



Central Bank of Jordan

## **Recent Monetary & Economic Developments in Jordan**

**Research Dept / Monthly Report  
March, 2016**

**Central Bank of Jordan**

Tel: (962 6) 4630301

Fax: (962 6) 4638889 / 4639730

P.O. Box 37 Amman 11118 Jordan

Website: <http://www.cbj.gov.jo>

E-mail [redp@cbj.gov.jo](mailto:redp@cbj.gov.jo)



## ❑ OUR VISION

To be one of the most capable central banks regionally and internationally in maintaining monetary stability and ensuring the soundness of the financial system thereby contributing to sustained economic growth in the Kingdom.

## ❑ OUR MISSION

Ensuring monetary and financial stability by maintaining price stability, protecting the value of the Jordanian Dinar and through an interest rate structure consistent with the level of economic activity thereby contributing toward an attractive investment environment and a sound macroeconomic environment. Furthermore, the Central Bank of Jordan strives to ensure the safety and soundness of the banking system and the resilience of the national payments system. To this end, the Central Bank of Jordan adopts and implements effective monetary and financial policies and employs its human, technological, and financial resources in an optimal manner in order to effectively achieve its objectives.

## ❑ OUR VALUES

- |                            |   |   |
|----------------------------|---|---|
| <b>Loyalty</b>             | : | Commitment and dedication to the institution, its staff and clients.  |
| <b>Integrity</b>           | : | Seeking to achieve our organizational goals honestly and objectively.   |
| <b>Excellence</b>          | : | Seeking to continuously improve our performance and deliver our services in accordance with international standards.                              |
| <b>Continuous Learning</b> | : | Aspiring to continuously improve practical and academic skills to maintain a level of excellence in accordance with international best practices. |
| <b>Teamwork</b>            | : | Working together, on all levels of management, to achieve our national and organizational goals with a collective spirit of commitment.           |
| <b>Transparency</b>        | : | Dissemination of information and knowledge, and the simplification of procedures and regulations in a comprehensible and professional manner.     |



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### Executive Summary

#### □ Output, Prices and Employment

During the year of 2015, real GDP at market prices, grew by 2.4 percent, compared to 3.1 percent during 2014. The Consumer Price Index continued its contraction by 0.9 percent during the first two months of 2016, against a contraction of 0.8 percent during the same period of 2015. Furthermore, the unemployment rate increased during the year of 2015 to stand at 13.0 percent compared to 11.9 percent in 2014.

#### □ Monetary and Financial Sector

- The CBJ's foreign currency reserves decreased by US\$ 324.5 million (2.3 percent) at the end of February 2016, compared to their level at the end of 2015. Standing at US\$ 13,828.9 million, this level of reserves covers around 7.5 months of the kingdom's import of goods and services.
- Domestic liquidity increased by JD 166.8 million (0.5 percent) at the end of February 2016 compared to its level at the end of 2015, to stand at JD 31,772.4 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 194.6 million (0.9 percent) at the end of February 2016 compared to its level at the end of 2015, to stand at JD 21,298.1 million.
- Total deposits at licensed banks increased by JD 207.6 million (0.6 percent) at the end of February 2016 compared to its level at the end of 2015, to stand at JD 32,806.1 million. This increase was a result of the increase in the JD deposits by 217.8 million (0.8 percent) and the decrease in foreign currency deposits by JD 10.2 million (0.2 percent).
- The Share Price Index (SPI) weighted by the market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,116.3 point at the end of February 2016, decreasing by 20.1 points, or 0.9 percent, compared to its level at the end of 2015.

- **Public Finance:** During the year 2015, the general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 928.6 million compared to a fiscal deficit in the amount of JD 583.5 million during 2014. Net outstanding domestic debt (budgetary and own-budget) increased by JD 932.0 million at the end of 2015, compared to its level at the end of 2014, to stand at JD 13,457.0 million (50.5 percent of GDP). Outstanding external public debt increased by JD 1,360.4 million at the end of 2015 compared to its level at the end of 2014 to reach JD 9,390.5 million, (35.3 percent of GDP). Accordingly, the net public debt (domestic and external) stood at 85.8 percent of GDP at the end of 2015 compared to 80.8 percent of GDP at the end of 2014.
- **External Sector:** Total merchandize exports (domestic exports *plus* re-exports) decreased by 16.6 percent to reach JD 362.4 while imports increased by 13.7 percent to reach JD 1135.9 million in January 2016 as a result, the trade deficit increased by 37.0 percent compared to the same month of 2015, to reach JD 773.5 million. The preliminary data for the first two months of 2016 shows a decrease in travel receipts by 5.7 percent and an increase in travel payments by 4.6 percent compared to the same period of 2015. Moreover, total worker's remittances receipts decreased by 4.5 percent during the first two months of 2016. The balance of payments for the year 2015 displayed a deficit in the current account amounting to JD 2,396.1 million, (9.0 percent of GDP) up from JD 1,851.7 million (7.3 percent of GDP) during 2014 while the current account deficit excluding grants decreased to reach 11.9 percent of GDP compared with 12.6 percent of GDP during 2014. Moreover, net direct investment recorded an inflow of JD 904.4 million during 2015 compared to a net inflow of JD 1,367.5 million during 2014. furthermore, the international investment position (IIP) registered a net obligation to abroad in the amount of JD 24,357.5 million at the end of 2015 compared to JD 22,578.8 million at the end of 2014.



## First: Monetary and Financial Sector

### □ Summary

- The CBJ's foreign currency reserves decreased by US\$ 324.5 million (2.3 percent) at the end of February 2016, compared to their level at the end of 2015, to stand at US \$ 13,828.9 million. This level of reserves covers around 7.5 months of the kingdom's imports of goods and services.
- Domestic liquidity increased by JD 166.8 million (0.5 percent) at the end of February 2016, compared to its level at the end of 2015, to total JD 31,772.4 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 194.6 million (0.9 percent) at the end of February 2016, compared to its level at the end of 2015 to reach JD 21,298.1 million.
- Total deposits at licensed banks increased by JD 207.6 million (0.6 percent) at the end of February 2016 compared to its level at the end of 2015, to stand at JD 32,806.1 million.
- The interest rates on all types of deposits and credit facilities extended by licensed banks had increased at the end of February 2016, compared to their levels at the end of 2015, except the overdraft accounts, and demand deposits.

- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,116.3 point at the end of February 2016, decreasing by 20.1 points (0.9 percent), compared to its level at the end of 2015. Moreover, the market capitalization decreased by JD 576.7 million (3.2 percent), compared to its registered level in 2015, to stand at JD 17,408.0 million.

**Main Monetary Indicators**

JD Million, and Percentage Change Relative to the Previous Year

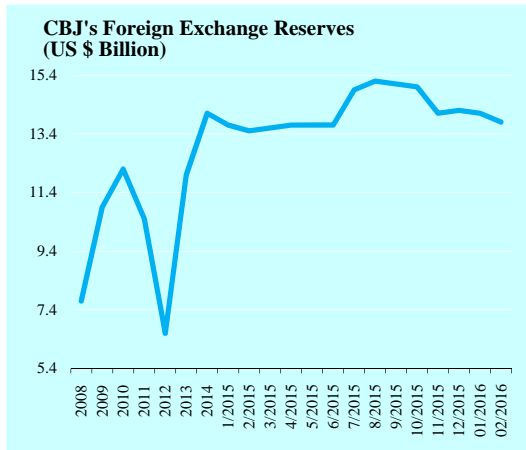
		End of February	
2015		2015	2016
US\$ 14,153.5	CBJ's Foreign Currency Reserves*	US\$ 13,536.8	US\$ 13,828.9
0.5%		-3.8%	-2.3%
31,605.5	Money Supply (M2)	29,928.9	31,772.4
8.1%		2.4%	0.5%
21,103.5	Credit Facilities, of which:	19,357.4	21,298.1
9.5%		0.4%	0.9%
18,098.1	Private Sector (Resident)	17,283.1	18,385.8
4.6%		-0.1%	1.6%
32,598.5	Total Deposits, of which:	31,038.0	32,806.1
7.7%		2.6%	0.6%
26,014.5	In JD	24,760.1	26,232.3
8.3%		3.1%	0.8%
6,584.0	In Foreign Currencies	6,277.9	6,573.8
5.4%		0.5%	-0.2%
25,799.7	Deposits of Private Sector (Resident), of which:	24,407.0	25,834.6
7.6%		1.8%	0.1%
21,163.1	In JD	20,000.8	21,213.0
8.1%		2.2%	0.2%
4,636.7	In Foreign Currencies	4,406.2	4,621.6
5.3%		0.1%	-0.3%

\* Except gold reserves and special drawing rights.

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

**□ CBJ's Foreign Currency Reserves**

The CBJ's foreign currency reserves decreased by US\$ 324.5 million (2.3 percent), at the end of February 2016, compared to their level at the end of 2015 to reach US\$ 13,828.9 million. This level of reserves covers around



7.5 months of the Kingdom's imports of goods and services.

