



Central Bank of Jordan

Recent Monetary & Economic Developments in Jordan

**Research Dept / Monthly Report
June, 2015**

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



☐ 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

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

Contents

Executive Summary

1

First

Monetary & Financial Sector

3

Second

Output, Prices and Employment

15

Third

Public Finance

23

Fourth

External Sector

35

Executive Summary

□ **Output, Prices and Employment**

- During the first quarter of 2015, real GDP at market prices, grew by 2.0 percent, compared to 3.2 percent during the same quarter of 2014. The Consumer Price Index, contracted by 0.8 percent in the first five months of 2015, against an increase of 3.4 percent in the same period of 2014. Furthermore, the unemployment rate during the first quarter of 2015 increased to 13.0 percent compared to 11.8 percent during the same quarter of 2014.

□ **Monetary and Financial Sector**

- Foreign currency reserves at the Central Bank of Jordan (CBJ) decreased by US\$ 385.9 million (2.7 percent) at the end of the first five months in 2015, compared to their level at the end of 2014, standing at US\$ 13,692.9 million. This level of reserves covers around 7.2 months of Jordan's imports of goods and services. The decrease in foreign currency reserves was due to the purchases of gold by US\$ 594.6 million.
- Domestic liquidity grew by JD 1,326.4 million (4.5 percent) at the end of the first five months in 2015 compared to its level at the end of 2014, to stand at JD 30,566.8 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 710.9 million (3.7 percent) at the end of the first five months in 2015 compared to its level at the end of 2014, to stand at JD 19,985.4 million.
- Total deposits at licensed banks increased by JD 1,422.5 million (4.7 percent) at the end of the first five months in 2015, compared to its level at the end of 2014, totaling JD 31,683.5 million. This increase was a result of the increase in JD deposits by JD 1,237.1 million (5.2 percent) and the increase in foreign currency deposits by JD 185.4 million (3 percent).
- The Share Price Index (SPI) weighted by the market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,183.6 points at the end of the first five months in 2015, increasing by 18.1 points, or 0.8 percent, compared to its level at the end of 2014.

- ❑ **Public Finance:** During the first five months of 2015, the general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 94.8 million compared to a fiscal deficit in the amount of JD 205.7 million during the same period of 2014. Net outstanding domestic debt (budgetary and own-budget) increased by JD 657.0 million at the end of May 2015, compared to its level at the end of 2014, to stand at JD 13,182.0 million (48.6 percent of GDP). Outstanding external public debt decreased by JD 8.1 million at the end of May 2015 compared to its level at the end of 2014 to reach JD 8,022.0 million, (29.6 percent of GDP). Accordingly, the net public debt (domestic and external) stood at 78.2 percent of GDP at the end of May 2015 compared to 80.8 percent of GDP at the end of 2014.
- ❑ **External Sector:** Total merchandize exports (domestic exports *plus* re-exports) and imports decreased by 12.1 percent and 14.3 percent, to reach JD 1,718.6 million and JD 4,553.5 million, respectively, during the first four months of 2015. As a result, the trade deficit decreased by 15.7 percent compared to its level in the first four months of 2014 to reach JD 283.5 million. The preliminary data for the first five months of 2015 showed a decrease in travel receipts and travel payments by 14.8 percent and 0.8 percent; respectively. Moreover, total worker's remittances increased by 2.4 percent during first five months of 2015. The balance of payments for first quarter of 2015 displayed a deficit in the current account amounting to JD 453.2 million, (7.5 percent of GDP) down from JD 240.2 million (4.2 percent of GDP) during first quarter of 2014. Moreover, Net Direct Investment recorded an inflow of JD 179.4 million during the first quarters of 2015 compared to a net inflow of JD 189.9 million during 2014. Furthermore, the International Investment Position (IIP) registered a net obligation to abroad in the amount of JD 22,621.4 million at the first quarter of 2015 compared to JD 22,773.5 million at the end of 2014.

First: Monetary and Financial Sector

□ Summary

- Foreign currency reserves at the CBJ decreased by US\$ 385.9 million (2.7 percent) at the end of the first five months in 2015, compared to their level at the end of 2014, to stand at US\$ 13,692.9 million. This level of reserves covers around 7.2 months of the Kingdom's imports of goods and services. The decline in foreign currency reserves is due to the purchases of gold by US\$ 594.6 million.
- Domestic liquidity increased by JD 1,326.4 million (4.5 percent) at the end of the first five months in 2015, compared to its level at the end of 2014, to total JD 30,566.8 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 710.9 million (3.7 percent) at the end of the first five months in 2015, compared to its level at the end of 2014 to reach JD 19,985.4 million.
- Total deposits at licensed banks increased by JD 1,422.5 million (4.7 percent) at the end of the first five months in 2015, compared to its level at the end of 2014, to reach JD 31,683.5 million.
- The interest rates on all credit facilities and deposits at licensed banks had decreased at the end of the first five months in 2015, compared to their levels at the end of 2014.

- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,183.6 points at the end of the first five months in 2015, increasing by 18.1 points (0.8 percent), compared to its level at the end of 2014. Moreover, the market capitalization increased by JD 13.4 million (0.1 percent), compared to its registered level in 2014, to stand at JD 18,096.0 million.

Main Monetary Indicators

JD Million, and Percentage Change Relative to the Previous Year

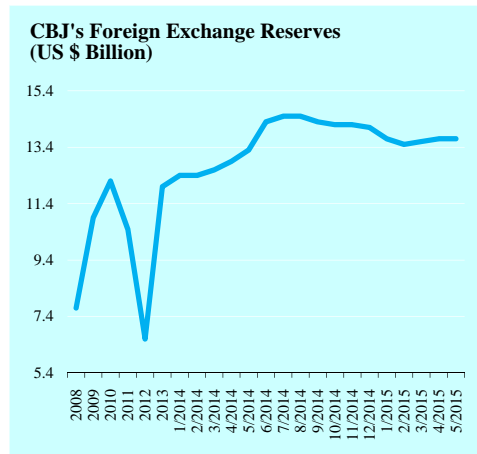
		End of May	
2014		2014	2015
US\$ 14,078.8	CBJ's Foreign Currency Reserves*	US\$ 13,287.7	US\$ 13,692.9
17.3%		10.7%	-2.7%
29,240.4	Money Supply (M2)	28,310.3	30,566.8
6.9%		3.5%	4.5%
19,274.5	Credit Facilities, of which:	19,041.0	19,985.4
1.8%		0.5%	3.7%
17,304.1	Private Sector (Resident)	17,064.5	17,275.5
4.4%		3.0%	-0.2%
30,261.0	Total Deposits, of which:	28,842.9	31,683.5
9.7%		4.5%	4.7%
24,013.1	In JD	22,629.7	25,250.2
14.3%		7.7%	5.2%
6,247.9	In Foreign Currencies	6,213.2	6,433.3
-5.2%		-5.7%	3.0%
23,976.9	Deposits of Private Sector (Resident), of which:	22,914.1	24,781.9
8.0%		3.2%	3.4%
19,574.9	In JD	18,578.7	20,241.9
10.9%		5.3%	3.4%
4,402.0	In Foreign Currencies	4,335.4	4,540.0
-3.2%		-4.7%	3.1%

* 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\$ 385.9 million (2.7 percent), at the end of the first five months in 2015, compared to their level at the end of 2014, to reach US\$ 13,692.9 million. This level of reserves covers around 7.2 months of the Kingdom's imports of goods and



services. The decrease in foreign currency reserves is attributed to the purchases of gold by US\$ 594.6 million.

□ Domestic Liquidity (M2)

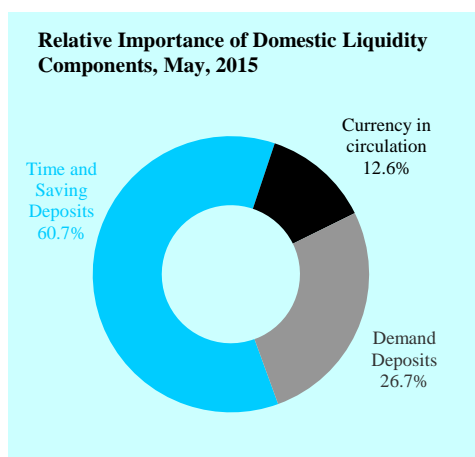
■ Domestic liquidity totaled JD 30,566.8 million at the end of May 2015, increasing by JD 1,326.4 million, or 4.5 percent, compared to an increase of JD 946.9 million, or 3.5 percent, during the same period in 2014.

