspace to all air carriers,

paving the way for more overflights to and from Israel, in a change that will reduce travel time and flight costs for many such flights. Additionally, Israel agreed to the withdrawal of an observer force from two Red Sea Islands, paving the way for their transfer from Egypt to Saudi Arabia. The following month, a commercial flight bound for Israel, not originating from the UAE or Bahrain, entered Saudi airspace for the first time since Saudi Arabia opened its skies to all flights, including Israeli ones. The flight, operated by Hong Kong's Cathay Pacific airline, took off from Hong Kong and landed in Tel Aviv. In August, an Israeli carrier flew for the first time over Saudi Arabia on its way to a non-Gulf destination.

On the sidelines of President Biden's visit to Saudi Arabia, Israeli-founded smart energy tech firm SolarEdge Technologies signed an agreement with Saudi Arabia's Ajlan & Bros Holding Group, a private sector conglomerate based in Riyadh. In October, the chairman of Israel's Bank Leumi spoke at Saudi Arabia's flagship investment conference in Riyadh. Later that same week, Israeli Olympian triathlete Shachar Sagiv became the first Israeli to compete in Saudi Arabia. On the cultural front, a Saudi religious leader, known for visiting Auschwitz and for his involvement in interfaith dialogue, gave the main sermon at the height of the annual hajj pilgrimage at the Nimrah Mosque on Mount Arafat outside Mecca. The decision to give the honor to Sheikh Dr. Mohammed bin Abdul Karim al-Issa, the head of the Muslim World League, was seen by many as "a significant signal" from Saudi Arabia.

While these developments are extremely positive, they should not necessarily be seen as an indication that official normalization between Israel and Saudi Arabia is imminent. While the convergence of interests becomes increasingly apparent, it is vital we work to establish favorable conditions to enable normalization, recognizing the essential role the United States will be required to play to realize it. It is also important to recall that no advance public discussions preceded the Abraham Accords to protect the sensitivity of the discussions and preserve decision space for the parties.



Israeli Prime Minister Benjamin Netanyahu, United Arab Emirates Foreign Minister Abdullah bin Zayed al-Nahyan and Bahrain Foreign Minister Khalid bin Ahmed Al Khalifa, stand on the Blue Room Balcony during the Abraham Accords signing ceremony on the South Lawn of the White House, Tuesday, Sept. 15, 2020, in Washington.

Multilateral Trade & Investment

The Abraham Accords have opened the door to tremendous economic opportunities, which will increase prosperity and quality of life in the participating countries. As commercial ties grow, so will the strength of the bonds between the countries and their people. Since the signing of the Accords, trade and investment have increased between Israel and all the Accords countries for which data exists. While the rapidly-expanding trade between Israel and the UAE has rightfully attracted much of the media attention, steady progress has been made with Bahrain, Morocco, Egypt, and Jordan as well across numerous sectors. Total trade between Israel and Accords countries reached \$3.47 Billion in 2022, up from \$1.905 Billion in 2021 and \$593 Million in 2019.

While the deepening of bilateral economic relations has been impressive, the true economic potential of the Accords lies in multilateral cooperation between Accords countries. Each Accords country possesses distinct comparative advantages and thus can contribute unique capabilities to joint initiatives. These capabilities, combined with the strategic location of the region, open up a host of possibilities that, if seized, can change the lives of millions of people across the world. Furthermore, stronger economic relations provide a strong justification for deepened security and diplomatic relations.

In 2022, Israel and the UAE signed the UAE-Israel Comprehensive Economic Partnership Agreement (CEPA), and Israel and Bahrain are currently in talks on a free trade agreement as well. These agreements have opened up the possibility of a *regional free trade zone across Accords countries*, which would be far more powerful than any bilateral agreement could be. According to analysis by the Rand Cooperation, a plurilateral Free Trade Agreement between Israel, UAE, Bahrain, Morocco, and Sudan would add at least 2.2% to the GDP of each country, create hundreds of thousands of jobs, and result in billions of dollars in new economic activity for each country. More recent analysis by Rand that incorporated Egypt, Jordan, and Kosovo as well as more recent data suggests that the percent increase in GDP for each country would be between 3.3% and 7.2%. However, these numbers skyrocket significantly further if the United States is incorporated as well. If Free Trade Agreements between Accords countries and the United States can be leveraged as part of an “Abraham Accords Free Trade Agreement,” this would drastically alter the economic fortunes of every signatory of the Abraham Accords. The economic dividend would serve as the ultimate example of tangible benefits that normalization with Israel could potentially provide to the citizens of countries across the region. This would in turn improve popular support for normalization within countries that have already taken the momentous step, while significantly incentivizing other countries to do the same. While this prize remains a long way off (the UAE currently lacks a Free Trade Agreement with the United States), a plurilateral Free Trade Agreement between Accords countries could provide potential benefits that far exceed what can be achieved solely on a bilateral basis.

Since the signing of the Abraham accords, Start-Up Nation Central a non-profit organization that strengthens Israel’s innovation ecosystem and connects it to global challenges and stakeholders has been working on forging international relations through Israeli innovation and established a new pillar of activity, Innovation Diplomacy—partnerships that are rooted in business collaborations that address shared challenges.

Many of the activities SNC Innovation Diplomacy team focus on are related to shared regional or global challenges. Working with governments, corporations, international institutions, and NGOs, mainly in the MENA region, but not only. In 2022 SNC led the way in numerous activities to forge resilient, long-term relationships in the region.

Avi Hasson
CEO of Start-up Nation Central



UAE, Jordan and Israel collaborate to mitigate climate change with sustainability project.
Photo Credit: www.gov.il

Going even further than multilateral cooperation between Accords countries, the true transformative potential of the Accords lies in strategic multilateral initiatives linking Abraham Accords members and other Middle East countries with the US, European, and Asian markets at whose crossroads they sit. One area where this transformative potential can have a far-reaching impact to meet pressing needs in the region and beyond is in the field of energy. Accords countries, when looked at collectively, have both the natural resources and the capital needed for the investments in the necessary infrastructure that Europe is currently lacking.

In June 2022, the EU, Egypt, and Israel agreed to significantly increase the export of Israeli gas to Europe via Egypt, providing the EU with a reliable alternative to Russian gas, while reinforcing Egypt-Israel economic cooperation. This agreement is a harbinger of future energy collaboration through frameworks such as the East Mediterranean Gas Forum. Eastern Mediterranean gas reserves are estimated at about 345 trillion cubic feet, more than enough to provide for both domestic needs and exports to Europe, helping to replace the loss of Russian gas following its invasion of Ukraine. *The EU, and European nations such as Germany, could work closely with the countries of the Eastern Mediterranean and the Abraham Accords to advance solutions to the energy crisis, while enabling Europe to achieve energy independence from Russia by the end of the decade. It is even theoretically possible to link the power grids of the Gulf countries and Europe through Egypt and Israel. However, the various options for doing this would likely take at least 2-5 years to implement, and it is therefore critical that strategic decisions be taken in a timely manner and that the necessary studies, regulatory decisions, and inter-governmental agreements be accelerated. Additionally, longer-term solutions, such as the EastMed pipeline, will require European recognition (on display in the June 2022 EU-Israel-Egypt MOU) that natural gas is a central element in a realistic energy transition from fossil fuels to renewables. Any capital investment in the necessary energy infrastructure that Europe currently lacks would require a commitment from European countries to continue to purchase energy sufficient to incentivize the investment. The East Mediterranean Gas Forum (EMGF) should also be strengthened as a key mechanism for enhancing energy cooperation among the countries of the region, as well as with Europe and the United States. In this context, the addition of EU and Abraham Accords countries as members or observers to the EMGF would likely have a positive impact on the effectiveness of this forum.*

Cooperation can also encompass the field of renewable energy, where the region is seeing new initiatives with international involvement. In November 2021, Jordan, Israel, and the UAE signed a memorandum, overseen by the United States, to develop the Prosperity Green/Blue project, which will see Jordan leverage its desert expanses to provide solar energy to Israel, while Israel will provide Jordan with up to 200 million cubic meters of desalinated water. Additionally, Morocco has invested heavily in solar energy projects and has a power cable link to Europe.

Looking ahead, with the improvement of solar and green hydrogen technologies, the Middle East and North Africa can become a reliable source for Europe's renewable energy needs, though significant capital investment will likely be needed.

Additionally, joint commercial agricultural ventures can be established that involve leading agricultural companies such as OCP Africa (which recently began operating in Sudan) as well as investment agencies from Accords countries. The unique comparative advantages of Accords countries, such as Morocco being the world's largest producer of phosphates and Israel's cutting-edge innovation in agricultural technologies and water management, can be the basis of such collaborations. These ventures could undertake agricultural projects beginning in Abraham Accords member nations such as Morocco and Sudan, before expanding to additional countries. Such ventures would help Accords countries achieve their shared goal of addressing food insecurity and offset shortages created by the war in Ukraine, thereby improving the lives of citizens and preventing political instability. Given that food scarcity is a major incentive to illegal immigration from Africa to Europe, *supporting such ventures might be a way that European legislatures can accelerate initiatives that strengthen the Abraham Accords while simultaneously addressing a critical national priority.*

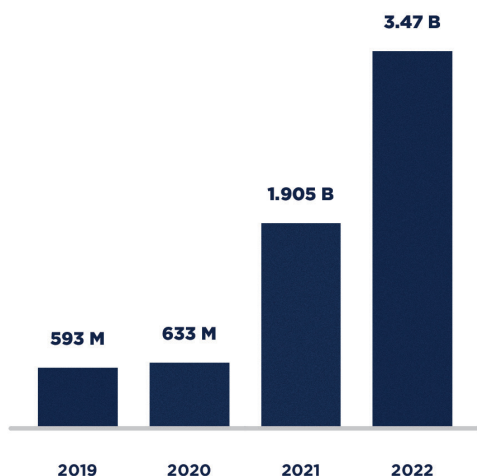
Expanding the overland Israel-GCC trade route, connecting Europe with Asia, can greatly reduce the time and cost of shipping perishables across the region, thereby further enhancing food security. Additionally, it would make transporting goods between Europe and Asia through the region significantly more efficient. An "Abraham Accords Free Trade Zone" would further ease the transit of goods in the region. This in turn would increase imports and exports not just for countries in the region but for European and Asian nations as well. Indeed, the expansion of an overland Israel-GCC trade route, as well as improvement of the efficiency at the border crossings, is an area where Western governments and companies can become involved in initiatives that would significantly expand trade and improve the lives of people across the region.

Finally, the Abraham Accords have created the opportunity for transformative cooperation among Accords member countries in the fields of innovation, technology and start-up entrepreneurship. Such cooperation can help each country accelerate its start-up ecosystem and advance national goals in the realms of economic growth, diversification, foreign investment, technological leadership and climate action. In turn, expanded ties between start-up ecosystems would bolster regional prosperity, stability, resilience, sustainable development and people-to-people peace. An Abraham Accords Innovation Network would expand and deepen cooperation among leading innovation hubs, start-ups, investors and government agencies across the Accords members countries and beyond.

Opportunities Among Cooperating Abraham Accords Members Include:

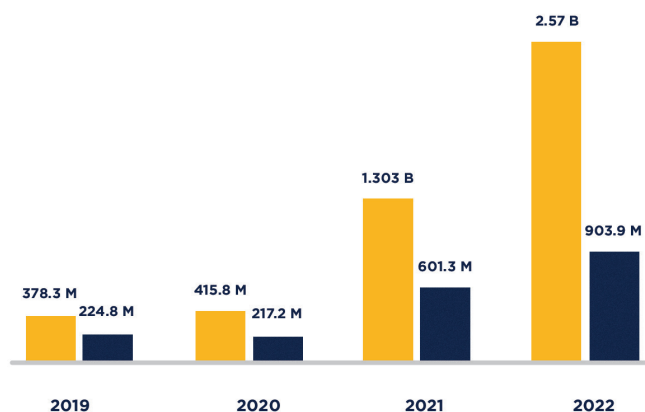
- Regional Free Trade Zone across Accords countries
- Improvement of the efficiency at the border crossings
- Expanding the overland Israel-GCC trade route
- Leveraging Eastern Mediterranean gas reserves to help offset European loss of Russian gas
- Joint agricultural ventures to improve food security
- Abraham Accords Innovation Network to connect leading innovation hubs, start-ups, investors and government agencies

Total Trade Between Israel and Abraham Accords Countries 2019-2022 (\$)



Source: Israel Central Bureau of Statistics

Israel's Import/Export Balance with Abraham Accords Countries 2019-2022 (\$)



Source: Israel Central Bureau of Statistics

● Import

● Export

Israel's Top 10 Trading Partners + Abraham Accords Countries

	2019	2020	2021	2022
1	USA	USA	USA	USA
2	China	China	China	China
3	UK	Germany	Germany	Germany
4	Germany	UK	Switzerland	Turkey
5	Switzerland	Switzerland	Turkey	Switzerland
6	Belgium	Netherlands	Belgium	Netherlands
7	Netherlands	Turkey	Netherlands	India
8	Turkey	Belgium	India	Belgium
9	Hong Kong	Italy	United Kingdom	United Kingdom
10	India	Hong Kong	Italy	France
Abraham Accords Countries	35 Jordan 47 Egypt 86 Morocco 89 UAE	44 Jordan 48 UAE 49 Egypt 79 Morocco	20 UAE 38 Jordan 45 Egypt 71 Morocco 98 Bahrain	18 UAE 36 Jordan 45 Egypt 70 Morocco 89 Bahrain

Source: Israel Central Bureau of Statistics

Tourism

Tourism is a key driver of stronger bilateral relations, understanding between people, and commercial activity. Every tourist who takes a flight between these previously disconnected countries becomes an ambassador for the Abraham Accords and the potential they represent for the region and the world. These individuals bring their experiences back to their communities and share them with their friends on social media, encouraging additional tourism.

Tourism analysis found in this report was done through AAPI's partnership with HVS Global Hospitality Consulting



Photo by Adam Jang on Unsplash
Tel Aviv-Yafo, Israel

Since the signing of the Accords, tourism has increased between Accords countries, but remains below its true potential. Certainly, the global pandemic constrained movement, and the reconfiguration of flights between countries connected for the first time remains ongoing. While seventeen new flight routes between Israel and Accords countries have been launched, and Israelis have been visiting the UAE and Morocco at high rates, citizens of Accords countries have not yet been visiting Israel at a high rate. Multilateral cooperation between Accords countries—either through a regional tourism council, the Negev construct, or some other mechanism—can work to expand regional tourism by replacing competition with cooperation.

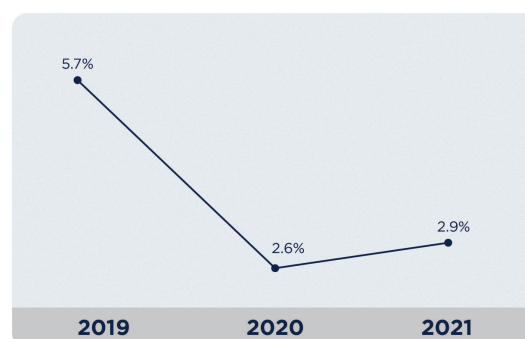
In contrast to the lower inbound numbers, Israel's outbound visitor numbers to Arab countries with normalized relations have exceeded expectations. While 2020 saw 4,500 arrivals of nationals from Accords member states into Israel, more than 115,000 departures from Israel were destined for the Accords member states. This outbound number grew to more than half a million (559,000) in 2021 and is expected to grow further to 804,000 by the end of 2022 with UAE and especially Dubai being a major recipient of the tourism flow. According to projections, close to 700,000 Israeli tourists have visited the United Arab Emirates, Morocco, and Bahrain since 2020. Many have proudly worn kippahs and other Jewish symbols.

We will focus on obstacles and impediments to increasing Israeli tourism to Accords countries in the country reports. In this section we will focus on obstacles to increasing tourism to Israel from Accords countries and opportunities for multilateral cooperation between Accords countries on tourism-related ventures.

The number of Israeli tourists to visit Accords countries has not yet been matched by a corresponding influx of tourists to Israel from Accords countries. In 2022, a projected 4,600 tourists visited Israel from the UAE, Bahrain, and Morocco.⁹ This is approximately 5% of the number of Israeli tourists that have traveled in the other direction. Some of the obstacles that have prevented more Arab tourists to Israel are not specific to Accords countries. For example, Israel did not fully reopen to foreign tourists until March 2022 due to the Covid-19 pandemic. However, other obstacles are unique to Accords countries generally and must be addressed if Israel is to fully realize the potential the Accords have created for deepened commercial and cultural ties through tourism.

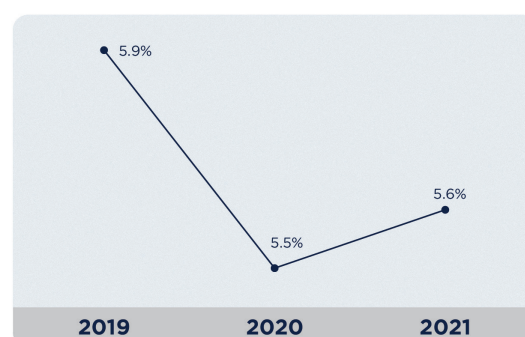
The Israeli tourism industry represents 2.9% of total GDP, which is considerably lower than tourism's percentage in other Abraham Accords member nations. However, at US\$ 14 billion, Israel's tourism

Tourism's Share of Total Israeli GDP (%)



Source: WTTC, 2022

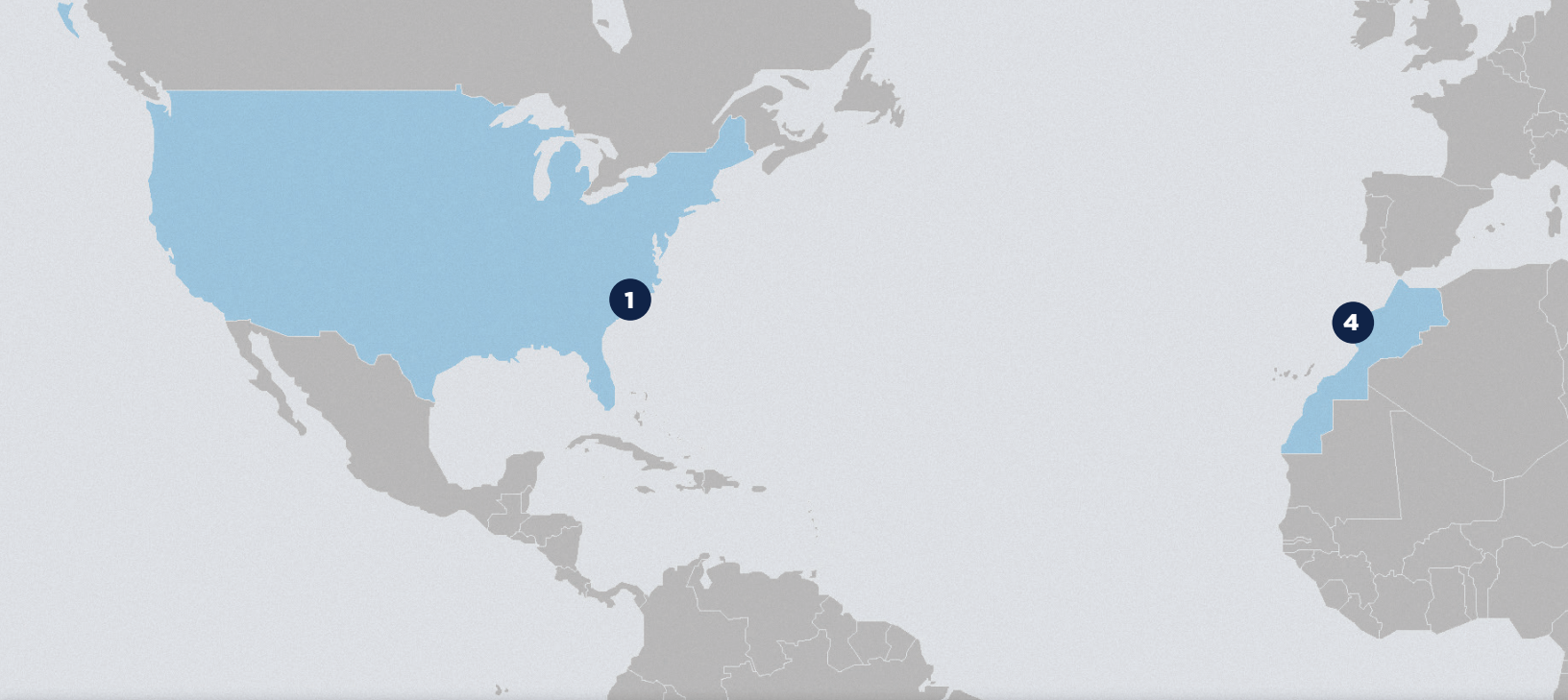
Tourism's Share of Total Israeli Employment (%)



Source: WTTC, 2022

contribution to overall GDP is still significant. Like other countries around the globe, Israel faced a decline in tourism numbers owing to the pandemic. By 2020, Israel's tourism sector had contracted 55.6% in terms of its contribution to GDP, while the Israeli economy declined by 2.1%. In 2021 however, the industry posted a 21.2% growth compared to the 7.8% growth in the economy. Tourism employment in Israel has also recovered to 94% of the 2019 benchmark accounting for 221,200 jobs in 2021 (compared to 236,000 in 2019). As of July 2022, international arrivals to Israel stood at 77% of those observed in 2019. According to the Israel Airports Authority, approximately 20 million passengers passed through Israel's airports in 2022. While recovery is well on its way, there remains a lot to do before a full rebound is seen. The Abraham Accords have created unprecedented opportunities for Israel to leverage its unique tourism offerings to increase tourism while also deepening commercial and cultural ties with countries in the region. However, Israel must overcome constraints that are currently impeding tourism from reaching its full potential.

⁹ Israel CBS



One of the most significant challenges to increased Arab tourism to Israel has been misinformation about the safety of traveling to Israel. Negative perceptions are created by often misleading media coverage. Travelers often consume this content without verification and therefore form perceptions which disincentivize their travel to the region.

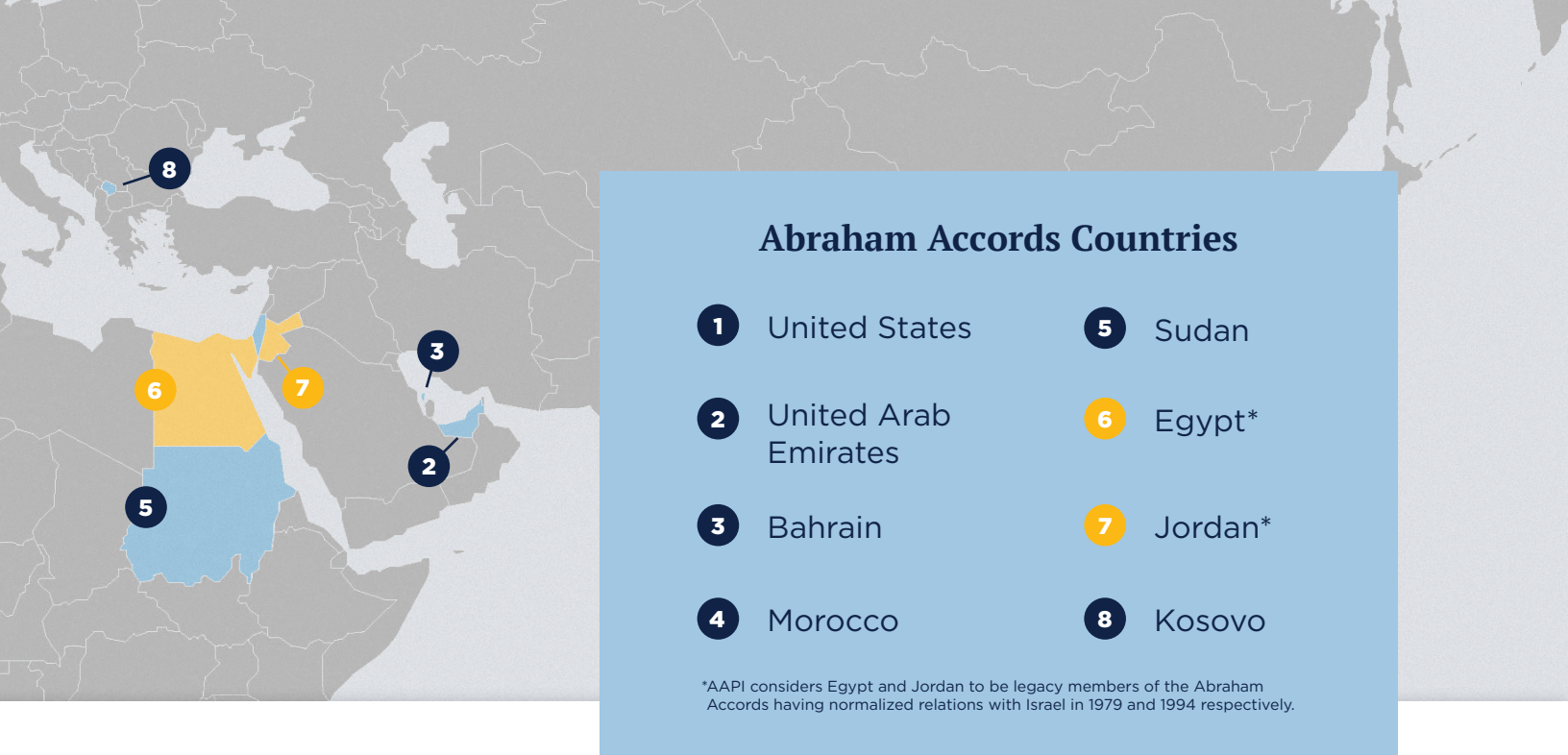
As a result, improving popular sentiment towards Israel among the populations of Accords countries should be prioritized. Israel should seek to cooperate with the governments of Accords countries to promote content highlighting the normalization efforts between Israel and other nations to counteract the negative media coverage.

Aligning misperceptions to reality cannot be achieved overnight, *though improving the experience of the traveler is a necessity in order to stimulate tourism.* Israel's ability to benefit significantly from its new relationships with other Abraham Accords countries will be directly proportionate to its success in welcoming tourists from Accords member nations and encouraging them to experience the hospitality Israel and its citizens are renowned for. In August, the Israel Airport Authority announced it will install new self-service stations at Ben-Gurion Airport, in a move that will ease the travel experience of visitors to Israel, including from Abraham Accords countries. This is a positive development reflecting the potential of improving reception without compromising security or health concerns.

Upon the signing of the Accords, each new Accords country had one additional market to tap into, namely Israel. The Israeli Ministry of Tourism on the other hand, had multiple new relations to manage simultaneously,

each with their own unique challenges. *Israel's Ministry of Tourism could create a special sub-division in the Ministry of Tourism responsible for cultivating relationships with Accords member nations.* This department could work with the Prime Minister's Office to coordinate and implement growth strategies targeted particularly at the Accords nations and to ensure that impediments to their implementation are removed swiftly.

The lack of visa exemption agreements has also proven to constrain tourism from some of the Accords countries. Israel has yet to execute similar agreements with other Accords nations as the visa exemption agreement it has with the UAE. This increases the barriers to entry for tourists from these regions into Israel. Due to the reciprocal nature of these agreements, they would not only help improve inbound travel to Israel but also open borders for Israeli citizens to visit more freely. While visa rules have become less strict with the announcement of eVisa schemes with member nations, they are still restrictive and require fulfilment of certain conditions like entry through particular routes, different fee structures, and different websites. Moreover, these schemes are in some cases not reciprocated. For instance, an Israeli citizen travelling to Morocco needs an eVisa which is much easier to get; however, a Moroccan citizen travelling to Israel still needs a traditional paper visa which is obtained through the Israeli Embassy. Ideally, *the visa exemption agreement between Israel and UAE should be replicated with other Accords countries.* Visa exemption can greatly facilitate travel between the nations as observed in the UAE. In case of challenges observed in implementation of visa exemption, *the eVisa scheme should be standardized to all entry points.* Furthermore, if Israel aspires to improve inbound travel from these



nations, *reciprocity of the visa scheme should be considered to remove such barriers to entry*. As a stop-gap measure, *Israel should ensure that there are sufficient resources and manpower in the various governmental bodies involved in approving visas*, so that they can speedily process requests for visas coming from AA countries.

An additional obstacle is connectivity. Even with the markets being in close proximity to Israel, connectivity to the region is less than optimal. While new direct flights are being added to performing routes, they are still being restricted by frequency and capacity constraints. For example, some airlines await approvals for increasing the frequency of flights to Israel due to capacity limitations at Ben Gurion airport. This is exacerbated by the fact that alternatives to air travel are minimal for the UAE, Bahrain, and Morocco. Since development of highways or rail links between the Accords nations is not realistic in the short term as a solution for incoming tourism to Israel, *Israeli authorities should expand collaboration with airline partners, invest in airport capacity, open the airspace to more private carriers, and allow for more timely approvals of flight frequency increases in order to reduce the connectivity barrier*.

If Israel is to achieve the significant levels of growth in tourists which are currently aspired (10 million by 2030), *major expansion of the country's transportation infrastructure will be required*. Examples include the new additional airport which has been mooted in the north of the country and further railway and light rail projects such as those in Jerusalem and Tel Aviv. Additionally, *investment in hotels and other accommodation will be helpful, along with a significant reduction in the 'red tape' associated with new developments*. The outgoing

government's initiative of funding 20% of all construction and expansion costs for hotels in Israel has attracted significant interest from investors. This policy, while set to benefit the industry, requires the new government to maintain the focus on tourism as a GDP driver. Additionally, the Israeli government could *relax foreign direct investment rules, continue incentivizing hospitality investment, and attract more international hotel brands by improving business and tax policies*.