**□ Domestic Liquidity (M2)**

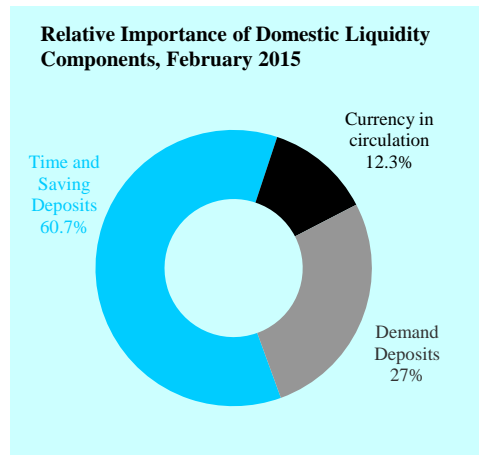
■ Domestic liquidity totaled JD 31,772.4 million at the end of February 2016, increasing by JD 166.8 million, or 0.5 percent, compared to an increase of JD 688.4 million, or 2.4 percent, during the same period in 2015.

◆ **Developments in the components and the factors affecting domestic liquidity at the end of February 2016 compared to their levels at the end of 2015, reveal the following:**

● **Components of Domestic Liquidity**

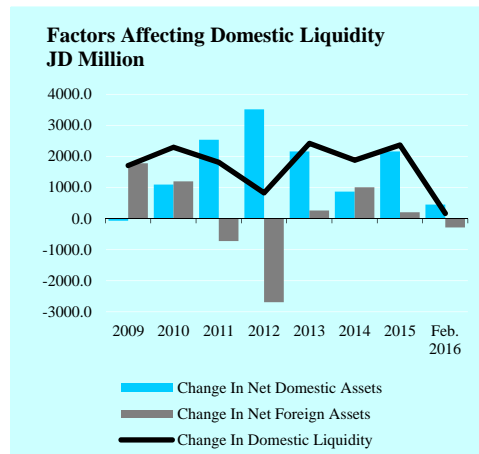
- Deposits increased by JD 194.3 million, at the end February 2016, compared to their level at the end of 2015, to total JD 27,866.6 million, compared with an increase amounting to JD 721.5 million, or 2.8 percent, during the same period in 2015.

- Currency in circulation decreased by JD 27.5 million, or 0.7 percent, at the end of February 2016, compared to its level at the end of 2015, to reach JD 3,905.9 million, against a decrease in the amount of JD 33.0 million, or 0.9 percent, during the same period in 2015.



• **Factors Affecting Domestic Liquidity**

- Net domestic assets of the banking system increased by JD 451.4 million, or 1.9 percent, at the end of February 2016, compared to its level at the end of 2015, against an increase of JD 512.9 million, or 2.4 percent, during the same period in 2015. This increase was a result of the increase in net domestic assets at the licensed banks by JD 417.5 million, or 1.4 percent, and its increase at the CBJ by JD 33.8 million, or 0.6 percent, respectively.



- Net foreign assets of the banking system decreased by JD 284.5 million, or 3.5 percent, at the end of February 2016, compared to their level at the end of 2015, against an increase in the amount of JD 175.6 million, or 2.2 percent, during the same period in 2015. This decrease was a result of the decrease in net foreign assets at licensed banks by JD 233.0 million, or 11.7 percent, and the decrease of net foreign assets at the CBJ by JD 51.5 million or 0.5 percent.

#### Factors Affecting Domestic Liquidity (M2) JD Million

		End of February	
2015		2015	2016
<b>8,137.3</b>	<b>Foreign Assets (Net)</b>	<b>8,107.8</b>	<b>7,852.8</b>
10,124.2	CBJ	10,050.2	10,072.7
-1,986.9	Licensed Banks	-1,942.3	-2,219.9
<b>23,468.2</b>	<b>Domestic Assets (Net)</b>	<b>21,820.9</b>	<b>23,919.6</b>
-5,781.8	CBJ, of which:	-5,915.1	-5,748.0
1,519.1	Claims on Public Sector (Net)	1,421.8	1,635.2
-7,324.1	Other Items (Net*)	-7,359.2	-7,406.2
29,250.2	Licensed Banks	27,736.0	29,667.7
10,220.9	Claims on Public Sector (Net)	9,747.2	10,406.5
18,681.3	Claims on Private Sector	17,817.4	18,957.5
348.0	Other Items (Net)	171.4	303.7
<b>31,605.5</b>	<b>Money Supply (M2)</b>	<b>29,928.9</b>	<b>31,772.4</b>
<b>3,933.2</b>	<b>Currency in Circulation</b>	<b>3,771.4</b>	<b>3,905.8</b>
<b>27,672.3</b>	<b>Total Deposits, of which:</b>	<b>26,157.5</b>	<b>27,866.6</b>
4,709.6	In Foreign Currencies	4,467.9	4,673.2

\* This item includes Certificates of Deposit in Jordanian Dinar.  
Source: Central Bank of Jordan / Monthly Statistical Bulletin.

□ Interest Rate Structure

■ Interest Rates on Monetary Policy Instruments

◆ On July 9<sup>th</sup>, 2015, the CBJ lowered the interest rates on monetary policy tools by 25 basis points, to become as follows:

- CBJ main interest Rate: 2.5 percent.

- Re-Discount Rate: 3.75 percent.

- Interest Rate on Overnight Repurchase Agreements: 3.50 percent.

- Overnight Deposit Window Rate: 1.50 percent.

- Weekly/ Monthly Repurchase Agreements: 2.50 percent.

◆ The interest rate margin on CDs was brought down to 2.25 – 2.50 percent.

◆ This decision aims at stimulating credit and reducing its cost, in addition to encouraging consumption and investment, thus fostering economic growth. The decision came in light of the continuous monitoring of domestic and international developments, and backed with the slowdown in economic growth as well as declining inflation.

■ Interest Rates in the Banking Sector

◆ Interest Rates on Deposits

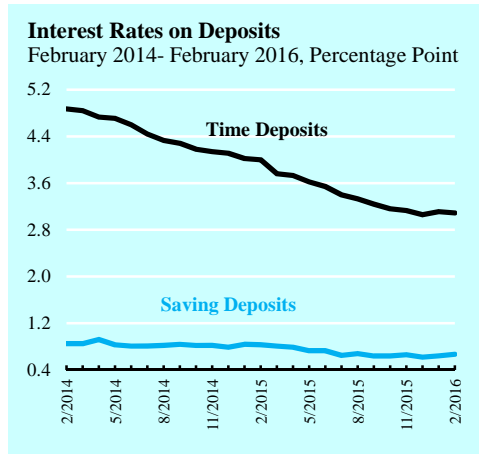
- Time Deposits: The weighted average interest rate on time deposits at the end of February 2016 decreased by 2 basis points, compared to its level in the previous month to stand at 3.09 percent. This rate is higher by 3 basis points than its level at the end of 2015.

Interest Rates on Monetary Policy Instruments, percentage points

2015		February	
		2015	2016
3.75	Re-discount Rate	4.00	3.75
3.50	Repurchase Agreements Rate (overnight)	3.75	3.50
1.50	Overnight Deposit Window Rate	1.75	1.50
2.50	Repurchase Agreements rate (one week)	2.75	2.50
2.50	Repurchase Agreements rate (one month)	2.75	2.50

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

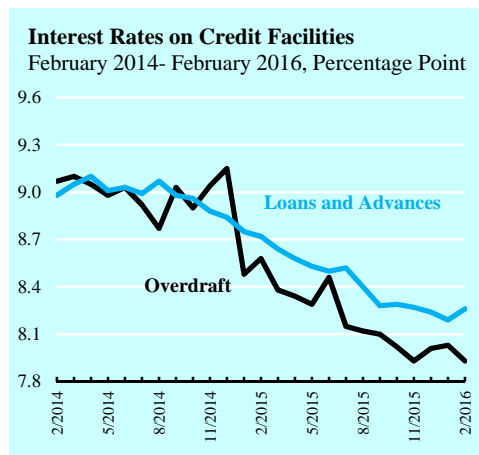
- **Saving Deposits:** The weighted average interest rate on saving deposits at the end of February 2016 increased by 3 basis points, compared to its level at the end of the previous month to stand at 0.67 percent. This rate is higher by 5 basis points than its level at the end of 2015.



- **Demand Deposits:** The weighted average interest rate on demand deposits at the end of February 2016 maintained the same level registered in the previous month to stand at 0.31 percent. This rate is lower by 1 basis point than its level at the end of 2015.

◆ **Interest Rates on Credit Facilities**

- **Overdraft Accounts:** The weighted average interest rate on overdraft accounts at the end of February 2016 decreased by 10 basis points compared to its level in the previous month to stand at 7.93 percent this rate is lower by 8 basis points than its level at the end of 2015.



- Discounted Bills and Bonds: The weighted average interest rate on “discounted bills and bonds” at the end of February 2016, increased by 97 basis points compared to its level in the previous month to stand at 9.56 percent. This rate is higher by 86 basis points than its level at the end of 2015.

**Interest Rates on Deposits and Credit Facilities at Licensed Banks, percentage points**

	February		Change Relative to the Preceding Year Basis Points
	2015	2016	
<b>Deposits</b>			
0.32 Demand	0.46	0.31	-1
0.62 Saving	0.83	0.67	5
3.06 Time	4.00	3.09	3
<b>Credit Facilities</b>			
8.70 Discounted Bills and Bonds	10.05	9.56	86
8.24 Loans and Advances	8.72	8.26	2
8.01 Overdraft	8.58	7.93	-8
8.37 Prime Lending Rate	8.63	8.37	-

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- Loans and Advances: The weighted average interest rate on “loans and advances” increased by 7 basis points compared to its level in the previous month to stand at 8.26 percent. This rate is higher by 2 basis points than its level at the end of 2015.
- The prime lending rate stood at 8.37 percent at the end of February 2016, to maintain its level at the end of 2015.
- As a result, the interest rate margin, which is the difference between the rates on loans and advances and the rates on time deposits, reached 517 basis points, at the end of February 2016, which is lower by 1 basis point than its level at the end of 2015.