◆ **Developments in the components and the factors affecting domestic liquidity at the end of May 2015, reveal the following:**

● Components of Domestic Liquidity

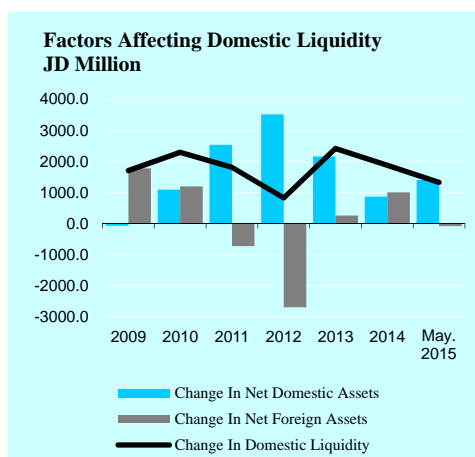
- Deposits increased by JD 1,291.6 million, or 5.1 percent, at the end of May 2015, compared to their level at the end of 2014, to total JD 26,727.6 million, against an increase amounting to JD 776.7 million, or 3.3 percent, during the same period in 2014.

- Currency in circulation increased by JD 34.8 million, or 0.9 percent, at the end of May 2015, compared to its level at the end of 2014, to reach JD 3,839.2 million, against an increase in the amount of JD 170.2 million, or 4.7 percent, during the same period in 2014.



• Factors Affecting Domestic Liquidity

- Net domestic assets of the banking system increased by JD 1,404.1 million, or 6.6 percent, at the end of May 2015, compared to its level at the end of 2014, against an increase of JD 591.6 million, or



2.9 percent, during the same period in 2014. This increase was an outcome of the increase in net domestic assets at the licensed banks by JD 1,467.6 million, or 5.4 percent, and its decrease at the CBJ by JD 63.6 million, or 1.1 percent, respectively.

- Net foreign assets of the banking system decreased by JD 77.7 million, or 1.0 percent, at the end of the first five months in 2015, compared to their level at the end of 2014, compared with an increase in the amount of JD 355.2 million, or 5.1 percent, during the same period in 2014. This increase was an outcome of the increase in net foreign assets at the CBJ by JD 123.0 million or 1.2 percent, and the decrease of net foreign assets at licensed banks by JD 200.7 million, or 10.0 percent.

Factors Affecting Domestic Liquidity (M2)
JD Million

		End of May	
2014		2014	2015
7,932.3	Foreign Assets (Net)	7,278.6	7,854.6
9,939.5	CBJ	9,203.9	10,062.5
-2,007.2	Licensed Banks	-1,925.3	-2,207.9
21,308.1	Domestic Assets (Net)	21,031.6	22,712.2
-5,753.9	CBJ, of which:	-5,090.8	-5,817.5
1,219.0	Claims on Public Sector (Net)	1,396.8	1,523.0
-6,995.3	Other Items (Net*)	-6,509.6	-6,945.6
27,062.1	Licensed Banks	26,122.4	28,529.7
9,635.3	Claims on Public Sector (Net)	9,518.6	10,264.2
17,830.4	Claims on Private Sector	17,615.2	17,847.2
-403.6	Other Items (Net)	-1,011.4	418.3
29,240.4	Money Supply (M2)	28,310.2	30,566.8
3,804.4	Currency in Circulation	3,776.8	3,839.2
25,436.0	Total Deposits, of which:	24,533.6	26,727.6
4,463.5	In Foreign Currencies	4,405.1	4,609.3

* 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 9th, 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 May 2015 decreased by 11 basis points, compared to its level in the previous month to stand at 3.62 percent. This rate is lower by 49 basis points than its level at the end of 2014.

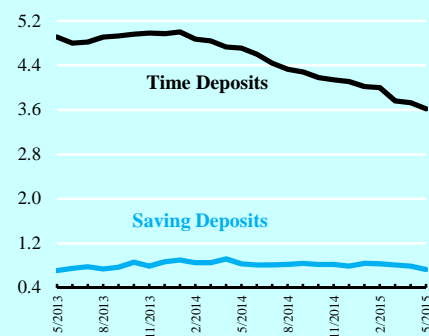
Interest Rates on Monetary Policy Instruments, percentage points

2014		May	
		2014	2015
4.25	Re-discount Rate	4.25	4.00
4.00	Repurchase Agreements Rate (overnight)	4.00	3.75
2.75	Overnight Deposit Window Rate	3.25	1.75
3.00	Repurchase Agreements rate (one week)	3.50	2.75
3.00	Repurchase Agreements rate (one month)	3.50	2.75

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- **Saving Deposits:** The weighted average interest rate on saving deposits at the end of May 2015 decreased by 6 basis points compared to its level in the previous month to stand at 0.73 percent. By this rate it decreased by 6 basis points compared to its level at the end of 2014.

Interest Rates on Deposits
May 2013 - May 2015, Percentage Point

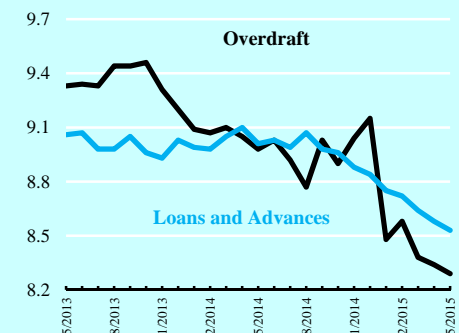


- **Demand Deposits:** The weighted average interest rate on demand deposits at the end of May 2015 decreased by 4 basis points than its level registered in the previous month to stand at 0.41 percent. This rate is lower by 2 basis points than its level at the end of 2014.

◆ Interest Rates on Credit Facilities

- **Overdraft Accounts:** The weighted average interest rate on overdraft accounts at the end of May 2015 decreased by 5 basis points compared to its level in the previous month to stand at 8.29 percent. This rate is 86 basis points below its level at the end of 2014.

Interest Rates on Credit Facilities
May 2013- May 2015, Percentage Point



- Discounted Bills and Bonds: The weighted average interest rate on “discounted bills and bonds” at the end of May 2015, decreased by 28 basis points compared with its level recorded in the previous month to reach 9.55 percent. This rate is lower by 40 basis points compared to its level at the end of 2014.
- Loans and Advances: The weighted average interest rate on “loans and advances” decreased by 5 basis points at the end of May 2015, compared to its level in the previous month to stand at 8.53 percent. This rate is lower by 31 basis points than its level at the end of 2014.
- The Prime lending rate stood at 8.51 percent at the end of May 2015, which is lower by 21 basis points than its level at the end of 2014.
- 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 491 basis points, at the end of May 2015, which is higher by 18 basis points than its level at the end of 2014.

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

		May		Change Relative to the Preceding Year
2014		2014	2015	Basis Points
Deposits				
0.43	Demand	0.54	0.41	-2
0.79	Saving	0.83	0.73	-6
4.11	Time	4.71	3.62	-49
Credit Facilities				
9.95	Discounted Bills and Bonds	9.67	9.55	-40
8.84	Loans and Advances	9.01	8.53	-31
9.15	Overdraft	8.98	8.29	-86
8.72	Prime Lending Rate	8.76	8.51	-21

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

□ Credit Facilities Extended by Licensed Banks

- Total credit facilities extended by licensed banks increased by JD 710.9 million (3.7%) at the end of May 2015, compared to its level at the end of 2014, against an increase of JD 101.3 million, or 0.5 percent during the same period in 2014.

- The classification of extended credit facilities, according to economic activity, at the end of May 2015 demonstrates an increase in credit to the public services and utilities sector by JD 560.5 million, or 25.8 percent, followed by "others" item which generally represents facilities extended to individuals by JD 439.9 million, or 9.8 percent. Meanwhile, the credit facilities extended to the "industry" and "transportation" sectors decreased by JD 382.2 million, or 15.1 percent, and JD 40.8 million, or 13.9 percent, respectively. The mining sector also declined by JD 12.7 million or 6.5 percent, compared to their levels at the end of 2014.
- In terms of borrowers, credit facilities at the end of May 2015 had shown an increase in credit extended to the central government by JD 722.4 million, or 63.7 percent, the private sector (non-resident) by JD 12.9 million, or 2.7 percent, the public institutions by JD 2.2 million or 0.6 percent, and the financial institutions by JD 1.9 million or 28.8 percent. Meanwhile, credit facilities extended to the private sector (resident) declined by JD 28.5 million, or 0.2 percent.

□ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 31,683.5 million at the end of May 2015, increasing by JD 1,422.5 million, or 4.7 percent, compared to its level at the end of 2014, against an increase of JD 1,249.7 million, or 4.5 percent, during the same period in 2014.
- The increase in total deposits at licensed banks at the end of May 2015 was a result of the increase in the deposits of the private sector (resident) by JD 805 million, or 3.4 percent, followed by the public sector (central government plus public institutions) by JD 418.3 million, or 16.9 percent, the private sector (non-resident) by

JD 144.6 million, or 4.2 percent, and the non-banking financial institutions by JD 54.6 million, or 15.1 percent, compared to their levels at the end of 2014.

- The currency composition of deposits at the end of May 2015 reveal that JD deposits increased by JD 1,237.1 million, or 5.2 percent, while “foreign currency deposits” increased by JD 185.4 million, or 3.0 percent, compared to their levels at the end of 2014.

□ Amman Stock Exchange (ASE)

Indicators of ASE displayed a mixed performance at the end of the first five months in 2015 compared to 2014. This can be demonstrated as follows:

■ Trading Volume

Trading volume at ASE totaled JD 186.6 million in May 2015; down by JD 16.8 million, or 8.3 percent, compared to its level in the previous month, against a decrease of JD 62.9 million, or 30.8 percent, during the same month in 2014. As for the first five months in 2015, the trading volume decreased by JD 72.2 million, or 6.5 percent compared to the same period in 2014 to reach JD 1,037.2 million.

■ Traded Shares

The number of traded shares in May 2015 totaled 205.0 million shares; increasing by 11 million shares, or 5.7 percent, compared to its level in the previous month, against a decrease amounting to 60.2 million shares, or 31 percent, during the same month in 2014. As for the first five months in 2015, the number of traded shares amounted to 1,061.7 million shares compared to 1,131.0 million shares traded during the same period in 2014.

■ Share Price Index (SPI)

The SPI weighted by market capitalization of free float shares at ASE increased by 68.1 points, or 3.2 percent, at the end of May 2015 compared to its level in the previous month, to stand at 2,183.6 points, against an

increase of 6.8 points, or 0.3 percent, during the same month in 2014. Furthermore, in the first five months in 2015 the SPI increased by 18.1 points, or 0.8 percent compared to its level at the end of 2014, against a rise in the amount of 65.1 points, or 3.2 percent during the same period in 2014. The aforementioned increase was an outcome of the increase in the SPI for the services sector by 67.9 points, or 3.8 percent, the industrial sector by 28.8 points, or 1.6 percent, and the decline in the financial sector by 32.8 points, or 1.1 percent.

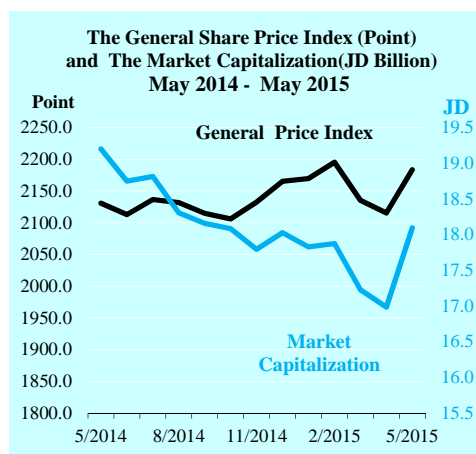
Share Price Index Weighted by Market Capitalization of Free Float Shares, by Sector

2014		May	
		2014	2015
2,165.5	General Index	2,130.9	2,183.6
2,920.9	Financial Sector	2,959.2	2,888.1
1,852.0	Industrial Sector	1,856.5	1,880.8
1,794.8	Services Sector	1,590.6	1,862.7

Source: Amman Stock Exchange.

■ Market Capitalization

The ASE's market capitalization totaled JD 18.1 billion at the end of May 2015; up by JD 1,110.9 million, or 6.5 percent, compared to its level in the previous month, against an increase of JD 0.2 billion or



0.9 percent, during the same month in 2014. As for the first five months in 2015, the market capitalization increased by JD 13.4 million, or 0.1 percent, compared to an increase of JD 0.9 billion or 5 percent during the same period in 2014.

■ Non - Jordanian Net Investment

Non-Jordanian net investment at ASE recorded an inflow amounting to JD 7.2 million in May 2015, compared to an inflow of JD 6.7 million during the same month in 2014; the value of shares acquired by non-Jordanian in May 2015 amounted to JD 49.2 million, while their selling amounted to JD 42 million. As for the first five months in 2015, non-Jordanian net investment recorded an

inflow amounted to JD 15.4 million compared to an outflow of JD 12.5 million, during the same period in 2014.

Main Amman Stock Exchange Trading Indicators, JD Million

		May	
2014		2014	2015
2,263.4	Value Traded	141.4	186.6
9.1	Average Daily Trading	7.4	9.3
18,082.6	Market Capitalization	19,154.0	18,096.0
2,321.8	No. of Traded Shares (million)	133.8	205.0
-22.1	Net Investment of Non-Jordanian	6.7	7.2
362.7	Non-Jordanian Buying	24.4	49.2
384.8	Non-Jordanian Selling	17.7	42.0

Source: Amman Stock Exchange.

Second: Output, Prices and Employment

■ Summary

- Gross Domestic Product (GDP), at constant market prices, grew by 2.0 percent during the first quarter of 2015, compared to 3.2 percent during the same quarter of 2014. At current market prices, GDP grew by 5.1 percent during the first quarter of 2015, compared to 7.1 percent during the same quarter of 2014.
- The Consumer Price Index (CPI) contracted by 0.8 percent in the first five months of 2015, against an increase of 3.4 percent in the same period of 2014.
- The unemployment rate increased during the first quarter of 2015, to stand at 13.0 percent (11.0 percent for males and 22.1 percent for females), compared to 11.8 percent (9.7 percent for males and 21.8 percent for females) during the same quarter of 2014. The unemployment rate among academic degree holders (Bachelor Degree and higher) reached 18.7 percent.

■ Developments of GDP

The national economy experienced a marked slowdown during the first quarter 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, especially tourism and transportation. The real GDP grew by 2.0 percent compared to 3.2 percent during the first quarter of 2014, which is considered to be the lowest quarterly growth has been achieved since the second quarter of 2010. When excluding “net taxes on products”, which grew by 1.5 percent, GDP at constant basic prices also grew by 2.0 percent during the first quarter of 2015, compared to 3.2 percent during the same quarter of 2014.

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

	Q 1	Q2	Q3	Q4	Percentages Year
2014					
GDP at Constant Market Prices	3.2	2.8	3.1	3.3	3.1
GDP at Current Market Prices	7.1	6.1	6.2	7.2	6.6
2015					
GDP at Constant Market Prices	2.0	-	-	-	-
GDP at Current Market Prices	5.1	-	-	-	-

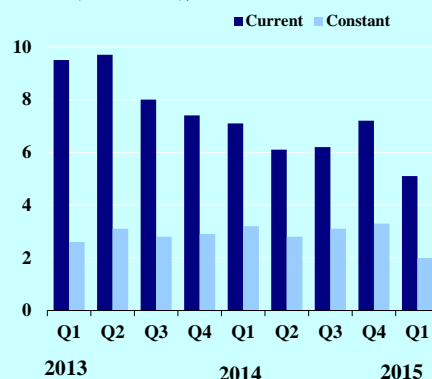
Source: Department of Statistics.

At current market prices, GDP grew by 5.1 percent during the first quarter of 2015, compared to 7.1 percent during the same quarter of 2014. This decline in nominal growth is mainly attributed to a decelerated growth in the general price level, measured by the GDP deflator, which grew by 3.1 percent compared to 3.9 percent during the first quarter of 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 first quarter of 2015 are; “finance and insurance services” (0.5 percentage point), agriculture (0.3 percentage point), “Transports, storage and communications” (0.3 percentage point), “mining and quarrying” (0.2 percentage point), manufacturing (0.2 percentage point). These sectors collectively accounted for 75 percent of real GDP growth during the above-mentioned period.

The economic sectors displayed a wide variation in their performance during the first quarter of 2015. Some sectors recorded accelerated improvements, such as “mining and quarrying” and agriculture. In contrast, “restaurant and hotels” and construction experienced a notable contraction. On the other hand, real state and trade sectors maintained their performance, while the other sectors registered decelerated growth.