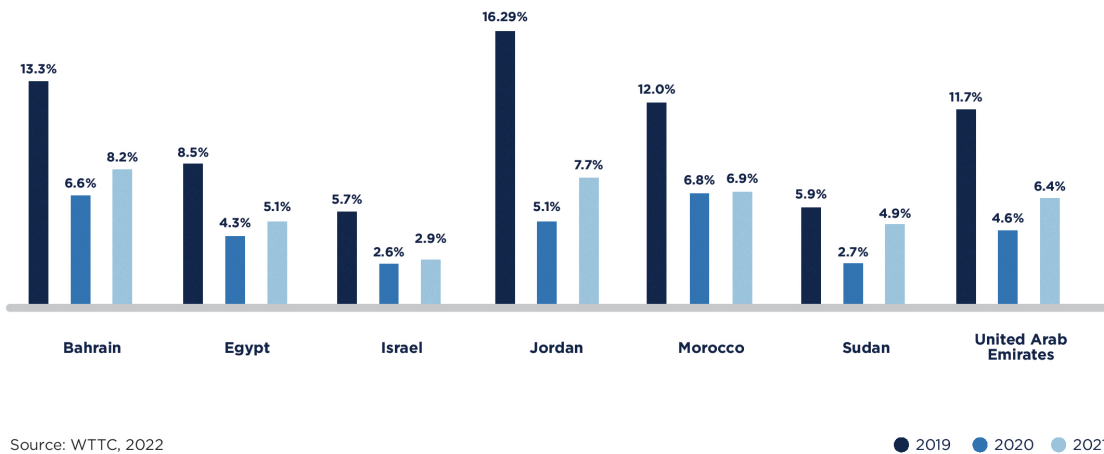
Due to the lack of historical ties between Israel and many of the Accords countries, awareness of the travel opportunities to Israel remains limited within Accords countries. With highly significant Muslim religious sites in Jerusalem, its vibrant innovation culture, and the rising importance of medical tourism, Israel has a great deal to offer tourists from Accords countries. However, while Israel is a mature destination in terms of awareness within the European and American markets, the destination is not at the top of the minds of Arab travelers when they consider travel options. To create better awareness, *a targeted regional marketing campaign should be constructed along with country specific promotions distributed through destination marketing organizations, tour operators, and travel agents. Israeli and other Middle Eastern celebrities and influencers could be employed to promote travel to Israel in the marketing campaigns and on social media*. Furthermore, *familiarization trips for major tour operators, travel agents, and social media influencers should be conducted*. Once these stakeholders, responsible for implementation of the vision, become better versed with the destination, they can create awareness for their clients, promote the destination, and more effectively promote travel.

The global tourism industry has undergone a massive

Tourism's Contribution to Total GDP (in Billion US\$)



Tourism's Share of Total GDP (%)



paradigm shift owing to the COVID-19 pandemic. Needless to say, this has impacted the tourism sector and the economy for most of the member nations. However, the sector has clearly benefitted from the freedom to travel associated with the Accords, which have brought strategic focus to key economic areas including trade and tourism.

Historically, the region has approached tourism competitively. Currently, there is a lack of cooperation between Israel and the other Abraham Accords nations when it comes to the development of tourism. The new connections among Accords members provide an opportunity to leverage the agreements to enable a rapid expansion of tourism in the region. While there is evidence of intra-regional travel between the Middle Eastern and Arab members of the Abraham Accords nations, there exist growth opportunities driving tourism to the region from international markets. By leveraging the peace bearing benefits of the Abraham Accords for

the member nations, growth in tourism-related GDP can be achieved. With strategic focus on tourism and aligned strategies resulting from regional cooperation, significant economic gains could be made along with sociocultural benefits for the people of the region.

A mechanism for coordinating regional cooperation on tourism, perhaps enabled through the Negev framework, can be employed to increase tourism to all countries in the region and accelerate the identification and addressing of obstacles and impediments to achieving tourism growth through regional cooperation. There are several examples around the world where such cooperation on tourism is more formally organized and more significant regional tourism growth is achieved. In a similar vein, *a participative regional tourism council with high level members representing all nations should be created*. The council would be responsible for helping all nations achieve their strategic tourism goals by leveraging the region's unique tourism offerings to increase the number

of tourists visiting the region from the East and West. Specifically, it would work to establish and foster high-level and cross-border contacts, understand what types of tourism are most feasible for each country, identify shared goals for the medium and long term, understand obstacles and impediments to achieving tourism growth, and develop strategies to overcome these obstacles.

Multilateral cooperation between Accords countries—either through such a regional tourism council, the Negev Forum, or some other mechanism—can work to advance regional tourism by advancing a variety of initiatives. Examples include working to improve connectivity within the region, *developing a platform for tourism related knowledge and data sharing*, and *creating a common regional marketing plan for tourism promotion in other regions*.

A particularly compelling possibility is *cooperation on an Accords-wide visa exemption agreement similar to Europe's Schengen Agreement*. The Schengen region of Europe allows visa free travel to all member nations once a visa for one member state is obtained. Creating a similar

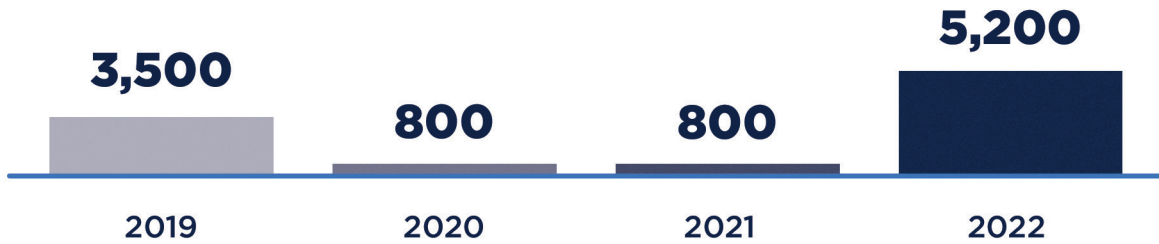
regional visa for the whole region could significantly help boost travel to the region. Instead of having the traveler apply for multiple visas from each of the governments, a regional visa could be used in compliance with requirements of each nation. While Israel in particular would likely have significant security-related concerns, it could cooperate with other Accords countries to ensure its concerns are adequately addressed. By leveraging the unique locations, cultures, and offerings of each Accords country, the collective package could be enticing to tourists throughout the world and serve as a great advertisement for the benefits of peace. The potential benefits of participation in such a program could in theory serve as part of the calculation that incentivizes other countries to join the Accords in the future.

Amicable relationships along with travel friendly policies can deepen the ties between the member nations, whilst also potentially improving the image of the region as a safer and more peaceful destination. The potential of Israel-Arab cooperation in improving socio-cultural and economic ties between the Accords members is considerable.

Opportunities Among Cooperating Abraham Accords Members Include:

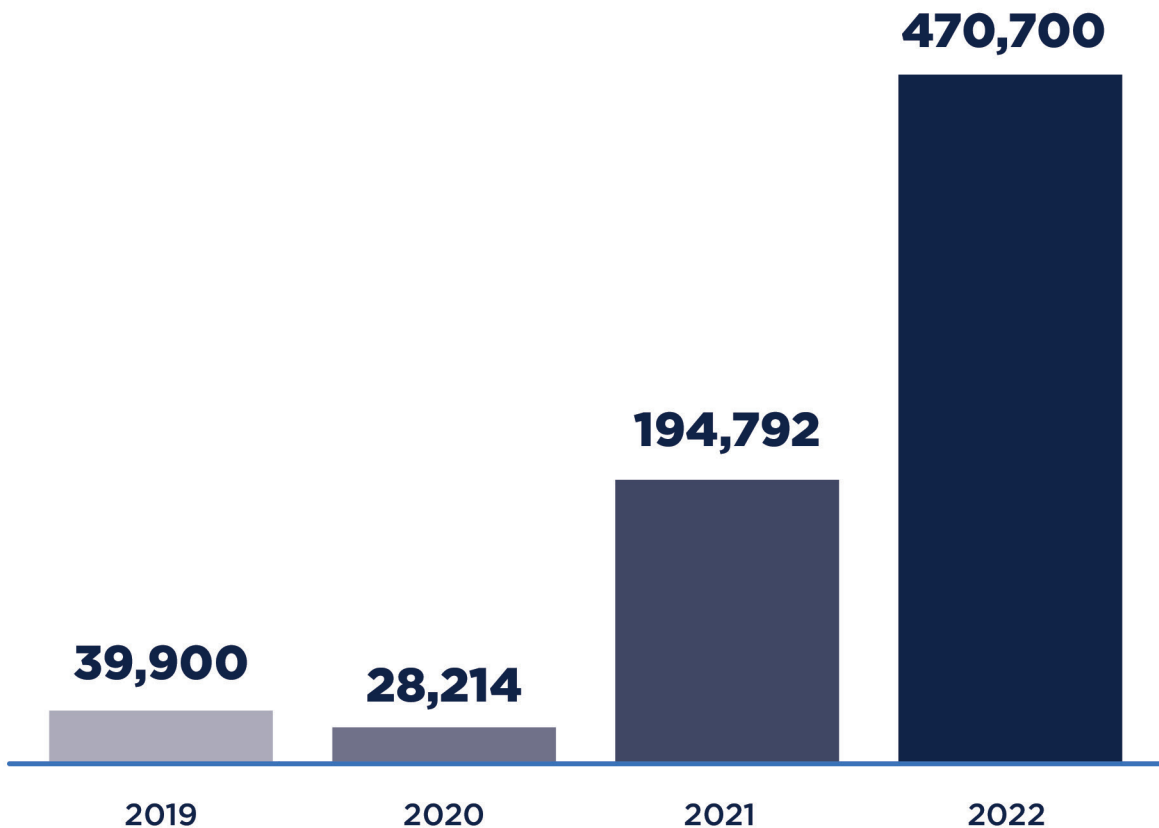
- Encouraging investment in tourism, including actively identifying and engaging entrepreneurs and negotiating with a range of online travel agents and airlines
- Expanding accommodation and hotel supply through new capital investment, construction of new hotels, and conversion of existing buildings into accommodations facilities
- Raising the competitiveness among Accords members as premier destinations, in particular by lowering prices through easing hotel regulations and promoting alternative types of accommodation
- Improving access, mainly through incentivizing airlines to reorient flights and itineraries
- Offering incentives to include Israel in tours and packages through cooperation among travel agents
- Consolidating research tools and programs and monitoring performance
- Improving the tourist experience, making information accessible via digital channels, and supporting and motivating innovators and start-ups to create digital services aimed at tourists
- Leveraging international venues to advertise new connections timed with projected travel
- Placing renewed emphasis on developing the tourism experience, building specific facilities, lowering prices, and upgrading tourism information offices
- Diversifying types of accommodation and increasing the overall number of hotel beds

**Total Tourists Entering Israel from
UAE, Bahrain, Morocco, Kosovo, Sudan**



Source: Israel Central Bureau of Statistics

**Total Israeli Tourists Visiting
UAE, Bahrain, Morocco, Sudan, Kosovo**



Source: Israel Central Bureau of Statistics

People-to-People

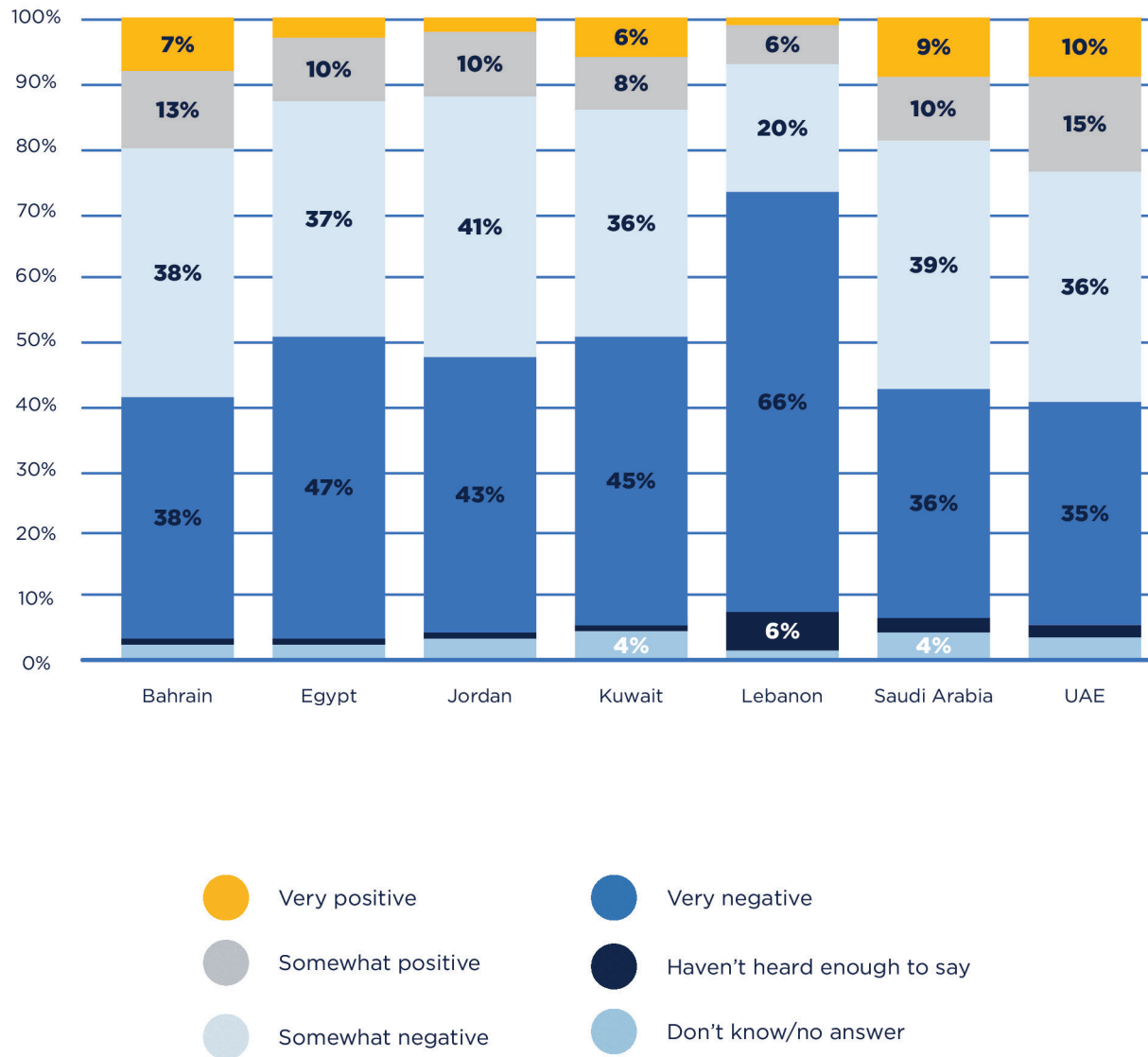
While 2022 saw an increase in the quantity and quality of people-to-people initiatives, there remains significant room for progress in deepening interpersonal relations between Israel and the Abraham Accords countries.

Based on available data,¹⁰ popular support for normalization has declined since the Abraham Accords were signed in 2020 reflecting both the increase in popular support following the signing of the historic agreements and the insufficient volume of people-to-people contact. In order to improve both people-to-people ties between Accords countries as well as popular support for normalization, citizens should be exposed to tangible consequences of normalization that have improved their lives.



Israeli Defense Minister Benny Gantz (third from left) tells Arab ambassadors during an Iftar meal to break the Ramadan fast that Israel is protecting freedom of worship throughout the country and especially in Jerusalem, April 25, 2022.
Photo Credit: Elad Malka, Israeli Ministry of Defense.

March 2022: What is your view of the Abraham Accords between Israel and the UAE, Bahrain, Morocco, and Sudan?



Source: Washington Institute Arab Polling Project:
<https://public.tableau.com/app/profile/catherine.cleveland/viz/TheWashingtoninstituteArabPollingProject/StartingPage>

Fostering people-to-people ties is critical for strengthening the bonds between Israel and Accords countries. While this partly happens through business and tourism, the process also benefits enormously from targeted programs that bolster and expedite people-to-people connection. 2022 saw an uptick in the quantity and quality of such initiatives. Over the past year, numerous civil society organizations have played a key role in building people-to-people relations. AAPI has had the pleasure of working with many of them. Some of these organizations include (partial list) the UAE-Israel Business Council, UAE-IL Tech Zone, Start Up Nation Central, ILGCC Chamber of Commerce, Mimouna Association, World Class Scholars, PICO Kids, Israel-is, Sharaka, MENA 2050, Reut Tikkun Olam Makers, American Jewish Committee, Gulf Israel Women's Forum, Israeli Emirati Forum, Moshe Dayan Center, Hiwar Forum, Hudson Institute, Cambridge Middle East and North Africa Forum, Stand With Us and many others.

Organizations such as Sharaka and Israel-is have done significant work leading delegations to and from Israel, other Accords countries, and the United States, as well as additional Muslim countries. As one example among many, in May, Sharaka brought a 14-member delegation of mainly Muslim-Americans of Pakistani background to Israel and the UAE, who came to show their support for the Abraham Accords. They were received by top Israeli officials, including President Isaac Herzog. Another impressive delegation was the September delegation of young people from Israel, the United Arab Emirates, Bahrain, and Morocco that celebrated the second anniversary of the Abraham Accords at an event in Washington, DC. The event was hosted by the American Jewish Committee, supported by Voices of Israel, and attended by officials from the White House, Congress, and the State Department. The event showcased the Leaders of Tomorrow program, an initiative of ISRAEL-is and the Mimouna Association of Morocco, as well as young leaders from other Accords countries. The award-winning film *Finding Abraham*, which followed young Emiratis, Bahrainis, Moroccans, and Egyptians on their first visit to Israel, was released in April.

The universal love of sports has also served as a vehicle for deepening cultural ties in 2022. In March, a team of soccer stars from the Abraham Accords countries faced off against stars from world teams during the first Abraham Accords Games at the Dubai Expo. Following the match, the Ministers of Culture from Israel, the UAE, Bahrain, and Morocco took part in a culinary festival in which famous chefs from all four countries prepared meals in their national styles. In December, the Bahraini, Emirati, Moroccan, and Israeli embassies to the United Kingdom played a friendly soccer tournament in London. Over the summer, the Auburn University Men's Basketball team visited Israel, becoming the first major American college basketball program to do so. During the visit, Auburn Head Coach Bruce Pearl expressed the desire to

create an "Abraham Accords Cup." In November, Israel's Foreign Ministry announced that hundreds of top gaming stars from around the world, including participants from Abraham Accords countries, will arrive in Israel in early 2023 for a one-of-its-kind electronic sports tournament. 2023 will feature additional major sports initiatives that celebrate and encourage peace in the region and beyond.

The Abraham Accords have also engendered dialogue aimed at achieving deepened understanding across religious and national boundaries. In April, Israel's Minister of Defense hosted a celebratory Iftar dinner with the Ambassadors to Israel of Morocco, Bahrain, the United Arab Emirates, Egypt, and the United States. In December, the University of Haifa hosted more than 50 religious figures and academics as part of an international interfaith conference. The JCM (Jews, Christians, Muslims) Conference included participants from Egypt, Bahrain, the United Arab Emirates, Morocco, Turkey, Albania, Greece, England, Ireland, and Germany. Holocaust Remembrance Day was observed in Bahrain, UAE, and for the first time ever in Egypt. Yom Kippur services were held in several locations across the United Arab Emirates, Bahrain, and Morocco. The Jewish holiday of Hanukkah was celebrated across the Accords countries, with notable public displays. Finally, the Association of Gulf Jewish Communities baked Matzah in Bahrain on March 21st, Dubai on March 26th, and Abu Dhabi on March 27th. In an indication of the growth of the Jewish community, the umbrella organization for the Jewish communities of the GCC arranged for the shipment throughout GCC member-states of 20% more Matzah for Passover this year than last.

Additionally, there has been a recognition that the deepening of cultural ties requires diplomatic and political will as well. In March, Ministers of Culture from Israel, Morocco, Bahrain, and the UAE signed an agreement for cooperation on cultural initiatives. In May, the co-chairs of the Knesset Abraham Accords Caucus, MK Ofir Akunis, and MK Ruth Wasserman Lande, held a hearing with testimony from civil society groups involved in promoting people-to-people ties, with the participation of Sharaka, Israel-is, the US Embassy, the EU Mission, and the Kosovo Embassy in Israel.

Significant progress has been made in a very short time, and there remains much work to do to deepen people-to-people relations between Israel and Accords countries. According to polling conducted by one leading research institution, popular support for normalization has declined since the Abraham Accords were signed in 2020, constraining people-to-people contact and governments sensitive to public sentiment.

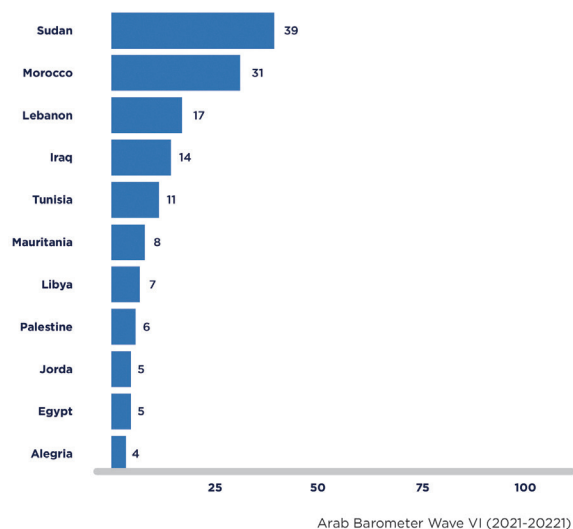
This trend may be the result of multiple factors, including a lack of history of deep people-to-people connections between the nations and limited tourism so far between

¹⁰ <https://www.washingtoninstitute.org/policy-analysis/abraham-public-opinion-arab-israeli-normalization-and-abraham-accords>
<https://www.arabbarometer.org/2022/09/how-do-mena-citizens-view-normalization-with-israel/>



AAPI's partner, Sharaka, regularly leads delegations of young leaders from Israel and the Gulf with the goal of turning a vision of people-to-people peace into a meaningful reality.

Normalization of Relations Between Arab States and Israel (% Saying They Strongly Favor or Favor it)



countries. Moreover, there is a lack of understanding of the enormous potential benefits of normalization. Regional and global economic integration are important to achieve

member nations' long term goals, and unmet expectations naturally persist from agreements that are not yet three years old.

In order to guide and inform efforts to improve popular support for normalization, a more *comprehensive effort to measure popular support over time for normalization or deepening of ties with Israel among existing and prospective Accords members correlated with measurable behavior* is needed. However, there is no question that to improve both people-to-people ties between Accords countries as well as popular support for normalization, citizens must be exposed to tangible consequences of normalization that have improved their lives. To various degrees this will occur organically as business and tourism relations deepen, especially if multilateral initiatives come to fruition. Nevertheless, especially if Accords governments make it a priority, cooperation on initiatives that specifically target deepening people-to-people connections and cultural exchange has the potential to significantly deepen ties, bolster support for peace, and weaken hateful ideologies.

One area where the Abraham Accords can be leveraged to enable collaboration that both addresses shared priorities of Accords countries and deepens cultural relations and understanding is in education. *Collaboration on academic exchange programs for both students and faculty* could help develop human capital that matches skills to the needs of

¹¹ <https://www.britishcouncil.org>

¹² Bergh, A and Sloboda, J (2010) *Music and art in conflict transformation: a review. Music and Arts in Action* 2/2.

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2022 was a great year #2 for the Abraham Accords. Israelis continued to flock to the Gulf and began travelling to Morocco for tourism, culture and business. At the same time, a small but growing number from the Arab world began travelling to Israel, still mostly on delegations. Sharaka officially opened its Bahrain chapter and began work on a Morocco chapter, with an Israeli delegation and a launch event. We continued spreading the word about the Abraham Accords around the region and world, and took a historic delegation of Arab journalists and influencers to Poland to learn about the Holocaust. We began engaging with American Muslims and Pakistanis, and brought three historic delegations to Israel. There is still much work to be done. Many are still unaware of the accords or stuck in old paradigms and mindsets about ‘the other.’ Through Sharaka, we are working tirelessly to expand the peace camp and highlight the benefits of the Abraham Accords to all around the region and the world. We look forward to a productive 2023!

Dan Feferman
Executive Director of Sharaka

the 21st century economy, creates new jobs, and provides an opportunity for next generation talent to study together in an academic environment, furthering cross-cultural dialogue and understanding. Such programs, perhaps modeled on the successful Erasmus Program, could involve each respective Abraham Accords government nominating a group of undergraduate or graduate students to the program annually, based on their demonstrated potential for leadership in the public or private sector. Selected students would study at the flagship academic institutions of another Abraham Accords country. New virtual education platforms such as World Class Scholars can complement in-person programs. The logic of academic exchange programs between Abraham Accords countries has already begun to be realized. In the summer of 2022, a delegation of four Moroccan students studied at Israel’s Ben-Gurion University for the summer semester in a first-of-its-kind cooperation between Israeli and Moroccan universities. In April, Tel Aviv University established a special merit-based scholarship for students from the UAE, Bahrain, Morocco, Egypt, and Jordan. Additionally, several Emirati students have already enrolled in Israeli universities.

One intriguing possibility is the *establishment of a tailored program and supporting infrastructure to provide an opportunity for Arab Muslim youths aged 18-25 from Abraham Accords countries to interact with Israeli*

counterparts. The program could be public-private partnership resourced and administered at the discretion of each participating Accord member nation and informed by the successful programs such as Birthright Israel and Passages Israel. Such programs would enable young Arab Muslims from Abraham Accords countries to meet and develop personal connections with their Israeli counterparts. Over half of the population of the Middle East and North Africa (MENA) region is under the age of 25. Often referred to as the “youth bulge,” young people in the region have the potential to yield a “demographic dividend” that can present a turning point for the Middle East.

Another area where the Abraham Accords can be leveraged to enable collaboration that deepens cultural relations and understanding is the arts. One possibility could be *art exhibitions featuring the art of citizens of Accords nations* that depict common themes of peace, tolerance, and hope, which can be displayed in Accords nations, regionally and globally. Research commissioned by the British Council from the University of the West of Scotland has found evidence for the role that arts and cultural programs can play as part of a spectrum of interventions linking culture, security, and development. In particular, the research highlights the contribution that arts and cultural programs can make to post-conflict communities, through therapy, reconciliation, and civil society strengthening. Such



On March 1, 2022, AAPI Director for Israel, Asher Fredman, and Eyal Biram, CEO of Israel-IS signed an MOU to cooperate on building vibrant ties between the next generation of leaders from Israel, Morocco, the UAE and Bahrain.

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Two years ago, as we sat in our Tel Aviv offices watching history unfold, we couldn't have imagined the impact that the Abraham Accords would have on the region and the boost of optimism it would bring to an area that knows much despair. There are many pillars bracing the foundations for peace, but it is our core belief that real peace must also live on a grassroots level - the people's level. This has defined our course at ISRAEL-IS from day one of the Abraham Accords when we launched our Leaders of Tomorrow program, uniting young activists throughout the region.

Despite numerous challenges and regional complexities, we have since made incredible progress. We have learned the importance of working hand in hand with government officials, diplomatic figures, and strategic partners to produce tangible results on the ground. The ecosystem created has not only allowed young leaders from Morocco, Bahrain, the UAE, and Israel to work together towards common goals but to recognize the immense potential of what may be.

The relationships forged have cast a global echo. Having recently led a delegation to Washington, DC, where our young leaders were embraced by both sides of the political aisle, we were amazed to witness the impact of our actions on U.S. foreign policy and realize the centrality of continued collaboration among all sectors. We believe that people-to-people, especially in the context of the Abraham Accords, is not just a slogan but a key component in creating sustainable peace - together.

Eyal Biram
CEO of Israel-IS

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exhibitions could increase support for normalization among existing Accords members, expand support among prospective members, and leverage supporting partners to employ art in communicating universal themes of peace, hope, and tolerance. Another possibility could be *competitions seeking the images generated by citizens of Accords nations* (possibly expanding to other countries) which best embody the principles of peace, prosperity, hope, and tolerance. The images could be submitted online and on social media, posted for popular vote, with the winners being publicly featured on a monthly basis. *High-level gatherings of the Accords and supporting international television and film industries* could also be convened to leverage their unique power to build bridges, advance shared values, and impact culture through storytelling. The Middle East media and entertainment industry is undergoing significant transformation, as cultural shifts among the region's youth have spawned considerable traction, and untapped demand for local Arabic content will spur regional media to grow considerably. The increased adoption of mobile technology has created significant opportunities across media platforms, and evolutions in paid and digital media have created new rationales for investments. The Abraham Accords provide an opportunity to favorably influence an increasingly connected young population, and such a high-level gathering of Accords television and film industries could facilitate co-productions and collaboration between the creative industries from Israel, the UAE, Morocco, Bahrain, and Sudan, celebrate the Accords, and encourage tourism and investment in developing regional entertainment industry.

Opportunities Among Cooperating Abraham Accords Members Include:

- Academic exchange programs between Accords countries for both students and faculty
- Tailored programs and supporting infrastructure for youths aged 18-25 from Abraham Accords countries to interact with counterparts
- High-level gatherings of the Accords and supporting international television and film industries
- Deepening cultural relations and understanding through the arts



The courage and pioneering of the UAE and Bahraini leadership in signing the Abraham Accords are indeed outstanding and should be commended. Yet, if the members of the Abraham Accords will not work systematically and strategically toward creating new and creative venues for cooperation between the actual people of the member states, this peace may be short-lived and the vast potential power of this newly-found friendship may remain unattainable.

A wonderful example of this may be the very recent performance of the Israeli Philharmonic in Abu Dhabi, which touched the hearts and minds of many in the UAE. This endeavor demonstrated, once more, how important it is to create an emotional and cultural tie between people.

The geo strategic circumstances created a clear platform upon which the Gulf States sought strong regional partners who would, if needed, stand beside them against Iran. These regional circumstances, within which the Accords were signed two years ago, remain relevant today, too, thus dimming the possibility of the respective governments contributing to their demise on the government-to-government and strategic level.

Yet what shall occur if the partners' common threat was to disappear?

Will the newly-found marriage be torn apart owing to the lack of an emotional, cultural glue amidst the nations? Will the economic and business cooperation suffice or must we create other, more emotional anchors that will maintain the glue? We should not forget that economic and business cooperation, albeit clandestine, was also in place prior to the signing of the accords.

Israel does not unfortunately excel in strategic planning yet the issue at hand is key. The Israeli government must appoint a senior official or even set up a division or agency, whose role would be to nurture and maintain the Abraham Accords. For that purpose, Israel must also recruit the hesitant and reluctant Europeans, who had thus far kept themselves rather aloof from the regional marvel, owing to the fact that they saw it as a move that intended to dismiss and sideline the Israeli-Palestinian conflict resolution.

Israel must make clear that an unstable region undoubtedly means more illegal immigrants to the shores of Europe and thus such accords must be maintained and encouraged. Israel must also clarify that widening the accords towards central Asian countries and to the southern states of Europe necessarily means creating alternative corridors of energy, particularly during a time when energy sources are becoming a problem, given the Russian-Ukrainian war. It should furthermore be made unequivocal that dealing and negotiating with Iran, will recklessly strengthen destabilizing extreme factors which are at the helm there. This will – in turn – destabilize and weaken Europe.

Finally and not less important, particularly in this post-World Cup period, it is pertinent to impress first upon ourselves and also upon the international arena, that Qatar is not a friendly partner to positive regional developments, but to the contrary – it is a destabilizing and negative force and thus much energy should be invested in strengthening the Abraham Accords which may keep such an actor in the tail.

Ruth Wasserman Lande

Former Member of Knesset and Co-chair of Abraham Accords Knesset Caucus



The Abraham accords were the most significant foreign policy accomplishment of the 21st century. The elusive peace in the Middle East was achieved when countries recognized that their mutual interests were stronger than anything that previously divided them. The result has been extraordinary. Trade, intellectual exchange, cooperation, tourism, and friendships have formed in ways that heretofore had not even been imagined.