**□ Credit Facilities Extended by Licensed Banks**

- Total credit facilities extended by licensed banks increased by JD 194.6 million (0.9%) at the end of February 2016, compared to its level at the end of 2015, against an increase of JD 82.9 million, or 0.4 percent during the same period in 2015.



- The extended credit facilities, according to economic activity, at the end of February 2016 demonstrates an increase in credit extended to the "construction" sector by JD 133.3 million, or 2.7 percent, the "others" item which generally represents facilities extended to individuals by JD 91.4 million, or 1.8 percent, and the "Industrial" sector by 63.2 million or (2.9 percent). Meanwhile, the credit facilities extended to the general trade and public services and utilities sectors decreased by JD 115.1 million, or 3 percent and 59.1 million or 1.8 percent, respectively, compared to their levels at the end of 2015.
- In terms of borrowers, credit facilities at the end of February 2016 had shown an increase in credit extended to the private sector (resident) by 287.7 million, or 1.6 percent. Meanwhile, the credit facilities extended to the central government declined by JD 68.3 million or 3.1 percent, the public institutions by JD 12.3 million or 3.8 percent, the private sector (nonresident) declined by 7.8 million or 1.6 percent, and the financial institutions declined by JD 4.7 million or 52.3 percent, compared to their levels at the end of 2015 .

#### □ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 32,806.1 million at the end of February 2016, increasing by JD 207.6 million, or 0.6 percent, compared to its level at the end of 2015, against an increase of JD 777.0 million, or 2.6 percent, at the end of 2015.
- This increase was a result of the increase in the deposits of the public sector (central government plus public institutions) by JD 169.7 million, or 6.2 percent, the private sector (non-resident) by JD 44.3 million, or 1.2 percent, the private sector (resident) by JD 34.9 million, or 0.1 percent. In contrast, the non-banking financial institutions deposits decreased by JD 41.3 million, or 9.3 percent, compared to their levels at the end of 2015.

- The currency composition of deposits at the end of February 2016 revealed that JD deposits increased by JD 217.8 million, or 0.8 percent, while “deposits in the foreign currency” decreased by JD 10.2 million, or 0.2 percent, compared to their levels at the end of 2015.

#### □ Amman Stock Exchange (ASE)

Indicators of ASE displayed a mixed performance at the end of February 2016 compared to 2015. This can be demonstrated as follows:

##### ■ Trading Volume

Trading volume at ASE totaled JD 219.5 million in February 2016; up by JD 34.3 million compared to its level in the previous month against an increase of JD 52.1 million, or 28.1 percent, during the same month in 2015. As for the first two months in 2016, the trading volume decreased by JD 18.6 million or 4.4 percent compared to the same period in 2015 to reach JD 404.7 million.

##### ■ Traded Shares

The number of traded shares in February 2016 totaled 206.3 million shares; down by 6.6 million shares, or 3.1 percent, compared to its level in the previous month, against an increase amounting to 43.0 million shares, or 21.0 percent, during the same month in 2015. As for the first two months in 2016, the number of traded shares amounted to 419.2 million shares compared to 453.0 million shares traded during the same period in 2015.

■ **Share Price Index (SPI)**

The SPI weighted by market capitalization of free float shares at ASE decreased by 30.8 points, or 1.4 percent, at the end of February 2016 compared to

its level in the previous month to stand at 2,116.3 point, against an increase of 25.9 points, or 1.2 percent, during the same month in 2015. Furthermore, at the end of the first two months in 2016 the SPI decreased by 20.1 points or 0.9 percent compared to its level at the end at 2015, against a rise in the amount of 30 points or 1.4 percent during the same period in 2015. The aforementioned decrease was an outcome of the decrease in the SPI for the services sector by 67.2 points, or 3.9 percent, and the industrial sector by 19.4 points, or 1 percent, and the increase in the SPI for the financial sector by 8 points or 0.3 percent compared to their levels at the end of 2015.

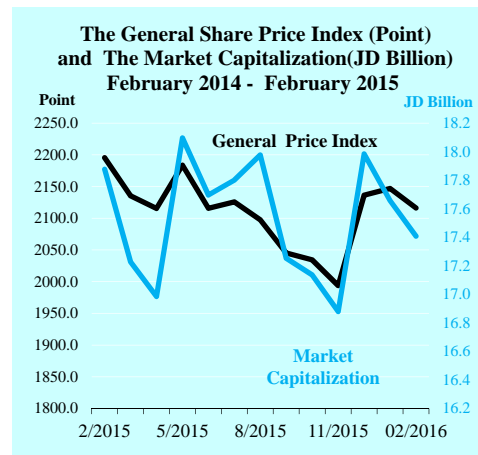
■ **Market Capitalization**

The ASE's market capitalization totaled JD 17.4 billion at the end of February 2016; decreasing by JD 248.5 million, or 1.4 percent, compared to its level in the previous month against

Share Price Index Weighted by Market Capitalization of Free Float Shares, by Sector

		February	
2015		2015	2016
2,136.3	General Index	2,195.5	2,116.3
2,906.2	Financial Sector	2,984.9	2,914.2
1,848.8	Industrial Sector	1,827.7	1,829.5
1,726.7	Services Sector	1,823.0	1,659.5

Source: Amman Stock Exchange.



an increase of JD 48.5 million or 0.3 percent, during the same month in 2015. As for the first two months in 2016, the market capitalization decreased by JD 576.7 million or 3.2 percent, compared to a decrease of JD 206.4 million or 1.1 percent, during the same period in 2015.

■ **Non - Jordanian Net Investment**

Non-Jordanian net investment at ASE recorded an inflow amounting to JD 44.5 million in February 2016, compared to an Inflow of JD 3.0 million during the same month in 2015; the value of shares acquired by non-Jordanian in February 2016 amounted to JD 71.3 million, while their

selling amounted to JD 26.7 million. As for the first two months in 2016, non-Jordanian net investment recorded an inflow amounted JD 40.2 million, compared to an inflow of JD 2.4 million, during the same period in 2015.

Main Amman Stock Exchange Trading Indicators, JD Million			
		February	
2015		2015	2016
635.2	Value Traded	237.7	219.5
28.9	Average Daily Trading	12.5	10.5
17,984.7	Market Capitalization	17,876.2	17,408.0
230.9	No. of Traded Shares (million)	248.0	206.3
12.1	Net Investment of Non-Jordanian	3.0	44.5
981.7	Non-Jordanian Buying	37.1	71.3
971.1	Non-Jordanian Selling	34.0	26.7

Source: Amman Stock Exchange.

## Second: Output, Prices and Employment

### □ Summary

- Gross Domestic Product (GDP), at constant market prices, grew by 2.6 percent during the fourth quarter of 2015, compared to 3.3 percent during the same quarter of 2014. At current market prices, GDP grew by 4.6 percent during the fourth quarter of 2015, compared to 7.2 percent during the same quarter of 2014.
- Accordingly, the real GDP grew by 2.4 percent during 2015, compared to 3.1 percent during 2014. At current market prices, GDP grew by 4.7 percent during 2015, compared to 6.6 percent during 2014.
- The Consumer Price Index (CPI) continued its contraction by 0.9 percent during the first two months of 2016 against a contraction of 0.8 percent during the same period of 2015.
- The unemployment rate increased during 2015 to stand at 13.0 percent (11.0 percent for males and 22.5 percent for females), compared to 11.9 percent (10.1 percent for males and 20.7 percent for females) 2014. The unemployment rate among academic degree holders (Bachelor Degree and higher) reached 18.6 percent.

### □ Developments of GDP

The national economy experienced a marked slowdown during the year of 2015; affected by deepening of the political and social unrest in the region, particularly; in Syria and Iraq, that strongly influenced the performance of many economic sectors. The real GDP grew by 2.4 percent compared to 3.1 percent during 2014. When excluding “net taxes on products”, which grew by 1.2 percent, GDP at constant basic prices grew by 2.6 percent during 2015, compared to 3.2 percent during 2014.

**Quarterly Growth Rates of GDP at Market Prices  
2014 - 2015**

	Q 1	Q2	Q3	Q4	Percentages Year
<b>2014</b>					
GDP at Constant Market Prices	3.2	2.8	3.1	3.3	<b>3.1</b>
GDP at Current Market Prices	7.1	6.1	6.2	7.2	<b>6.6</b>
<b>2015</b>					
GDP at Constant Market Prices	2.0	2.4	2.6	2.6	<b>2.4</b>
GDP at Current Market Prices	5.1	4.5	4.7	4.6	<b>4.7</b>

Source: Department of Statistics.

At current market prices, GDP grew by 4.7 percent during 2015, compared to 6.6 percent during 2014. This decline in nominal growth is mainly attributed to the slowdown in the general price level, measured by the GDP deflator, which grew by 2.3 percent compared to 3.4 percent during 2014, as a reflection of the decline in oil prices in the international market since the last quarter of 2014 which contributed in reducing the production costs.