Quarterly Growth Rates of GDP at Market Prices (2013- 2015), %



Gross Domestic Product At Market Prices, Percentages

Sectors	Relative change		Contribution	
	2014	2015	2014	2015
GDP At Market Prices	3.2	2.0	3.2	2.0
Agriculture, Hunting, Forestry, And Fishing	3.1	7.7	0.1	0.3
Mining And Quarrying	7.1	10.1	0.1	0.2
Manufacturing	1.9	1.0	0.3	0.2
Electricity And Water	4.1	1.8	0.1	-
Construction	6.5	-3.4	0.3	-0.1
Wholesale And Retail Trade	1.2	1.2	0.1	0.1
Restaurant And Hotels	5.5	-6.0	0.1	-0.1
Transport, Storage & Communications	3.3	1.8	0.5	0.3
Finance And Insurance Services	5.4	5.2	0.5	0.5
Real Estate	2.2	2.2	0.2	0.2
Community, Social And Personal Services	5.8	3.0	0.2	0.1
Producers Of Government Services	3.8	1.4	0.4	0.2
Producers Of Private Non-Profit Services To	6.7	6.3	-	-
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 during the available period of 2015. Some indicators recorded a notable growth, such as “mining and quarrying” (12.4 percent) and manufacturing production index (1.8 percent). However, other indicators showed a contraction, particularly number of passengers through the Royal Jordanian (-13.7 percent), and number of departures from various border crossing points (-11.1 percent). **The following table displays the available performance of the main sectoral indicators.**

Main Sectoral Indicators*

Percentage Points				
2014	Item	2014	Available period	2015
7.2	Licensed areas for buildings	24.3	January – April	-24.1
16.7	Quantities of exported and imported goods shipped through Aqaba port	8.4		4.0
-2.8	Number of passengers through Royal Jordanian	0.4		-13.7
-1.7	Cargo through Royal Jordanian	-5.2		-4.4
-0.2	Manufacturing production quantity index	-1.3	January – May	1.8
-1.5	Food products and beverages	-3.7		4.8
5.3	Tobacco products	12.2		7.7
-2.9	Refined petroleum products	0.9		33.0
10.2	Cement, lime and plaster	20.8		-21.0
0.6	Iron and steel	-0.3		-2.7
-6.5	Chemical products	-6.8		-5.1
28.3	“Mining and quarrying” production quantity index	5.7		12.4
38.6	Phosphate	6.5		15.6
20.3	Potash	6.6		10.3
-0.5	Number of departures	2.8		-11.1

* : Sources:

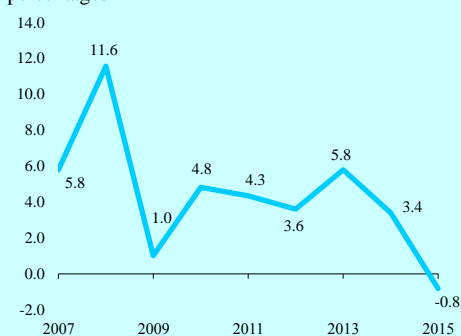
- Department of Statistics.
- Monthly Statistical Bulletin / Central Bank of Jordan.
- Royal Jordanian.

Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI), contracted by 0.8 percent during the first five months of 2015, against an increase of 3.4 percent during the same period of 2014. This came as a result of the fall 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; transportation (15.2 percent), “fuels and lighting” (11.7 percent), and “vegetables and legumes dry and canned” (5.8 percent). They collectively contributed in reducing the overall inflation rate by 3.2 percentage points, compared to a positive contribution amounted to 0.8 percentage point during the first

Annual Bases Inflation Rate

For the first five months of years (2007-2015), percentages



Inflation Rate during the first five months of years 2014 - 2015

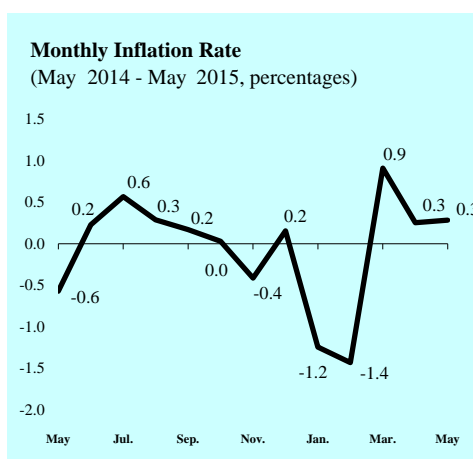
Expenditure Groups	Relative Imp.	Relative change		Contribution	
		2014	2015	2014	2015
All Items	100	3.4	-0.8	3.4	-0.8
1) Food and non-Alcoholic Beverages, of which:	33.4	1.3	0.7	0.4	0.2
Meat and Poultry	8.2	-0.7	0.4	-0.1	0.0
Dairy Products and Eggs	4.2	2.0	-0.4	0.1	0.0
Vegetables and Legumes Dry and Canned	3.9	7.3	-5.8	0.3	-0.2
Fruits and Nuts	2.7	3.5	8.8	0.1	0.2
Oils and Fats	1.9	-1.5	3.4	0.0	0.1
2) Alcohol and Tobacco and Cigarettes	4.4	13.7	4.7	0.5	0.2
3) Clothing and footwear	3.5	8.2	6.4	0.3	0.2
4) Housing, of which:	21.9	5.3	1.5	1.2	0.3
Rents	15.6	7.5	5.8	1.1	0.9
Fuels and Lighting	4.8	0.2	-11.7	0.0	-0.6
5) Household Furnishings and Equipment	4.2	1.9	2.4	0.1	0.1
6) Health	2.2	4.7	4.3	0.1	0.1
7) Transportation	13.6	3.5	-15.2	0.5	-2.3
8) Communication	3.5	-0.2	0.2	0.0	0.0
9) Culture and Recreation	2.3	2.0	3.0	0.0	0.1
10) Education	5.4	4.0	3.7	0.2	0.2
11) Restaurants and Hotels	1.8	2.1	1.9	0.0	0.0
12) Other Goods and Services	3.7	0.2	1.5	0.0	0.1

Source: Department of Statistics.

five months of 2014. In contrast, prices of other items showed varied increases; mainly “fruits and nuts” (8.8 percent) and “oils and fats” (3.4 percent); influenced by supply and demand factors in the domestic market.

In May 2015, the CPI grew by 0.3 percent compared with April 2015. This was due to the increase in prices of many groups and items; mainly transportation; due to the government's decision of increasing the prices of petroleum products in May 2015, ranged between 4.8 percent and 9.2 percent compared with their

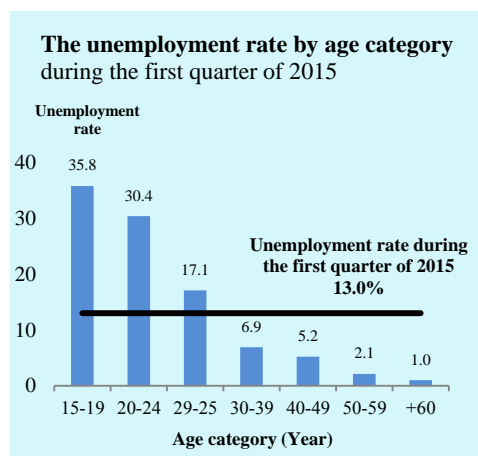
levels in April 2015, in addition to the increase in prices of “culture and recreation” group and “vegetables and legumes dry and canned” item.



□ Employment

- ◆ The unemployment rate (the ratio of unemployed people to the labor force) increased during the first quarter of 2015; to stand at 13.0 percent (11.0 percent for males and 22.1 percent for females), compared to 11.8 percent (9.7 percent for males and 21.8 percent for females) during the same quarter of 2014. Furthermore, the unemployment rate among academic degree holders (Bachelor Degree and higher) reached 18.7 percent.

- ◆ The unemployment among youth remains high at 35.8 percent for the 15-19 years old category, and 30.4 percent for those between 20-24 during the first quarter of 2015.