Bonnie Glick

Former Deputy Administrator of the U.S. Agency for International Development

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For 30 years, American Jewish Committee has worked across the Middle East and North Africa to build relations with Arab countries and the Muslim world, pursuing a bold vision in which Israel will enjoy peace and cooperation with its Arab neighbors.

The signing of the historic Abraham Accords in 2020 created opportunities for trade, investment, and partnership in a range of fields. But while governments and business leaders have generally embraced these agreements, their durability and the prospect of widening the circle of peace will require the mobilization of public support – with active civil society engagement.

In 2021, as the need grew to have an office at the forefront of a rapidly changing region, AJC opened AJC Abu Dhabi: The Sidney Lerner Center for Arab-Jewish Understanding. AJC Abu Dhabi cultivates opportunities for people-to-people connections, engages in meaningful dialogue with influencers, and maintains partnerships with regional institutions, officials, and third-country diplomats.

The Middle East faces unprecedented challenges in the years ahead – climate change, economic stress, political conflict, increased migration, food insecurity, and water scarcity. AJC is committed to promoting the vision that uniting Israelis and Arabs – with the support of the United States and the international community – is the best way to foster innovative ways to address looming crises. We envision opportunities that, over time, lead to the creation of a network of Jewish and Muslim leaders working together to confront common problems.

Ted Deutsch
Chief Executive Officer American Jewish Committee

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The Abraham Accords signaled for Israeli Academia the possibility-- perhaps for the first time--of opening up of significant and exciting new opportunities for research partnership in our own region. This idea was greeted by Israeli universities with tremendous enthusiasm as soon as the Accords were signed. At my own institution, Tel Aviv University, researchers from a host of disciplines, including business, AI, cyber, environmental studies, Middle-East studies, biomed, and food security, to list just a few, immediately began to seek and form initial contacts with their counterparts especially those from the UAE and Morocco. While we see today that progress is uneven, some initiatives have already flourished into active collaborations of significant promise, particularly such that focus on common regional concerns, such as water and climate change.

Academia can build strong and enduring bridges between the nations of the region, but it's important to remember that what could boost the chances of university partnerships to truly thrive is a framework of mutual understanding based on dialogue and meaningful exchange of ideas. Academic collaborations are first and foremost about personal relations between individual researchers and learners. Here the physical mobility of scholars and students from Israel to its new regional partners, and vice versa, has an important role to play. I am hopeful and optimistic that this kind of mobility will increase significantly in the coming months.

Milette Shamir
Vice President of International Academic Affairs Tel Aviv University



United Arab Emirates

Abraham Accords Relationship Status: *Strong*

Summary:

Over the past two years, Israel and the United Arab Emirates' commitment to peace has seen them achieve numerous milestones. They have turned plans into concrete action and developed thriving relationships, enabling them to make historic progress towards shared strategic objectives. They remain committed to strengthening the Accords and expanding their vision of a regional community dedicated to progress and prosperity.

Since the Accords were signed, people-to-people contact is flourishing and generating tremendous business opportunities and cultural exchanges, healthcare cooperation, and even joint scientific initiatives. United Arab Emirates' relationship with Israel has unquestionably blossomed, with ties deepening on the security, diplomatic, trade, tourism, and cultural fronts. 2022 saw Israel and the UAE make significant progress in their relationship, as evidenced by the number of unprecedented diplomatic visits and the signing of their historic Comprehensive Economic Partnership Agreement (frequently referred to as a Free Trade Agreement) that went into effect in December. Trade between Israel and the United Arab Emirates has skyrocketed since the signing of the Abraham Accords, yet investment remains below its full potential. Hundreds of thousands of Israelis have visited the United Arab Emirates since the signing of the Abraham Accords, though Emirati tourism to Israel has not yet risen accordingly. And while there has been significant development in the depth of people-to-people ties, there remains room for these ties to expand substantially.



Our relations are moving full steam ahead, and that there is a common and strong will to strengthen them for the benefit of our countries and peoples.....Through peace, we in the UAE, Israel and the wider region, can direct resources and capabilities towards serving our nations and paving the way for a better tomorrow.

Sheikh Mohamed bin Zayed Al Nahyan
President of the United Arab Emirates

Diplomatic

Overall, 2022 saw Israel and the UAE make significant progress in their relationship, as evidenced by the signing of their historic Free Trade agreement.

In January 2022, Israeli President Isaac Herzog was received by then Abu Dhabi Crown Prince Sheikh Mohamed Bin Zayed Al Nahyan in Abu Dhabi, after arriving on the first presidential state visit to the United Arab Emirates. In May, Herzog again met with Mohamed bin Zayed in Abu Dhabi to offer condolences on the death of UAE President Sheikh Khalifa bin Zayed Al Nahyan. President Herzog met again with President Mohamed bin Zayed along with Foreign Minister Abdullah bin Zayed in November while attending the COP27 UN climate conference in Sharm el-Sheikh, Egypt. President Herzog also attended the Abu Dhabi Space Dialogue in December.

In June, Israel's then Prime Minister Naftali Bennett visited Abu Dhabi where he met with UAE's President Mohamed bin Zayed, as well as numerous other top ministers. One month later, Israel's new Prime Minister Yair Lapid and UAE President Mohamed bin Zayed, along with U.S. President Joe Biden and Prime Minister of India Narendra Modi, met for the first time as part of the "I2U2" group and issued a joint-statement released after the meeting that expressed their support for the Abraham Accords.

The Negev Forum in March provided the occasion for the first ever visit to Israel by the United Arab Emirate's Foreign Minister Abdullah bin Zayed, who also visited Israel in September when he participated in an event hosted by the UAE embassy in Israel. The event celebrated the two-year anniversary of the Abraham Accords and was attended by Israeli President Herzog along with senior Israeli and UAE officials. During his visit to Israel, Sheikh Abdullah bin Zayed met with Israeli President Isaac Herzog, Prime Minister Yair Lapid, opposition leader Benjamin Netanyahu, and numerous other senior Israeli officials. He also visited Yad Vashem.

Other positive diplomatic developments include a visit to Israel's Knesset and Yad Vashem by members of the United Arab Emirates Federal National Council (FNC), the first ever visit by Israel's Police Commissioner to the United Arab Emirates, the April signing of an agreement to boost maritime cooperation, the announcement that a senior Emirati officer of the UAE army will join the Israel National Defense College to train with the Israeli military for ten months, the first Israeli passport for an

*Sheikh Abdullah bin Zayed visits Holocaust memorial in Tel Aviv on September 16, 2022.
Photo Credit: WAM*





*Israel's Prime Minister Naftali Bennett and Mohammed bin Zayed, then Crown Prince of Abu Dhabi
Photo Credit: WAM*

Israeli baby born in the United Arab Emirates being issued by the Embassy of Israel in Abu Dhabi, and Israel's ambassador to the United Arab Emirates leading the first official Israel Memorial Day ceremony to be held in an Arab state. Finally, in December, a well-attended event celebrating UAE's national day occurred in Tel Aviv, and the Israeli and Emirati Ambassadors to the UN led a delegation of 13 UN ambassadors in a combined outreach visit to the United Arab Emirates and Israel.

In October, reports began circulating that according to satellite images, the United Arab Emirates had deployed the Israeli made Barak aerial defense system outside the Al-Dhafra air base south of Abu Dhabi, where American and French troops operate. This followed reports in April that Israel had agreed to sell advanced air defense systems to the UAE.

While progress has been remarkable, great potential remains. Several high-profile initiatives, such as Project Prosperity and the Joint Research & Development Fund, remain promising; however, these initiatives risk delay as the complex array of public and private processes prevent adherence to the aggressive but achievable timeline established.

In order for relations between Israel and the UAE to continue to deepen, it is imperative that concerted, sustained, and streamlined cross-government efforts be made to bring more complex government-to-government initiatives to successful execution. This will require the investment of time and energy on the highest political levels to translate aspirations into tangible

results and retain the confidence of new partners. Establishing a high-level working group representing all stakeholders specific to each project empowered to regularly meet, identify and resolve challenges, and clearly and consistently communicate accurate status updates to leadership would help maintain momentum and deliver results on schedule.

The Embassy of Israel in Abu Dhabi moved to its permanent residence in August, yet the effort to establish the permanent UAE embassy in Israel has encountered delays. The resolution of remaining challenges would serve to reinforce the commitment to strengthening diplomatic ties and demonstrate resolve.

In July, President Sheikh Mohamed bin Zayed called Israeli Prime Minister Yair Lapid to congratulate him on taking office, and in November Mohamed bin Zayed called Likud leader Benjamin Netanyahu to congratulate him on his election victory the previous week and to invite him to the United Arab Emirates. On the last day of the year, President Mohammed bin Zayed called incoming Israeli Prime Minister Benjamin Netanyahu to congratulate him on forming a government. While the Emirati government had strong relations with the Bennett-Lapid government, they have longstanding familiarity with PM Netanyahu and likely view the potential for increased political stability that his government may bring as an opportunity after years of recurring elections. The continued presence of President Isaac Herzog, who has been a reliable source of constancy throughout the transition, is also likely to ensure that relations remain strong.

Trade between Israel and the United Arab Emirates has skyrocketed since the signing of the Abraham Accords, rightfully dominating the news coverage of the agreements. Trade between Israel and the UAE reached \$2.59 Billion in 2022, constituting a 124% increase from trade in 2021.¹ With the signing of a Free Trade agreement between Israel and the United Arab Emirates in 2022, this number will substantially increase in the coming years.

Trade between the countries has already increased considerably. Israeli imports of non-diamond goods from the UAE have grown at a high rate, while diamonds continue to make up a large percentage of Israeli exports to the UAE. Israel exported \$268.3 million in rough diamonds to the UAE in 2021, and that number has risen to \$288.8 million in 2022. Since the Free Trade agreement signed between the countries has cut the tariffs on diamonds and precious gems from 5% to zero, Israeli diamond exports to the UAE will almost certainly rise in the coming years. However, the bilateral trade figures fail to do full justice to the scale of growth in economic ties because they do not account for services (including cyber), nor do they account for Israeli companies that are using the UAE as a launching pad to conduct business with Middle Eastern, Asian, and African countries, without necessarily conducting any trade between the UAE and Israel.

Emirati exports to Israel have also increased substantially. An analysis of Israeli imports from the UAE by Israeli economist Haggay Etkes indicates that a large percentage of Emirati exports to Israel are goods that are reexported to Israel from the East (rather than goods originating in the UAE.) This is unsurprising given the UAE's role as a regional trade hub. It is likely that the ability of Israeli companies to import goods from the East via the UAE in the wake of the Abraham Accords is enabling them to obtain these goods more quickly and/or at lower prices. The UAE is a major transportation and logistics hub at the crossroads between Europe, Africa, and Asia, and it sees Israel as a market of strategic importance as it expands its trade network. To reach their full potential, additional effort can be made to improve connections between and among Accords members to optimize multimodal trade and connect European, American, and Asian markets dependent upon the Middle East for trade. Expanding existing overland trade by increasing the capacity of border trade, improving port infrastructure, optimizing air routes, and developing new land routes would benefit the Accords. Such an expansion would demonstrate the Accords' full potential, result in significant economic dividends, reinforce the popular support for the Accords, and encourage prospective members to join.

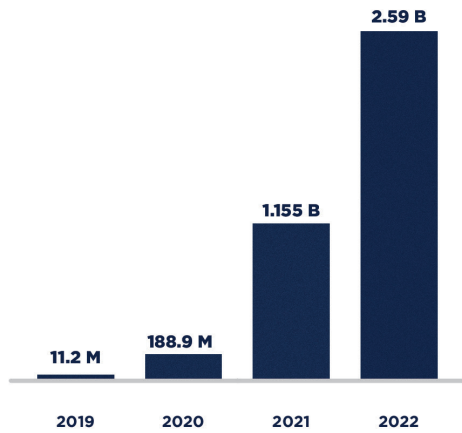
AAPI President and Executive Director, Robert Greenway, moderates a conversation with Minister of State for Foreign Trade of the United Arab Emirates, His Excellency Thani bin Ahmed Al Zeyoudi



In establishing full diplomatic relations, the UAE, Bahrain and Israel had chosen prosperity over politics, cooperation over isolation, opportunity over suspicion. Everyone present on the South Lawn understood the magnitude of the occasion – and its potential to elevate the lives of people across the Middle East in the decades to come...Two years have now passed since that day, and it is clear that the scale and rapidity of progress in UAE-Israel relations have surpassed even the most optimistic expectations.

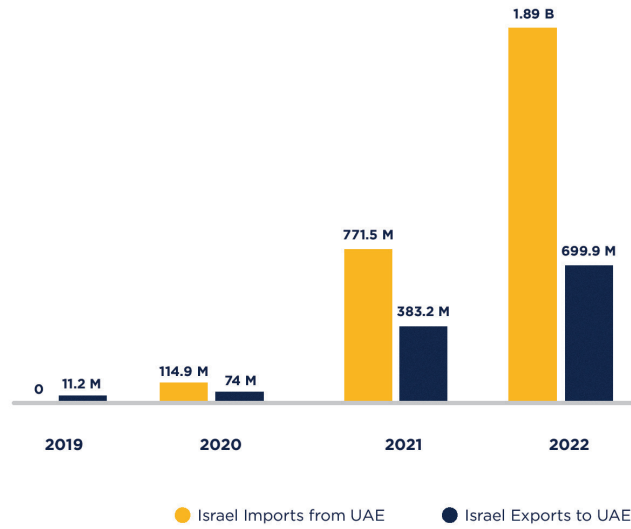
Thani bin Ahmed Al Zeyoudi
Minister of State for Foreign
Trade of the United Arab Emirates

**Total Israel-UAE
Trade 2019-2022 (\$)**



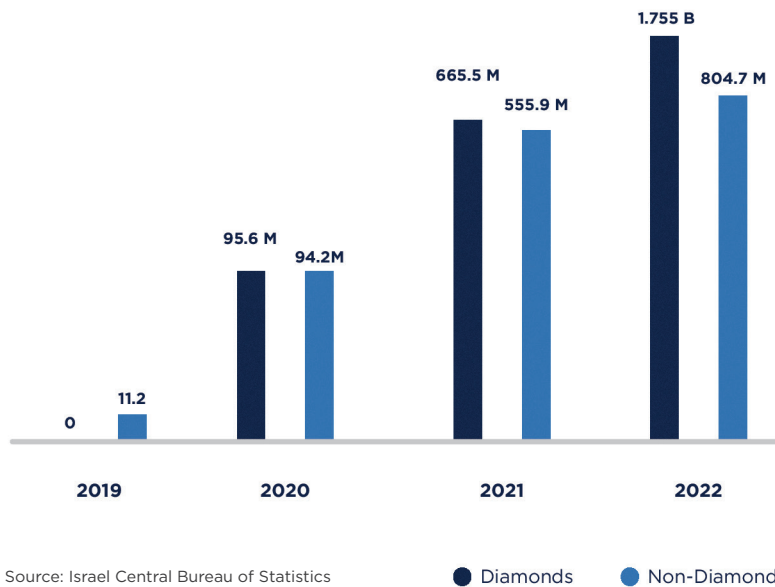
Source: Israel Central Bureau of Statistics

**Israel-UAE Import/Export
Balance 2019-2022 (\$)**



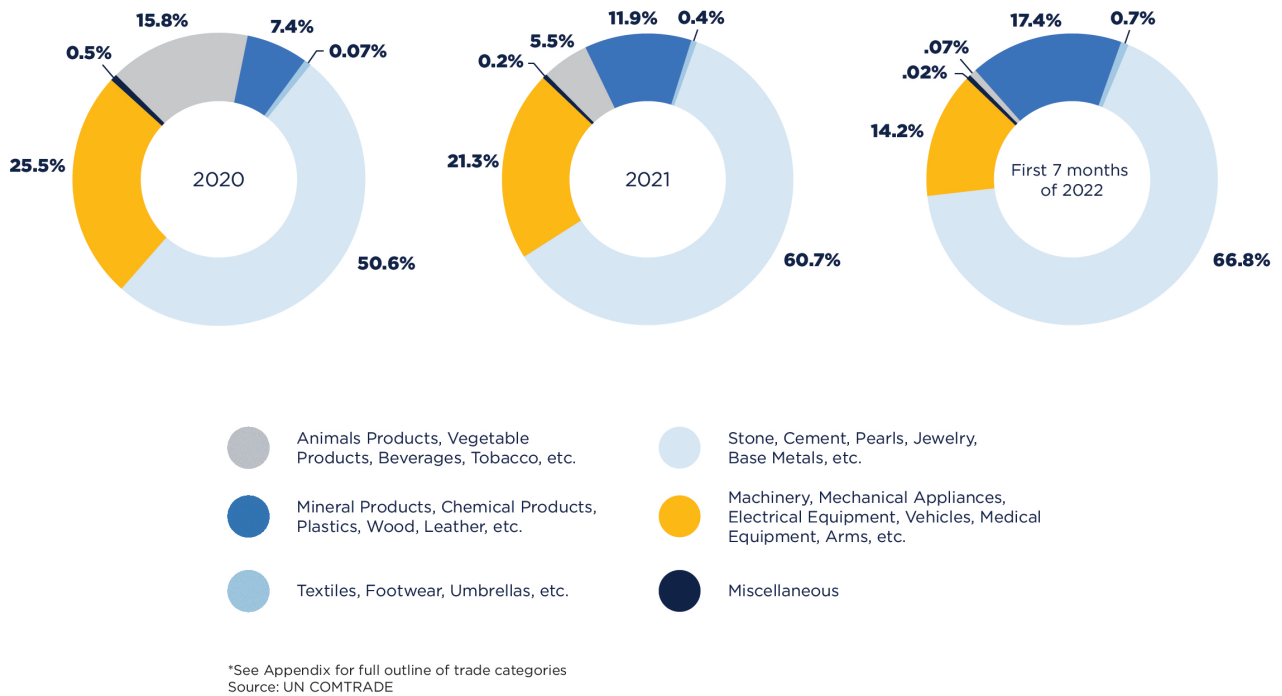
Source: Israel Central Bureau of Statistics

Diamond v. Non-Diamond Trade



Source: Israel Central Bureau of Statistics

Israel-UAE Trade Composition 2020-2022



Comprehensive Economic Partnership Agreement (CEPA)

Perhaps the single most significant economic development since the Abraham Accords was the signing of a Free Trade agreement between Israel and the United Arab Emirates. In May, Israel and the UAE signed the UAE-Israel Comprehensive Economic Partnership Agreement (CEPA), which abolishes customs duties on “96 percent of the products” exchanged between the two sides, including food, agricultural goods, cosmetics, medical equipment, and medicine. The agreement is Israel’s first ever Free Trade agreement with an Arab country. While the agreement only came in to effect in mid-December, it is expected to provide a significant boost to the already high levels of trade. Indeed, in an appearance at the 2022 Davos World Economic Forum, Emirati Minister of State for Foreign Trade Thani Ahmed Al Zeyoudi predicted that trade between the United Arab Emirates and Israel would reach \$5 billion in the “upcoming few years.”

Increased Connections

The high number of weekly flights between Israel and the UAE has facilitated business travel and resulted in high numbers of Israeli business people visiting the UAE. In January, representatives of 11 Israeli companies traveled to Dubai to attend ArabHealth 2022, an annual medical technologies exhibition that showcases innovations in healthcare. In February, Israel’s Ministry of Agriculture, in collaboration with the Agricultural Research Organization, the Volcani Institute, and

Start-Up Nation Central, held a three-day event at Dubai Expo, entitled “Innovative Agriculture & Food for All,” showcasing Israel’s expertise and innovation in the field of agriculture and agri-tech. Three Israeli defense companies participated in the 5th annual Unmanned Systems Exhibition (UMEX) in Abu Dhabi, the first time Israel participated. And in June, the UAE-Israel Tech zone organized a delegation of Israeli start-up unicorns that visited the UAE.

These events and the ease of travel have greatly facilitated the creation of business ties between the two countries. Expanding the number of Emirati visitors to Israel will accelerate progress. Nevertheless, Israeli business leaders hosted a high-level delegation from the United Arab Emirates at the Tel Aviv Stock Exchange in September in a series of events which included the signing of several MOUs. And in late November, more than 250 Israeli businesspeople and entrepreneurs gathered for the Dubai Multi Commodities Centre (DMCC) “Made for Trade” roadshow at the Tel Aviv Stock Exchange.

Business Expansion

In the past year, a number of Israeli companies have established operations or offices in the UAE. Since the signing of the Accords, seventy-eight Israeli companies have come to Dubai’s free zone. In February, the Israeli Diamond Exchange opened an office in Dubai. The following month, OurCrowd, one of Israel’s largest venture capital firms, announced its plans to open an artificial intelligence-based research and development center in Abu Dhabi. In November, OurCrowd announced that it would be

¹ Israel Central Bureau of Statistics (https://www.cbs.gov.il/he/mediarelease/doclib/2023/029/16_23_029t1.pdf)



The Ministers of Economy of Israel, Orna Barbivai, and the United Arab Emirates, Abdulla bin Touq Al Marri, in Dubai, May 31, 2022. Photo Credit: Thani Al Zeyoud

expanding its existing operations in the UAE with a venture capital (VC) office in Abu Dhabi and an artificial intelligence (AI) tech hub as part of a new agreement. One day prior, Israeli fintech company Liquidity Group signed a deal that made it the first Israeli company to establish an R&D center in Abu Dhabi. The center employs dozens of top data scientists from the UAE, Israel, and around the world in a great example of the potential for mutually-beneficial business partnerships created by the Accords. Both OurCrowd and Liquidity Group are taking part in a \$545 million government incentive program launched in 2020 through the Abu Dhabi Investment Office (ADIO) that offers financial and non-financial incentives for global companies to expand their intellectual property in Abu Dhabi. Finally, on the culinary front, star Israeli chef Eyal Shani, has announced that he is opening a restaurant in Dubai, his first in the region outside of Israel.

While the establishment of a presence in the Emirates is a positive development, the number of firms that have done so remains relatively small. Initial agreements concluded between the two nations greatly reduced the administrative burdens for those conducting business, and it is likely additional effort will be required to overcome remaining obstacles. As with all ventures, patience, long-term commitment, and an active local partner willing to invest time and resources can be decisive. Organizations like the chambers of commerce, the Israel-UAE Business Council, and others are doing tremendous work in connecting the two communities, but additional effort would accelerate progress.

For example, the Dubai International Chamber, one of the Dubai's three chambers of commerce, announced in June that it would open a representative office in Tel Aviv to facilitate trade and investment between the business communities. The official inauguration of the Tel Aviv representative office occurred in December.

Business Agreements

Over 35 business agreements were signed in 2022 between Israel and the UAE in areas as diverse as cooperation in the fields of health and the environment to collaboration in agriculture, security, and water.

Significant security deals occurred in 2022, including Israel's Elbit System's Emirati subsidiary getting awarded a \$53 million dollar contract to supply Direct Infrared Countermeasures ("DIRCM") and airborne Electronic Warfare ("EW") systems to the UAE Air Force. Another notable example is DSIT, an Israeli developer of maritime defense and security solutions, signing an MOU in May with the Al Fattan Group from the United Arab Emirates, for the supply of its underwater sonar systems.

2022 also saw technology agreements, such as the January announcement of a joint Israel-UAE R&D fund to support tech projects involving Israeli and Emirati companies. While the fund is not yet established, it will likely be inaugurated in the first quarter of 2023. That announcement was followed by the March launch of the Israeli-Emirati VC fund—Synaptech Capital—which will invest in Israeli and Emirati start-ups developing cybersecurity, smart city, insure-tech, fintech, and public safety technologies. In February, Israeli technology firm ThetaRay and Bank Mashreq of the UAE announced that the Emirati bank would use ThetaRay's financial crime detection tool. Later in the month, Arc Solutions, a Dubai-based telecom infrastructure solutions provider, signed an agreement with Israel's leading internet service provider (ISP) and IT solutions provider, Bezeq International (BI), to deploy its network in Bezeq's data center in Tel Aviv. In the media space, UAE's TRENDS Research and Advisory, and the Israel-based news channel i24NEWS signed a cooperation agreement that will allow the two sides to produce joint media content, exchange data, and host experts as guests and commentators on i24's programs.

Another area where noteworthy deals were signed in 2022 is agriculture and water. In March, the UAE Ministry of Climate Change and Environment (MoCCA) signed a Memorandum of Understanding with the Ministry of Agriculture and Rural Development of Israel to cooperate in the field of agriculture. This was followed by reports in July that the foreign ministries of Israel and the United Arab Emirates were cooperating on a shared database that would link Israeli and Emirati companies seeking agriculture, water, communications, and digital ventures in Africa. The previous month saw the announcement of a new three-way partnership between the Israeli air-to-water company Watergen, Baynunah (a sister company of the Emirati food security agriculture group Al Dahra), and the Moshe Mirilashvili Institute for Applied Water Studies at Tel Aviv University. Later in the month, Israel's Natura Incubator and Flag Holding, a private equity fund based in Abu Dhabi, announced the signing of an agreement to partner in creating Agtech Innovation Centers in Israel and the UAE. In December, Israeli-Emirati venture builder Dana Global announced a new partnership agreement with Abu-Dhabi-based agritech investor Silal. As part of the agreement, Silal is inviting female-led agritech startups from Israel, the Middle East, and North Africa to take part in a pilot program to bring innovative agritech solutions to the United Arab Emirates and help address the major challenge of food insecurity.

Finally, the past year saw Israel and the UAE strengthen their cooperation in the healthcare sector, with major agreements being signed between healthcare organizations in each country. In January, the Abu Dhabi Department of Health and the Israel Innovation Authority announced a collaboration to promote cooperation on technological innovation in the fields of health and bio-convergence. The following month, Israel and the UAE signed a healthcare partnership whereby physicians from the Beth Israel Deaconess Medical Center agreed to establish a center for disaster medicine in Abu Dhabi. In June, Israel's Maccabi Healthcare Services HMO and health organizations in the United Arab Emirates signed several deals to promote joint medical research and technological innovation. Also in June, Etihad Credit Insurance (ECI), the UAE's federal export credit company, and Israel Export Insurance Corp. Ltd. (Ashra) announced that they will fund a AED 540 million (EU 140 million) healthcare project in Ghana. The agreement, which is the first Public-Private Partnership project between the UAE and Israel, will result in the construction of four hospitals and the first main central medical storage facility in Ghana. In July, Kahn-Sagol-Maccabi (KSM), the research and innovation center of Israel's Maccabi Healthcare Services, and UAE health organizations, signed a series of comprehensive strategic agreements to promote joint medical research and technological innovation. In November, Israel's largest hospital Sheba Medical Center signed a memorandum of understanding with G42 Healthcare, a large Abu Dhabi-based health-tech company focused on artificial intelligence-based innovations. Later in the month, Sheba Medical Center signed an MOU with UAE's Jahezaya to collaborate on disaster preparedness. In a major development demonstrating the potential of leveraging the Accords to improve the healthcare of Palestinians as well as Israelis, UAE President Sheikh Mohammed bin Zayed Al Nahyan pledged \$25 million in July to help Al Maqassed Hospital in East Jerusalem to expand medical services.

While business collaborations are growing as a result of the MOUs concluded and exchanges held, there is room

for improvement as two of the region's largest economies and most vibrant business communities deepen their ties. Nevertheless, the fact that progress has been gradual should be expected, given the lack of extensive business cooperation before the Accords and the differences in the political, legal, and economic systems and business cultures of the two countries.

Investment

Bilateral investment has occurred, and is expected to expand to its full potential in the next five years thanks to the commitment of both governments and the entrepreneurial spirit of both nations' business communities. The Wall Street Journal reported in January that Mubadala, an Abu Dhabi sovereign-wealth fund, invested roughly \$100 million in six Israeli or Israel-focused tech VCs, likely constituting the beginning of a larger trend. One of the most notable Emirati investments in Israel was Abu Dhabi sovereign-wealth fund ADQ's participation in a \$105 million investment into Aleph Farms, an Israeli firm that makes lab-grown meat. In December, regulatory filings indicated that a consortium led by ADQ is in advanced negotiations to acquire a controlling stake in Israeli financial firm Phoenix Group for more than \$800 million. The deal still must undergo regulatory approval.

Emiratis are cautious and astute investors, likely in the exploratory stage of investments while they become familiar with the Israeli ecosystem. In the early stages of exploration, investors often struggle to navigate the different political and economic systems. At times, they have difficulty identifying the right local partners that will play an active role, contribute needed resources, and assist in overcoming the inevitable regulatory and administrative challenges resident in each ecosystem.

There is thus a need for private and government programs that increase exposure between serious potential partners and investors in the two countries. Some such programs have taken place, such as the UAE-IL Tech Zone delegation of Israeli start-up unicorns that visited Dubai in June, but much more should be done. Expanding opportunities for *Emirati business delegations to visit Israel would increase familiarity, cultivate the required relationships, and foster trust and confidence required to conclude mutually beneficial deals.* Establishing collaboration mechanisms such as regional technological *innovation hubs where start-ups and entrepreneurs can converge* would accelerate growth.

One area where the potential for investment cooperation is substantial is in the field of energy. Eastern Mediterranean gas reserves have the potential to provide Europe with an alternative source of energy that partly offsets the loss of Russian natural gas following the war in Ukraine. However, investment in necessary infrastructure that is currently lacking would be needed. Back in December 2021, Abu Dhabi's Mubadala Petroleum purchased a major stake in the east Mediterranean Tamar Gas field, before selling half of its stake to Israeli Aaron Frenkel in 2022. Similar cooperation on energy between Israel and the UAE, partly through forums such as the East Mediterranean Gas Forum, presents a major opportunity for convergence of investment goals. Another possibility is cooperation on reviving the high-speed railway between Eilat and Israel's Mediterranean coast (Med-Red).



Photo by Shubham Mittal on Unsplash

Tourism

Hundreds of thousands of Israelis have taken advantage of the opportunity to visit the United Arab Emirates since the signing of the Abraham Accords, experiencing firsthand one of the world's fastest growing trade and tourist hubs. At the same time, however, fewer Emirati tourists are traveling to Israel, one of the world's most unique and historic destinations.

In terms of tourism's contribution to GDP, the UAE's tourism industry represents 6.4% of total GDP (2021), and at US\$27 billion, tourism's contribution to overall GDP is the highest amongst the Abraham Accords member nations. In terms of jobs, the tourism sector accounts for one in every ten jobs in the Emirates amounting to 644,300 employees as of 2021. This number has declined from the level observed in 2019 (748,000 jobs); however, with the development of new supply and increasing investment, this number is forecasted to increase.