The main sectors contributed to the economic growth during the year of 2015 were; “finance and insurance services” (0.5 percentage point), “transports, storage and communications” (0.5 percentage point), “producers of government services” (0.3 percentage point) “mining and quarrying” (0.2 percentage point), and manufacturing (0.2 percentage point). These sectors collectively accounted for 70.8 percent of real GDP growth during 2015.

The economic sectors displayed a wide variation in their performance during the year of 2015. Some sectors recorded accelerated growth, such as “electricity and water”, “finance and insurance services”, and “transport, storage and communications”. In contrast, “restaurant and hotels”, and construction, experienced a contraction. On the other hand, “producers of government services” and “domestic services of households” sectors maintained their performance.



**Gross Domestic Product At Market Prices, Percentages**

Sectors	Relative change		Contribution	
	First three quarters			
	2014	2015	2014	2015
<b>GDP At Market Prices</b>	3.1	2.4	3.1	2.4
Agriculture, Hunting, Forestry, And Fishing	7.6	5.0	0.2	0.2
Mining And Quarrying	27.6	11.0	0.3	0.2
Manufacturing	1.5	1.3	0.3	0.2
Electricity And Water	3.3	10.9	0.1	0.2
Construction	6.8	-1.3	0.3	-0.1
Wholesale And Retail Trade	3.9	1.2	0.3	0.1
Restaurant And Hotels	2.9	-3.3	-	-
Transport, Storage & Communications	1.6	3.1	0.2	0.5
Finance And Insurance Services	2.7	4.8	0.3	0.5
Real Estate	2.2	2.1	0.2	0.2
Community, Social And Personal Services	4.7	4.0	0.2	0.2
Producers Of Government Services	2.3	2.3	0.3	0.3
Producers Of Private Non-Profit Services To	7.0	5.7	-	-
Domestic Services Of Households	0.1	0.1	-	-

Source : Department of Statistics.  
- :Less than 0.1 percentage point.

### □ Microeconomic Indicators

The microeconomic indicators displayed divergent performance for the current year. Some indicators recorded a notable growth, such as; licensed areas for building (16.9 percent), and number of passengers through the Royal Jordanian (2.9 percent). However, other indicators showed a contraction, particularly; quantities of exported and imported goods shipped through Aqaba port (-12.6 percent), and number of departures (-5.4 percent). The following table displays the performance of the main sectoral indicators.

#### Main Sectoral Indicators\*

Percentage Points

2014	2015	Item	2015	Available period	2016	
-0.2	-1.2	<b>Manufacturing production quantity index</b>	-	<b>January</b>	-	
-1.5	4.1	Food products and beverages	-		-	
5.3	-4.4	Tobacco products	-		-	
-2.9	6.0	Refined petroleum products	-		-	
9.7	-14.6	Cement, lime and plaster	-		-	
0.6	2.7	Iron and steel	-		-	
-6.4	-3.8	Chemical products	-		-	
<b>28.3</b>	<b>11.4</b>	<b>“Mining and quarrying” production quantity index</b>	-		-	
38.6	10.9	Phosphate	-		-	
20.3	12.9	Potash	-		-	
<b>7.2</b>	<b>-12.5</b>	<b>Licensed areas for buildings</b>	<b>-37.3</b>		<b>16.9</b>	
-2.8	-7.9	<b>Number of passengers through Royal Jordanian</b>	<b>-14.9</b>		<b>January-February</b>	<b>2.9</b>
-1.7	-0.7	<b>Cargo through Royal Jordanian</b>	<b>-9.5</b>			<b>3.7</b>
<b>16.7</b>	<b>-3.5</b>	<b>Quantities of exported and imported goods shipped through Aqaba port</b>	<b>19.3</b>	<b>-12.6</b>		
<b>-0.5</b>	<b>-7.4</b>	<b>Number of departures</b>	<b>-7.1</b>	<b>-5.4</b>		
<b>22.4</b>	<b>-2.0</b>	<b>Value traded at the real estate market</b>	<b>-14.3</b>	<b>6.2</b>		

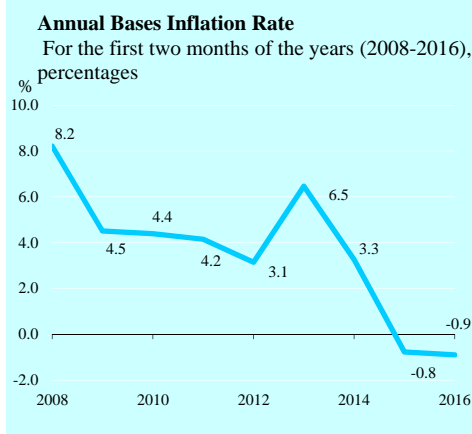
\*: Sources:

- Department of Statistics.
- Monthly Statistical Bulletin / Central Bank of Jordan.
- Royal Jordanian.



## Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI), continued its contraction by 0.9 percent during the first two months of 2016, against a contraction of 0.8 percent during the same period of 2015. This came as a result of the continuous falling in the prices of oil and related goods and services in the global markets and its impact on domestic prices. The main groups and items that witnessed decline in their prices are “fuels and lighting” (-8.6 percent), transportation (-4.7), and “meat and poultry” (-8.3 percent). They collectively contributed in reducing the overall inflation rate by -1.7 percentage points.



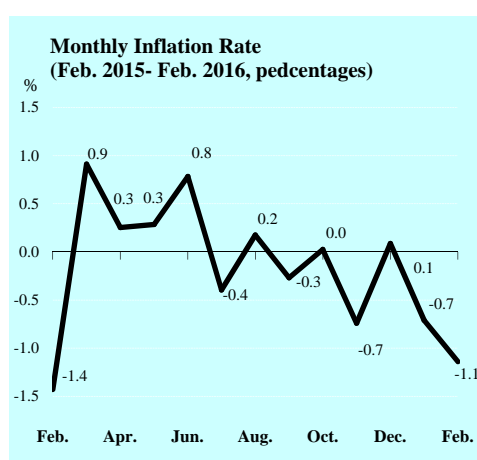
### Inflation Rate during the years 2015 - 2016

Expenditure Groups	Relative Imp.	Relative change		Contribution	
		January - Feb 2015	January - Feb 2016	2015	2016
All Items	100.0	-0.8	-0.9	-0.8	-0.9
1) Food and non-Alcoholic Beverages, of which:	33.4	0.7	-2.8	0.2	-0.9
Meat and Poultry	8.2	-0.6	-8.3	-0.1	-0.7
Dairy Products and Eggs	4.2	0.9	-1.6	0.0	-0.1
Vegetables and Legumes Dry and Canned	3.9	-8.0	-4.5	-0.3	-0.2
Fruits and Nuts	2.7	12.6	-1.4	0.3	0.0
Oils and Fats	1.9	2.7	3.5	0.0	0.1
2) Alcohol and Tobacco and Cigarettes	4.4	8.2	1.7	0.3	0.1
3) Clothing and footwear	3.5	7.8	3.9	0.3	0.2
4) Housing, of which:	21.9	1.6	0.7	0.4	0.1
Rents	15.6	5.8	3.2	0.9	0.5
Fuels and Lighting	4.8	-11.3	-8.6	-0.6	-0.4
5) Household Furnishings and Equipment	4.2	2.9	1.1	0.1	0.0
6) Health	2.2	4.7	0.0	0.1	0.0
7) Transportation	13.6	-16.5	-4.7	-2.5	-0.6
8) Communication	3.5	0.2	-0.3	0.0	0.0
9) Culture and Recreation	2.3	2.0	6.1	0.0	0.1
10) Education	5.4	3.7	1.1	0.2	0.1
11) Restaurants and Hotels	1.8	2.1	1.2	0.0	0.0
12) Other Goods and Services	3.7	2.0	0.1	0.1	0.0

Source: Department of Statistics.

In contrast, prices of other groups and items showed varied increases, mainly; “clothing and footwear” (3.9 percent), and “culture and recreation” (6.1 percent).

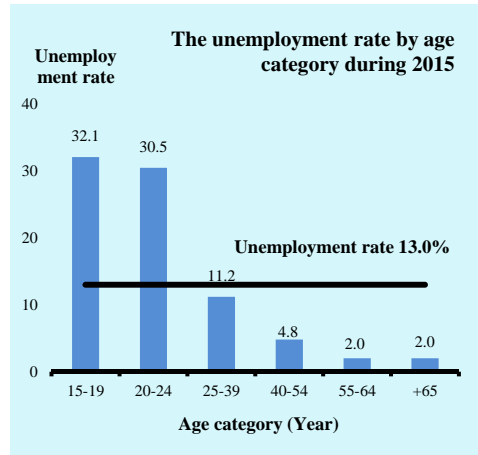
In February 2016, the CPI contracted by 1.1 percent compared with January 2016. This was due to the decrease in the prices of some items, mainly; “vegetables and legumes dry and canned” (-13.6 percent), and culture and transportation group (-3.2 percent) .



### □ Employment

- ◆ The unemployment rate increased during the fourth quarter of 2015 to reach 13.6 percent (11.7 percent for males and 23.0 percent for females), compared to 12.3 percent (10.9 percent for males and 19.1 percent for females) during the same quarter of 2014.
- ◆ Accordingly, unemployment rate increased during 2015 to stand at 13.0 percent (11.0 percent for males and 22.5 percent for females), compared to 11.9 percent (10.1 percent for males and 20.7 percent for females) 2014. The unemployment rate among academic degree holders (Bachelor Degree and higher) reached 18.6 percent.