- ◆ The refined economic participation rate (the ratio of the labor force to the population of 15 years and over) during the first quarter of 2015 reached 36.0 percent (59.4 percent for males and 12.5 percent for females), almost maintained its level during the same quarter of 2014.
- ◆ The employment rate among population of 15 years and older reached 31.3 percent during the first quarter of 2015, compared to 31.7 percent during the same quarter of 2014. The employees in the sector of “public administration, defense, and social security” accounted for 27.0 percent of the total employed, followed by employees in the “wholesale and retail trade” (15.1 percent), education (11.7 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 94.8 million during the first five months of 2015, comparing to a fiscal deficit in the amount of JD 205.7 million, during the same period in 2014. When excluding foreign grants (JD 268.5 million), the general budget deficit reaches JD 363.3 million compared to a deficit in the amount of JD 481.0 million during the same period in 2014.
- Net outstanding domestic public debt increased by JD 657.0 million at the end of May 2015 compared to its level at the end of 2014, to reach JD 13,182.0 million (48.6 percent of GDP).
- Outstanding external public debt (budgetary and guaranteed) decreased by JD 8.1 million at the end of May 2015, compared to its level at the end of 2014, to stand at JD 8,022.0 million (29.6 percent of GDP).
- As a result, net outstanding public debt (domestic and external) reached JD 21,204.0 million (78.2 percent of GDP) at the end of May 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 the first five months of 2015 compared to the same period in the preceding year:

■ Public Revenues

Public revenues (including foreign grants) decreased by JD 281.3 million, or 38.9 percent, in May 2015 comparing to the same month of 2014 to reach JD 442.2 million. As for the first five months of 2015, these revenues were down by JD 5.0 million, or 0.2 percent, compared to the same period in 2014 to stand at JD 2,862.3 million. This rise came as an outcome of the increase in domestic revenues by JD 1.8 million, and the decrease in foreign grants by JD 6.8 million.

Main Government Budget Indicators during the first five months of 2015:

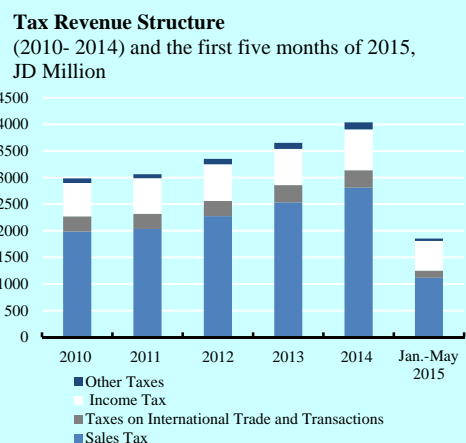
(JD Million and Percentages)

	May		Growth Rate	Jan. – May		Growth Rate
	2014	2015		2014	2015	
Total Revenues and Grants	723.5	442.2	-38.9	2,867.3	2,862.3	-0.2
Domestic Revenues, of which:	669.1	420.6	-37.1	2,592.0	2,593.8	0.1
Tax Revenues, of which:	295.3	314.5	6.5	1,757.3	1,854.1	5.5
General Sales Tax	226.3	241.0	6.5	1,078.4	1,117.1	3.6
Other Revenues	372.1	104.4	-71.9	826.3	732.6	-11.3
Foreign Grants	54.4	21.6	-60.3	275.3	268.5	-2.5
Total Expenditures, of which:	621.2	701.8	13.0	3,073.0	2,957.1	-3.8
Capital Expenditures	73.8	126.9	72.0	309.3	300.7	-2.8
Overall Deficit/ Surplus	102.3	-259.6	-	-205.7	-94.8	-

Source: Ministry of Finance/ General Government Finance Bulletin.

◆ **Domestic Revenues**

Domestic revenues slightly increased by JD 1.8 million, or 0.1 percent, during the first five months of 2015 compared to the same period in 2014, to reach JD 2,593.8 million. This increase was an outcome of the rise in the proceeds of “tax revenues” by JD 96.8 million, and the drop in “other revenues” and “pension contributions” by JD 93.7 million, and JD 1.3 million, respectively.



● Tax Revenues

Tax revenues increased by JD 96.8 million, or 5.5 percent, during the first five months of 2015 compared to the same period in 2014, to reach JD 1,854.1 million (71.5 percent of domestic revenues). Following are the main developments in tax revenues items:

- An increase in the proceeds of “general sales tax on goods and services” by JD 38.7 million, or 3.6 percent, which reached JD 1,117.1 million (accounting for 60.3 percent of total tax revenues). This result was driven by the increase in the proceeds of all general sales tax items. More specifically, the proceeds of “sales tax on domestic goods”, “sales tax on imported goods”, “sales tax on commercial sector” and “sales tax on services” have increased by JD 29.6 million, JD 6.1 million, JD 2.6 million and JD 0.5 million, respectively.
- An increase in the proceeds of “income and profit taxes” by JD 66.8 million, or 13.6 percent, which reached JD 556.3 million (accounting for 30.0 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 36.5 million, and the rise in the proceeds of “income tax from individuals” by JD 30.3 million. Accordingly, income tax from companies accounted for 81.1 percent of total taxes on income and profits to reach JD 451.3 million.

- A slight decrease in the proceeds of “taxes on international trade and transactions” (including customs duties and fees) by JD 0.6 million or 0.4 percent, to reach JD 134.1 million (accounting for 7.2 percent of total tax revenues).
- A decrease in real-estates tax (taxes on financial transactions) by JD 8.1 million, or 14.8 percent, to reach JD 46.6 million (accounting for 2.5 percent of total tax revenues).

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

“Other revenues” decreased by JD 93.7 million, or 11.3 percent, during the first five months of 2015 to reach JD 732.6 million. This decrease was chiefly due to:

- A decrease in property income by JD 164.3 million to stand at JD 193.2 million (of which financial surplus of independent government units amounted to JD 170.6 million).
- A rise in miscellaneous revenues by JD 65.9 million to stand at JD 166.4 million.
- An increase in “revenues from selling goods and services” by JD 4.7 million to reach JD 373.0 million.

● **Pension Contributions**

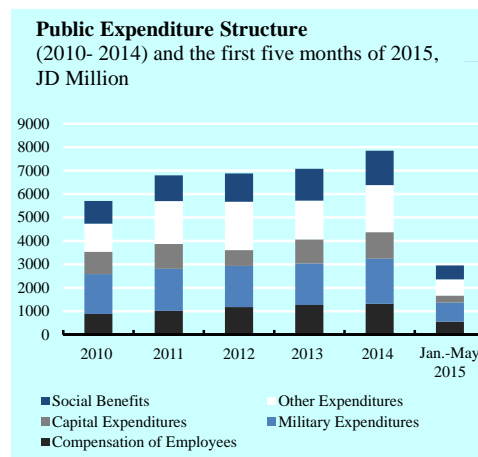
Pension contributions were down by JD 1.3 million during the first five months of 2015, standing at JD 7.1 million.

◆ **Foreign Grants**

Foreign grants decreased by JD 6.8 million during the first five months of 2015, standing at JD 268.5 million.

■ Public Expenditures

Public expenditures witnessed an increase by JD 80.6 million, or 13.0 percent, in May 2015 compared to the same month in 2014 to stand at JD 701.8 million. However, public expenditures declined by JD 115.9 million, or 3.8 percent during the first five months of 2015, to stand at JD 2,957.1 million. This decline was a result of the drop in current expenditures by JD 107.3 million, and the decrease in capital expenditures by JD 8.6 million.



◆ Current Expenditures

Current expenditures decreased by JD 107.3 million, or 3.9 percent, during the first five months of 2015, to reach JD 2,656.4 million. This result was driven by the decline in most current expenditures items. More specifically:

- A decrease in social benefit expenditures by JD 20.0 million to stand at JD 598.4 million, accounting for 22.5 percent of total current expenditures.
- A decrease in interest payments, on internal and external public debt, by JD 1.2 million to stand at JD 383.7 million, accounting for 14.4 percent of total current expenditures.
- A decrease in “purchases of goods and services” by JD 18.7 million to stand at JD 111.0 million, accounting for 4.2 percent of total current expenditures.

- A decrease in goods subsidies by JD 57.3 million to stand at JD 71.6 million, accounting for 2.7 percent of total current expenditures. It is worth mentioning that this item includes only food subsidies starting from 2013.
- An increase in military expenditures by JD 16.3 million to total JD 817.6 million, accounting for 30.8 percent of total current expenditures.
- A rise in the “compensation of civil sector's employees” (wages, salaries and social security contributions) by JD 8.6 million to reach JD 555.1 million, accounting for 20.9 percent of total current expenditures.