Tourism is one of the largest non-oil revenue sources, and it is projected to grow with the UAE's commitment to investing in the sector. Apart from expatriate travel, the enhanced connectivity and accessibility of the region accentuates the appeal of the destination amongst tourists. In addition to being a trade hub, the UAE's investment and business friendly policies make it suitable for many corporations which have opened branch offices and moved regional headquarters to the country. Moreover, investment in real estate has not only resulted in commercial success in the form of the development of the financial hub, but it has also

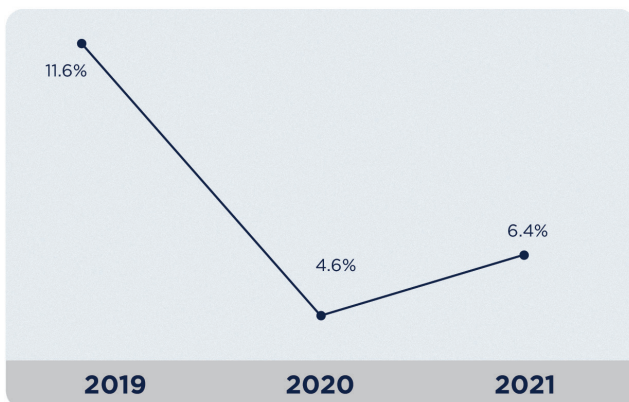
put the UAE on the map as a destination for luxury, business, and other forms of travel.

Furthermore, ultra-luxury hospitality and attractive landscapes coupled with vivid entertainment and high-end shopping malls make the UAE a truly global tourist destination. 24.1% of all trips to UAE were motivated by business reasons while a majority were classified as leisure and personal travel.

A more "international" destination compared to many of its Middle Eastern counterparts, the UAE can benefit from the Abraham Accords in terms of tourist arrivals from Israel. Since the UAE is viewed to be largely tolerant of cultural diversity and bustling with opportunities for business cooperation, organizing travel between the UAE and Israel should be achieved more easily.

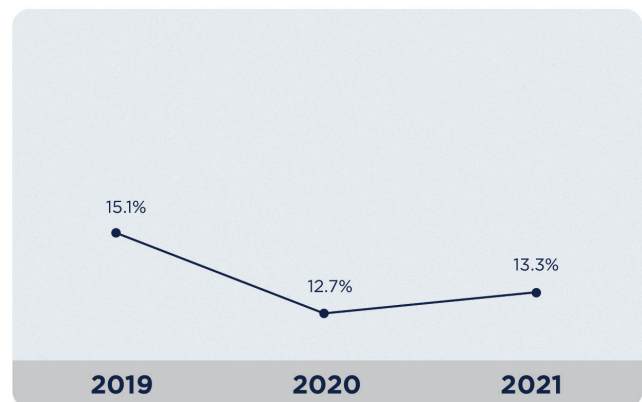
Prior to the signing of the Accords, tourism relations between Israel and the UAE were virtually non-existent. In the years since the signing of the Accords, Israeli tourism to the UAE has increased significantly, increasing from virtually 0 in 2019 to over 250,000 in 2022. Indeed, Israel is now Dubai's 14th top source market for tourists. As a result, there are over 70 direct flights a week between the countries, with numerous airlines offering daily flights. In response to the demand, Emirates Airlines completed its first passenger flight between Dubai and Israel in June, marking the start of daily service from Dubai to Tel Aviv for the airline. Shortly afterwards, Emirates Airlines announced plans for a second daily flight between Dubai and Tel Aviv to start on October 30, 2022.

Tourism's Share of Total UAE GDP (%)



Source: WTTC, 2022

Tourism's Share of Total UAE Employment (%)



Source: WTTC, 2022



2022 saw a deepening of tourism relations between the countries. In February, Israel's Tourism Minister and the UAE's Minister of State for Entrepreneurship signed an agreement that will focus on increasing tourism between the two countries. In August, Israel and the UAE began a joint tourism campaign to market tourism packages combining the two countries. Additionally, the UAE and Israel signed an MOU which will allow visitors and residents from either country to use their local license to operate a vehicle in the other country, while enabling license holders to convert their licenses to the local equivalent without redoing the theoretical and practical driving tests. While this gradual increase is a positive development, additional effort will further benefit both countries.

The UAE comprises seven Emirates that function independently on most economic functions including, but not limited to, tourism. Enhanced coordination among the array of tourism boards could yield significant gains and encourage additional tourists to visit and stay. Cooperation could reduce customer acquisition costs and increase efficiency, yielding higher contribution to long term GDP growth. The formation of the Emirates Tourism Council in 2021 has improved cooperation between the Emirates, aligning both regional and national goals.

Strategically building a competitive advantage over neighbors such as Saudi Arabia by exploring the new opportunity provided by a deepening of the relationship with the Abraham Accords nations, specifically Israel, could help sustain the tourism growth for the UAE. *Regional cooperation, relationship building, knowledge and data sharing, and easing the access to free travel* are initiatives the UAE could implement with the tourism ministries of all Accords nations to leverage the impact of the Accords in boosting tourism and economic growth. Moreover, could bring a much-needed strategic focus while also avoiding overlap of efforts and costs between the different Emirates. Additionally, *visa exemption*

agreements (or an eVisa policy) among all Accords member nations could significantly expand tourism and business activity.

While inbound travel to the UAE from Israel is developing, outbound travel to Israel is still at a nascent stage. This could reduce profit margins for airlines, thereby preventing them from realizing the full benefits the Accords could provide.

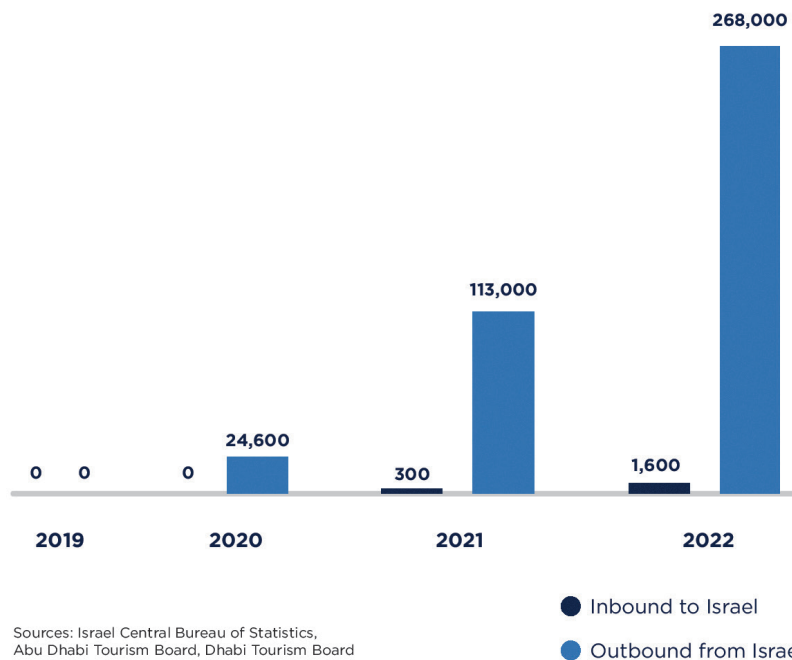
Popular sentiment towards normalization with Israel has declined since the signing of the Accords, and inaccurate perceptions of safety have likely deterred tourists. *Coordinated marketing campaigns* showcasing that Israel is a safe place to travel and that it offers

unique travel experiences could improve awareness. Youth delegations and academic exchange programs could also significantly contribute to improving sentiment and desire to visit Israel.

Emirati tourists have many options when choosing where to travel. *Investment in improved tourism infrastructure* such as luxury hotels would likely incentivize more Emirati tourists to choose to visit Israel when deciding amongst their tourism options.

Finally, *streamlining the airport experience of the Emirati visitor while balancing security and health concerns* would stimulate tourism over the coming years.

Total Tourists Between Israel and UAE 2019-2022



People-to-People

While much of the media attention has focused on the diplomatic and economic advances in relations between Israel and the United Arab Emirates, it is on the people-to-people level that normalization agreements turn into a “warm peace.” There has been considerable development in this area as well, but there remains substantial opportunity for people-to-people ties to deepen.

According to numerous reports, the Jewish community in the UAE has grown significantly since the signing of the Abraham Accords. While no official figures exist, some estimates place the number of members of the Jewish community in the UAE as high as 3,000-5,000, with members being from around the world. The majority of Jews live in Dubai and Abu Dhabi, where eight kosher restaurants can be found. In 2021, the Jewish Community Center of UAE was opened, as well as the Emirates Agency for Kosher Certification. In December, Dubai’s Jewish community opened the first-ever kosher supermarket in the Gulf. Jewish synagogues and preschools have also been opening, and in April, the senior rabbi of the Jewish Council of the Emirates in the UAE announced plans to develop the Gulf Cooperation Council’s first dedicated Jewish neighborhood, which will include a synagogue, homes, schools, a community center, and hotels.

The growth of the Jewish community in the UAE has spurred the celebration of Jewish holidays and events on a previously unimaginable scale. For example, in January, special tree plantings occurred in the UAE for the Jewish holiday of Tu B’Shevat, and in September, UAE-based Rabbi, Levi Duchman, got married in the largest Jewish wedding in the history of the Arabian Gulf. This was one of over twenty Orthodox Jewish weddings to occur in the country since the signing of the Accords. During Passover, the largest seders in the history of the Arab world took place in the UAE. Emiratis have participated in a number of the public events organized by the Emirati Jewish community.

In a related manner, numerous events occurred commemorating the Holocaust, including a memorial event for the Kristallnacht pogrom in November where Holocaust survivor Eve Kugler, 91, delivered the keynote address, becoming the seventh Holocaust survivor to speak in the UAE about the Holocaust since the signing of the Accords. In April, a special ceremony in Dubai hosted by the Crossroads of Civilizations Museum and the Jewish Community of the UAE commemorated Yom Hashoah,

and the Embassy of Israel in Abu Dhabi hosted a special webinar in commemoration of Holocaust Remembrance Day. Additionally, the UAE’s Education Ministry is working with Yad Vashem to incorporate education about the Holocaust in to elementary and high school curriculums.

Religious coexistence initiatives have also begun to become more prominent. The United States, Israel, and the UAE launched the Trilateral Religious Coexistence Working Group that has already met and announced an ambitious agenda. In November, the first UK chief rabbi to ever visit the Emirates spoke in front of Islamic scholars and leaders at the Abu Dhabi Peace Forum and was welcomed to the Forum by its president, Sheikh Abdullah Bin Bayyah, a revered Islamic scholar. During his remarks, Chief Rabbi Mirvis hailed the Abraham Accords for making this unprecedented development possible and called on leaders to build on the historic peace the Abraham Accords have brought about.

In addition to the growing Jewish community within the UAE, the enormous number of Israeli visitors to the country has led to countless interactions between Israelis and Emiratis that in turn have led to the development of dialogue, friendships, and trust. Israelis have been welcomed warmly in the UAE, and the Emiratis that have come to Israel have been warmly welcomed as well. Youth delegations, meet-ups, hackathons, and dialogues have all occurred, such as in September when the first Israeli delegation on cultural heritage and entrepreneurship visited the United Arab Emirates for a professional seminar on entrepreneurship, innovation, and knowledge exchange.

Sports are an area where shared passions that transcend national boundaries can bring people together. In February, the UAE and Israel participated in a paddle tennis exhibition match at Expo 2020 Dubai as part of the #AbrahamAccordsGames, and in March, a team of soccer stars from the Abraham Accords countries faced off against stars from world teams during the first Abraham





Israel Philharmonic Orchestra in Abu Dhabi, UAE on January 20, 2022.
Photo by Shai Sakif

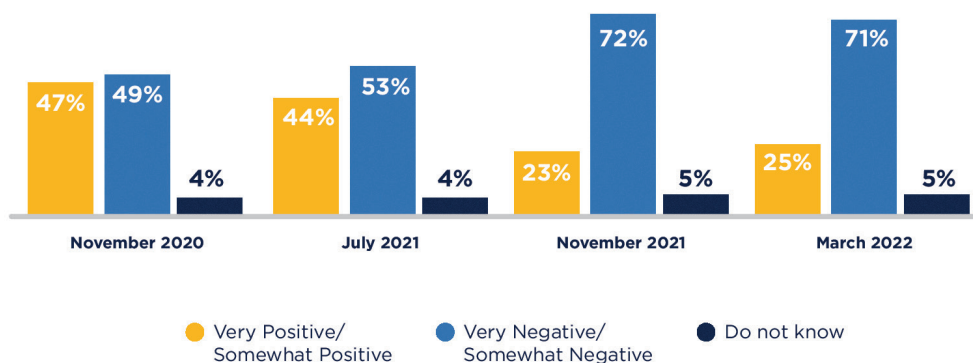
Accords Games at the Dubai Expo. Following the match, the Ministers of Culture from Israel, the UAE, Bahrain, and Morocco took part in a culinary festival in which famous chefs from all four countries prepared meals in their national styles. 2023 will likely feature major announcements of cooperation between Accords countries in the sports sector.

Numerous cultural events have taken place in the UAE featuring performances by Israeli artists, at times with Emirati counterparts. In February, the Ras Al Khaimah Fine Arts Festival opened, featuring Israeli works for the first time. In October, the United Arab Emirates and Israel performed together at the Festival of Lights in Berlin for the first time. In December, Israel's Philharmonic Orchestra performed in Abu Dhabi, the first time the orchestra performed in an Arab country since Egypt hosted it in Cairo in 1945. The concert, which opened with Israel's national anthem, was attended by Michal Herzog, wife of Israel's President Isaac Herzog, as a guest of honor. The UAE's Foreign Minister Abdullah

bin Zayed and Emirati Culture Minister Noura Al Kaabi also attended. In April, Israel's Kornit Fashion Week Tel Aviv 2022 featured an exhibition of 30 styles by Emirati designer Mona El Mansouri in honor of normalized relations between the United Arab Emirates and Israel. In 2023, *more Emirati artists, cultural figures, and cultural institutions should be encouraged to visit and perform in Israel.*

The Abraham Accords can be leveraged to enable collaboration that deepens cultural relations and understanding in the arts. One possibility could be *art exhibitions featuring the art of citizens of Accords nations* that depict common themes of peace, tolerance, and hope, which can be displayed in Accords nations, regionally and globally. Such exhibitions could increase support for normalization among existing Accords members, expand support among prospective members, and leverage supporting partners to employ art in communicating universal themes of peace, hope, and tolerance. Another possibility could be *competitions*

What is your view of the peace agreements between Israel and the UAE, Bahrain, Morocco, and Sudan?



Source: Washington Institute Arab Polling Project:
<https://public.tableau.com/app/profile/catherine.cleveland/viz/TheWashingtoninstituteArabPollingProject/StartingPage>

seeking the images generated by citizens of Accords nations (possibly expanding to other countries) which best embody the principles of peace, prosperity, hope, and tolerance. The images could be submitted online and on social media, posted for popular vote, with the winners being publicly featured on a monthly basis.

In the spring of 2022, 72% of Emiratis expressed a very negative or somewhat negative view of the Abraham Accords, compared to 49% in November 2020 following the signing of the Accords. Efforts to achieve and communicate the tangible benefits of normalization and economic integration can translate into an increase in popular support as it did in the fall of 2020 when the agreements were concluded. Increasing tourism and people-to-people connections would also help overcome misperceptions and misinformation.

Establishing a mechanism to coordinate and manage people-to-people connections between the two countries encompassing both public and private entities could make significant progress and overcome barriers. Such a mechanism could aid in the implementation of tailored program and supporting infrastructure to provide an opportunity for Emirati youths aged 18-25 to interact with Israeli counterparts. Participants

would gain a deeper understanding of each other's countries and cultures; potentially meet prominent political and business leaders; be exposed to a view of international relations that emphasizes peace, diversity, inclusion, and cooperation; and serve as ambassadors reflecting the value of interaction. The coordinating mechanism could also be employed to streamline collaboration on academic exchange programs for both students and faculty that change to provide an opportunity for next generation talent to study together in an academic environment, furthering cross-cultural dialogue and understanding. Such programs could involve each country nominating a group of undergraduate or graduate students annually to study at the flagship institutions of the other country, based on their demonstrated potential for leadership in the public or private sector.

In December, five top Emirati engineering students from UAE's Khalifa University, along with engineering students from Israel and Germany participated in the Bavaria Israel Partnership Accelerator, a program where the students come together to tackle challenges facing global companies and find innovative solution. Look for more positive collaborations like this in the coming year.

The accords' goal is to enable us to create a new Middle East that is strong, stable, prosperous, powerful and united and can become a player in the international arena.

Amir Hayek
Israeli Ambassador to the
United Arab Emirates



Israel's Ambassador to the UAE, Amir Hayek, is pictured with the first-ever passport issued to an Israeli baby born in a Gulf country. Photo Credit: Image Via Twitter



Bahrain

Abraham Accords Relationship Status: *Adequate*

Summary:

A great deal has been achieved in the past two years, and even greater opportunities for multilateral approaches are within reach in collaboration with the United States and partners in Europe and Asia seeking to leverage the historic agreements. The Israel-Bahrain relationship has progressed steadily on the security, diplomatic, and cultural fronts, while greater economic potential and people-to-people opportunities have yet to be realized.

Historic visits to Bahrain by then Prime Minister Naftali Bennet and Israeli President Isaac Herzog highlighted a year that saw diplomatic ties between Israel and Bahrain continue to strengthen. Overall, government-to-government cooperation has progressed well without major incident, and a number of intergovernmental agreements have already been signed.

The conclusion of a successful Free Trade agreement with Israel could secure progress in trade in goods, investment, regulation and standardization, customs, trade in services, government procurement, e-commerce, and the protection of intellectual property rights.

Tourism between Bahrain and Israel has increased since the signing of the Abraham Accords but has been limited in both directions. Israel and Bahrain have made significant progress towards strengthening people-to-people ties between their nations, and the ties are projected to increase in both quantity and volume in the coming year as a matter of priority for both nations. Bahrainis have been welcomed in Israel as Israelis have been in Bahrain. The fruits of these interactions and conclusion of the Free Trade agreement will doubtless reduce barriers to entry and accelerate progress in people-to-people exchange, establishing a strong foundation of trust and confidence likely to positively impact business-to-business ties and diplomatic efforts alike. It will be vital to demonstrate the benefits of the agreements to individual citizens, reinforcing the good will generated at normalization and encouraging others to join.

Diplomatic

2022 saw diplomatic ties between Israel and Bahrain continue to strengthen. Overall, government-to-government cooperation has progressed well without major incident. A number of intergovernmental agreements have been signed and progress is being made on an Israel-Bahrain trade agreement.

In February 2022, Israel's then Prime Minister Naftali Bennett became the first Israeli Prime Minister to visit Bahrain. During the visit, Bennett met with King Hamad bin Isa Al Khalifa as well as with Bahrain's Crown Prince and Prime Minister Salman bin Hamad Al Khalifa. Also in February, Israeli Defense Minister Benny Gantz became the first Israeli Defense Minister to officially visit Bahrain. While in Bahrain, Gantz met with senior officials including King Hamad bin Isa Al Khalifa and signed a historic security cooperation agreement. In December, Israeli President Isaac Herzog became the first Israeli head of state to make an official visit to Bahrain. In addition to political leaders, two Israeli citizens met with the Bahraini King in April, after being personally invited by His Majesty to Bahrain. In the other direction, Bahrain's Minister of Municipalities Affairs & Agriculture made his first visit to Israel in October as part of the Agrisrael Sea the Future Summit. However, to date the King and the Prime Minister of Bahrain have yet to visit Israel.

On the sidelines of the Negev Summit, Bahrain's Minister of Foreign Affairs, Dr. Abdullatif bin Rashid Al-Zayani, and the Israeli Foreign Minister, Yair Lapid, signed the "Joint Warm Peace Strategy," a collaboration agreement focusing on areas as diverse as innovation, food and water security, healthcare, trade and investment, and education.

The strong diplomatic ties between the countries have demonstrated that they are unlikely to be impacted by changes in Israel's government. In July, Bahrain's Crown Prince and Prime Minister congratulated Prime Minister Yair Lapid on assuming the role of prime minister during a phone call. After the November elections in Israel, Israel's Prime Minister Benjamin Netanyahu spoke with Bahrain's Crown Prince and Prime Minister over the phone, during which the Crown Prince expressed Bahrain's desire to broaden and deepen the relations between the countries and "bring the collaboration to new heights." Additionally, shortly after the Israeli election, a top advisor to the King of Bahrain reaffirmed that the Abraham Accords bind the nations together and transcend partisan politics. Finally, in December, Bahrain's Foreign Minister Abdul Latif Al Zayani said that Manama was "truly looking forward" to working with Israeli Prime Minister-designate Benjamin Netanyahu and his prospective government and that Manama was seeking "to continue working on the successful achievements" with Israel.



Israeli Prime Minister Naftali Bennett speaks with Bahrain's Foreign Minister Abdullatif Al-Zayani after arriving at Manama International Airport in Manama, Bahrain, February 14, 2022.
Photo Credit: Haim Zach/Government Press Office (GPO)/via REUTERS



Israel's President Isaac Herzog welcomed in Manama by Bahrain's King Hamad bin Isa Al Khalifa, Dec. 4, 2022.
Photo Credit: Amos Ben-Gershon/Government Press Office

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We have an agreement with Israel, part of the Abraham Accords, and we will stick to our agreement and we expect it to continue in the same line and continue building our partnership together.

Sheikh Mohamed bin Zayed Al Nahyan
President of the United Arab Emirates

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Ties between Israel and Bahrain have particularly deepened on the security front. While in Bahrain, Defense Minister Gantz signed an agreement that formalized the security relationship in a manner that his office stated would “help advance intelligence cooperation, a framework for exercises, and cooperation between the countries’ defense industries.” One result of Gantz’s visit to Bahrain was an agreement that an Israeli Navy officer will be permanently stationed in Bahrain, representing the first time an IDF officer has been stationed in an Arab state. In March, the Israel Defense Force chief of staff traveled to Bahrain, the first time this has ever occurred, where he met with senior Bahraini officials including the head of the Bahraini Defense Force. In November, a high-ranking Israeli Air Force commander visited the Kingdom of Bahrain to take part in a conference of international air force commanders.

Both countries are advancing in the process of establishing permanent homes for their embassies, with Israel’s Ambassador to Bahrain signing the contract for the construction of Israel’s new permanent embassy in Manama in October. The process is also making progress in Israel, where Bahrain’s Ambassador Khaled Al Jalahma received the Ambassador of the Year award as well as the Diplomat of the Year award from the Ambassadors Club of Israel in September.

Bahrain has also participated fully in many Accords-related diplomatic events and initiatives. In June, Bahrain hosted the follow-up meeting that built on the Negev Summit in March. The previous month, the Israeli Embassy in Manama hosted a reception celebrating Israel’s 74th Independence Day that was attended by hundreds of Bahraini government officials, business leaders and guests. The event marked the first time that Israel has held a Yom Haatzmaut event in a GCC country. In September, Bahrain’s Minister of Foreign Affairs participated in a ceremony held by the Embassy of the United States of America in the Kingdom of Bahrain on the occasion of the 2nd anniversary of the Abraham Accords.

In order to continue to improve ties moving forward, more senior ministers and officials on both sides could be encouraged to make official visits, as an increased number of visits would likely lead to more government-to-government cooperation in diverse fields. Additionally, mechanisms should be put in place to accelerate the process of Bahrainis obtaining visas to Israel, without compromising on security or health requirements for either nation.



We welcome you, Excellency, Mr. President, and your accompanying delegation during your visit to the Kingdom of Bahrain, and we are confident that this visit has an important role in consolidating relations between our two countries, and supporting our common aspirations in terms of consolidating peace and sustainable development in the region and the world

King of Bahrain Hamad bin Isa bin Salman Al Khalifa greets Israel’s President Isaac Herzog during his historic visit to Bahrain

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We’re very hopeful and we’re very optimistic that in the days, months, and years to come, we will establish stronger relations, leading to peace. Not only in the immediate region but also creating a ripple effect for the other parts of the world as well.

Sheikh Abdullah bin Rashid bin Abdullah al Khalifa,
Bahrain’s Ambassador to the United States

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Trade between Israel and Bahrain has totaled about \$19.2 million since the signing of the Abraham Accords.¹

This relatively slow progress is expected given the size of the two nations' economies, the years of disconnect between Bahrain and Israel, and differences in the two countries' legal, political, and economic systems. As Bahrainis and Israelis become more familiar with each other, and with the differences between their markets and business cultures, the pace of trade will likely pick up. Bahrain, a major producer of aluminum, has already begun exporting aluminum to Israel in growing quantities. Bahrain also has a highly developed digital economy, strong intellectual property protection, an established track record as a regional financial hub, and investor-friendly legislation and tax policies, creating significant potential for financial and fintech cooperation with Israel. Finally, Bahrain's extensive economic relationship with Saudi Arabia can potentially serve as a gateway to the largest market in the region.

In November, Israel's Ministry of Economy and Industry announced that Israel and Bahrain have successfully completed the first round of talks on a Free Trade agreement. The completion of a Free Trade agreement is likely to contribute to a significant increase in trade, as would identifying ways to leverage the fact that both Israel and Bahrain have Free Trade agreements with the United States.

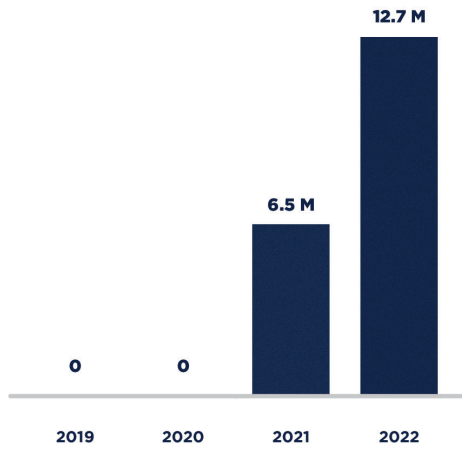
The number of deals and business partnerships has gradually increased in 2022, as has the number of Israeli businesspeople visiting Bahrain. In February, Bahrain and Israel signed an agreement in the field of high-tech and science, and in October, the agriculture ministers of Israel and Bahrain signed a first-of-its-kind agreement to boost bilateral cooperation in agriculture, livestock, and food security. In March, Israel and Bahrain signed a cooperation agreement in the health and medical sector; in May Israel's KSM (Kahn-Sagol-Maccabi) and the government hospitals of Bahrain signed a medical research agreement; and in September Israel's Sheba Medical Center announced its first-ever medical innovation agreement with Bahrain's King Hamad American Mission Hospital (AMH) in Manama. Additional



*A group from Start-Up Nation Central and Bahrain's Economic Development Board at Bahrain's Embassy in Israel.
Photo Credit: Start-Up Nation Central*

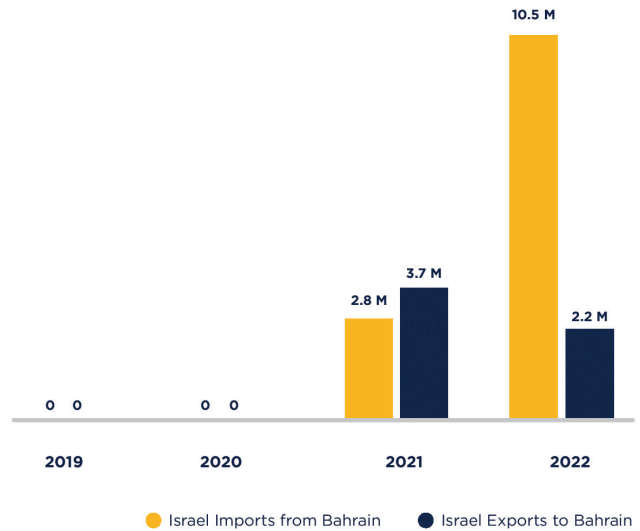
¹ Israel Central Bureau of Statistics (https://www.cbs.gov.il/he/mediarelease/doclib/2023/029/16_23_029t1.pdf)

Total Israel-Bahrain Trade 2019-2022 (\$)



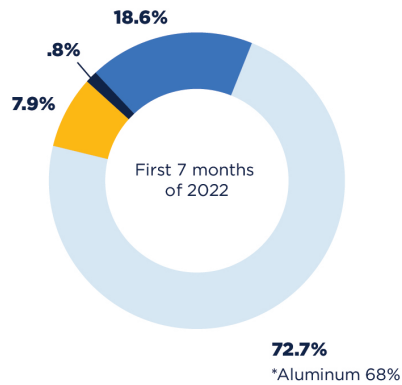
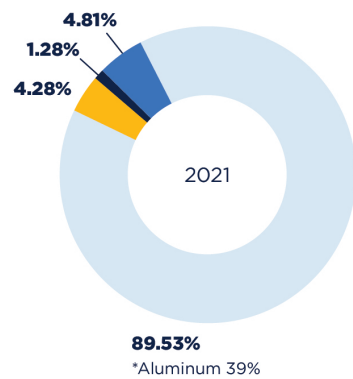
Source: Israel Central Bureau of Statistics

Israel-Bahrain Import/Export Balance 2019-2022 (\$)



Source: Israel Central Bureau of Statistics

Israel-Bahrain Trade Composition 2021-2022



- Mineral Products, Chemical Products, Plastics, Wood, Leather, etc.
- Stone, Cement, Pearls, Jewelry, Base Metals, etc.

- Machinery, Mechanical Appliances, Electrical Equipment, Vehicles, Medical Equipment, Arms, etc.
- Miscellaneous

*See Appendix for full outline of trade categories
Source: UN COMTRADE

notable deals include Bahrain Institute for Pearls and Gemstones (DANAT) and Israel's Malca-Amit signing a memorandum of understanding to cooperate in the fields of transporting and storing luxury goods; Bahrain's Al Waha Fund investing in Israel's digital health fund LionBird; and a cooperation agreement to develop joint initiatives in the fintech industry between the Israel Advanced Technology Industries (IATI), an umbrella organization of high-tech and life sciences firms, and Manama-based Bahrain FinTech Bay. Finally, Israeli companies exhibited their products in the first-ever Israel pavilion at the Bahrain International Air Show in November.

Trade relations between the nations are more likely to reach their full potential with *an overland route* between the countries, expanding the ability to send goods such as Bahraini aluminum to Israel. This in turn would require *improved efficiency at the Israel-Jordan border crossings* as well as Saudi permission for the passage of goods destined for, or originating from, Israel.

The amount of bilateral investment has remained relatively small since the signing of the Accords. *Anecdotal reports of difficulties for some businesspeople in obtaining visas to Israel and of challenges in transferring funds between the countries should be reviewed.*

Attempts to create incentives by Israel for investors from Abraham Accords countries anchored in legislation or government regulations have encountered challenges which may require concerted effort to address and overcome. Additionally, institutions responsible for Bahraini capital investment will require time to become more familiar with the Israeli ecosystem before significant progress can be expected.

On the Israeli side, additional attention to the investment opportunities in Bahrain would yield both insights and opportunities for mutual benefit. Increased interaction would likely enable growth in the number of investments and business transactions.