- ◆ The unemployment among youth remains high at 32.1 percent for the categories of 15-19 years old, and 30.5 percent for those between 20-24 years.



- ◆ The refined economic participation rate (the ratio of the labor force to the population of 15 years and over) during 2015 reached 36.7 percent (60.0 percent for males and 13.3 percent for females), compared to 36.4 percent (59.7 percent for males and 12.6 percent for females) in 2014.
- ◆ The employment rate among population of 15 years and older reached 31.9 percent during 2015, compared to 32.1 percent in 2014. The employees in the sector of “public administration, defense, and social security” accounted for 26.3 percent of the total employed, followed by employees in the “wholesale and retail trade” (15.3 percent), education (12.4 percent), and manufacturing (10.0 percent).



### Third : Public Finance

#### □ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 928.6 million in 2015, comparing to a fiscal deficit in the amount of JD 583.5 million, in 2014. When excluding foreign grants (JD 886.2 million), the general budget deficit reaches JD 1,814.8 million compared to a deficit in the amount of JD 1,820.0 million in 2014.
- Net outstanding domestic public debt increased by JD 932.0 million at the end of 2015 compared to its level at the end of 2014, to reach JD 13,457.0 million (50.5 percent of GDP).
- Outstanding external public debt (budgetary and guaranteed) increased by JD 1,360.4 million at the end of 2015, compared to its level at the end of 2014, to stand at JD 9,390.5 million (35.3 percent of GDP).
- As a result, net outstanding public debt (domestic and external) reached JD 22,847.5 million (85.8 percent of GDP) at the end of 2015 compared to JD 20,555.1 million (80.8 percent of GDP) at the end of 2014.

#### □ The performance of the general budget during 2015 compared with the preceding year:

##### ■ Public Revenues

Public revenues (including foreign grants) decreased by JD 151.0 million, or 12.5 percent, in December 2015 comparing to the same month of 2014 to reach JD 1,061.6 million. As for the whole year of 2015, these revenues were down by JD 471.5 million, or 6.5 percent, compared to 2014 to stand at JD 6,796.1 million. This came as a result of the decrease in domestic revenues by JD 121.2 million, as well as foreign grants by JD 350.3 million.

## Main Government Budget Indicators during 2015:

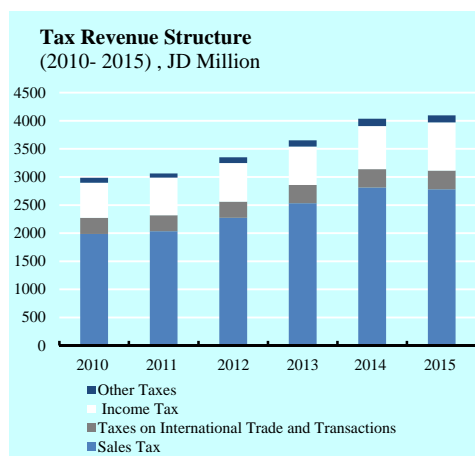
(JD Million and Percentages)

	December		Growth Rate	Jan. – Dec.		Growth Rate
	2014	2015		2014	2015	
<b>Total Revenues and Grants</b>	<b>1,212.6</b>	<b>1,061.6</b>	<b>-12.5</b>	<b>7,267.6</b>	<b>6,796.1</b>	<b>-6.5</b>
Domestic Revenues, of which:	731.7	623.8	-14.7	6,031.1	5,909.9	-2.0
Tax Revenues, of which:	312.5	312.5	0.0	4,037.1	4,096.2	1.5
General Sales Tax	236.3	240.9	1.9	2,811.4	2,779.9	-1.1
Other Revenues	416.8	309.5	-25.7	1,973.0	1,795.1	-9.0
Foreign Grants	480.9	437.8	-9.0	1,236.5	886.2	-28.3
<b>Total Expenditures, of which:</b>	<b>896.2</b>	<b>963.9</b>	<b>7.6</b>	<b>7,851.1</b>	<b>7,724.7</b>	<b>-1.6</b>
Capital Expenditures	259.0	292.9	13.1	1,137.5	1,108.7	-2.5
<b>Overall Deficit/ Surplus</b>	<b>316.4</b>	<b>97.7</b>	<b>-</b>	<b>-583.5</b>	<b>-928.6</b>	<b>-</b>

Source: Ministry of Finance/ General Government Finance Bulletin.

## ◆ Domestic Revenues

Domestic revenues decreased by JD 121.2 million, or 2.0 percent, in 2015 compared to 2014, to reach JD 5,909.9 million. This decrease was an outcome of the drop in “other revenues” and “pension contributions” by JD 177.9 million, and JD 2.4 million, respectively, and the rise in the proceeds of “tax revenues” by JD 59.1 million.



- **Tax Revenues**

Tax revenues increased by JD 59.1 million, or 1.5 percent, in 2015 compared with 2014, to reach JD 4,096.2 million (69.3 percent of domestic revenues). Following are the main developments in tax revenues items:

- An increase in the proceeds of “income and profit taxes” by JD 92.4 million, or 12.1 percent, which reached JD 858.7 million (accounting for 21.0 percent of total tax revenues). This rise was a result of the increase in the proceeds of “income tax from companies and other projects” by JD 39.5 million, and the rise in the proceeds of “income tax from individuals” by JD 52.9 million. Accordingly, income tax from companies accounted for 75.9 percent of total taxes on income and profits to reach JD 651.8 million.
- An increase in the proceeds of “taxes on international trade and transactions” (including customs duties and fees) by JD 5.4 million or 1.6 percent, to reach JD 332.7 million (accounting for 8.1 percent of total tax revenues).
- A decrease in the proceeds of “general sales tax on goods and services” by JD 31.5 million, or 1.1 percent, which reached JD 2,779.9 million (accounting for 67.9 percent of total tax revenues). This result was driven by the decrease in the proceeds of “sales tax on imported goods”, “sales tax on commercial sector” and “sales tax on services” by 30.3

million, and JD 21.7 million, and JD 7.7 million, respectively. However, the proceeds of “sales tax on domestic goods” increased by JD 28.3 million.

- A decrease in real-estates tax (taxes on financial transactions) by JD 7.4 million, or 5.6 percent, to reach JD 124.7 million (accounting for 3.0 percent of total tax revenues).

- **Other Revenues (Non-Tax Revenues)**

“Other revenues” decreased by JD 177.9 million, or 9.0 percent, in 2015 to reach JD 1,795.1 million. This decrease was chiefly due to:

- A decrease in property income by JD 179.8 million to stand at JD 336.2 million (of which financial surplus of independent government units amounted to JD 296.4 million).
- A decrease in “revenues from selling goods and services” by JD 30.2 million to reach JD 852.8 million.
- A rise in miscellaneous revenues by JD 32.2 million to stand at JD 606.2 million.

- **Pension Contributions**

Pension contributions were down by JD 2.4 million, or 11.4 percent, in 2015 standing at JD 18.6 million.

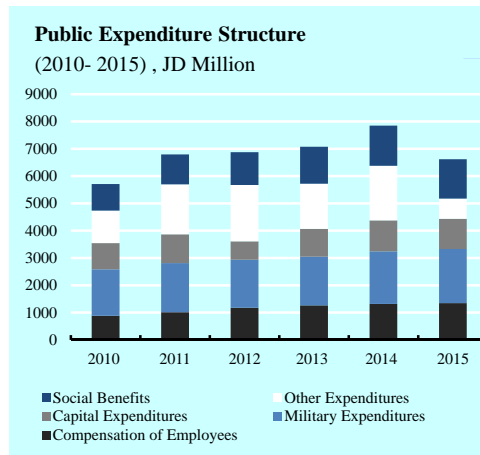
- ◆ **Foreign Grants**

Foreign grants decreased by JD 350.3 million, or 28.3 percent, in 2015 standing at JD 886.2 million.



■ **Public Expenditures**

Public expenditures witnessed An increase by JD 67.7 million, or 7.6 percent, in December 2015 compared to the same month in 2014 to stand at JD 963.9 million. while public expenditures declined by JD 126.4 million, or 1.6 percent in 2015, to stand at JD 7,724.7 million. This decrease was a result of the drop in current expenditures by JD 97.6 million, and capital expenditures by JD 28.8 million.



◆ **Current Expenditures**

Current expenditures decreased by JD 97.6 million, or 1.5 percent, in 2015, to reach JD 6,616.0 million. This decrease was chiefly due to:

- A decrease in social benefit expenditures by JD 30.6 million to stand at JD 1,442.0 million, accounting for 21.8 percent of total current expenditures.
- A drop in interest payments by JD 11.5 million to stand at JD 914.4 million, accounting for 13.8 percent of total current expenditures.
- A decrease in “purchases of goods and services” by JD 76.4 million to stand at JD 403.1 million, accounting for 6.1 percent of total current expenditures.