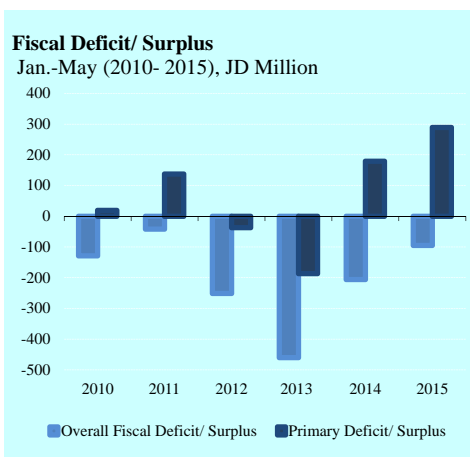
◆ Capital Expenditures

Capital expenditures decreased by JD 8.6 million, or 2.8 percent during the first five months of 2015 compared to the same period in 2014, to reach JD 300.7 million.

■ General Budget Deficit/ Surplus

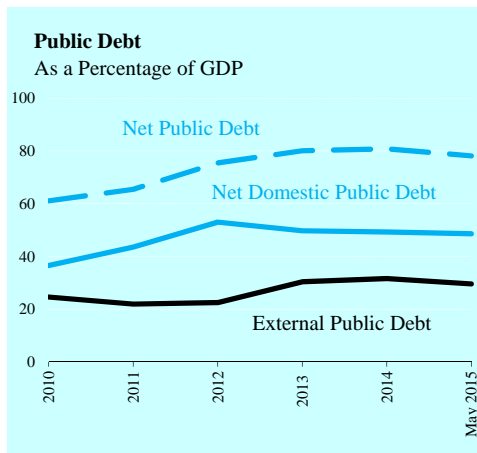
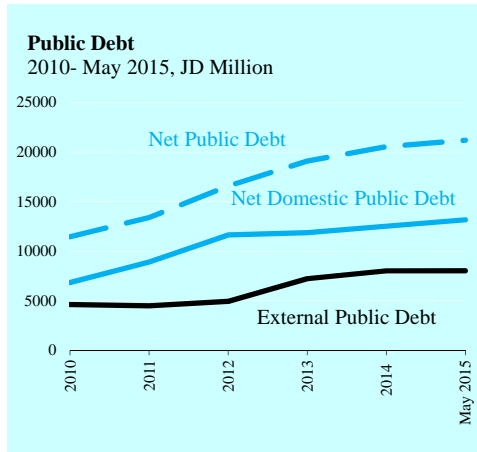
- ◆ The general budget, including grants, displayed a fiscal deficit amounted to JD 94.8 million during the first five months of 2015, against a fiscal deficit in the amount of JD 205.7 million during the same period in 2014.

- ◆ The general budget showed a primary surplus (after excluding interest payments on public debt from total expenditures) amounted to JD 288.9 million during the first five months of 2015, against a primary surplus of JD 179.2 million during the same period in 2014.



Public Debt

Net outstanding domestic public debt (gross outstanding domestic public debt minus government deposits at the banking system) increased by JD 657.0 million at the end of May 2015 comparing to its level at the end of 2014 to total JD 13,182.0 million, or 48.6 percent of GDP. This result was an outcome of the rise in gross outstanding domestic public debt by JD 454.0 million to reach JD 15,075.0 million, and the decrease in the government deposits at the banking system by JD 203.0 million to reach JD 1,893.0 million. In details, "Treasury bills and bonds" decreased by JD 200.0 million at the end of May 2015, compared to their level at the end of 2014 standing at JD 12,271.0 million, moreover the outstanding balance of "loans and advances" extended by CBJ to the budgetary central government declined by JD 40.0 million to stand at JD 552.0 million. However, own-budget agencies bonds maintained their level at the end of May 2015 standing at JD 609.0 million. While loans and advances extended to these agencies increased by JD 686.0 million to stand at JD 1,625.0 million.



- Outstanding balance of external public debt (budgetary and guaranteed) slightly decreased by JD 8.1 million at the end of May 2015 compared to its level at the end of 2014, amounting to JD 8,022.0 million (29.6 percent of GDP). It is worth mentioning that 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), was received in April 2015. The currency debt structure shows that external debt in US dollars accounted for 58.2 percent, while debt in Euros accounted for 6.4 percent. Furthermore, external debt in Japanese Yen and Kuwaiti Dinars accounted for 6.8 percent and 10.0 percent of the outstanding external public debt, respectively, while external debt in SDRs accounted for 15.2 percent.
- Net public debt (domestic and external) increased by JD 648.9 million at the end of May 2015 compared to its level at the end of 2014 to stand at JD 21,204.0 million, (78.2 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 240.0 million during the first five months of 2015 (of which interest payments amounting to JD 80.8 million) compared to JD 237.2 million (of which interest payments amounting to JD 79.3 million) during the same period in 2014.

□ Fiscal and Price Measures

- Reducing the prices of all types of oil derivatives, while maintaining the price of unleaded gasoline unchanged, as follows:

Development of Oil Derivatives Price

	Unit	2015		Percentage Change
		June	July	
Unleaded Gasoline 90	Fils/Liter	655.0	655.0	0.0
Unleaded Gasoline 95	Fils/Liter	840.0	840.0	0.0
Gas Oil (Diesel)	Fils/Liter	495.0	485.0	-2.0
Kerosene	Fils/Liter	495.0	485.0	-2.0
Liquid Gas (12.5kg)	JD/Unit	8.0	7.75	-3.1
Fuel oil for industry	JD/Ton	341.5	331.0	-3.1
Fuel for airplanes (local companies)	Fils/Liter	430.0	416.0	-3.3
Fuel for airplanes (foreign companies)	Fils/Liter	435.0	421.0	-3.2
Fuel for unplanned flights	Fils/Liter	450.0	436.0	-3.1
Asphalt	JD/Ton	367.8	357.0	-2.9

Source: Jordan Petroleum Refinery Company (1/7/2015).

- The cabinet approved the by-law and conditions exempting renewable energy sources and equipment, as well as rationalization of energy consumption systems and its production inputs from customs duties, and subjecting them to zero rate general sales tax, to be effective starting from 16th November 2014 (March 2015).

- the cabinet decided to approve amending electricity tariffs, pursuant to the provisions of Article (18/ electricity prices) of the concession agreement granted to the Jordanian Electric Power company (JEPCO), to become as follows (March 2015):
 - Raising electricity tariffs by rates ranging from 0% - 7.5% starting from 16th February 2015 until 31th December 2015.
 - Raising electricity tariffs by rates ranging from 0% - 15% starting from the beginning of each following year 2016 and 2017.
- Reducing electricity tariff for Hotels in the kingdom by 50% to be charged the same tariff as medium industrial sector starting from 1st May 2015 and until end 2016 (April 2015).

□ Grants, Loans and Other Agreements

- Signing three additional grant agreements between the Jordanian government and the Japanese government, in the total amount of US\$ 17.6 million (equivalent to JD12.4 million). These grants are allocated as follows (March 2015):
 - A grant in the amount of Japanese Yen 1.0 billion (equivalent to US\$ 8.4 million) extended for the provision of medical equipment for the ministry of health, under the framework of Japan's non-project grant aid (NPGA).
 - A grant in the amount of Japanese Yen 1.0 billion (equivalent to US\$ 8.4 million) extended for the provision of medical equipment for the ministry of health and Prince Hamzah Hospital, under the framework of Japan's new program for economic and social development assistance.

- A grant in the amount of Japanese Yen 97.6 million (equivalent to US\$ 820 thousand) extended by the Japanese international cooperation agency (JICA) to cover the Construction expenses of the Petra Museum, under the Cultural Grant Aid program.
- Signing a soft loan agreement between the Jordanian government and the Arab Fund for Economic and Social Development (AFESD), in the amount of US\$ 100 million in order to finance a program to support small and medium size projects (April 2015).
- Signing a soft loan agreement between the Jordanian government and the world Bank in the amount of US\$ 50 million, in order to support the comprehensive program for small and medium size projects development (April 2015).
- Signing a grant agreement with the German government in the amount of EUR 10 million (equivalent to JD 9.5 million) to improve water supply for Syrian refugees and host communities in the northern region (April 2015).
- Signing two grant agreements with Saudi Arabia in the amount of US\$ 80 million. These agreements came within the second phase of GCC grant, and were distributed as follows (May 2015):
 - An agreement for financing the fiber optics project in the amount of US\$ 50 million.
 - An agreement for financing the infrastructure project in Industrial Cities in Tafila, Madaba, Jarash and Salt Governorates in the amount of US\$ 30 Million.
- Signing an agreement and memorandum of understanding between the Jordanian government and the Japanese government, under which the Japanese government will

provide a soft loan in the amount of Yen 24 billion (equivalent to US\$196 million). The loan will be offered through the Japan International cooperation Agency (JICA) to support Jordan's fiscal consolidation and development policy (May 2015).