Public and private programs that increase exposure between potential partners in the two countries are critical to expanding economic activity. Some have already occurred. In late October, a Bahraini

business delegation to Israel, including 52 Bahraini economic and business leaders, organized by the Bahrain Economic Development Board and led by H.E. Minister of Industry and Commerce Zayed R. Alzayani, took part in a seminar in Tel Aviv on "Business Opportunities in Bahrain," with the participation of Israeli business leaders, investors, and entrepreneurs. An agreement between Israel and Bahrain's Export Institutes was also signed. During the visit, Minister Alzayani met with Israel's President Issac Herzog, Finance Minister Avigdor Liberman, and Economy and Industry Minister Orna Barbivay. This delegation is likely to help jumpstart economic relations. An increase in the number of weekly flights between the countries would also provide additional opportunities for business and tourism and may be required to produce the market demand typically required to generate new flights.

In line with its Economic Vision 2030 launched in 2008, Bahrain is rapidly developing its start-up ecosystem through investment, incentives, and the creation of a highly favorable business environment. Bahrain is advancing its vision of developing a thriving tech ecosystem through initiatives such as StartUp Bahrain, Tamkeen, and Bahrain Fintech Bay, and according to the 2020 Global Startup Ecosystem Report (GSER), Bahrain was ranked among the world's top five fastest growing start-up ecosystems in the "Activation" phase (defined as locations with fewer than 1,000 active start-ups). *Increasing awareness among the Israeli business and investor community of the opportunities in Bahrain and of its financial and legal climate* will also create opportunities for economic relations to deepen. In August, a joint event was hosted by the Embassy of the Kingdom of Bahrain in Israel, Bahrain's Economic Development Board, and Start-Up Nation Central, where fifteen Israeli startups were introduced to significant business opportunities in Bahrain.

Finally, the Abraham Accords members can address food and water security issues at the convergence of their interests and demonstrate the enormous potential of collective action through joint commercial agricultural ventures. Such ventures can provide measurable benefit to all Accords members who could partner to invest in the necessary fertilizer, irrigation, and transportation infrastructure required to alleviate the shared interest in improving food and water security.



Photo Credit: Charles-Adrien Fournier on Unsplash

Tourism

While tourism between Bahrain and Israel has increased since the signing of the Abraham Accords, it has significant room to grow. According to Israel's Central Bureau of Statistics, approximately 400 Bahrainis visited Israel in 2022, and 2,700 Israelis visited Bahrain. While this represents incremental increase and is a positive development, a deeper review of existing impediments would be a useful tool to guide decisions which would increase tourism.

In terms of tourism's contribution to GDP, the Bahraini tourism industry represented 8.2% of total GDP in 2021, reflecting the growing importance of the sector to the economy. In terms of tourism's contribution to total employment, the sector accounts for one in almost every eight jobs in the Kingdom. Accounting for 82,000 jobs as of 2021 compared to 95,400 in 2019, the sector's contribution to employment has decreased marginally owing to the lockdowns imposed due to the COVID-19 pandemic.

According to the UNWTO, Bahrain welcomed just over 11 million inbound arrivals in 2019. However, 7.2 million of these were same day visits without any overnight stay; 87.8% of these visits used the convenient access provided by the King Fahd Causeway linking Bahrain to Saudi Arabia, while 11.0% of the inbound arrivals came by air and 1.2% arrived by sea. Regarding the purpose of travel, some 8.0% of the visits were recorded as serving business or professional needs while the vast majority (82%) were for leisure and other personal reasons. Due to its favorable laws, Bahrain receives a majority of its international tourism from the neighboring GCC states. Even with a strong banking and financial sector, tourism to Bahrain is heavily leisure driven.

Prior to the signing of the Accords, tourism relations between Israel and Bahrain were virtually non-existent.

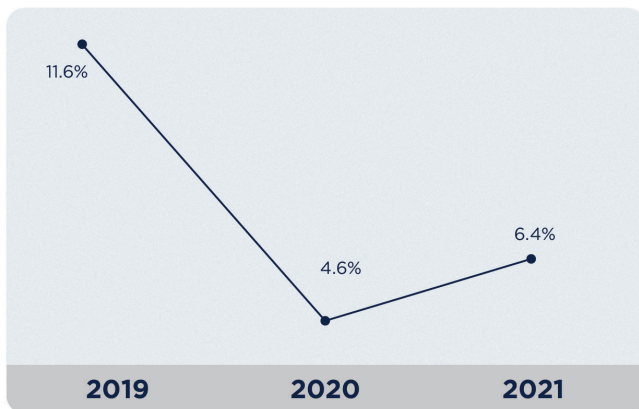
While the lack of robust historical and cultural connections that would foster tourism remains an obstacle, tourism has begun to slowly increase in both directions. According to Israel's Central Bureau of Statistics, approximately 400 Bahrainis visited Israel in 2022, up from 0 in previous years. In the other direction, approximately 2,700 Israelis visited Bahrain in 2022, up from 0 in 2019 and 114 in 2020.²

The limited number of inexpensive flights may constrain tourism. Gulf Air has stated its intention to expand its flight service to Israel in 2023 from three weekly flights to five. *Increasing the number of weekly flights and adding an Israeli airline to the current list of providers would be helpful.* Given that high demand exists because Israelis use Manama as a connection point for flights to the East, this should be achievable in coming years. Expansion and development of connections and travel alternatives are important to sustain tourism to and from all Accords countries including Bahrain.

The lack of an operating visa exemption agreement is a constraint to increased business and tourism between the countries. Israel could consider *pre-approving a large number of Bahraini businesspeople*, while also *adding additional resources and manpower dedicated to the visa approval process*. Like Morocco, Bahrain would benefit from a reciprocal e-visa program. Additionally, Bahrain could explore the possibility of *signing reciprocal visa exemption or favorable visa schemes (eVisa, visa on arrival, etc.) with all nations of the Accords*. Bahrain could replicate the GCC visa regulation that allows for free travel between the GCC nations and scale it to Accords and other nations as well.

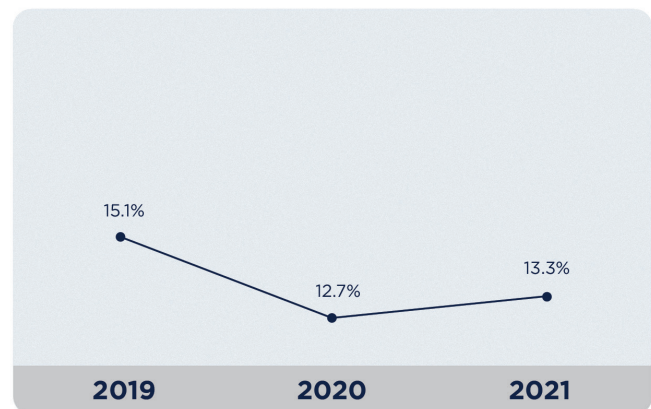
Increasing awareness among the Israeli public about Bahrain as a tourism destination would also encourage additional tourism. From beaches and conference spaces

Tourism's Share of Total Bahrain GDP (%)



Source: WTTC

Tourism's Share of Total Bahrain Employment (%)



Source: WTTC

² Source for 2020 data for Israelis visiting Bahrain: Bahrain Tourism Ministry

to natural scenic beauty and premier sporting events, Bahrain has a lot to offer as a tourist destination; however, the lack of awareness of the destination in Israel is a key barrier to achieving more. While the industry is seeing significant investment targeted at development of tourism infrastructure, creating awareness in the new market is a key to success in capturing a larger share of visitors from Israel. To raise awareness, *targeted marketing campaigns and regional promotions* could be curated and distributed through relevant partner organizations. *Digital marketing campaigns* could prove effective in both increasing the reach and leads for Bahrain. Furthermore, *organization of familiarization trips for major tour operators and travel agents, as well as social media influencers, can be encouraged*. Once these stakeholders, responsible for distribution of the product, become better versed with the destination, they can create awareness for their clients, promote the destination, and finally sell the product more effectively. Finally, awareness should be followed by creation of package itineraries developed by the tour operators to assist in conversion of sale.

As with the Emirates, *coordinated marketing campaigns* showcasing that Israel is a safe place to travel and that it offers unique travel experiences could improve awareness and increase tourism. *Investment in improved tourism infrastructure* such as luxury hotels would also likely incentivize more Bahraini tourists to visit Israel. And *streamlining the airport experience of the Bahraini visitor while balancing security and health concerns* is necessary to stimulate tourism over the coming years.

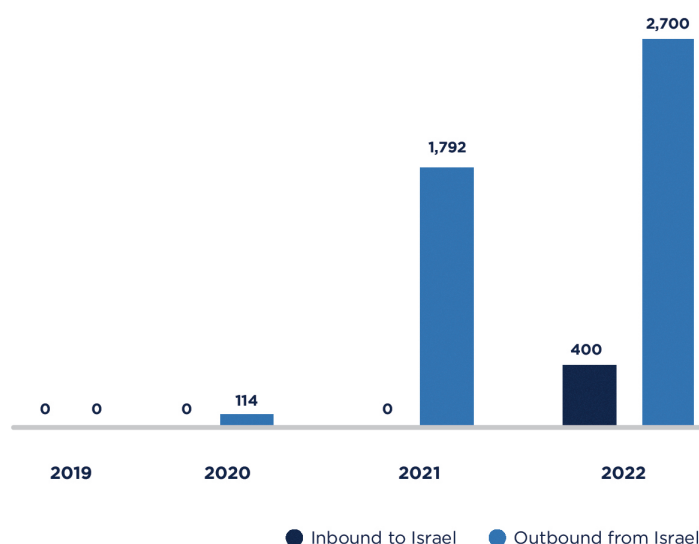
Both countries could work with other Accords members to coordinate on marketing to attract both intraregional and international travelers. Multilateral cooperation between Accords countries on tourism, either through a regional tourism council, the Negev Forum, or some other mechanism, can help Bahrain

achieve its tourism goals by advancing a number of initiatives. With a tourism industry highly dependent on a handful of markets (Saudi Arabia and India constituted 57% of visits as of 2019), the need for source market diversification is extremely critical. Higher coordination and cooperation provided by the Abraham Accords could pave the way for the much-needed market diversification for Bahrain. By making travel regulations favorable for the Accords nations, travel from these countries into Bahrain could be scaled.

Furthermore, with competitive destinations like Saudi Arabia investing hugely in tourism infrastructure and developing large-scale resorts, a key competitive advantage for Bahrain could be targeting the travelers from non-Israeli Accords member nations through facilitation of free travel. A united effort on promoting peace through tourism could aid all member nations, helping them achieve their respective economic goals. With the investment cycle improving, market development today could greatly help occupancy rates when new supply enters the Bahraini market. Furthermore, additional opportunities in the form of student and youth exchange programs, events and conferences, and knowledge and business trade can also positively impact inbound tourism for Bahrain.

Other ideas include the *creation of an online business-to-business platform for travel agents and tour operators of all nations to build relations with the Bahraini industry and effectively distribute tourist itineraries*, and the creation and promotion of an online bulletin board with all updated information about international business events. These platforms can be promoted in the Accords nations to generate international participation. This can be overarched by the *formation of a regional tourism council*, a participative organization bringing together tourism ministries of each of the nations to improve strategic focus and collaboration.

Total Tourists Between Israel and Bahrain 2019-2022



Source: Sources: Israel Central Bureau of Statistics, Bahrain Tourism Ministry

People-to-People

Israel and Bahrain have made significant progress towards strengthening people-to-people ties between their nations and are projected to increase ties in both quantity and volume in the coming year as a matter of priority for both nations. Bahrainis have been welcomed in Israel as Israelis have been in Bahrain. The fruits of these interactions and conclusion of the Free Trade agreement will doubtless reduce barriers to entry and accelerate progress in people-to-people exchange, establishing a strong foundation of trust and confidence likely to positively impact business-to-business ties and diplomatic efforts alike. It will be vital to demonstrate the benefits of the agreements to individual citizens, reinforcing the good will generated at normalization and encouraging others to join.

The Accords have led to positive developments in the area of religious coexistence. In January, the Association of Gulf Jewish Communities launched a fundraising campaign to restore a 100-year-old Jewish cemetery in Bahrain. The University of Haifa and the Bahrain-based King Hamad Global Centre for Peaceful Coexistence signed a Memorandum of Understanding in April to promote coexistence between Jews and Arabs in the Middle East. Additionally, Jewish holidays such as Passover and Yom Kippur were openly commemorated this year, and the Bahraini Jewish community has held a number of public events in which non-Jewish Bahrainis participated.

Israelis have experienced a warm welcome in Bahrain. There have been a small number of youth delegations, meet-ups, hackathons, and dialogues between citizens of the two countries. Notable examples include a Sharaka-led delegation to Bahrain, where it met with partners and government officials to explore opportunities for deepening people-to-people connections, and an event in Berlin hosted by the German Foreign Ministry where 24 representatives from Bahrain, Israel, and Germany were invited for a week of exchange meant to encourage dialogue. In December, a group of 20 Israeli teens participating in a PICO KIDS Ambassadors program departed for Bahrain as part of the first-ever youth delegation to promote partnerships between the two countries.

The Bahrainis that have come to Israel have been warmly welcomed as well, though the number has remained relatively small. This lack of interactions could account for the decline in support for normalization with Israel since the agreements were first signed in September 2020. It is logical that expanded contact could assuage concerns and improve popular support.

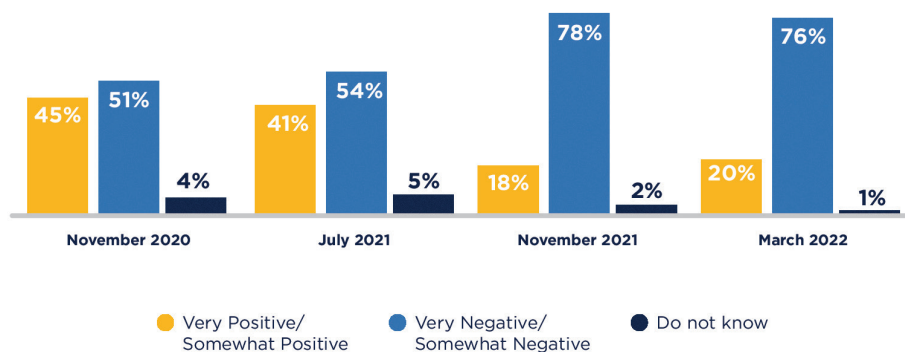
In the spring of 2022, 76% of Bahrainis expressed a very negative or somewhat negative view of the Abraham Accords, compared to 51% in November 2020 following the signing of the Accords. As with the Emirates, this could result from a perception among citizens that the Accords have not yet demonstrated the tangible benefits that were initially hoped for after their signing. A more *comprehensive effort to measure popular support over time for normalization or deepening of ties with Israel among Bahrainis* is needed in order to guide and inform efforts to improve popular support for normalization.

However, a part of the explanation for the decline in popular support for the Accords within Bahrain is likely due to the relative lack of people-to-people connections being forged, compared to what would be needed to sustain a “warm peace” that extends beyond government officials and business executives.

The development of a *coordination mechanism for people-to-people contact* could enable an expansion of activity, positive sentiment, and contribute greatly to the “warm peace” sought by signatories. This mechanism could be jointly coordinated among public and private entities reflecting the requirements of both nations and progress incrementally building on an increasingly sound foundation. Such a mechanism could aid in the implementation of *tailored programs and supporting infrastructure to provide an opportunity for Bahraini youths to interact with Israeli counterparts*, deepening mutual understanding and an emphasis on peace, diversity, inclusion, and cooperation among the next generation.

Another area where there is room for the forging of deeper ties is education. To date there have been no student

What is your view of the peace agreements between Israel and the UAE, Bahrain, Morocco, and Sudan?



Source: Washington Institute Arab Polling Project: <https://public.tableau.com/app/profile/catherine.cleveland/viz/TheWashingtonInstituteArabPollingProject/StartingPage>



exchanges between Israel and Bahrain. There is a lack of awareness on both sides of the opportunities and benefits of studying in the other country. Delegations have gradually begun to address these challenges. In June, an Israeli academic delegation with representatives from Israeli universities visited Manama and met with Bahrain's Minister of Education and with the Head of Bahrain's Council for Higher Education. In August, a delegation of Israeli universities visited Bahrain, where they met with a number of high-level officials from Bahrain's higher education system to discuss opportunities for research collaborations and exchange programs. *Collaboration on academic exchange programs for both students and faculty that provide an opportunity Israelis and Bahrainis to study together in an academic environment, furthering cross-cultural dialogue and understanding, should be considered.* Such programs could involve each country nominating a group of undergraduate or graduate students annually to study at the flagship institutions of the other country, based on their demonstrated potential for leadership in the public or private sector.

A greater number of events and platforms aimed at ensuring that both sides understand the benefits, opportunities, and requirements for studying in the other country are needed. Additionally, a mechanism for granting official Bahraini government approval to Bahraini students who want to study in Israel should be created. The process of securing mutual recognition of academic credits should also be accelerated, and efforts should be made to ensure that as high a number of Israeli universities and academic departments as possible qualify for Bahraini Education Ministry scholarship programs.

In 2023, both Israel and Bahrain should extend invitations to artists, cultural figures, and cultural institutions from the other country to visit and perform in their country. The gradual accumulation of connections made through participation in events of this sort is critical for the ties between nations to penetrate to every corner of society. As with other Accords countries, the Accords can be leveraged to enable collaboration that deepens cultural relations and understanding in the arts through *art exhibitions and competitions* seeking the images that best embody the principles of peace, prosperity, hope, and tolerance.

*A group of 20 Israeli teens departs for Bahrain to promote partnerships between the two countries.
Photo Credit: PICO Kids*



Two years on and the vision behind the 'Abraham accords' is clear: To contribute to a *realistic peace* through developing relations in all spheres with the willing Arab countries, to such an extent that others in the region—the Palestinians included, will ask "Well why not us too?"

Developing relations with Arab countries had made it clear that Israel has become a source of stability in the Middle East. An anchor of security whilst developing trade, and economic relationships based on each country's advantages whilst developing direct channels of communications with the Arab societies and the Arab youth.

The new channels of direct communications with the Arab leadership makes it easier to understand each other. Jerusalem and other Arab capitals may not always agree with each other *BUT they do listen to each other.*

Young Arabs and Israelis who are coming back from their first visit to at each other's countries, find a warm welcome, people like them with dreams, ambitions, leading normal lives. They are surprised to see a more complex picture than what media often portray.

A mosaic of people, food, traditions—not always that different. Curiosity replaces animosity, ignorance concerns and even fears, new friendship are created, new business links and markets, investments opportunities are discovered.

Eitan Na'eh,
Israeli Ambassador to Bahrain



Morocco

Abraham Accords Relationship Status: *Adequate*

Summary:

The resumption of diplomatic ties between Israel and Morocco has special significance to both countries. The ties are paradigm-shaping and have since resulted in revived economic and cultural relations as well as strengthened bond between Morocco and the Moroccan Jewish community in Israel.

There have been notable positive diplomatic and security developments between Morocco and Israel in 2022, and there remains significant potential to accelerate and expand them. Trade between Israel and Morocco has grown significantly in 2022, although the unrealized potential in multiple sectors such as energy, agriculture, and manufacturing remains great. While tourism between Morocco and Israel has increased since the signing of the Abraham Accords, the deep historical, cultural, and personal relations between the countries imply that it has significant room to grow. Unlike other countries with which Israel has normalized relations, Morocco's ties to the Land of Israel are rooted in centuries of history. Indeed, in July, Moroccan King HM Mohammed VI officially recognized the country's Jewish community as a component of national culture. This history of relations has led to significant progress in the deepening of cultural ties between Israel and Morocco, with numerous notable cultural, youth, academic, and people-to-people events and exchanges occurring in 2022.

Diplomatic

There have been notable positive diplomatic and security developments between Morocco and Israel in 2022, and there remains significant potential to accelerate and expand progress across domains while addressing one of Morocco's vital national interests. Israeli recognition of Morocco's autonomy plan as the only practical path toward resolution of the Western Sahara question or optimally recognition of Morocco's sovereignty over the Southern Provinces would demonstrate the commitment required to increase both the scope and scale of bilateral relations.

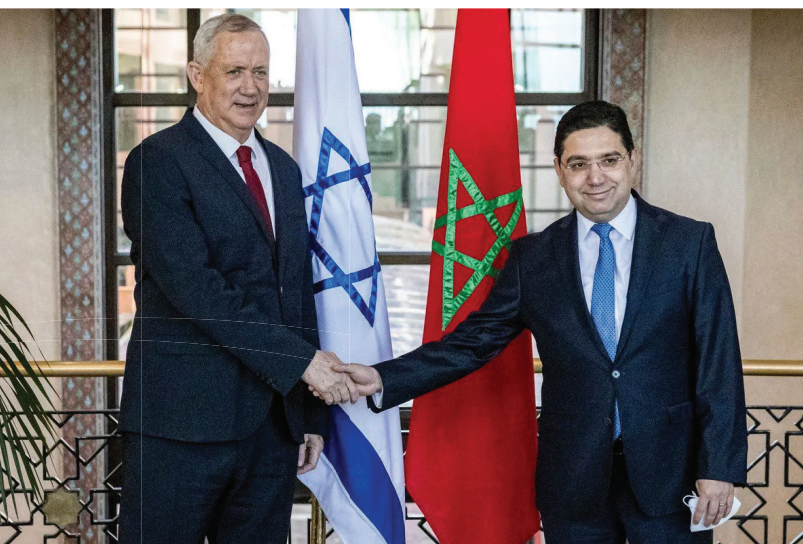
2022 saw numerous historic visits by Israeli government officials to Morocco. Israel's Interior Minister, IDF Chief of Staff, Justice Minister, Regional Cooperation Minister, and Police Commissioner all visited Morocco, following visits by Israel's Foreign Minister and Defense Minister in 2021. However, Moroccan King Mohammed VI and Israeli President Isaac Herzog have yet to meet. Morocco's Foreign Minister Nasser Bourita, who was instrumental in the signing of the Accords, visited Israel for the Negev Ministerial, becoming the first ever a Moroccan minister to officially visit Israel. However, there have not been many additional high-level visits by Moroccans to Israel due to Israel's position on Western Sahara. Israel recognizing Morocco's sovereignty over Western Sahara would be a significant step for the relationship and could pave the way for deepened diplomatic relations and reciprocal high-level visits. Israeli recognition of Moroccan sovereignty over Western Sahara would also likely lead to Morocco playing a more active role in convincing additional African countries to join the Accords.

The strength of ties is also constrained without embassies in each country. While Israel's Head of Mission to Morocco signed a contract for the construction of a permanent Israeli embassy in Morocco in August, he was subsequently removed amidst controversy. Both Israel and Morocco could

upgrade their liaison offices to full embassies to achieve the full potential of their historic ties.

One area that has seen the relation deepen is security. In July, Israel's Defense Ministry announced that three Israeli military personnel publicly participated in a drill in Morocco, the first time that Israeli military observers participated in a drill in Morocco. The exercise followed a Moroccan counter-terrorism unit's participation in a multinational drill in Israel the previous week. In August, Israel's police commissioner Kobi Shabtai visited Morocco and met with senior police and security officials, including the head of Morocco's intelligence services, Abdellatif Hammouchi. During the visit, several agreements were concluded, establishing cooperation in areas such as countering crime and terrorism, information sharing, and extradition of Israeli criminals. In September, Israeli Army Chief of Staff Aviv Kochavi, who had visited Morocco in July, led an honor guard in Tel Aviv welcoming the Inspector General of Morocco's Royal Armed Forces upon his arrival for an international military conference. It marked the first time that the head of the military of an Arab country conducted a public visit to Israel.

Additional positive diplomatic developments include an agreement between Israel and Morocco regarding the exemption of visas for holders of diplomatic and official passports, Morocco's Jewish Community's public celebration of Israel Independence Day for the first time in decades, and a November meeting between Israel's President Isaac Herzog and Prince Moulay Rachid of Morocco while attending COP27. Finally, in October Israel and Morocco's ambassadors to the UN were appointed by the president of the UN General Assembly to lead a decision on preventing and handling the next epidemic. This was the first time ever that Israel was appointed to lead an assembly resolution on behalf of the UN.



Morocco's Foreign Minister Nasser Bourita (R) shakes hands with Israel's then Defense Minister Benny Gantz (L) in the capital Rabat on 24 November 2021
Photo Credit: FADEL SENNA/AFP/Getty Images



Israel's then Foreign Minister Yair Lapid shakes hands with his counterpart Morocco Foreign Minister Nasser Bourita, as he hosts the Negev Summit attended by U.S. Secretary of State Antony Blinken, and the Foreign Ministers of the UAE, Bahrain, Morocco and Egypt in Sde Boker, Israel, March 27, 2022.
Photo credit: REUTERS/Amir Cohen

Trade between Israel and Morocco has grown significantly in 2022, although the unrealized potential in multiple sectors such as energy, agriculture, and manufacturing remains great.

Trade between Israel and Morocco reached \$55.7 Million in 2022, constituting a 32% increase in trade from 2021.¹

In February, Israel's Minister of Economy Orna Barbivai visited Morocco and along with Moroccan Trade Minister Ryad Mezzour signed a trade agreement between the two countries intended to broaden cooperation and facilitate investment. In September, Mrs. Barbivai announced that Israel plans to open a trade mission in Morocco in 2023. With a business-friendly environment and political stability, Morocco's strategic location offers Israel a gateway to both Europe and Africa, and its free trade agreement with the UAE has led to exploration of a potential trilateral trade agreement and can be leveraged as part of an eventual "Abraham Accords" Free Trade Area.

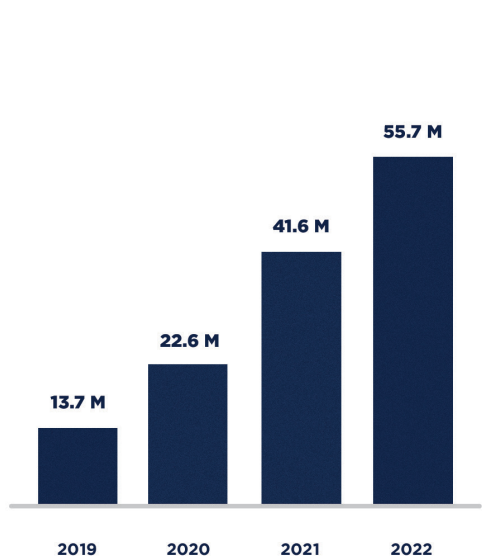
In a recognition of the wide array of areas of possible collaboration, Israeli Innovation, Science, and Technology Minister Orit Farkash-Hacohen and Moroccan Minister of Higher Education, Scientific Research, and Innovation Abdellatif Miraoui signed the first government-to-government agreement of its kind between the two countries in May. The agreement will lead to collaboration on artificial intelligence (AI), water desalination, desert technologies, food processing technologies, biotechnology, renewable energy, medical technologies and the pharmaceutical industry, smart cities, the automotive industry, information technology, space, and humanities and the social sciences.

One area that has been prioritized in 2022 is energy. In February, a major Israeli energy company NewMed Energy announced its plans to conduct exploration activities in Morocco. And in December, NewMed with its Gibraltar-based partner Adarco Energy announced that they had reached an oil and gas exploration agreement with the Moroccan government. NewMed Energy and Adarco will each own a 37.5% stake in the enterprise, with Morocco owning the remaining 25%. The exploration will occur off of Morocco's Atlantic coast.



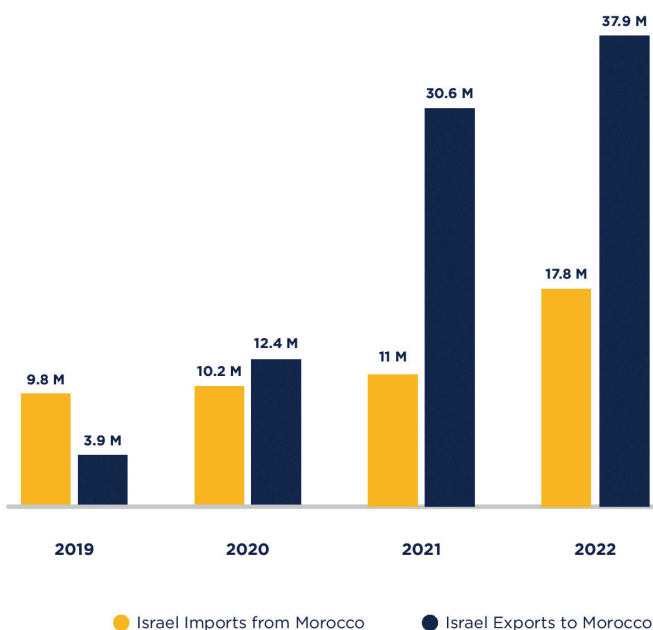
The inaugural "Connect to Innovate" conference organized by Start-Up Nation Central (SNC) and co-organized by Moroccan company CPR was held in Casablanca, Morocco.

Total Israel-Morocco Trade 2019-2022 (\$)



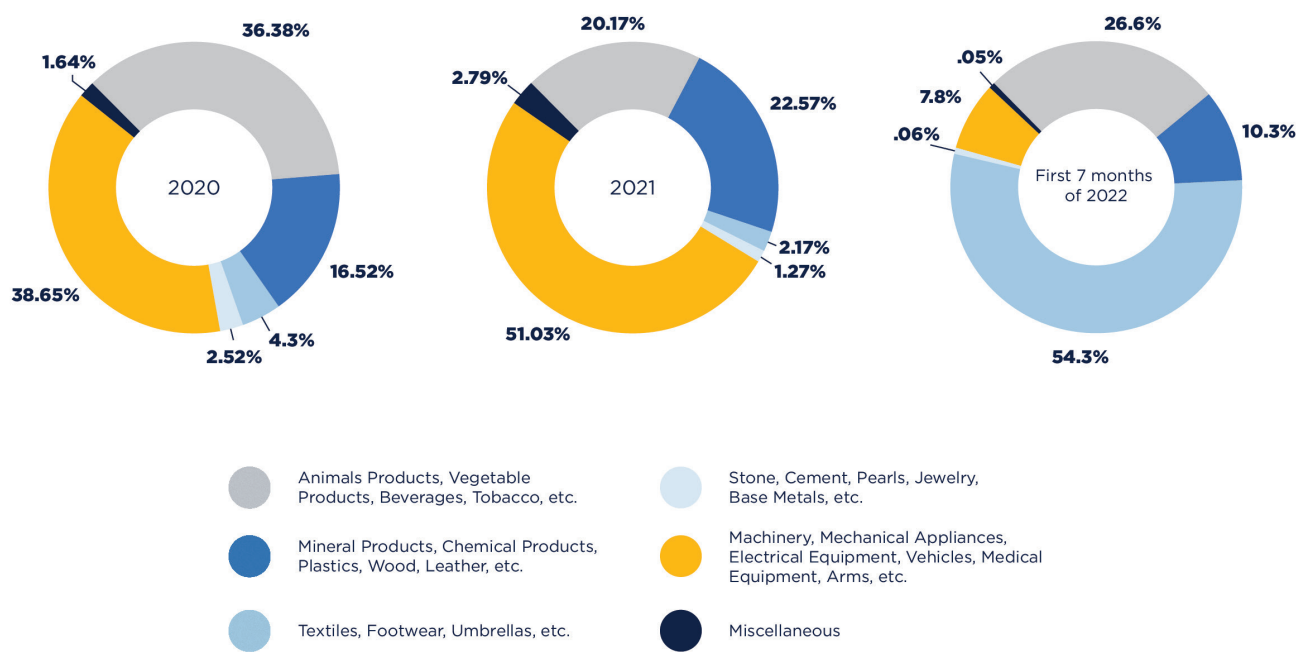
Source: Israel Central Bureau of Statistics

Israel-Morocco Import/Export Balance 2019-2022 (\$)



Source: Israel Central Bureau of Statistics

Israel-Morocco Trade Composition 2020-2022



*See Appendix for full outline of trade categories
Source: UN COMTRADE



AAPI's President and Executive Director, Robert Greenway, met with HE Nadia Fettah Alaoui, Morocco's Minister of Economy and Finance, and her team to discuss opportunities to leverage the resources of the Abraham Accords and solve shared challenges.