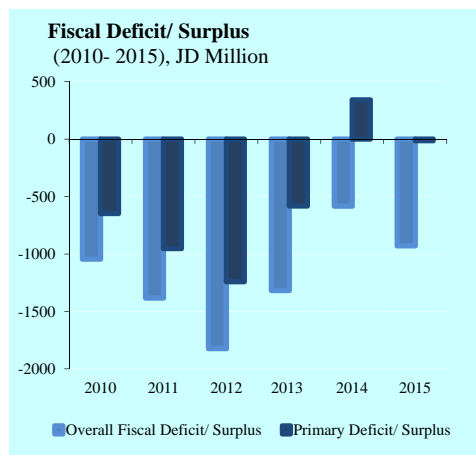
- A drop in goods subsidies by JD 19.4 million to stand at JD 199.0 million, accounting for 3.0 percent of total current expenditures.
- An increase in military expenditures by JD 65.9 million to total JD 1,986.0 million, accounting for 30.0 percent of total current expenditures.
- A rise in the “compensation of civil sector's employees” (wages, salaries and social security contributions) by JD 24.5 million to reach JD 1,344.6 million, accounting for 20.3 percent of total current expenditures.

#### ◆ Capital Expenditures

Capital expenditures decreased by JD 28.8 million, or 2.5 percent in 2015 compared in 2014, to reach JD 1,108.7 million.

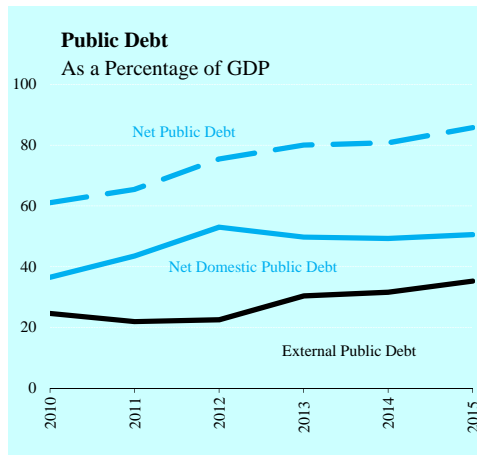
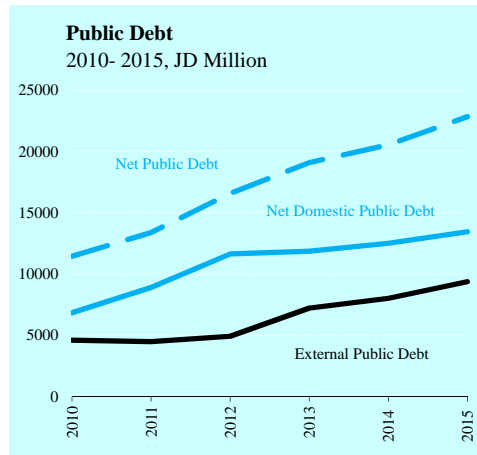
#### ■ General Budget Deficit/ Surplus

- ◆ The general budget, including grants, displayed a fiscal deficit amounted to JD 928.6 in 2015, against a fiscal deficit in the amount of JD 583.5 million in 2014.
- ◆ The general budget showed a primary deficit (after excluding interest payments on public debt from total expenditures) amounted to JD 14.2 million in 2015, against a primary surplus of JD 342.4 million in 2014.



Public Debt

Net outstanding domestic public debt (gross outstanding domestic public debt minus government deposits at the banking system) increased by JD 932.0 million at the end of 2015 comparing to its level at the end of 2014 to total JD 13,457.0 million, or 50.5 percent of GDP. This result was an outcome of the rise in gross outstanding domestic public debt by JD 865.0 million to reach JD 15,486.0 million, and the decrease in the government deposits at the banking system by JD 67.0 million to reach JD 2,029.0 million. This rise in gross outstanding domestic public debt was an outcome of the decline in gross budgetary government debt, on one hand, as “Treasury bills and bonds” decreased by JD 87.0 million at the end of 2015, compared to their level at the end of 2014 standing at JD 12,384.0 million, moreover, the outstanding balance of “loans and advances” extended by CBJ to the budgetary central government declined by JD 80.0 million to stand at JD 512.0 million, and the increase in the domestic debt of own-budget agencies by JD 1,003.0 million to stand at JD 2,551.0 million,



on the other. In this regard, loans and advances extended to these agencies increased by JD 1,050.0 million to stand at JD 1,989.0 million. While, own-budget agencies' bonds decreased by JD 46.0 million at the end of 2015 comparing to its level at the end of 2014 to stand at JD 563.0 million.

- Outstanding balance of external public debt (budgetary and guaranteed) increased by JD 1,360.4 million at the end of 2015 compared to its level at the end of 2014, amounting to JD 9,390.5 million (35.3 percent of GDP). This increase was driven by the issuance of sovereign Eurobonds in international markets in the amount of US\$ 1.5 billion in June, in addition to receiving the seventh tranche of the IMF loan under the stand-by arrangement (SBA) in the amount of JD 142.0 million (equivalent to US\$ 200 million) in April, as well as the eighth and final tranche of the loan in the amount of JD 281.4 million (equivalent to US\$ 396.3 million) which was received in August 2015. Note that the government was issued sovereign Eurobonds in international markets in the amount of US\$ 500 million in November 2015, in order to pay off a US\$ 750 million sovereign Eurobonds issued in 2010. The currency debt structure shows that external debt in US dollars accounted for 60.0 percent, while debt in Euros accounted for 6.2 percent. Furthermore, external debt in Japanese Yen and Kuwaiti Dinars accounted for 7.0 percent and 8.2 percent of the outstanding external public debt, respectively, while external debt in SDRs accounted for 15.7 percent.
- Net public debt (domestic and external) increased by JD 2,292.4 million at the end of 2015 compared to its level at the end of 2014 to stand at JD 22,847.5 million, (85.8 percent of GDP), against JD 20,555.1 million (80.8 percent of GDP) at the end of 2014.
- External debt service (budgetary and guaranteed) amounted to JD 1,462.6 million during 2015 (of which interest payments amounting to JD 232.4 million) compared to JD 906.3 million (of which interest payments amounting to JD 204.6 million) during 2014.

### □ Fiscal and Price Measures

- Raising the prices of all types of oil derivatives, while maintaining the price of liquid gas cylinder unchanged as follows:

#### Development of Oil Derivatives Price

	Unit	2016		Percentage Change
		March	April	
Unleaded Gasoline 90	Fils/Liter	495.0	525	6.1
Unleaded Gasoline 95	Fils/Liter	650.0	695	6.9
Gas Oil (Diesel)	Fils/Liter	320.0	355	10.9
Kerosene	Fils/Liter	320.0	355	10.9
Liquid Gas (12.5kg)	JD/Unit	7.0	7.0	0.0
Fuel oil for industry	JD/Ton	179.6	207.5	15.5
Fuel for airplanes (local companies)	Fils/Liter	265.0	295	11.3
Fuel for airplanes (foreign companies)	Fils/Liter	270.0	300	11.1
Fuel for unplanned flights	Fils/Liter	285.0	315	10.5
Asphalt	JD/Ton	203.8	231.7	13.7

Source: Jordan Petroleum Refinery Company (1/4/2016).

- The Investment Council decided to reduce the income tax on information and communication technology sector to 5%, as well as sales tax rate to zero, in addition to the exemption of production inputs from all taxes and fees (January 2016).
- Land Transport Regulatory Commission decided to reduce public transport fares by 10%, to be effective starting Feb. 2016 (January 2016).

### □ Grants, Loans and Other Agreements

- Signing a concessional loan and a grant agreements with the European Bank for Reconstruction and Development (EBRD), in the amount of US\$ 19.5 million, distributed as follows (January 2016):
  - US\$ 14 million concessional loan agreement to finance the implementation of the East Zarqa Waterwaste Project.
  - US\$ 5.5 million grant agreement for the same project, to finance work, services and related procurement for the construction of a new wastewater pipeline, as well as the rehabilitation of an existing wastewater pipeline, from East Zarqa station to Samara Wastewater Treatment Plant.
- Signing a grant agreement extended by Kuwait in the amount of US\$ 20 million, to support the Jordanian response plan to the Syrian crisis (January 2016).
- Signing a grant agreement extended by Canadian government in the amount of CAD 39 million, that targets sustainable economic growth in Jordan by implementing two Canadian funded projects, distributed as follows (January 2016):
  - CAD 19.85 million to support “Sustainable Economic Development through Renewable Energy Project”.

- CAD 19.1 million to the project of “Enterprises Development in the Jordan Valley”.
- Signing a grant agreement extended by the Islamic Development Bank (IDB) in the amount of US\$ 200 thousand, to finance the capacity building project of rural societies within the framework of village health program (February 2016).
- Signing an additional grant agreement in the amount of US\$ 16.4 million, extended by the Japanese government, outside the framework of bilateral assistance, which aims to mitigate the burdens of hosting Syrian refugees (March 2016).





#### Fourth: External Sector

##### □ Summary

- **Total merchandize exports** (domestic exports *plus* re-exports) decreased by 16.6 percent in January 2016 compared to the same month of 2015, to record JD 362.4 million.
- **Merchandize imports** increased by 13.7 percent in January 2016 compared to the same month of 2015, to reach JD 1,135.9 million.
- **Consequently**, the trade balance deficit (total exports minus imports) increased by 37.0 percent in January 2016 compared to the same month in 2015; standing at JD 773.5 million.
- **Travel receipts** decreased in February 2016 compared to the same month of 2015 by 7.1 percent to reach JD 165.1 million, while travel payments increased by 5.5 percent, to reach JD 69.1 million. As for the first two months of 2016. Travel receipts decreased by 5.7 percent to reach JD 401.6 million, while travel payments increased by 4.6 percent to reach JD 142.2 million compared to the same period of 2015.
- **Total workers' remittances receipts** decreased by 4.5 percent in February 2016 compared to the same month of 2015 to reach JD 180.6 million. As for the first two months of 2016 total workers remittance decreased by 4.5 percent compared to the same period of 2015 to reach JD 382.3 million.
- **The current account of the balance of payments** registered a deficit of JD 2,396.1 million (9.0 percent of GDP) during 2015 compared to a deficit of JD 1,851.7 million (7.3 percent of GDP) during 2014 while the current account deficit excluding grants decreased to reach 11.9 percent of GDP compared with 12.6 percent of GDP in 2014 .
- **Net direct investment** recorded an inflow of JD 904.4 million during 2015, down from JD 1,367.5 million during 2014.