- Signing three protocols with UNICEF to provide grants in several sectors to minimize the impact of the Syrian crisis, as follows (June 2015):
 - A grant to the Ministry of Education to help it bear the burden of accepting Syrian refugee students, in the amount of JD 1.35 million.
 - Supporting the Ministry of Health to reduce child mortality rates, with emphasis on neonatal health, in the amount of JD 1.062 million.
 - Supporting the security sector to be child- and gender-friendly through the management of family protection and juvenile police, in the amount of JD 531.8 thousand.
- Signing a loan agreement with the Arab monetary fund (AMF), in the amount of Arab Accounting Dinar (AAD) 13.3 million (equivalent to US\$ 58 million), within the framework of structural reforms facilities provided by the fund (July 2015).
- Signing a grant agreement presented from the Canadian and Swedish governments to a credit fund run by the World Bank in the amount of US\$ 14.8 million. The funds will be directed to support a project for "Syrian refugee host communities response to emergency services and enhance capability to adapt with social changes" (July 2015).

Fourth: External Sector

□ Summary

- **Total merchandize exports** (domestic exports *plus* re-exports) decreased by 16.1 percent in April 2015 compared to the same month of 2014, to record JD 418.4 million. As for the first four months of 2015, total merchandize exports decreased by 12.1 percent to reach JD 1,718.6 million.
- **Merchandize imports** decreased by 24.8 percent in April 2015 compared to the same month of 2014, to reach JD 1,152.9 million. As for the first four months of 2015, total merchandize imports decreased by 14.3 percent to reach JD 4,553.5 million.
- **Consequently**, the trade balance deficit (total exports minus imports) decreased by 28.9 percent in April 2015 compared to the same month in 2014; standing at JD 734.5 million. As for the first four months of 2015, the trade balance deficit declined by 15.7 percent to reach JD 2,834.9 million.
- **Travel receipts** decreased in May 2015 compared to May 2014 by 15.2 percent, to reach JD 228.1 million, and travel payments decreased by 2.3 percent compared to the same month of 2014 to reach JD 67.1 million. As for the first five months of 2015; travel receipts decreased by 14.8 percent to record JD 1,108.0 million, on the other hand, travel payments decreased slightly by 0.8 percent to reach JD 341.3 million.
- **Total workers' remittances receipts** decreased by 1.1 percent in May 2015 compared to May 2014 to reach JD 223.0 million. As for the first five months 2015; total workers, remittances receipts increased by 2.4 percent to reach JD 1,082.8 million.
- **The current account of the balance of payments** registered a deficit of JD 453.2 million (7.5 percent of GDP) during first quarter of 2015 compared to a deficit of JD 240.2 million (4.2 percent of GDP) first quarter 2014.
- **Net direct investment** recorded an inflow of JD 179.4 million during the first quarter 2014, down from JD 189.8 million first quarter of 2014.

- **International Investment Position (IIP)** displayed a net obligation to abroad of JD 22,621.4 million at the first quarter of 2014; a decrease of JD 152.1 million compared to its level at the end of 2014.

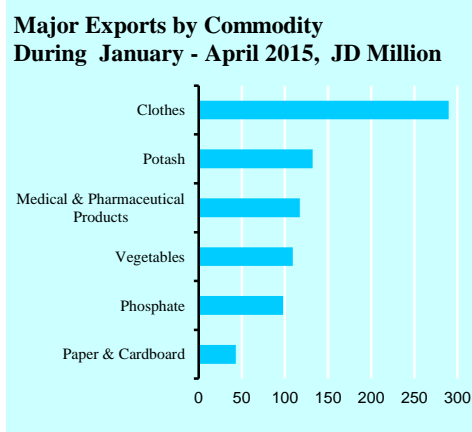
□ External Trade

- As a result of the decrease in domestic exports and imports by JD 230.2 million and JD 762.4 million, respectively, during the first four months of 2015 compared to the same period in 2014, the volume of external trade (domestic exports *plus* imports) decreased by JD 992.7 million to stand at JD 6,009.8 million.

Jordan's Major Trading Partners				Main External Trade Indicators				
JD Million				JD Million				
January - April				January - April				
	2014	2015	Percentage Change		2014	Percentage Change 2014/2013	2015	Percentage Change 2015/2014
Exports				External Trade	7,002.5	6.8	6,009.8	-14.2
USA	274.7	299.3	9.0					
Iraq	304.6	225.8	-25.9					
Saudi Arabia	214.6	220.8	2.9					
India	124.4	122.5	-1.5	Total Exports	1,954.9	8.1	1,718.6	-12.1
UAE	47.2	59.2	25.4					
Syria	71.9	47.3	-34.2	Domestic Exports	1,686.6	10.9	1,456.3	-13.7
China	61.2	29.9	-51.1					
Imports				Re-exports	268.3	-7.0	262.3	-2.2
Saudi Arabia	1,045.9	853.4	-18.4					
China	523.6	579.5	10.7	Imports	5,315.9	5.5	4,553.5	-14.3
USA	318.0	279.8	-12.0					
Germany	232.1	249.1	7.3	Trade Balance	-3,361.0	4.1	-2,834.9	-15.7
South Korea	203.9	173.9	-14.7					
India	372.9	163.9	-56.0					
UAE	224.8	159.6	-29.0					
Italy	147.4	145.6	-1.2	Source: Department of Statistics.				
Source: Department of Statistics.								

■ Merchandize Exports:

Total merchandize exports decreased by 12.1 percent during the first four months of 2015, compared to an increase of 8.1 percent during the same



period in 2014, to record JD 1,718.6 million. This decrease resulted from a decline in domestic exports by JD 230.3 million, or 13.7 percent, to reach JD 1,456.3 million, and an decrease in re-exports by 2.2 percent, to reach JD 262.3 million.

◆ The developments of domestic exports during the first four months of 2015 compared to the same period in 2014 reveal the following:

- Exports of **vegetables** decreased by JD 44.8 million, or 29.1 percent, to total JD 109.0 million. The Syrian, Iraqi, and the UAE markets were the main destinations of these exports, accounting for 49.8 percent.

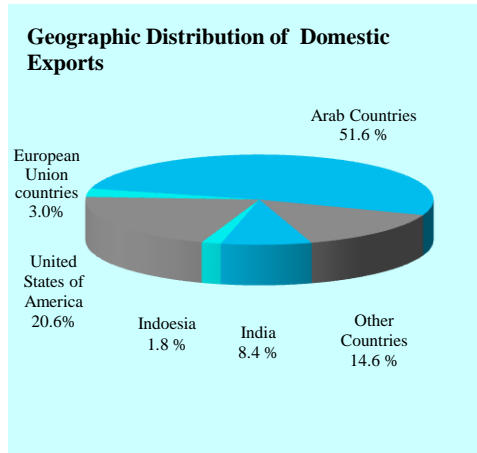
- Exports of **Fertilizers** decreased by JD 64.5 million, or 61.7 percent, to reach JD 40.1 million. The Indian, Iraqi and Bulgarian markets accounted for 67.6 percent of these exports.
- Exports of **phosphates** decreased by JD 11.7 million, or 10.7 percent, to register JD 97.9 million. This decrease was mainly due to a decrease in exported quantities by 20.3 percent and an increase in the prices of phosphate by 12.0 percent. It is worth noting that the Indian market was the main destination for these exports, accounting for 73.4 percent of phosphate exports.

Major Domestic Exports by Commodity, JD Million
January – April 2014-2015

	2014	2015	Percentage Change
Domestic Exports	1,686.6	1,456.3	-13.7
Clothes	261.0	289.9	11.1
USA	235.6	262.1	11.2
Potash	154.8	132.1	-14.7
China	59.1	29.8	-49.6
India	30.3	26.9	-11.2
Malaysia	13.7	24.2	76.6
Medical & Pharmaceutical Products	146.6	117.2	-20.1
Saudi Arabia	40.5	32.4	-20.0
Iraq	14.5	14.7	1.4
Sudan	8.6	12.4	44.2
UAE	6.1	9.2	50.8
Vegetables	153.8	109.0	-29.1
Syria	43.0	26.9	-37.4
Iraq	42.6	15.7	-63.1
UAE	12.4	11.7	-21.1
Phosphate	109.6	97.9	-10.7
India	71.8	71.9	0.1
Indonesia	20.0	11.3	-43.5
Paper and cardboard	43.0	43.0	0.0
Iraq	14.2	15.5	9.2
Saudi Arabia	12.5	14.4	15.2
UAE	2.8	2.9	3.6
Fertilizers	104.6	40.1	-61.7
India	8.5	16.7	92.8
Iraq	8.3	6.1	-26.5
Bulgaria	13.8	4.3	-68.8

Source: Department of Statistics.