“

Morocco and Israel, two of the most prosperous and dynamic economies in their regions, today share a clear and strong strategic vision to increase the volume of trade and investment, to improve our mutual approach to the markets, and to lead towards shared social and economic growth. Following the signing of the Abraham Accords in December 2020, the bilateral partnership has led to unprecedented developments in sectors of mutual interest, such as tourism, health, agriculture, water, industry, education, and technology, and the goal is to increase trade to 500 million dollars.

Mr. Chakib ALJ,
President of the General Council
of Moroccan Factories (CGEM)

”

Morocco has also invested heavily in solar energy projects, setting a goal of producing 52% of its electricity through renewable energy by 2030, and is thus poised to have a central role in the global energy transition. With the improvement of solar and green hydrogen technologies, Morocco's power cable link to Europe promises to make it a reliable source for Europe's renewable energy needs. There is immense opportunity for cooperation with Israel in this area, and 2022 saw some significant deals get signed. In September, the Israel National Energy Research Consortium (INERC) and Mohammed VI Polytechnic University signed an agreement for energy cooperation that will feature joint research in areas such as rechargeable batteries, recycling, solar energy, the hydrogen economy, and the storage and transportation of energy. In November, Israeli hydrogen company H2Pro and Moroccan renewable energy developer Gaia Energy signed a strategic agreement for the supply of green hydrogen.

Morocco has recognized the importance of addressing regional water security in order to achieve its goals for the future and is taking steps to do so. Israeli technological expertise

through desalination and distribution should be an area of mutually beneficial cooperation. For example, in November, Morocco's National Office for Electricity and Drinking Water (ONEE) and Israel's national water company Mekorot signed a Memorandum of Understanding to establish a framework for the development of cooperation between the two institutions in the areas of drinking water and liquid sanitation. The agreement will enable the two companies to work together to promote joint cooperation activities in the fields of seawater desalination, performance improvement, water sanitation, digital systems management, R&D, and innovation.

Another area where there has been cooperation is agriculture. In January, SupPlant, an Israeli precision agriculture and “smart farming” company, announced that it will expand to Morocco. In October, the Moroccan national institute of agronomy and Israel's Volcani center of agricultural research agreed to enhance cooperation and exchange experience and know-how in farming and agricultural research. There is significant potential for the establishment of joint commercial agricultural ventures that leverage Morocco's world-leading phosphates production and Israel's innovativeness in agricultural productivity and water management. Leading agricultural companies such as OCP Africa can serve as key players in agricultural projects throughout Africa that leverage the unique capabilities of Accords member countries to tackle the pressing food and water security challenges the region faces.

The deepening of ties has been demonstrated across numerous economic sectors, and a number of additional significant agreements are worth highlighting. In February, Israel Aerospace Industries and Morocco agreed to a \$500 million missile defense deal. In March, Morocco and Israel signed an agreement to cooperate on civilian aerospace projects, foster innovation, and boost airplane maintenance and transformation. This was followed by a November agreement between the International University of Rabat and Israel Aerospace Industries (IAI) to exchange experiences and enhance cooperation ties in scientific research and innovation. In June, Israel's Interior Minister signed an agreement to launch a pilot program aimed at

attracting Moroccan workers to Israel's construction and nursing sectors. In July, Israel and Morocco signed their first official memorandum of understanding on intellectual property. Finally, i24NEWS of Israel announced in May that it is launching operations in Morocco, becoming the first international news network based in Israel to launch in Morocco.

One priority area where there is significant opportunity for collaboration is in healthcare. Israel and Morocco, in tandem with the other Accords countries, can demonstrate the enormous potential of collective action through increased collaboration to collectively address shared challenges in healthcare by building strong collaborative networks among primary care facilities and by implementing coordinated research and development among partners. Morocco's Ministry of Health and the Israeli IMS Ovadia signed a memorandum of understanding in June for the construction of several hospitals in Morocco whereby the two countries pledged to implement bilateral cooperation between the private sectors in Morocco and Israel as well as promote investment and innovation in many areas, such as the health sector. The investment program also included the construction of five hospitals with a capacity of 1,000 beds.

Tremendous progress has been made, and even greater progress would follow the resolution of remaining challenges for economic ties to reach their full potential. Eager business people on both sides have encountered difficulty identifying optimal investment and business partners and navigating their counterparts complex legal and financial systems. To overcome these impediments and seize existing opportunities, there is a need for government and private programs that increase exposure between serious potential partners in the two countries. Some programs have already occurred in this area, with Confederation Generale des Entreprises du Maroc (CGEM) doing exemplary work. Following the Accords, business-oriented institutions such as the Moroccan-Israeli Business Council and the Moroccan-Israeli Chamber of Industry were established to facilitate introductions, and the first Morocco-Israel Business Forum took place in Tel Aviv in March. Also in March, the Israel Manufacturers Association and the Israel Export Institute led the first ever business delegation from Israel to Morocco. In May, the inaugural "Connect to Innovate" conference organized by Start-Up Nation Central (SNC) and co-organized by Moroccan company CPR was held in Casablanca. The conference

hosted 150 people across Israeli and Moroccan delegations of business leaders, government officials, and diplomatic figures, including representatives from 25 Israeli tech companies, exploring mutual opportunities. A total of 13 memorandums of understanding were signed at the event. In November, a delegation from Morocco's Mohammed VI Polytechnic University (UM6P) visited Tel Aviv-based Start-Up Nation Central to advance innovation and startup ecosystems in both countries. More events like this that encourage cooperation and dialogue between Israeli and Moroccan innovation hubs, start-ups, and entrepreneurs are needed. The Accords have created the opportunity for transformative cooperation among Accords member countries in the fields of innovation, technology, and start-up entrepreneurship. An Abraham Accords Innovation Network would expand and deepen cooperation among leading innovation hubs, start-ups, investors, and government agencies across the Accords members countries and beyond.

Additionally, there is a need for connections between Israeli and Moroccan institutional investors and sovereign wealth funds to be advanced. Morocco's Ithmar Capital has been active in this area, and with the establishment of the new Moroccan Ministry of Investment, headed by Mohcine Jazouli, efforts are underway to market opportunities for investment in Morocco. In September, the Tel Aviv Stock Exchange hosted a Moroccan-Israeli conference to discuss investment opportunities in Morocco, and in November, the Jerusalem Post and its media partners Global Media Holdings in Morocco and the Khaleej Times in the United Arab Emirates hosted the Global Investment Forum in Marrakech.

Israel's ability to enable greater and easier access, including the processing of visas, for Moroccans will have an immeasurably productive impact on business and people-to-people ties for mutual benefit and can be done without compromising on the health and security of either nation. This process can likely be facilitated by increasing the number of bilateral visits by ministers and senior officials to address the mechanics of impediment removal and processing.

We project significant growth in trade in 2023 as diplomatic and security relations deepen and as additional contact builds the required relationships on a foundation of trust and confidence.



Photo Credit: Hamza Bouchikhi on Unsplash

Tourism

While tourism between Morocco and Israel has increased since the signing of the Abraham Accords, it has room to grow. According to Israel's Central Bureau of Statistics, approximately 2,500 Moroccans visited Israel in 2022, while estimates indicated that 70,000 Israelis visited Morocco. While this represents incremental increase from previous years and is a positive development, the deep historical connections between the countries and unique tourism offerings of both countries imply the potential for tourism relations to deepen substantially in the coming years.

Tourism is a major component of Morocco's economy. In terms of tourism's contribution to GDP in Morocco, the industry represents 6.9% of total GDP, down by 42.4% from the same figure for 2019 (12.0%). The tourism sector in 2021 however, posted an 8.8% growth compared to 2020. The dollar contribution of US\$ 8.9 Billion makes tourism one of the largest revenue sources for the Kingdom. Morocco's innovative "Kingdom of Light" campaign should lead this number to increase in the coming years. With its advantageous location, Morocco is the recipient of travelers from Europe, the Maghreb region, and the Middle East. Major tourist attractions in Morocco include the cities of Marrakech, Casablanca, Rabat, and Fez. The beaches and luxury resorts attract a variety of tourists each year, with the country remaining a relatively cheaper alternative to European destinations during the peak season. Morocco is predominantly a leisure destination, providing affordable luxury to tourists. 89.0% of total visitors travelled to Morocco for leisure and personal reasons, while 11.0% were business tourists, signifying the importance of the services sector to Morocco. The Kingdom is also considered one of the most important outsourcing destinations for corporations from Europe owing to its cost benefits, thus attracting significant business visitation as well.

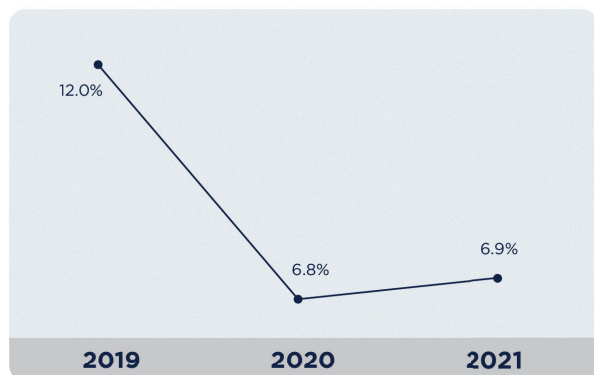
As of 2021, Spain and France are the two biggest destinations for outbound travel from Morocco. Turkey, the UAE, and Saudi Arabia form the other top 5 destinations. Travel originating from France was the single biggest contributor to inbound travel, followed by the European nations of Spain, Belgium, Germany, and Italy. Before the signing of the Accords, member nations and the wider Middle East did not feature in the top 5

source markets for Morocco, even with the Kingdom being an Arab nation. In light of the Abraham Accords and their prospective scaling to the wider region, Morocco should benefit significantly in terms of trade and travel with the strengthening of newer source markets from the Abraham Accords member states.

As a result of the signing of the Abraham Accords, the deep historical, cultural, and religious connections between Israel and Morocco have led to Israelis visiting Morocco in record numbers. Since normalization, Israeli tourism to Morocco has increased substantially, increasing from 39,900 visitors in 2019 to over 70,000 in 2022. These warming relations have led to numerous regularly-scheduled direct flights between Israel and Morocco, with 2022 seeing significant developments on this front. In March, Moroccan airline Royal Air Maroc launched its first direct flight between Morocco and Israel, becoming the first airline to offer flights between Israel and Casablanca. Additionally, Royal Air Maroc and Israel's El Al Airlines announced a Code Share Agreement. Also in March, Morocco's tourism authority signed an agreement with Israeli private carrier Israir to promote the Kingdom as an Israeli tourist destination and to enable Israir to operate two weekly flights from Tel Aviv to Marrakech. A week earlier, the Moroccan Agency for Tourism Development, the Moroccan Ministry of Tourism, and Israel's Ministry of Tourism hosted a virtual Morocco-Israel Tourism Investment Summit. Another positive development occurred in June, when Morocco announced that Israeli citizens would be eligible for e-visas to enter Morocco, ending the requirement that Israeli citizens make appointments for interviews at the Moroccan liaison office in Israel.

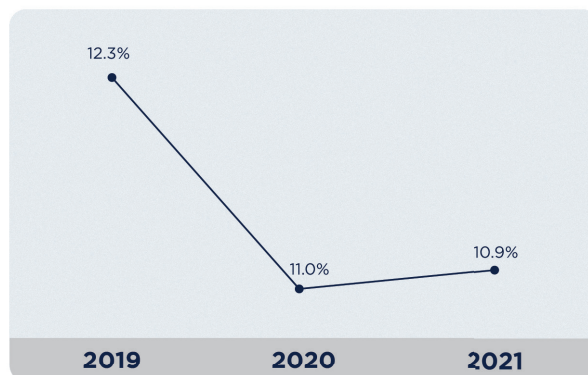
Multiple opportunities exist for Morocco to further leverage the Abraham Accords to increase tourism to the country. While there is evidence of intra-regional travel between the Middle Eastern and Arab members of the Abraham Accords nations, there exist growth opportunities driving tourism to the region from international markets including Israel. The signing of the Accords and their adoption by the wider region can help the Kingdom build new source markets. Enhanced regional cooperation can solidify Morocco's image as a destination, helping the government achieve its objective of making

Tourism's Share of Total Morocco GDP (%)



Source: WTTC

Tourism's Share of Total Morocco Employment (%)



Source: WTTC

the country a truly international tourist destination. Further benefit could also be achieved by improving the travel routes to the Kingdom and increasing infrastructural development, including the timing and frequency of flights within the region, thereby rendering each country more accessible to international travelers.

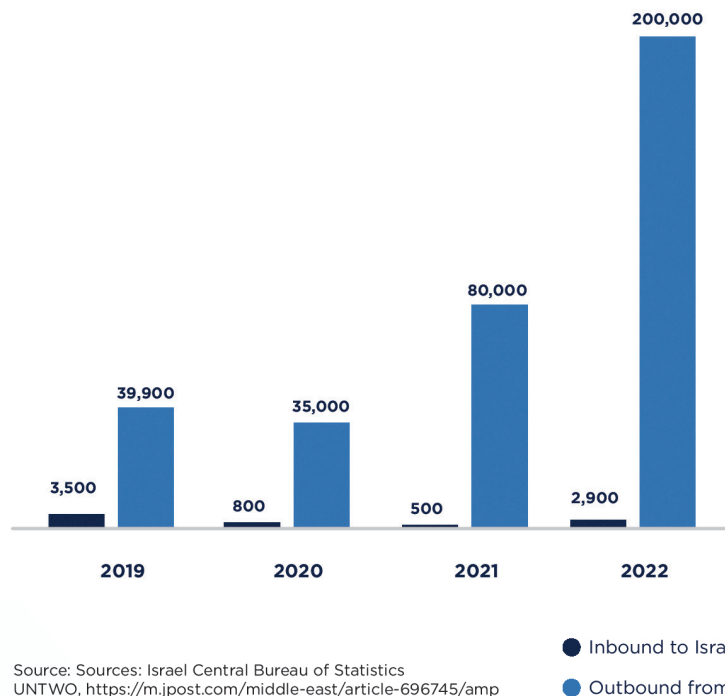
To this end Morocco should participate in regional tourism forums (such as the Negev Forum tourism working group) responsible for leveraging cooperation in a bid to help all Accords nations achieve their strategic tourism goals. A regional tourism council that advances the tourism goals of Accords countries through multilateral cooperation on various tourism initiatives should be considered. Morocco's unique location as a gateway to Western Europe and Africa, and between the region and the Americas, can be leveraged through multilateral cooperation to Morocco's benefit. Furthermore, Morocco could execute visa exemption agreements (or eVisa policies) for all Accords member nations. Multilateral codeshare agreements are also an option.

While inbound travel to Morocco from Israel is developing, outbound travel to Israel is still at a nascent stage. In spite of numerous airlines offering weekly flights to Israel, it remains expensive to visit Israel in comparison with

other popular Moroccan tourism destinations. Developing tailored tourism packages for Moroccans visiting Israel optimized for Moroccan preferences, interests, and budgets is an option for Israel to consider. In order to improve popular sentiment and thereby increase tourism, both countries should seek to increase the number of cultural events that bring artists, sports figures, celebrities, and influencers to the other country. While 2022 saw several successful Moroccan youth and people-to-people delegations to Israel, increasing the number of business, youth and people-to-people delegations, and exchange students between the countries would also foster tourism.

Continued challenges for Moroccans who wish to obtain visas to enter Israel, including long delays in response to visa applications, have disincentivized tourism. In June, Morocco approved Israel's request to allow Israeli citizens to enter Morocco with an easily obtainable e-visa rather than a time-consuming formal visa application. Moroccan tourism to Israel would be eased if Israel could find similar solutions. As with the other Accords countries, streamlining the airport experience of the Moroccan visitor while balancing security and health concerns would stimulate tourism over the coming years.

Total Tourists Between Israel and Morocco 2019-2022



People-to-People

AAP's President and Executive Director, Robert Greenway, met with HE Abdellatif Miroui, Morocco's Minister of Higher Education, Scientific Research and Innovation to advance plans to exchange students and faculty among members and work to provide the next generation a foundation of peace.



Unlike other countries with which Israel has normalized relations, the relationship between Morocco and Israel is rooted in centuries of history. The Jewish community likely dates back to around 70 CE, following the Roman destruction of Jerusalem. Morocco once possessed the largest Jewish community in the Arab world with cities such as Sefrou exemplifying the possibilities of religious coexistence. Today, Morocco's Jewish community has their own Jewish day schools, synagogues, and kosher restaurants. Additionally, today there are over one million Moroccan Jews living in Israel. In late December, Israel's President Isaac Herzog sent a letter to Morocco's King Mohammed VI and the Moroccan people on the occasion of the two-year anniversary of Israel-Morocco normalization expressing "gratitude and appreciation" for providing a "safe haven" for Moroccan Jews during the Holocaust. This history of relations has led to significant progress in the deepening of cultural ties between Israel and Morocco, with numerous notable cultural, youth, academic, and people-to-people events and exchanges occurring in 2022.

In July, Moroccan King HM Mohammed VI officially recognized the country's Jewish community as a component of national culture in a statement by the Royal Palace. This official recognition has been exemplified in numerous initiatives that celebrated the history and culture of Morocco's Jewish community. In May, authorities in Morocco completed a renovation of the historic Jewish cemetery in the city of Meknes, and in November, Morocco became the first-ever Muslim country to inaugurate a synagogue at one of its universities. In March, a cultural event entitled "Jewish Days of Tangiers" occurred in Tangiers that included a tour of Tangiers' old city and Jewish locales and a concert with Jewish Andalusian music among other events. The following month, over 2,000 Israeli tourists traveled to Morocco to celebrate "Mimouna," a traditional Moroccan-Jewish post-Passover celebration. Overall, more than 15,000 Israeli tourists traveled

to Morocco for Passover. In September, 2,000 Jews traveled to Essaouira in Morocco to celebrate the Yom Hiloula, the anniversary of the passing of a Moroccan rabbinic leader Rabbi Haim Pinto. Overall, since the signing of the Accords, the activity of synagogues and availability of kosher food in Morocco has increased substantially.

This cultural embrace was seen throughout the year in the arts. In March, concerts featuring Moroccan and Israeli artists were held in Casablanca and Rabat to celebrate Muslim-Jewish Andalusian music. In October, a multicultural music festival in the Moroccan city of Essaouira featured participation by Jewish and Israeli musicians, and in late November, a delegation from the Habima National Theater performed a popular musical, "Spanish Orchard," in Rabat. In December, the Israeli Andalusian Orchestra and the rock band Sfatayim, an Israeli band that plays an "Israeli Moroccan" style, performed a concert in celebration of the second anniversary of the reestablished of normalized relations between Israel and Morocco. In the opposite direction, five Moroccan musicians joined the Israeli Andalusian Orchestra in January for a nation-wide tour. The Accords can be leveraged to enable collaboration that deepens cultural relations and understanding in the arts through art exhibitions and competitions seeking the images that best embody the principles of peace, prosperity, hope, and tolerance.

Sports was another area that saw numerous significant developments in 2022. In January, an Israeli professional basketball player made history by becoming the first ever Israeli to play for an Arab team when he signed a contract with a Moroccan professional basketball team. In June, the Royal Moroccan Federation of Basketball (FRMBB) and the Israeli Basketball Association (IBBA) signed a partnership agreement to facilitate collaboration, the exchange of delegations, and the organization of tournaments and friendly matches. The following day, the Moroccan and Israeli

Moroccan King HM Mohammed VI officially recognized the country's Jewish community as a component of national culture.

women's basketball teams played a historic friendly match near Rabat, the first time that Arab female players hosted the Israeli national team. Morocco and Israel also signed a bilateral cooperation agreement in volleyball in August. In March, the Moroccan karate team participated in a karate tournament in Israel for the first time, and the Moroccan wrestling national team competed in Israel in a tournament commemorating the 50th anniversary of the massacre of Israeli athletes at the Munich Olympics in 1972.

Education was perhaps the area that saw the most impressive deepening of ties, with over a dozen agreements already signed between Israeli and Moroccan academic institutions. In April, the Technion-Israel Institute of Technology and Morocco's Mohammed VI Polytechnic University (UM6P) announced the signing of an agreement to promote academic cooperation between the two institutions. In September, Morocco's Abdelmalek Essaadi University and Israel's University of Haifa signed a memorandum of understanding to advance cooperation in marine research and technologies. Leading scientists from Israel and Morocco also signed an academic cooperation agreement that will bring together top-tier scientists and researchers in the energy field from influential academic institutions in Israel and Morocco. Another notable development was the November agreement between Morocco's International University of Rabat and Israel's Ben-Gurion University of the Negev to cement collaboration in scientific research and student exchange. Perhaps most notably, a delegation of four Moroccan students spent the summer at Ben-Gurion University of the Negev for a summer semester as part of a first-of-its-kind cooperation between an Israeli and a Moroccan university. The four spent the semester studying in the university's data science and health system programs with students from all around the world. This was followed by the December visit to Israel by a Moroccan professor and his students as part of a cultural exchange program. As with other Accord countries, collaboration on academic exchange programs for both students and faculty that provide an opportunity Israelis and Moroccans to study together in an academic environment, furthering cross-cultural dialogue and understanding, should be considered. Such programs could involve each country nominating a group of undergraduate or graduate students annually to study at the flagship institutions of the other country, based on their demonstrated potential for leadership in the public or private sector.

Delegations between Israel and Morocco specifically designed to deepen people-to-people ties have also increased in frequency in 2022. The organization ISRAEL-is, an NGO focused on building people-to-people ties, led a "Leaders of Tomorrow" delegation to Morocco in February, and another "Leaders of Tomorrow" delegation to Israel in May that featured 20 Moroccan young adults under the age of 35. The organization Sharaka also hosted numerous events throughout the year as part of their "Morocco-Israel Cooperation series." In December, a



Israel-Is hosted a youth delegation in Morocco as part of its Leaders of Tomorrow (Israel-Morocco Forum) program.



Israel and Morocco's players face off during a friendly women's basketball game in the city of Sale, north of Morocco's capital Rabat on June 15, 2022. Photo Credit: AFP via Getty Images

delegation of Israeli influencers titled "Influencing Peace," comprised of prominent Jewish and Arab content creators in the fields of music, sport, fashion, science, and comedy, visited Morocco on a trip organized by Israel's Foreign and Regional Cooperation Ministries. Later in the month, a group of 30 young people—half Israelis, half Moroccans—gathered in the Israeli Druze town of Isfiya to watch the World Cup Quarterfinal between Morocco and Portugal. In 2023, Israel and Morocco might consider more tailored programs and supporting infrastructure that provide an opportunity for Moroccan youths to interact with Israeli counterparts and deepen mutual understanding. In order to increase the number and impact of youth delegations, student exchanges, and civil society dialogues, there is a need for additional sources of funding. Additionally, while tremendous organizations such as Mimouna have done admirable work connecting Israelis and Moroccans, there is a need for more partners on the Moroccan side who can identify and recruit potential Moroccan participants for such exchange and people-to-people programs. Finally, a more comprehensive effort to measure popular support over time for normalization or deepening of ties with Israel among Moroccans is needed in order to guide and inform efforts to deepen relations on the People-to-people level.



Sudan

Abraham Accords Relationship Status: *Tenuous*

Summary:

Three years ago, the Sudanese transitional government demonstrated its courage and commitment to combating terrorism, building its democratic institutions, and improving its relations with its neighbors by normalizing its diplomatic relations with the State of Israel and signing the Abraham Accords Declaration.

Its leadership agreed to the normalization of relations between Sudan and Israel and to end the state of belligerence between their nations and pursue trade, agriculture technology, aviation, migration, and other areas for the benefit of both nations. The leaders also resolved to work together to build a better future and advance the cause of peace in the region and unlock new opportunities for the people of Sudan, Israel, the Middle East, and Africa.

In the days that followed, the United States and Israel reaffirmed their committed to working with their partners to support the people of Sudan in strengthening their democracy, improving food security, countering terrorism and extremism, and tapping into their economic potential. On 6 April 2021, the Sudanese cabinet approved a bill abolishing the 1958 law on boycotting Israel.

Following the events of October 2021, the United States strongly condemned the actions of the Sudanese military forces, rejected the dissolution of the civilian-led transitional government, and called for its immediate restoration. The U.S. also paused the delivery of \$700 million in emergency Economic Support Funds to Sudan. Over the past year the members of the Quad and Troika (Norway, the Kingdom of Saudi Arabia, the United Arab Emirates, the United Kingdom, and the United States) have worked to support a political resolution. In December they welcomed the agreement of an initial political framework towards reestablishing a civilian-led government and defining constitutional arrangements to guide Sudan through a transitional period culminating in elections.

While Sudan has immense agricultural potential, food security is an issue in Sudan. Despite significant investment, most projects have failed to reverse the decline in productivity and arable land. Sudan's bold decision to normalize diplomatic relations with Israel and sign the Abraham Accords agreement provides an unparalleled opportunity to reverse this trend. The Abraham Accords members can achieve their vision and demonstrate the enormous potential of collective action by addressing food security at the convergence of their interests in Sudan.

Improved political stability in Sudan will facilitate the deepening of ties. While data for trade and tourism is not publicly available, the political instability in Sudan has prevented ties with Israel and other Accords members from reaching their full potential. Sudan's political impasse could devolve into domestic instability that risks their membership in the Abraham Accords, which would be a significant symbolic and material blow. However, there is also opportunity for Accords members to be instrumental in addressing both the political impasse and the humanitarian crisis in Sudan.

The significance of reversing the "Three No's" — "No peace with Israel, no recognition of Israel, no negotiations with Israel" — formulated by an Arab League summit held in Khartoum shortly after the end of the Six-Day War in 1967 cannot be overstated. A return to the promising trajectory following normalization in the fall of 2020 is in the interests of all Accords members and the United States.



AAPI's Director of Israel, Asher Fredman, and Deputy Director, David Aaronson, traveled to Khartoum, Sudan together with partners from Moroccan OCP and the World Food Programme to take part in site visits to advance AAPI's Joint Commercial Agriculture Venture.

Diplomatic

Political instability in Sudan has made the deepening of ties between Israel and Sudan challenging. Sudan's political impasse could devolve into domestic instability that risks their membership in the Abraham Accords.

The first U.S. ambassador to Sudan in almost 25 years landed in Khartoum in August and has worked with counterparts to encourage a return to the civilian-led government. Under the previous Bennett-Lapid government, Israel did not hold or allow high-level contacts with Sudanese General Abdel Fattah al-Burhan. Following Israel's November elections, General Burhan sent a letter to incoming Prime Minister Benjamin Netanyahu expressing a desire to "continue the cooperation between us to advance ties in all fields for the benefit of citizens in both countries." While the Netanyahu government might take a different approach than its predecessor, ties will not be able to deepen substantially until the domestic political impasse in Sudan is resolved. In the meantime, it is vital the Accords members and the international community work to incentivize a resolution of the political challenges and alleviate the humanitarian challenges afflicting the people of Sudan and the wider region exacerbated by the Russian invasion of Ukraine.

There is an opportunity for Accords members to be instrumental in collectively leveraging their unique capabilities and relationships to help address the humanitarian crisis in Sudan through ventures focusing on shared concerns such as food and water security. While Sudan has immense agricultural potential, food security

is an issue in Sudan. Despite significant investment, most projects have failed to reverse the decline in productivity and arable land. Once a net food exporter, Sudan could again be a major part of the solution to food insecurity in the region more broadly. Organizations such as the World Food Program (WFP) are diligently working in the country, with WFP reaching nearly 9 million refugees, internal displaced persons, and food-insecure people through provision of goods and cash-based transfers. Their efforts can be supplemented by partners in the region. *Joint commercial agricultural ventures can be established that involve leading agricultural companies such as OCP Africa¹ (which recently began operating in Sudan), as well as investment agencies from Accords countries.* Such ventures could help alleviate the food crisis by contributing to political stability as well as demonstrating to the people of Sudan the tangible benefits of normalization. Additionally, since all Accords countries share the goal of addressing the food security challenge, such ventures would help Accords countries achieve a shared goal and thereby improve the lives of citizens and prevent political instability across the region. A further benefit would be that successful agricultural projects in Accords countries would demonstrate the enormous potential of collective action and thereby strengthen the Abraham Accords themselves. AAPI has been working with partners in Sudan and in Accords countries to further such initiatives. In November, AAPI staff members together with representatives from OCP and the World Food Program visited Sudan to advance a joint commercial agricultural project between Abraham Accords countries.

Trade between Sudan and Israel has continued to be minimal, with the exception of a small number of agricultural and other projects. The political instability in Sudan has impeded progress, but the potential has become increasingly clear.

Significant opportunity exists to leverage the unique capabilities of Accords countries to address areas of shared interest like food security, health, and trade in raw materials. Sudan's economy is largely agricultural, with the majority of Sudan's labor force employed in the agricultural sector. Sudan's natural resources can be combined with Israeli advanced agricultural technologies to dramatically increase harvests and contribute to efforts to improve regional food security.

In order to improve business ties, private Sudanese enterprises can be identified and engaged, and cooperation and dialogue between Accords members and Sudanese start-ups and entrepreneurs should be encouraged. Port Sudan is located in a vital strategic location and has immense commercial potential if developed. In December, Sudan signed a six billion dollar preliminary agreement with a group led by UAE's AD Ports Group and Invictus Investment to develop the Abu

Amama port. Israeli entities have also shown interest in working in the area. As Russia demonstrates interest in the highly strategic area, geostrategic imperatives bolster the already formidable commercial case for cooperation on integrating Sudan's Red Sea coast in to the regional economy.

Current and projected business and investment ties will require interoperability with Sudan's banking system to ensure the agile movement of necessary funding. The Sudanese Central Bank, Israel's Finance Ministry, and other Accords members must work together to clarify and overcome issues regarding financial transactions between Israeli and Sudanese entities. The United States and European partners can play an instrumental role in sustaining the transition begun and preserving the integrity of the financial system the Sudanese population depends upon as conditions allow. Additionally, potential exists for an Abraham Accords Innovation Network that would expand and deepen cooperation among leading innovation hubs, start-ups, investors, and government agencies across the Accords members countries and beyond. Sudan should seek to participate in such initiatives.