- **International investment position (IIP)** displayed a net obligation to abroad of JD 24,357.5 million at the end of 2015; compared to JD 22,578.8 million at the end of 2014.

#### □ External Trade

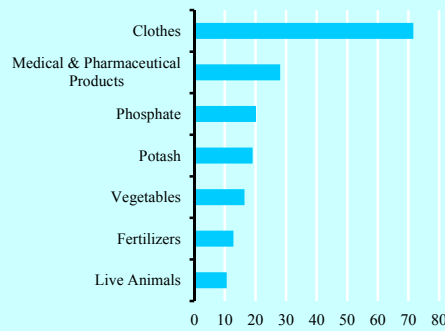
- As a result of the decrease in domestic exports by JD 52.6 million and an increase in imports by JD 136.9 million in January 2016, compared to the same month of 2015, the volume of external trade (domestic exports *plus* imports) increased by JD 84.3 million to stand at JD 1,433.5 million.

Jordan's Major Trading Partners JD Million				Main External Trade Indicators JD Million				
January				January				
	2015	2016	Percentage Change		2015	Percentage Change 2015/2014	2016	Percentage Change 2016/2015
<b>Exports</b>				External Trade	1,349.2	-24.3	1,433.5	6.3
USA	72.6	71.6	-1.4	Total Exports	434.4	-8.8	362.4	-16.6
Saudi Arabia	49.7	49.1	-1.2	Domestic Exports	350.2	-14.1	297.6	-15.0
Iraq	56.2	35.4	-37.0	Re-exports	84.2	22.6	64.8	-23.0
India	49.3	17.5	-64.5	Imports	999.0	-27.3	1,135.9	13.7
Kuwait	6.7	13.6	103.0	Trade Balance	-564.6	-37.1	-773.5	37.0
UAE	11.0	11.7	6.4	Source: Department of Statistics.				
Lebanon	7.9	8.7	10.1					
<b>Imports</b>								
China	131.7	152.8	16.0					
Saudi Arabia	189.5	145.4	-23.3					
USA	71.0	67.5	-4.9					
Germany	48.7	64.0	31.4					
Italy	34.1	53.1	55.7					
Switzerland	23.3	41.5	78.1					
Japan	28.8	38.2	32.6					
South Korea	29.6	36.4	23.0					
Source: Department of Statistics.								

### ■ Merchandize Exports:

Total merchandize exports decreased by 16.6 percent in January 2016, compared to a decrease of 8.8 percent during the same month of 2015, to record JD 362.4

**Major Exports by Commodity  
January 2016, JD Million**



million. This decrease resulted from a decline in domestic exports by JD 52.6 million, or 15.0 percent, to reach JD 297.6 million, and in re-exports by 23.0 percent, to reach JD 64.8 million.

### ◆ The developments of domestic exports in January 2016 compared to the same month of 2015 reveal the following:

- Exports of **vegetables** decreased by JD 18.6 million, or 53.1 percent, to reach JD 16.4 million. The Kuwait, Qatar and UAE markets were the main destinations of these exports, accounting for 52.4 percent.

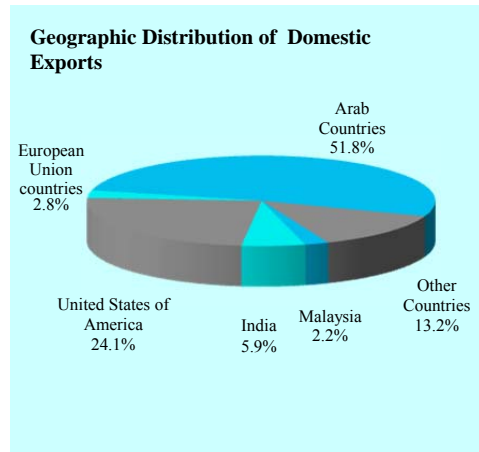
- Exports of **phosphates** decreased by JD 5.1 million, or 20.2 percent, to register JD 20.2 million. This decrease was mainly due to a decline in exported quantities and prices by 13.3 percent and 7.9 percent; respectively. It is worth noting that the Indian market was the main destination for these exports, accounting for 62.4 percent of phosphates exports.
- Exports of **potash** decreased by JD 9.2 million, or 32.5 percent, to stand at JD 19.1 million. The Malaysian, Indian and Egyptian, markets accounted for 69.6 percent of these exports.

**Major Domestic Exports by Commodity, JD Million  
January 2015-2016**

	2015	2016	Percentage Change
<b>Domestic Exports</b>	<b>350.0</b>	<b>297.6</b>	<b>-15.0</b>
<b>Clothes</b>	<b>74.7</b>	<b>71.6</b>	<b>-4.1</b>
USA	68.0	63.3	-6.9
<b>Medical &amp; Pharmaceutical Products</b>	<b>26.7</b>	<b>28.1</b>	<b>5.2</b>
Saudi Arabia	9.7	5.4	-44.3
Iraq	4.2	2.9	-31.0
Lebanon	3.1	2.8	-9.7
UAE	1.5	2.7	80.0
<b>Phosphates</b>	<b>25.3</b>	<b>20.2</b>	<b>-20.2</b>
India	22.4	12.6	-43.8
Indonesia	0.0	3.6	-
<b>Potash</b>	<b>28.3</b>	<b>19.1</b>	<b>-32.5</b>
Malaysia	6.2	6.6	6.5
India	12.2	4.5	-63.1
Egypt	1.7	2.2	29.4
<b>Vegetables</b>	<b>35.0</b>	<b>16.4</b>	<b>-53.1</b>
Kuwait	2.5	3.4	36.0
UAE	3.2	2.9	-9.4
Qatar	2.7	2.3	-14.8
<b>Fertilizers</b>	<b>16.1</b>	<b>12.8</b>	<b>-20.5</b>
Iraq	0.0	11.8	-
Iran	0.2	0.1	-50.0
Tunisia	0.2	0.1	-50.0
<b>Live Animals</b>	<b>13.9</b>	<b>10.6</b>	<b>-23.7</b>
Saudi Arabia	13.4	9.2	-31.3
Qatar	0.0	1.3	-
Sudan	0.0	0.1	-

Source: Department of Statistics.

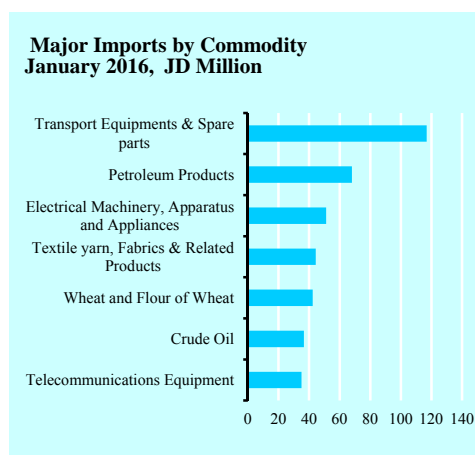
- Exports of **Medical & Pharmaceutical products** increased by JD 1.4 million, or 5.2 percent, to reach JD 28.1 million. The Saudi, Iraqi and Lebanese, UAE markets accounted for 49.1 percent of these exports.



- Consequently, the commodity breakdown of domestic exports indicates that exports of clothes, “medical and pharmaceutical products”, phosphates, potash, vegetables, Fertilizers and Live Animals topped the list of domestic exports in January 2016; accounting for 60.1 percent of domestic exports, compared with 62.8 percent in the same months of 2015. Meanwhile, the geographical distribution of domestic exports indicates that the USA, Saudi Arabia, Iraq, India, the Kuwait, UAE and Lebanon were the main destination markets for domestic exports in January 2016; accounting for 69.8 percent of domestic exports, compared with 72.4 percent in January 2015.

■ **Merchandize Imports:**

Merchandize imports increased by 13.7 percent to reach JD 1,135.9 million in January 2016, compared to a decrease by 27.3 percent in January 2015.



◆ **The developments of imports in January 2016 compared with the same month in 2015 reveal the following:**

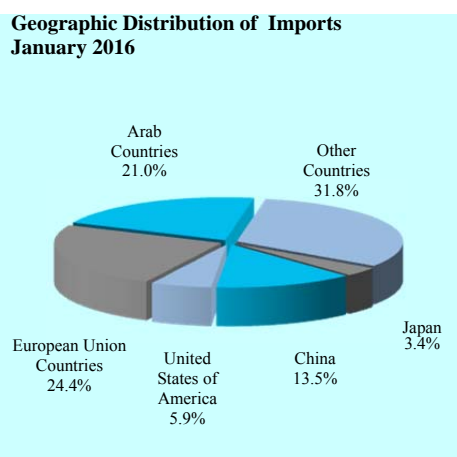
- **Transport equipment and spare parts** imports increased by JD 24.4 million or 26.4 percent to reach JD 116.9 million. Japan, South Korea and Germany were the main markets for these imports; accounting for 59.4 percent.
- **Electrical Machinery apparatus and appliances** imports increased by JD 24.7 million or 93.2 percent. China, Ukraine and Germany were the main markets for these imports; accounting for 48.4 percent.
- **Wheat and flour of wheat** imports increased by JD 41.7 million. Romania was the main market for these imports; accounting for 77.4 percent.

- Petroleum products** imports decreased by JD 38.7 million, or 36.3 percent, to reach JD 68.0 million. This decrease was mainly due to a decline in imported quantities and prices, in addition to starting the operations of the liquefied natural gas (LNG) pipeline at the port of Aqaba. The main source markets of these imports were Saudi Arabia, Italy and Greece; accounting for 93.8 percent.
- Crude oil** imports decreased by JD 27.2 million, or 42.6 percent, to reach JD 36.6 million. This decrease was mainly attributed to the decline in prices by 42.8 percent, while imported quantities increased by 0.3 percent. It's worth noting that crude oil imports came from the Saudi market.

	2015	2016	Percentage Change
<b>Total Imports</b>	<b>999.0</b>	<b>1,135.9</b>	<b>13.7</b>
<b>Transport Equipment &amp; Spare Parts</b>	<b>92.5</b>	<b>116.9</b>	<b>26.4</b>
Japan	18.8	24.5	30.0
South Korea	17.2	24.3	41.3
Germany	14.7	20.6	40.1
<b>Petroleum Products</b>	<b>106.7</b>	<b>68.0</b>	<b>-36.3</b>
Saudi Arabia	52.3	39.0	-25.4
Italy	0.0	18.2	-
Greece	0.0	6.6	-
<b>Electrical Machinery, Apparatus &amp; Appliances</b>	<b>26.5</b>	<b>51.2</b>	<b>93.2</b>
China	4.8	15.4	220.8
Ukraine	0.0	5.0	-
Germany	2.1	4.4	109.5
<b>Textile Yarn, Fabrics &amp; Related Products</b>	<b>40.0</b>	<b>44.3</b>	<b>10.8</b>
China	16.6	18.9	13.9
Taiwan	11.3	13.6	20.4
Turkey	3.0	2.8	-6.7
<b>Wheat &amp; Flour of Wheat</b>	<b>0.7</b>	<b>42.4</b>	<b>-</b>
Romania	0.0	32.8	-
<b>Crude oil</b>	<b>63.8</b>	<b>36.6</b>	<b>-42.6</b>
Saudi Arabia	63.8	36.6	-42.6
<b>Telecommunications Equipment</b>	<b>23.3</b>	<b>35.0</b>	<b>50.2</b>
China	13.4	23.9	78.4
Vietnam	5.7	6.1	7.0
Egypt	0.5	1.2	140.0

Source: Department of Statistics.

- Consequently, the commodity composition of imports indicates that “transport equipment and spare parts”, petroleum products, “electrical machinery apparatus and



appliances”, “textile yarn, fabrics made up articles and related products”, “wheat and flour of wheat”, crude oil, “Telecommunications equipment” and topped the list of imports in January 2016, accounting for 34.7 percent of total imports; down from 35.4 percent in January 2015. Meanwhile, the geographical distribution of imports indicates that the markets of China, Saudi Arabia, the USA, Germany, Italy, Switzerland, Japan and South Korea were the main sources of imports in January 2016; accounting for 52.7 percent of total imports, compared to 55.7 percent in January 2015.

#### ■ Re-Exports

The value of re-exported goods decreased by JD 19.4 million, or 23.0 percent in January 2016 compared to the same month of 2015, to reach JD 64.8 million.



### ■ Trade Balance

The trade balance deficit in January 2016 increased by JD 208.9 million, or 37.0 percent, to register JD 773.5 million, compared to the same month of 2015.

### □ Total Workers' Remittances Receipts

Total workers' remittances receipts decreased by 4.5 percent in February 2016, compared to the same month of 2015 to register JD 180.6 million, As for the first two months of 2016, total worker's remittances receipts decreased by 4.5 percent compared to the same period of 2015 to reach JD 382.3 million.

### □ Travel

#### ■ Receipts

Travel receipts decreased by JD 12.7 million, or 7.1 percent, in February 2016, compared to the same month of 2015 to register JD 165.1 million, As for the first two months of 2016, travel receipts decreased by JD 24.2 million or 5.7 percent compared to the same period of 2015 to reach JD 401.6 million.

#### ■ Payments

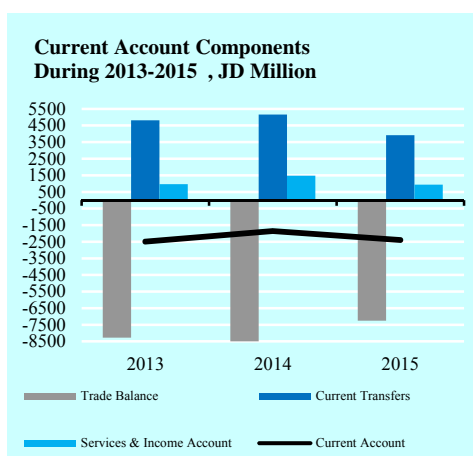
Travel payments increased by JD 3.6 million, or 5.5 percent, in February 2016, compared to 2015 to stand at JD 69.1 million, As for the first two months of 2016, travel payments increased by JD 6.2 million or 4.6 percent compared to the same period of 2015 to reach JD 142.2 million.

### □ Balance of Payments

The preliminary data of the balance of payments during 2015 compared to 2014, reveals the following developments:

- The current account recorded a deficit of JD 2,396.1 million (9.0 percent of GDP) compared to a deficit of JD 1,851.7 million (7.3 percent of GDP) during 2014. While the current account deficit excluding grants decreased to reach JD 3,167.8 million or 11.9 percent of GDP compared to JD 3,193.1 million or 12.6 percent of GDP in 2014. This was an outcome of the following developments:

- ◆ A decrease in the trade balance deficit during 2015 by JD 1,246.3 million, 14.7 percent, to reach JD 7,249.3 million compared to JD 8,495.6 million during 2014.



- ◆ A decrease in the surplus of the services account by JD 492.5 million to reach JD 1,286.4 million.
- ◆ Income account recorded a deficit of JD 347.8 million compared to a deficit of JD 295.9 million during 2014. This was an outcome of the increase in the deficit recorded in investment income (net) by JD 57.1 million and the increase in the surplus recorded in compensation of employees (net) by JD 5.2 million, to reach JD 576.6 million and JD 228.8 million, respectively.
- ◆ A decrease in the surplus of net current transfers by JD 1,246.3 million; to reach JD 3,914.6 million, as a result of the decrease in net transfers of public sector (foreign grants) by JD 569.7 million, to reach JD 771.7 million, and the decrease of the transfers of other sectors by 676.6 million to reach JD 3,142.9 million.

- The capital and financial account during 2015 registered a net inflow of JD 1,593.7 million, compared to a net inflow of JD 908.9 million during 2014. This can be attributed to the following:
  - ◆ Direct investment recorded a net inflow of JD 904.4 million compared to an inflow of JD 1,367.5 million during 2014.
  - ◆ Portfolio investments recorded a net inflow of JD 918.4 million compared to an inflow of JD 824.9 million during 2014.
  - ◆ Other investments registered a net inflow of JD 313.7 million compared to an inflow of JD 391.4 million during 2014.
  - ◆ An increase in the reserve assets of CBJ by JD 547.6 million, compared to an increase of JD 1,678.0 million during 2014.

#### □ International Investment Position (IIP)

The IIP, which represents the Kingdom's net position (stock) of external financial assets and liabilities, displayed an obligation to abroad of JD 24,357.5 million at the end of 2015 compared to JD 22,578.8 million at the end of 2014. This increase was due to the following developments:

- An increase in the position of external assets (the stock of claims, obligations and financial assets) for all economic sectors (resident) in the Kingdom by JD 121.0 million to reach JD 18,657.9 million at the end of 2015 compared to the end of 2014. The CBJ's reserve assets increased by JD 372.6 million, while the currency and deposits of the banking sector decreased by JD 294.0 million.
- An increase in the position of external liabilities (the stock of claims, obligations and financial assets) on all economic sectors residing in the Kingdom by JD 1,899.7 million at the end of 2015 compared to the end of 2014; standing at JD 43,015.5 million due to the following developments:
  - ◆ An increase in the stock of direct investment in Jordan by JD 883.0 million to stand at JD 21,269.9 million.
  - ◆ An increase in the stock of portfolio investments by JD 956.8 million to reach JD 6,728.0 million. Due to the issuance of sovereign Eurobonds in the international markets in a total amount of JD 1,418.0 million and the amortization of bonds in a total of JD 531.8 million.
  - ◆ An increase in the outstanding balance of the general government long-term loans by JD 182.6 million to reach JD 3,377.9 million.
  - ◆ An increase in the balance of the international monetary fund credit facilities by JD 346.2 million to reach JD 1,310.5 million.
  - ◆ A decrease in the deposits of non-residents at the banking system by JD 323.2 million, to reach JD 7,411.6 million.