¹ <https://www.ocpafrika.com/en>



Photo Credit: Mohammed Mojahed on Unsplash

Tourism

The political instability and active travel advisories have prevented tourism relations between Israel, other Accord members, and Sudan. Tourism has been a small but growing source of needed revenue adversely impacted by the global pandemic and unrest. Sudan, however, has enormous potential to attract tourists and a location providing access to potential markets but lacks the infrastructure required.

As of 2019, travel and tourism contributed about 2.4% of Sudan's gross domestic product (GDP).² Visitor arrivals reached 825,139 people in 2018³ and 940,970 in 2021 and are set to reach around 1.1 million by 2026.

While publicly available data on numbers of tourists between Israel, other Accords members, and Sudan is not available, the numbers almost certainly remain extremely low. With its proximity, natural resources and a flourishing Jewish community in the past, Sudan has the potential to attract significant numbers of Israeli tourists. However, it is difficult for Israelis to obtain visas to Sudan absent special permission. Additionally, it is very difficult for Sudanese to obtain visas to visit Israel. Proposals for training Sudanese people in Israel in areas such as agritech have been discussed but have yet to receive official approval. A pilot program to train the Sudanese migrants in Israel could be undertaken and expanded if successful. Initiatives such as these could help display the tangible economic benefits that normalization with Israel brings to people on the ground in Sudan.

As the political crisis in Sudan gets resolved, and diplomatic ties between Sudan and Israel deepen, events should be organized for tourists in both directions to establish the required mechanisms, increase comfort levels, and overcome residual concerns. As with other Accords countries, Sudan should participate in multilateral events that convene tourism ministries of Accords nations and significant neighbors to discuss opportunities for collaboration and launch initiatives that increase tourism and help realize the full potential for regional tourism between and among Accords members.

² <https://www.worlddata.info/africa/sudan/tourism.php>

³ <https://www.ceicdata.com/en/indicator/sudan/visitor-arrivals>

People-to-People

While there appears to be interest on the Sudanese side in promoting and strengthening people-to-people ties with Israel, increased political stability in Sudan is likely necessary for relations to advance substantially in quantity and quality. Additionally, the lack of past cultural connections between the countries is also an obstacle that must be overcome.

There is, however, potential for increasing cooperation in the fields of academia, innovation, and agriculture. As a first step, *Sudanese could come to Israel to take part in academic and practical training programs, particularly in the field of agriculture.* Together with the newly established Sudanese Business Council, AAPI has been working to build and strengthen people-to-people ties, though these are likely to progress in small and gradual steps. It is also possible that *Sudanese-Israeli people-to-people meetups could be organized in a third country location, such as Dubai, potentially with Emirati participation.* As Sudan's relations with Israel gradually deepen, Sudan should consider participating in academic exchange programs for students and faculty as well as tailored youth programs that allow for interaction between Israelis and Sudanese and provide opportunities for deepened connections and mutual understanding. Back in 2021, an Israeli-led scientific expedition sailed from Eilat toward Port Sudan, launching a joint project with Sudanese researchers that intended to help preserve the Red Sea's unique coral reefs. This collaboration, which aimed to create a first-ever comprehensive study of the entire Red Sea, was made possible by the Accords. Similar cooperation that leverages Israel and Sudan's proximity should be expected in coming years. As with other Accords countries, normalization can be leveraged to enable collaboration that deepens cultural relations and understanding in the arts through participation in *art exhibitions and competitions* that feature art that best embodies the principles of peace, prosperity, hope, and tolerance. Sudan can also seek to participate in efforts between Accords countries to build strong collaborative networks among primary health care facilities. Finally, a more comprehensive effort to measure popular support over time for normalization or deepening of ties with Israel among Sudanese is needed in order to guide and inform efforts to deepen relations on the people-to-people level.



Egypt

Abraham Accords Relationship Status: *Adequate*

Summary:

The Israel-Egypt peace agreement was a watershed event, marking the first such agreement between Israel and an Arab state. The breakthrough followed Egyptian President Anwar Sadat making a bold and unprecedented visit to Israel in November 1977. In his speech at the Israeli Knesset, he addressed the Israeli people with a call for reconciliation and peace. The groundbreaking Israel-Egypt peace paved the way for subsequent Israeli negotiations and treaties with Jordan and ultimately the historic Abraham Accords.

Egypt has since capitalized on the Accords to deepen relations with Israel on several fronts, with significant diplomatic steps taken in the last year demonstrating the improving relations between the countries. Egyptian President Abdel Fattah el-Sisi hosted several high-profile meetings with Israeli leaders throughout the year. Government-to-government cooperation has strengthened, including several high-visibility meetings and agreements. For example, in July, Israel agreed to the withdrawal of an observer force from two Red Sea Islands, paving the way for their transfer from Egypt to Saudi Arabia. The convergence of trade, telecommunications, and security interests in the Red Sea is also a vital area of existing cooperation that can and should be expanded to the multilateral level involving Egypt, Israel, Jordan, and Sudan and benefit from U.S. leadership.

Trade between Israel and Egypt has been steadily increasing, and it appears very possible that trade relations will nearly double in the coming years. According to reports, Egypt and Israel are targeting \$700 million in annual bilateral trade by 2025, a target that is similar to AAPI's assessment of the potential for bilateral trade by 2025. Expanding overland trade infrastructure, connecting both nations' labor markets, leveraging existing venues for integration especially in the energy sector, and working cooperatively to regain tourists afford enormous opportunities for mutual benefit.

Tremendous potential exists to connect skilled but unemployed Egyptian labor to Israeli companies seeking talent for mutual benefit, which can be extended regionally leveraging established outsourcing platforms.

Popular support for normalization with Israel in Egypt has declined since the Accords were concluded in 2020 and has historically fallen short of expectations, constraining people-to-people contact and economic activity. Both people-to-people contact and economic activity should be addressed in parallel, providing opportunities for expanded contact to leverage the shared cultural and historic ties and the vast potential of economic cooperation between the two countries.

Diplomatic

The 1979 Egypt-Israel Peace Treaty was one of the most historically significant events in the region in the twentieth century and paved the way for all future peace agreements. However, the Abraham Accords have created opportunities for cooperation between Egypt and Israel that were not realistic in the past. Egypt has capitalized on the Accords to deepen relations with Israel on several fronts, with diplomatic steps being taken in the last year demonstrating the improving relations between the countries.

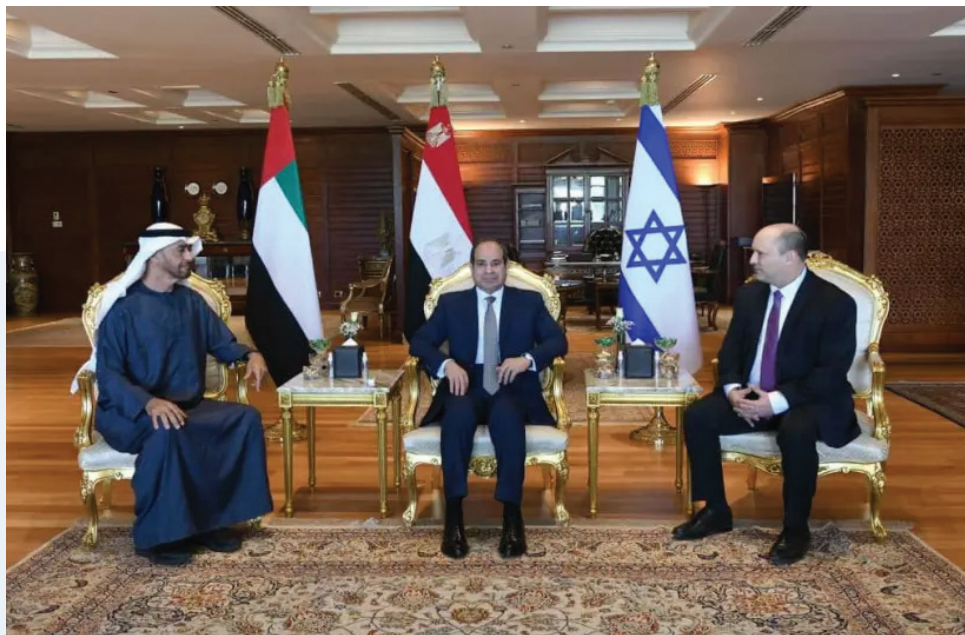
Government-to-government cooperation has strengthened, including several high-visibility meetings, agreements, and gestures. In March, Egyptian President Abdel Fattah el-Sisi, Israeli Prime Minister Naftali Bennett, and the Abu Dhabi Crown Prince Mohammed bin Zayed held an unprecedented trilateral summit in Egypt's Sharm el-Sheikh. The previous day, Bennett held a bilateral meeting with the Egyptian president. In November, Israel's President Isaac Herzog met with Egyptian President Abdel Fattah el-Sisi while attending the COP27 UN climate conference in Sharm el-Sheikh. President el-Sisi's public greeting of Israeli Energy Minister Elharrar at the Egyptian Petroleum Show in Cairo was also a widely praised gesture. Additionally, Egypt has taken the opportunity to take part in the Negev Forum framework. On the first day of 2023, incoming Israeli Prime Minister Benjamin Netanyahu received a congratulatory phone call from Egyptian President Abdel Fattah el-Sisi, with the two

leaders affirming their desire to strengthen bilateral ties.

The convergence of trade, telecommunications, and security interests in the Red Sea is also a vital area of existing cooperation that can and should be expanded to the multilateral level involving Egypt, Israel, Jordan, and Sudan and benefit from U.S. leadership.¹

Another important milestone was the Israeli Ministry of Economy and Industry's announcement of a new plan to expand economic ties between Israel and Egypt, by, inter alia, jointly developing the Nitzana commercial border crossing, R&D cooperation, developing joint projects in the area of green energy, and increasing the number of direct flights. Additionally, Egypt and Israel have cooperated on gas agreements with the EU.

Increasing the number of bilateral visits on the level of ministers and senior officials other than those from the security sector would contribute to strengthening ties. There also exist significant opportunities to strengthen cooperation in the energy and economic sectors. Israel and Egypt can take advantage of multilateral frameworks such as the East Mediterranean Gas Forum, the Negev Forum, the EMME Climate Change Initiative, and others to deepen their cooperation and extend the opportunities for other Accords member nations.



Abu Dhabi Crown Prince Mohammed bin Zayed al-Nahyan (L), Egyptian President Abdel-Fattah el-Sisi (C) and Prime Minister Naftali Bennett meet in Sharm el-Sheikh (R), March 22, 2022
Photo Credit: Spokesman of the Egyptian Presidency

¹ <https://www.iiss.org/blogs/analysis/2022/11/security-competition-in-the-red-sea-area>

Trade between Israel and Egypt has been steadily increasing, and it appears very possible that trade relations will nearly double in the coming years. According to reports, Egypt and Israel are targeting \$700 million in annual bilateral trade by 2025, a target that is similar to AAPI's assessment of the potential for bilateral trade by 2025.

One of the notable bright spots in the economic relations between Israel and Egypt is their growing cooperation in the field of natural gas, with Israeli gas exports to Egypt hitting a record high in 2022. Both countries are members of the Eastern Mediterranean Gas Forum and entered into an agreement with the EU in June that is expected to lead to a significant increase the export of Israeli gas to Europe via Egypt. The agreement provides the EU with a reliable alternative that can help alleviate the loss of Russian gas, while reinforcing Egypt-Israel economic cooperation. It also can be a harbinger of future energy collaboration through frameworks such as the East Mediterranean Gas Forum.

One option for Europe to utilize East Mediterranean natural gas to help provide solutions to its energy challenges is to take advantage of Egypt's LNG infrastructure, including its two liquefaction plants at Idku and Damietta, to import substantially greater amounts of Israeli (and in the future, Cypriot) natural gas. Currently Israel is sending gas directly to Egypt via the EMG (Ashkelon-el-Arish) pipeline, and via the Jordanian section of the Arab Gas Pipeline (AGP), which also connects to Egypt at el-Arish. Various projects are underway to expand the capacity of these pipelines and add additional overland connections. Nevertheless, all of these pipelines are constrained by the bottleneck at el-Arish, which can handle only 10 bcm a year.

Therefore, significantly increasing Israeli exports of gas to Egypt (for re-export to Europe) will require the construction of a new undersea line connecting Israel's Leviathan field directly to Egypt's LNG facilities at Idku. Estimates of the cost of such a project vary, from \$700 million to \$1.5 billion. It is projected that such a pipeline would take approximately two years to construct once the final decision to proceed had been made.

This option has the advantage of being relatively quick and less expensive to execute. LNG can be transported easily to any country based on spot or short-term contracts. An additional advantage is that this option deepens economic cooperation between Israel and Egypt (and given the current overland gas route via the AGP, with Jordan as well), thereby strengthening regional cooperation and stability.

Its disadvantages include potential obstacles placed by the Egyptian side, which historically has insisted on maintaining the right to divert gas intended for export to its domestic market (and in the past, has made unilateral decisions to do so, leading to lengthy litigation between international energy companies and the Egyptian authorities). In this context, it should be noted that Egypt's domestic consumption is expected to rise significantly in the coming years, while its reserves decline. Therefore, any solution for Europe relying on Egyptian facilities will need to be backed by very strong contractual guarantees. Given the UAE's strong economic ties with Egypt, involving Emirati entities in such a project could help ensure its long-term stability.



Israel and the European Union sign a natural gas export deal during a regional energy conference in Cairo on June 15, 2022.
Photo Credit: Peter Adeeb Ramzy Mubarak

One of the most significant impediments to optimal trade relations between Israel and Egypt is inefficiencies and insufficient capacity at the Israel-Egypt border crossings, which limit the passage of goods. Egypt-Israel trade could be increased substantially by expanding and enhancing the Israel-Egypt overland Nitzana Border Crossing. Overland trade via Nitzana has the potential to significantly decrease costs and times associated with current sea routes. However, due to a sharp growth in the number of Egyptian trucks seeking to deliver goods to Israel, together with insufficient infrastructure at the crossing, there are currently great backlogs at the site. On the positive side, the goods crossing at Nitzana have increased not only in quantity but in diversity and value over the past year.

In May, the Israeli Government passed Government Resolution 1522 entitled: “A Plan to advance and expand economic ties between the State of Israel and the Arab Republic of Egypt.” The Resolution includes provisions for expanding the Crossing’s gateways, building new waiting and storage areas, creating an underground conveyor system for aggregates, installing an advance scanning machine, and improving access roads and other infrastructure. The plan also features new R&D cooperation, the development of joint projects in the area of green energy, and an increase in the number of direct flights. It also includes increased Israeli imports of food, fresh fish, and construction materials from Egypt, and exports of agriculture solutions and technologies.

Ensuring that this decision is carried out in a full and accelerated manner, while avoiding bureaucratic delays, would contribute greatly to expanding Egypt-Israel trade ties. In particular, there is a strong demand for aggregates in both Israel and the PA, which a cross-border conveyor system at Nitzana could address. In parallel, Israel could consider increasing the operating hours and manpower at the crossing, in order to provide a short-term solution to the current backlogs.

Additionally, enhancing communication and coordination between the Israeli and Egyptian management teams on both sides of the crossing could lead to more efficient operation of the border. This could include the establishment of professional committees on both sides that would engage in regular dialogue and a shared computer system to facilitate the rapid and smooth tracking and processing of trucks at the site.

It should be noted that approximately 60% of the goods which cross into Israel at Nitzana are destined for the Palestinian Authority and Gaza. Also noteworthy is the fact that small amounts of goods originating in Sudan now cross at Nitzana on Egyptian trucks. Enhancing overland trade via Nitzana could have a positive impact on Egypt, Israel, the PA, Sudan, and other countries across the region.

2022 also saw the number of bilateral trade delegations increase. For example, an Egyptian trade delegation of industrialists and businesspeople, whose businesses are part of the Qualified Industrial Zone (QIZ) agreement, visited Israel in June, the first visit of such a delegation in about a decade. Due to the lack of connections and familiarity with the economic and investment ecosystems on both sides, *increasing the number of visits by ministers, senior officials, and business delegations* is critical for trade relations to reach their potential. Additionally, *cooperation and dialogue between Israeli and Egyptian innovation hubs, start-ups, and entrepreneurs should be encouraged and incentivized by the governments.*

Finally, in some areas, the two countries appear to have different goals for the relationship. For example, Egypt would like Israel to agree to a reduction of the percentage of goods which must be of Israeli origin in order to qualify for preferential treatment under the US-Egypt-Israel QIZ agreement. Israel to date has refused to agree to a decrease in this percentage. Both nations should commit to expanding the existing infrastructure to increase the overland trade volume and develop options to leverage their respective Free Trade Agreements with the United States and leverage cumulation. This could serve to validate the principle and extend it into an Abraham Accords Free Trade Area over time.

There are also opportunities to connect Egypt and Israel to alleviate Egyptian unemployment with Israeli demand for skilled labor to fuel its innovation growth and extend it abroad. Egypt has the largest labor pool in the Middle East and North Africa, accounting for 22% of the region’s workforce. Egypt is suffering from a chronic labor mismatch between market supply and demand. Despite several years of high economic growth, unemployment remains a problem, and there is a scarcity of skilled workers and managers. Each year, Egypt produces 750,000 new college graduates, many of whom have limited skills and lack training and are not ready for the workforce.

Capitalizing on a strong and growing talent pool, low costs, a large domestic market, and robust government support, the Egyptian IT sector has continued to expand even during the country’s turbulent past and is now enjoying a new surge of investment and innovation.² In Israel, the inverse is true. The existing supply of skilled employees for high-tech does not meet the demand. This is a gap that will reach well over 100,000 employees over the next five years.³

Public-private partnerships hold promise for connecting skilled labor seeking employment with employers across Accords member nations and globally via established outsourcing platforms, allowing tremendous flexibility and opportunity to address regional employment and demonstrate the value of the Accords to ordinary citizens. AAPI judges Egypt is an ideal candidate for a pilot program.

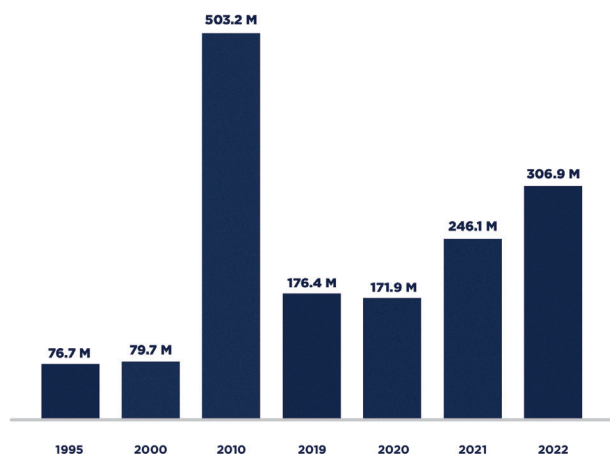
Unemployment in the MENA region is the highest in the world according to the IMF and is largely a youth phenomenon. The share of youths ages 15 to 24 in total unemployment at least doubles the total rate. The expansion of training and education and leveraging existing outsourcing platforms could help connect skilled labor with employers across Accords members and the region.

Egypt can also be part of multilateral initiatives to address the food and water security issues facing much of the region. Food security issues in Egypt have been exacerbated by the Russian war in Ukraine, and Egypt has already begun to look to Africa for opportunities for cooperation on agriculture and food security. To this end, Egypt can participate in the establishment of joint commercial agricultural ventures undertaken by a coalition of leading agricultural companies and investment agencies from Accords countries. Such ventures could also provide impetus to improving the infrastructure connecting Egypt and Sudan as well as Egypt and Israel, in turn increasing trade.

² <https://oxfordbusinessgroup.com/reports/egypt/2018-report/economy/top-of-the-ranks-a-highly-skilled-workforce-low-costs-and-government-support-offer-an-attractive-environment-for-investment>

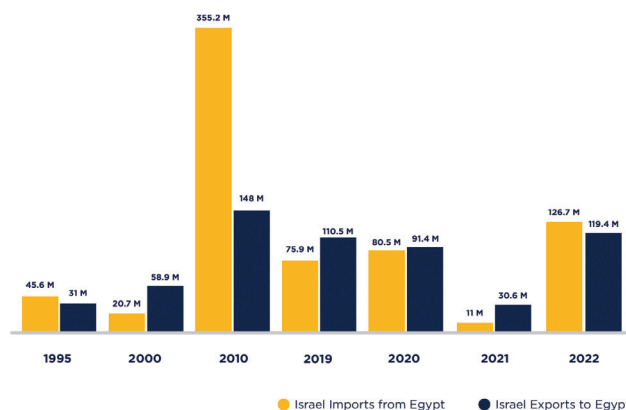
³ <https://www.calcalistech.com/ctechnews/article/b1u5mjxoq#:~:text=According%20to%20the%20report%20published,according%20to%20the%20current%20survey.>

Total Israel-Egypt Trade 1995-2022 (\$)



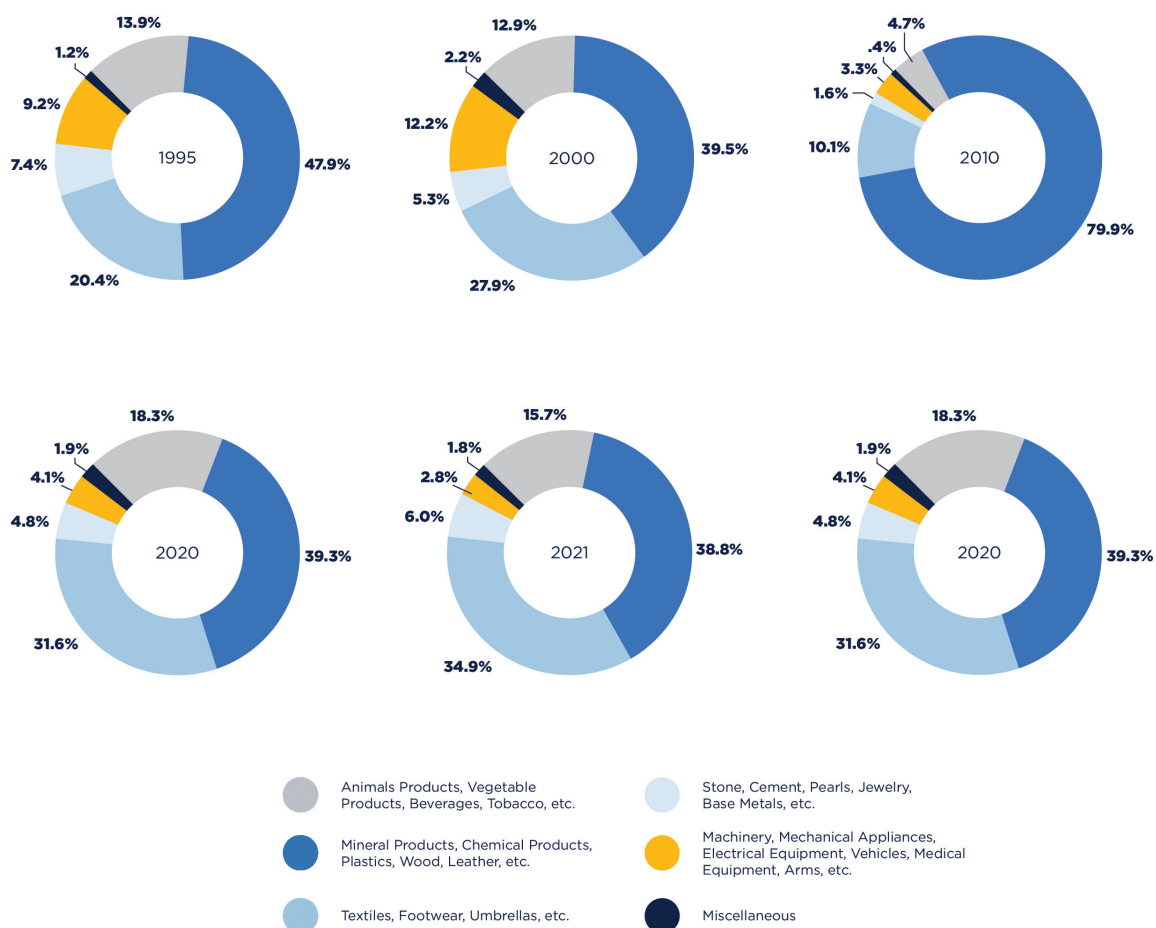
Source: Israel Central Bureau of Statistics

Israel-Egypt Import/Export Balance 1995-2022 (\$)



Source: Israel Central Bureau of Statistics

Israel-Egypt Trade Composition 1995-2022



*See Appendix for full outline of trade categories
Source: UN COMTRADE



Photo Credit Top: Rosario Janza on Unsplash
Photo Credit Right: Omar Elsharawy on Unsplash

Tourism

While Israelis continue to vacation in Sinai, the number of Egyptian tourists coming to Israel remains low. Similarly, Israeli tourism to areas outside of Sinai remains low.

Tourism represents 5.1% of total Egyptian GDP, and at US\$ 22.3 billion, tourism's contribution to overall GDP is only behind that of the UAE among Accords member countries. Tourism is one of the largest revenue sources for Egypt and is projected to grow with investment and development in the sector and the highly anticipated opening of the Grand Egyptian Museum in 2023.

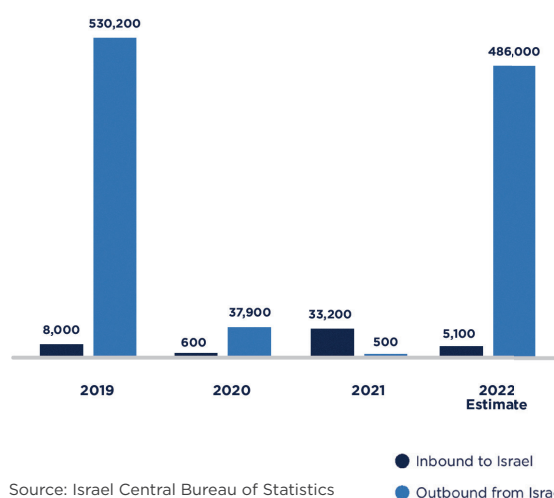
However, in spite of their proximity, Israel and Egypt make a relatively small contribution to each other's tourism industries.

2022 saw positive developments in the deepening of tourism relations between Egypt and Israel. In March, Israel and Egypt announced a new direct route between Tel Aviv and the Red Sea coastal resort of Sharm El-Sheikh, with the first flight on the new direct route departing from Ben Gurion Airport in April. Three Israeli airlines launched three weekly direct flights each to Sharm El-Sheikh in April. In May, Air Cairo launched direct flights between Tel Aviv and Sharm El-Sheikh.

The number of Egyptian tourists coming to Israel remains below its potential, as does Israeli tourism to Egypt beyond Sinai. In order to begin to address these issues, *organized tours for tourists in both directions should be arranged to increase comfort levels and overcome misperceptions. Additionally, bilateral visits of cultural groups and artists should be expanded, in order to increase exposure and improve public opinion.*

As two of the major tourism destinations in the region, there is significant opportunity for Israel and Egypt to leverage their proximity to cooperate on tourism initiatives that increase overall tourism to the region. Such cooperation would allow both countries to benefit from those tourists, rather than competing for them. To this end, both countries should seek to convene tourism ministers and senior management of the private tourism industry of Abraham Accords member nations and significant neighbors to discuss opportunities for collaboration that increase tourism in and between Abraham Accords member nations. Additionally, *multilateral cooperation with other countries in the region such as Saudi Arabia to increase tourism to the Red Sea should be encouraged.*

Total Tourists Between Israel and Egypt 2019-2022



People-to-People

Since the signing of the Accords, people-to-people contact between Israel and Egypt has been far below its potential.

In a notable positive development, the Jewish holiday of Hanukkah was celebrated at the Meir Biton Synagogue in Maadi Cairo, where members of the Jewish community and guests lit the menorah. 2022 also saw a small number of Israeli cultural performances in Egypt, the most notable being in May when an Israeli orchestra played in Cairo for the first time in 40 years at the Israeli Embassy's Independence Day festivities. In the spring of 2022, 84% of Egyptians expressed a very negative or somewhat negative view of the Abraham Accords, compared to 77% in November 2020 following the signing of the Accords.

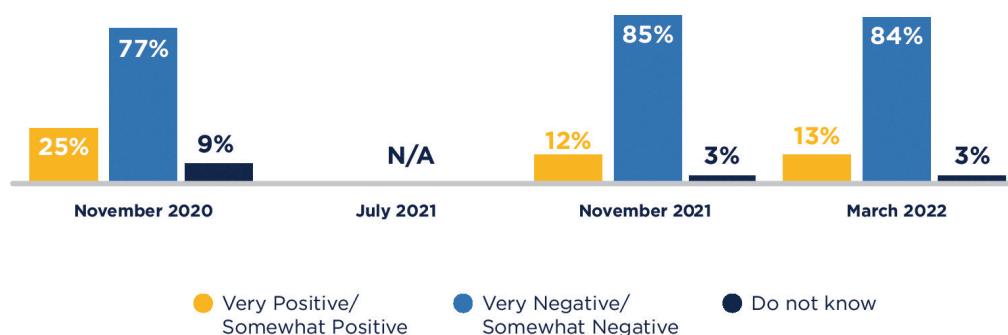
The process of forging people-to-people connections between the countries will only be advanced if the governments make it a priority. It is also possible that the positive trends in Egypt-Israel political and economic relations encourage people-to-people interactions. *Mutually beneficial tourism initiatives involving Egyptian, Israeli, and American (or European) partners* could also increase positive people-to-people interactions. With government support, Egyptian students can participate in multilateral academic exchange *programs for both students and faculty* that provide an opportunity Israelis and Egyptians to study together in an academic environment. Such programs could involve each country nominating a group of undergraduate or graduate students annually to study at the flagship institutions of the other country, based on their

demonstrated potential for leadership in the public or private sector. Government-selected youth could also participate in tailored programs and supporting infrastructure that provide an opportunity for Egyptians and Israeli youths to visit the other country and interact with their counterparts, deepening mutual understanding with an emphasis on peace, diversity, inclusion, and cooperation among the next generation. Finally, as with other Accords countries, normalization can be leveraged to enable collaboration that deepens cultural relations and understanding in the arts through participation in *art exhibitions and competitions* that feature art that best embodies the principles of peace, prosperity, hope, and tolerance.



Israeli orchestra appears in Egypt for first time in 40 years.
Photo Credit: Israel Embassy in Egypt

What is your view of the peace agreements between Israel and the UAE, Bahrain, Morocco, and Sudan?



Source: Washington Institute Arab Polling Project:
<https://public.tableau.com/app/profile/catherine.cleveland/viz/the/ashingtoninstituteArabPollingProject/startingpage>



Jordan

Abraham Accords Relationship Status: *Adequate*

Summary:

The Jordan-Israel peace treaty signed on October 26, 1994, built on the Egypt-Israel peace treaty of March 1979, closing an era of belligerency between two neighbors. The principal sentiments reflected in the Jordan-Israel treaty are cooperation and respect. Both nations held common views regarding shared threats. King Hussein and Prime Minister Yitzhak Rabin signed the Washington Declaration on the White House lawn in July 1994 officially ending the state of conflict. The core of the agreement encompassed joint solutions to common problems. Both countries continue to pursue the promise of potential of the treaty, which served to guide and inform the Abraham Accords that followed.

There have been considerable and positive developments in Israel's relations with Jordan in 2022, yet significant obstacles to the qualitative improvement of ties remain. The interests of Israel and Jordan are not universally aligned. Nevertheless, there is significant opportunity for Israel and Jordan to collaborate in multilateral regional cooperation mechanisms.

Jordan-Israel trade continues to grow, although there is still significant unrealized potential.

Several flagship projects, such as the Jordan Gateway Industrial Zone and Project Prosperity, have continued to advance, though at a very slow pace. Political will must be mobilized in order to overcome bureaucratic inertia and reach mutually agreeable outcomes.

In spite of their proximity and shared cultural and historic ties, there is a relatively low level of tourism between Israel and Jordan, and recent years have seen insufficient progress in deepening bilateral tourism. Additionally, there has been very little people-to-people contact between Israel and Jordan in recent years, and it will require concerted effort from both nations to seize the opportunity and return to pre-pandemic levels of economic benefit.

Diplomatic



*Prime Minister Yair Lapid, during his diplomatic visit to New York, met with the King of Jordan, His Majesty King Abdullah II on Tuesday, 20 September 2022. This was the leaders' second meeting since July 2022 and served as an additional expression of the tightening of Israel-Jordan relations.
Photo Credit: GPO/Amos Ben Gershon*

The historic 1994 Peace Treaty between Jordan and Israel was a seminal precursor to the Abraham Accords. Both have common cultural and historic ties, share many of the same challenges, and recognize the importance of collaboration and integration regionally to make progress towards vital goals. However, both countries also often find it difficult to translate these shared desires into concrete outcomes which demonstrate the importance of their relationship to their citizens.

While a number of high-level meetings occurred on the Presidential and Prime Ministerial level with Jordan's King Abdullah II in Amman as well as at COP27, there have been a lack of reciprocal visits of Jordanian ministers to Israel. To date, Jordan has not taken part in the Negev Forum framework due to the absence of Palestinian participation. Constructive Jordanian engagement in the Negev Forum could serve as an opportunity to use a multilateral forum to improve the quality of life of Jordanians and Palestinians, while also deepening diplomatic ties with Israel. In spite of the constraints the relationship faces, Jordan and Israel's partnership is an important one that must be preserved. Multilateral regional cooperation mechanisms present less controversial opportunities to cooperate.

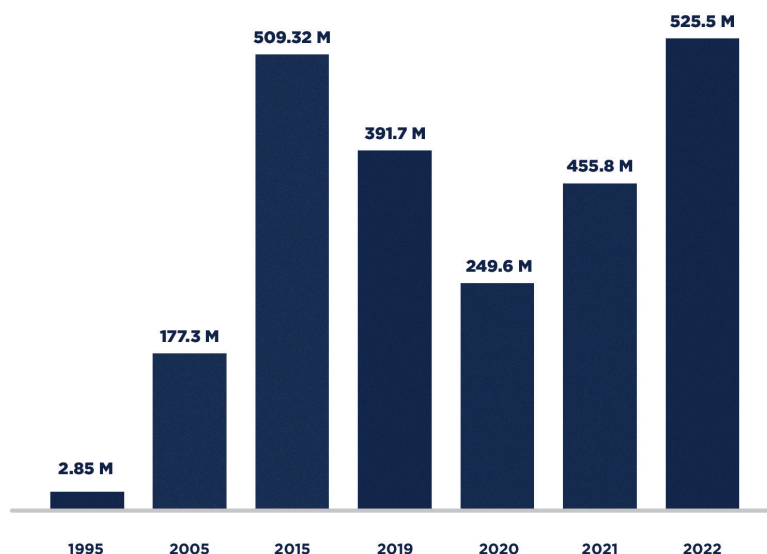
November 2022 saw Israel's Environmental Protection Minister and Jordan's Water and Irrigation Minister sign a declaration of intent to partner in the ecological rehabilitation and the sustainable development of the Jordan River, the first environmental agreement between Israel and Jordan since their 1994 peace treaty. In November 2021, Israel and Jordan signed a historic agreement facilitated by the United Arab Emirates, whereby Israel would provide Jordan with additional desalinated water and Jordan would provide Israel with solar energy. This landmark deal points to the potential of the Accords to lead to improved bilateral relations through multilateral frameworks. Naturally, the challenges of coordinating the execution of such a complex multinational endeavor are often painstaking and slow. It is imperative that these projects advance in a timely manner, with clear communication between all sides. Additionally, Israel and Jordan should look to identify other trilateral or multilateral projects that could be carried out by Israel, Jordan, Egypt, and other Accords members, especially at the convergence of trade, food and water security, healthcare, and tourism.

The convergence of security interests in the Red Sea is a vital area of existing cooperation that can and should be expanded to the multilateral level involving Egypt, Israel, Jordan, and Sudan and benefit from U.S. leadership.¹ Israel could over time also be a valuable addition to the ongoing progress made between Egypt, Jordan, and Iraq.

Jordan-Israel trade continues to grow, although there is still significant unrealized potential. Several flagship projects, such as the Jordan Gateway Industrial Zone and Prosperity Blue/Green, have continued to advance, yet the complexity of the projects have resulted in delays.

2022 has seen an increase in Israel-Jordan cross-border trade, including goods destined for import and export via the Haifa port. Indeed, some Jordanian companies have been reportedly serving as middlemen for Israel-Gulf overland trade, although this is not yet happening at scale. However, the volume of this trade is constrained by the limited capacity of the Israel-Jordan border crossings. For example, at the 'King Hussein (Allenby) Border Crossing,' which serves as a vital commercial conduit, there are currently substantial backlogs and bottlenecks in both directions. The two most important bottlenecks are the insufficient infrastructure and inefficient operation at both the Jordanian side of the border crossing and at the Israeli Defense Ministry security checkpoint that leads to the Israeli side of the border crossing. This has led to significant delays in the crossing of both goods and people, which in turn has disincentivized business cooperation. *Political and private sector support must be mobilized in both countries for improving efficiency and expanding capacity at the border-crossings.* Improving the King Hussein (Allenby) crossing, perhaps with European or American support, would increase the potential of overland trade and would provide tangible opportunities for the Palestinians to benefit. Additionally, *the construction of a third bridge at the Jordan River Border Crossing, the primary crossing serving Israel-Jordan trade,* would also help relieve the current backlog of trucks and create the infrastructure necessary for increased regional overland trade. It is projected that the construction of such a bridge would lead to an increase in trade of more than \$1.2 billion a year, and that the cost of the bridge's construction would be between \$17.5-20.5 million.

Total Israel-Jordan Trade 1995-2022 (\$)



Source: Israel Central Bureau of Statistics

Although some Israeli companies are building factories in the Jordan Gateway Industrial Zone, the economic case for developing the zone continues to be disputed. The pace and dysfunctionality of Israeli bureaucracy has also impeded progress. Both countries should seek to accelerate progress via existing mechanisms or create a new bilateral mechanism with U.S. support and assistance to establish goals, milestones, and resources.

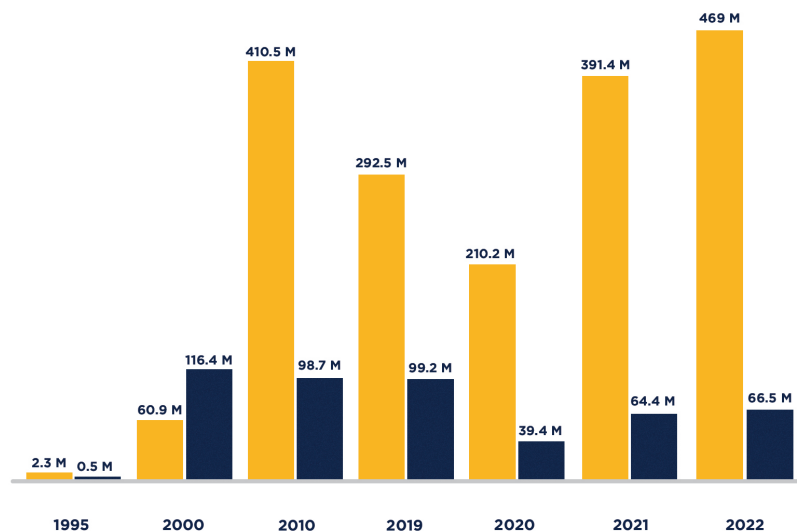
Energy is an area where the potential for cooperation is substantial. Natural gas already moves from Israel to Jordan. Project Prosperity was first announced in November 2021 and consists of two interdependent components. Project Green includes the construction of 600 megawatts of solar power capacity in Jordan in collaboration with UAE's Masdar that would be exported to Israel. Project Blue would provide Jordan with 200 million cubic meters (mcm) of desalinated water from Israel. Israel and Jordan signed a memorandum of understanding in November to move ahead with a water-for-energy deal after an initial examination of the project found it to be feasible. The hope is for a binding final deal to be signed at COP-28 in late 2023, though *political will must be mobilized in order to overcome ongoing delays*. U.S. and European partners can provide support and assistance to signatories in a variety of ways, from administrative support, convening all parties

regularly to exchange information and adhere to milestones, to the structure of the required financing. Additionally, the East Mediterranean Gas Forum, which both Israel and Jordan are members of, can be *strengthened as a key mechanism for enhancing energy cooperation*.

Popular support for normalization with Israel in Jordan has remained low since the Accords were concluded in 2020, constraining people-to-people contact and economic activity. Both people-to-people contact and economic activity should be addressed in parallel, providing opportunities for expanded contact to leverage the shared cultural and historic ties and the vast potential of economic cooperation between the two countries.

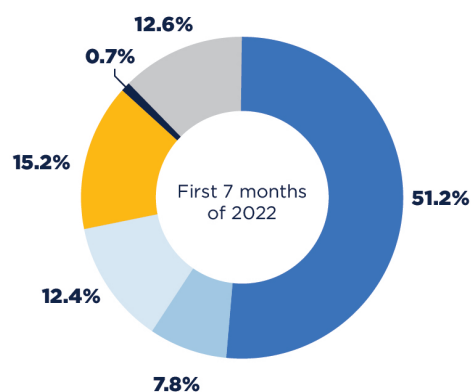
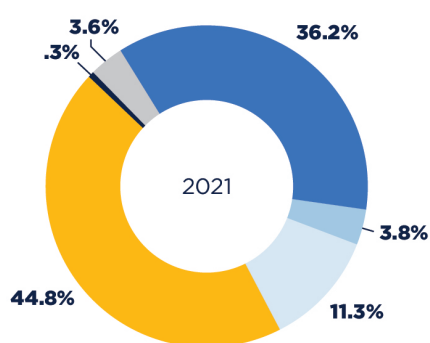
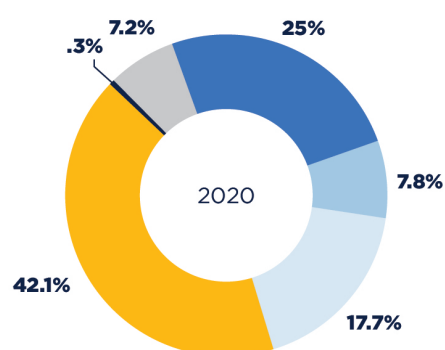
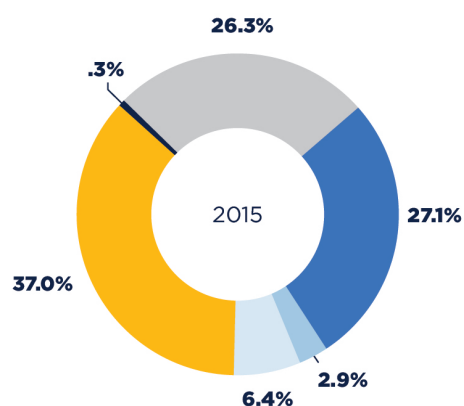
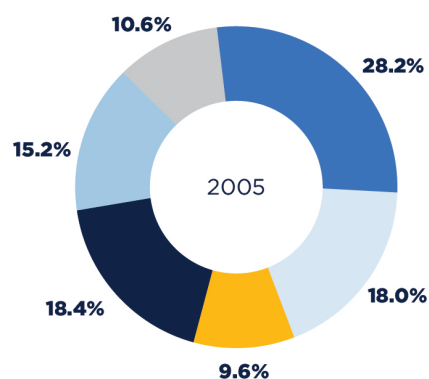
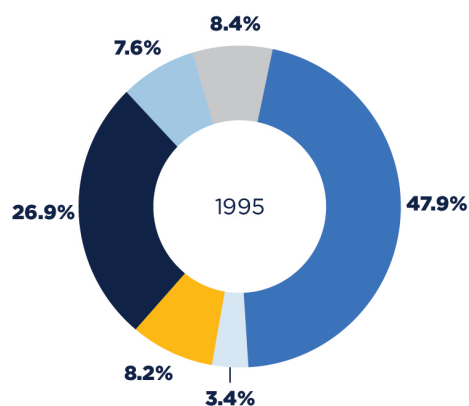
In addition to the vital security interests in the Red Sea that Israel and Jordan share, there could also be significant convergence of trade interests if infrastructure connecting the Red Sea to Israel's Mediterranean coast were to be developed and expanded. Reviving the high-speed railway between Eilat and Israel's Mediterranean coast (Med-Red) or improved infrastructure connecting the Red Sea to Haifa could also benefit nearby Aqaba. Such improvements could also benefit the Gulf states and thus might be an opportunity for multilateral cooperation.

**Israel-Jordan Import/Export
Balance 1995-2022 (\$)**



¹ <https://www.iiss.org/blogs/analysis/2022/11/security-competition-in-the-red-sea-area>

Israel-Jordan Trade Composition 1995-2022



*See Appendix for full outline of trade categories
Source: UN COMTRADE



Photo Credit: Spencer Davis on Unsplash

Tourism

Though neighbors, tourism between Israel and Jordan falls short of the tremendous potential. Cooperation to encourage Israeli and Jordanian tourists is vital, as is the need to work together to attract and facilitate the movement of international tourists eager to visit both countries in a single visit.

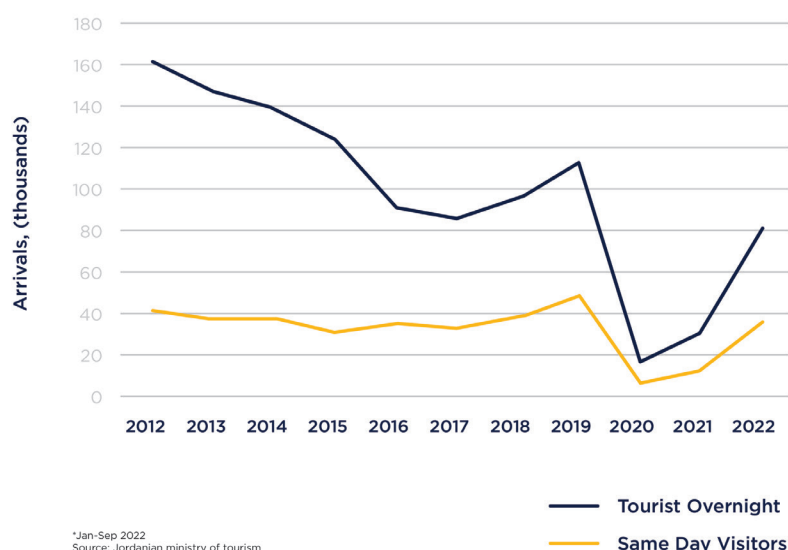
The tourism industry in Jordan represents 7.7% of total GDP, the highest percentage in the region after Bahrain. However, this is due to the relatively smaller size of the economy. Nonetheless, with a contribution of US\$ 3.4 billion, tourism is a major revenue source for the Kingdom.

The level of tourism between the countries is low given their proximity. Over 90,000 Israelis entered Jordan overland in 2022 and 15,500 Jordanians entered Israel.

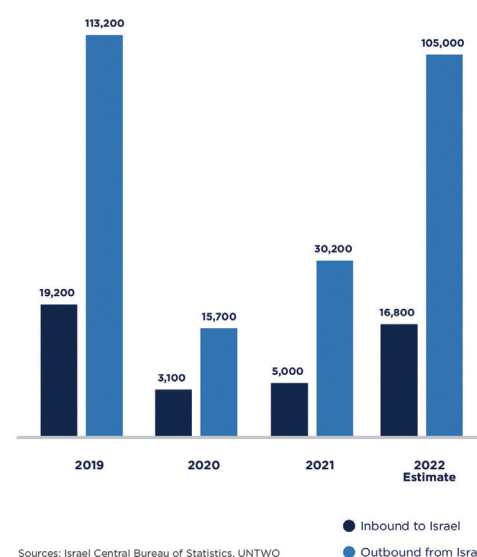
Tour groups should be organized for tourists in both directions, in order to increase comfort levels and overcome concerns about safety or negative receptions. Additionally, bilateral visits of cultural groups and artists should be increased in order to increase exposure and improve public opinion. In order for tourism relations to be qualitatively deepened, efforts must be made to improve popular sentiment in Jordan towards Israel.

In spite of these impediments, *there is an opportunity for Israel and Jordan to cooperate on tourism in multilateral forums*, and this should be encouraged. The proximity between Egypt, Israel, and Jordan can be leveraged to increase the number of tourists for all three countries. Such a forum could provide an opportunity to address the Jordanian concern that tourists to Jordan often stay overnight in Israel and only participate in day trips to Jordan, limiting the benefit to the Jordanian economy brought by tourism. It could also lead to more cooperation among travel agents who could together develop marketing strategies and offer programs that incentivize tourists based on Israel and Jordan's specific tourism goals. For instance, the two countries could collaborate when it comes to religious tourism. Given that the Jordan River is a major religious site, and other major pilgrimage locations exist on both sides of the river, cooperation on religious tourism could deliver significant benefits for both Israel and Jordan. Additionally, as Jordan seeks to expand tourism by developing a "tourist city" adjacent to the site Jesus is traditionally believed to have been baptized, the benefits of cooperation on tourism can help attract the necessary investment, perhaps by other Accords countries as part of broader multilateral cooperation on tourism.

Israeli Tourists in Jordan



Total Tourists Between Israel and Jordan 2019-2022

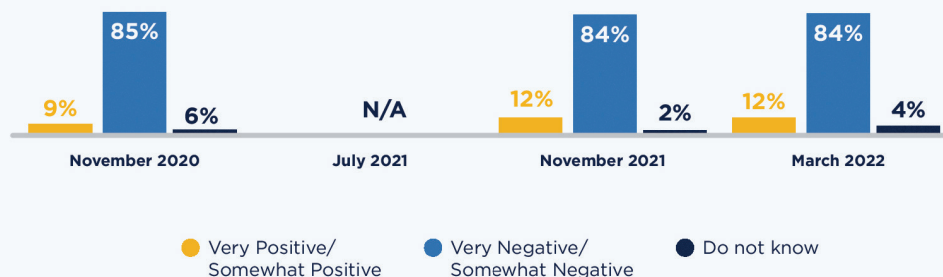


People-to-People

In spite of the progress that occurred in 2022 on the diplomatic and economic fronts, popular support for normalization remains a challenge. In the spring of 2022, 84% of Jordanians expressed a very negative or somewhat negative view of the Abraham Accords, virtually unchanged from the 85% of Jordanians who expressed a very negative or somewhat negative view of the Abraham Accords in November 2020 following the signing of the Accords.

Much is needed in order for people-to-people relations to deepen. The process of forging people-to-people connections between the countries will only be advanced if the governments make it a priority. It is also possible that the positive trends in Jordan-Israel economic relations encourage people-to-people interactions. *Mutually beneficial tourism initiatives involving Jordanian, Israeli, and American (or European) partners* could also increase positive people-to-people interactions. With government support, Jordanian students can participate in multilateral academic exchange programs for both students and faculty. Such programs could provide an opportunity for Jordanian and Israeli youths to visit the other country and interact with their counterparts, deepening mutual understanding with an emphasis on peace, diversity, inclusion, and cooperation among the next generation. Finally, as with other Accords countries, normalization can be leveraged through sports and the arts to enable collaboration that deepens cultural relations.

What is your view of the peace agreements between Israel and the UAE, Bahrain, Morocco, and Sudan?



Source: Washington Institute Arab Polling Project:
<https://public.tableau.com/app/profile/catherine.cleveland/viz/the/ashingtoninstituteArabPollingProject/startingpage>



Kosovo

Abraham Accords Relationship Status: *Adequate*

Summary:

On September 4, 2020, Serbia and Kosovo agreed to normalize economic ties as part of U.S.-brokered talks that included Belgrade moving its Israeli embassy to Jerusalem and mutual recognition between Israel and Kosovo. At a White House signing ceremony Serbian President Aleksandar Vucic and Kosovo's Prime Minister Avdullah Hoti agreed to cooperate on a range of economic fronts to attract investment and create jobs.

In the years that followed there has been change in both governments which concluded the deal, and relations between Israel and Kosovo have been slow. Diplomatic visits have occurred but leave room for improvement. While trade and tourism data is not publicly available, we judge both have remained below expectations and potential. There appears to be a lack of awareness on both sides of the economic opportunities that exist in each country. The lack of direct flights between the countries has hampered ties, as has the resultant small number of political and business delegations. While limited in number, the people-to-people interactions that have occurred between Israel and Kosovo have been positive. *It is important to ensure the observable benefits of normalization with Israel* are clear to reinforce existing ties and encourage others to join the historic agreements. As with all of the Abraham Accords, the United States played a vital role and its involvement will continue to be an essential and often determinative factor.

Diplomatic

There have been some notable developments in 2022 helping to validate the relationship and set conditions for further strengthening ties. In April, the Israeli Minister for Regional Cooperation became the first Israeli minister to visit Kosovo, where he met with the prime minister and the foreign minister. Before his historic visit, Minister Esawi Frej, alongside Kosovar Chargé d'Affaires to Israel Ines Demiri, met with two Kosovar children in Israel receiving life-saving health care. However, Minister Frej remains the only Israeli minister to visit Kosovo to date. By contrast, several ministers have visited Israel from Kosovo, including Kosovo's Defense Minister who visited Israel for the first time in March, Kosovo's Foreign Minister and Deputy Prime Minister who visited in May, and the Minister of Education who visited in October, where he signed a cooperation agreement with Yad Vashem Holocaust Remembrance Center.

Chargé d'Affaires of Kosovo to the State of Israel Ines Demiri has worked tirelessly to deepen ties between the countries and her efforts should be supported. This could include *the encouragement of more frequent visits by ministers and senior officials, to be accompanied by the signing of government-to-government agreements in areas such as economic cooperation, science, innovation, academic cooperation, defense, and diaspora relations.*



Tammy Ziv, Ambassador of Israel to Kosovo, hosted the first official candle lighting of the Jewish holiday of Hanukkah in the Republic of Kosovo on December 6, 2022.
Photo Credit: Tammy Ziv via Twitter



Regional Cooperation Minister Esawi Frej alongside Kosovar Chargé d'Affaires Ines Demiri, meeting Anisa and Florim, two children who were brought from Kosovo to Israel by Save a Child's Heart to undergo life-saving cardiac care at Wolfson Hospital.
Photo Credit: Save a Child's Heart

Israel and Kosovo have not seen much progress in their economic relations since the signing of the Accords. While there is a lack of concrete trade data, it appears that economic ties and investments remain limited.

There appears to be a lack of awareness on both sides of the economic opportunities that exist in each country. The lack of direct flights between the countries has hampered ties, as has the resultant small number of political and business delegations.

In order for existing economic opportunities to be seized, *the Israeli government should put greater emphasis on developing Israel-Kosovo economic ties and the number of bilateral visits by ministers. Senior officials and business delegations should be increased in order to deepen awareness among respective business communities regarding opportunities in the other country. Specifically, cooperation and dialogue between Israeli and Kosovar start-ups and entrepreneurs should be encouraged.* The Accords have created the opportunity for transformative cooperation among Accords member countries in the fields of innovation, technology, and start-up entrepreneurship. Expanded ties between start-up ecosystems would bolster regional prosperity, stability, resilience, sustainable development, and people-to-people peace. Specifically, there is notable potential for collaboration on food and water innovation.

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Two years after the establishment of official relations between the State of Israel and the Republic of Kosovo, we have witnessed great developments in the Kosovo-Israel relations.

The embassy in Jerusalem aims to deepen the bilateral cooperation between the two countries in all areas of interest for the mutual benefit of citizens in both countries. Although the exchanges and cooperation between Kosovo and Israel started from scratch after the establishment of the diplomatic ties, we have made fruitful achievements in various fields.

During this past year, we had many high level visits, including the visit of six ministers from Kosovo. Our cooperation in economy and trade, education, People-to-People exchanges are growing and practical cooperation are deepening. Various agreements were signed in 2022, including in the fields of science, education, innovations, film coproduction, and institutions, such as Yad Vashem, the World Holocaust Remembrance Center.

Although our official diplomatic relations are relatively new, the friendship between the two nations dates back centuries. In this regard, we should carry on this important responsibility built by history to create a blueprint and contribute to the development of our bilateral relations and the betterment of our societies for years to come.

It is our shared responsibility to work together, walk with the times, seek mutual interests and create results that would be beneficial to both of our two great nations.



Ines Demiri
Kosovo Chargé
d'Affaires to Israel

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Photo Credit: Mrika Selimi on Unsplash

Tourism

Although data on tourism numbers between Israel and Kosovo is not publicly available, tourism between the countries remains limited.

Tourism between Israel and Kosovo is hampered by the lack of a direct flight between the countries. While the creation of a direct flight would be highly beneficial for the deepening of tourism relations, such a flight will only be offered if there is sufficient demand. Advances in the trade and people-to-people relations could incentivize the establishment of such a flight in the future and should be encouraged. Additionally, there is a lack of awareness of tourism attractions and opportunities on the part of both sides.

In order to address these obstacles, *cultural events that bring Kosovar artists, sports figures, celebrities, and influencers to Israel and vice versa should be encouraged.* Additionally, Israel should prioritize increasing the number of Kosovar business, youth, and person-to-person delegations to Israel. Finally, *tailored tourism packages for Kosovars to Israel optimized for Kosovar preferences, interests, and budgets should be developed,* while the same should be prepared for Israeli tourists to Kosovo.

People-to-People

While limited in number, the people-to-people interactions that have occurred between Israel and Kosovo have been positive.

The Foreign Ministers of Israel and Kosovo signed a series of bilateral agreements in May in the areas of culture, education, science, and film co-production. The Kosovar Foreign Minister also signed a Holocaust education agreement with Yad Vashem Chairman Dani Dayan.

There have been a small number of Kosovar delegations to Israel, as well as Kosovar students studying in Israel. For example, in June, doctors from Kosovo celebrated the completion of a course on “Management of Health Services in Times of Crisis” hosted by the Golda Meir MASHAV-Israel Agency for International Development Cooperation. In late November, Israel’s Ministry of Foreign affairs hosted a group of women entrepreneurs, including from Kosovo. And in December, the President and Prime Minister of Kosovo attended the first ever official Candle Lighting for the Jewish Holiday of Hanukkah in Kosovo. As multilateral academic exchange programs between Accords countries for students and faculty get up and running, Kosovo should look to participate.

However, more must be done. *There is a need to increase mutual awareness, through webinars, virtual platforms, or marketing campaigns, of the opportunities and benefits of studying in the other country.* In general, there is a need to *educate Israelis regarding Kosovo and the opportunities that expanded relations with the country present and to encourage the Israeli government to put a greater emphasis on ties with the country.* Additionally, more tailored programs and supporting infrastructure that provide an opportunity for youths of Israel and Kosovo to visit the other country and interact with their counterparts should be set up. Finally, as with the other Accords countries, sports and the arts should be looked to as areas where the Accords can be leveraged to deepen cultural relations.

Trade composition details

Calculations of composition of trade were based on the Harmonized System, a standardized numerical method of classifying traded products. More information can be found at <https://www.trade.gov/harmonized-system-hs-codes>.

For simplicity's sake, we divided the 22 sections and 99 two-digit commodity codes of the Harmonized System in to six sections, which can be found below.

1. Animals products, vegetable products, beverages, tobacco, etc.

Section I: Live Animals; Animal Products

Section II: Vegetable Products

Section III: Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes

Section IV: Prepared Foodstuffs; Beverages, Spirits, and Vinegar; Tobacco and Manufactured Tobacco Substitutes

2. Mineral products, chemical products, plastics, wood, leather, etc.

Section V: Mineral Products

Section VI: Products of the Chemical or Allied Industries

Section VII: Plastics and Articles Thereof Rubber and Articles Thereof

Section VIII: Raw Hides and Skins, Leather, Furskins and Articles Thereof; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (Other Than Silkworm Gut)

Section IX: Wood and Articles of Wood; Wood Charcoal; Cork and Articles of Cork; Manufacturers of Straw, of Esparto or of Other Plaiting Materials; Basketware and Wickerwork

Section X: Pulp of Wood or of Other Fibrous Cellulosic Material; Waste and Scrap of Paper or Paperboard; Paper and Paperboard and Articles Thereof

3. Textiles, footwear, umbrellas, etc.

Section XI: Textile and Textile Articles

Section XII: Footwear, Headgear, Umbrellas, Sun Umbrellas, Walking Sticks, Seatsticks, Whips, Riding-Crops and Parts Thereof; Prepared Feathers and Articles Made Therewith; Artificial Flowers; Articles of Human Hair

4. Stone, cement, pearls, jewelry, base metals, etc.

Section XIII: Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials; Ceramic Products; Glass and Glassware

Section XIV: Natural or Cultured Pearls, Precious or Semiprecious Stones, Precious Metals, Metals Clad With Precious Metal, and Articles Thereof; Imitation Jewelry; Coin

Section XV: Base Metals and Articles of Base Metal

5. Machinery, mechanical appliances, electrical equipment, vehicles, medical equipment, arms, etc.

Section XVI: Machinery and Mechanical Appliances; Electrical Equipment; Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles

Section XVII: Vehicles, Aircraft, Vessels and Associated Transport Equipment

Section XVIII: Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Clocks and Watches; Musical Instruments; Parts and Accessories Thereof

Section XIX: Arms and Ammunition; Parts and Accessories Thereof

6. Miscellaneous

Section XX: Miscellaneous Manufactured Articles

Section XXI: Works of Art, Collectors' Pieces and Antiques

Section XXII: Special Classification Provisions; Temporary Legislation; Temporary Modifications Proclaimed Pursuant to Trade Agreements Legislation; Additional Import Restrictions Proclaimed Pursuant to Section 22 of the Agricultural Adjustment Act, As Amended



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