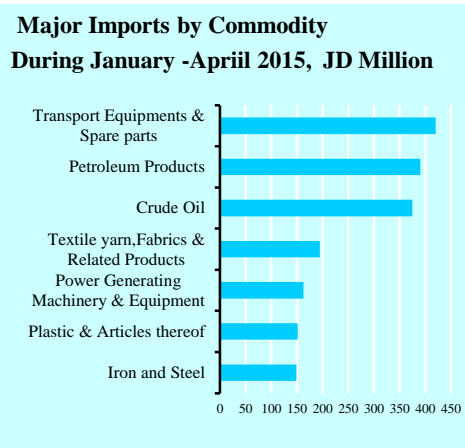
- Exports of **potash** decreased by JD 22.7 million, or 14.7 percent, to stand at JD 132.1 million. The Chinese, Indian and Malaysian markets accounted for 61.2 percent of these exports.



- Consequently, the commodity breakdown of domestic exports indicates that exports of clothes, potash, “medical and pharmaceutical products”, vegetables, phosphates, paper & card board and fertilizers topped the list of domestic exports during the first four months of 2015; accounting for 56.9 percent of domestic exports, up from 59.4 percent during the same period in 2014. Meanwhile, the geographical distribution of domestic exports indicates that the USA, Iraq, Saudi Arabia, India, the UAE, Syria and China were the main destination markets for domestic exports during the first four months of 2015; accounting for 69.0 percent of domestic exports, up from 65.1 percent during the same period in 2014.

■ Merchandize Imports:

Merchandize imports decreased by 14.3 percent to reach JD 4,553.5 million during the first four months of 2015, while it compared to an increase by 5.5 percent during the same period in 2014 to the reach JD 5,315.9 million.



◆ The developments of imports during the first four months of 2015 compared with the same period in 2014 reveal the following:

- **Petroleum products** imports decreased by JD 458.0 million, or 54.0 percent, to total JD 390.5 million. The main source markets of these imports were Saudi Arabia, India and Belgium.
- **Crude oil** imports decreased by JD 154.1 million, or 29.2 percent, to reach JD 374.5 million. This decrease was mainly attributed to the decline in prices by 50.3 percent, while imported quantities increased by 42.7 percent. It's worth noting that crude oil imports came from the Saudi market.

- Imports of **Transport equipment's and Spare Parts** increased by JD 26.4 million, or 6.7 percent, to reach JD 420.2 million. Japan, South Korea and the USA were the main markets for these imports; accounting for 56.8 percent.
- Consequently, the commodity composition of imports indicates that “transport equipment's and spare parts”, petroleum products, crude oil, “textile yarn, fabrics,

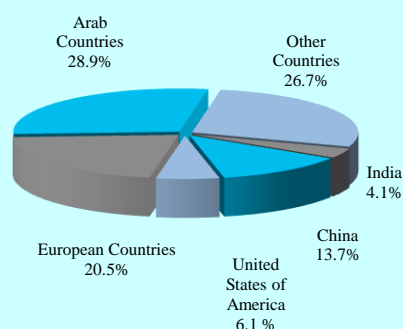
**Major Imports by Commodity, JD Million
During first two months 2014-2015**

	2014	2015	Percentage Change
Total Imports	5,315.9	4,553.5	14.9
Transport Equipment's & Spare Parts	393.8	420.2	6.7
Japan	80.6	87.5	8.6
South Korea	78.5	82.3	4.8
USA	86.2	67.0	-22.3
Petroleum Products	848.5	390.5	-54.0
Saudi Arabia	110.9	150.3	35.5
India	244.9	62.7	-74.4
Belgium	21.6	58.8	172.2
Crude oil	528.6	374.5	-29.2
Saudi Arabia	528.6	374.5	-29.2
Textile Yarn, Fabrics & Related Products	186.6	194.5	4.2
China	76.8	72.7	-5.3
Taiwan	44.1	63.2	43.3
Turkey	10.7	11.3	5.6
Power Generating Machinery & equipment	101.0	162.8	61.2
USA	27.2	51.2	88.2
Germany	31.5	46.0	46.0
Denmark	0.0	30.8	-
Plastic & Articles thereof	169.0	151.7	-10.2
Saudi Arabia	85.6	76.5	-10.5
UAE	10.1	12.3	21.8
China	11.2	9.3	-17.0
Iron & steel	188.2	149.2	-20.7
China	27.9	69.0	147.3
Saudi Arabia	20.8	13.5	-35.1
Russia	17.5	13.0	-25.7

Source: Department of Statistics.

made up articles and related products”, “power generating machinery & equipment”, and “iron and steel” and “plastic & articles thereof” topped the list of

**Geographic Distribution of Imports
January-April 2015**



imports during the first four months 2015, accounting for 40.5 percent of total imports; down from 45.4 percent during the same period in 2014. Meanwhile, the geographical distribution of imports indicates that the markets of Saudi Arabia, China, the USA, Germany, South Korea, India, UAE and Italy were the main sources of imports during the first quarter 2015; accounting for 57.2 percent of total imports, compared to 57.7 percent during the same period in 2014.

■ Re-Exports

A decrease of JD 6.0 million, or 2.2 percent, was registered in the value of re-exported goods during the first four months of 2015 compared to the same period in 2014, to reach JD 262.3 million.

■ Trade Balance

The trade balance deficit during the first four months of 2015 decreased by JD 526.1 million, or 15.7 percent, to register JD 2,834.9 million, compared to the same period in 2014.

□ Total Workers' Remittances Receipts

Total workers' remittances receipts decreased by 1.1 percent in May 2015, compared to May 2014 to register JD 223.0 million. As for the first five months of 2015, total workers' remittances receipts increased by 2.4 percent to reach JD 1,082.8 million compared to the same period of 2014.

□ Travel

■ Receipts

Travel receipts decreased by JD 40.8 million, or 15.2 percent, in May 2015, compared to May 2014 to register JD 228.1 million. As for the first five months of 2015, travel receipts decreased by 14.8 percent to reach JD 1,108.0 million compared to the same period of 2014.

■ Payments

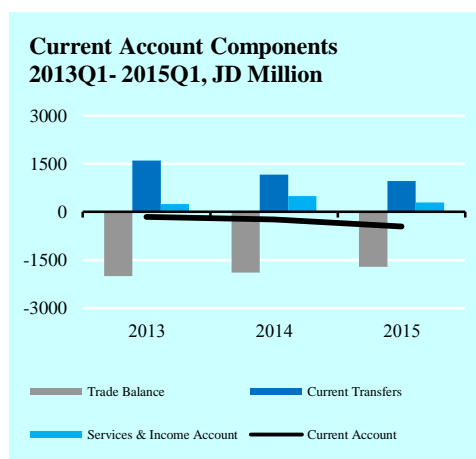
Travel payments decreased by JD 1.6 million, or 2.3 percent, in May 2015, compared to April 2014 to stand at JD 67.1 million. As for the first five months of 2015, travel payments decreased slightly by 0.8 percent to reach JD 341.3 million compared to the same period of 2014.

□ Balance of Payments

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

- The current account recorded a deficit of JD 453.2 million (7.5 percent of GDP) compared to a deficit of JD 240.2 million (4.2 percent of GDP) during first quarter of 2014. This was an outcome of the following developments:

- ◆ A decrease in the trade balance deficit during first quarter of 2015 by JD 185.8 million, 9.8 percent, to reach JD 1,710.8 million compared to JD 1,896.6 million during first quarter of 2014.



- ◆ A decrease in the surplus of the services account by JD 217.5 million to reach JD 229.1 million.
- ◆ Income account recorded a surplus of JD 63.9 million compared to a surplus of JD 48.9 million during first quarter of 2014, as a result of a surplus of JD 11.4 million in investment income (net) and a surplus of JD 1.2 million in compensation of employees (net).
- ◆ A decrease in the surplus of net current transfers by JD 169.3 million; to reach JD 964.6 million, as a result of the decrease in net transfers of public sector (foreign grants) by JD 105.7 million, to reach JD 129.3 million, and the decrease of the transfers of other sectors by 90.6 million to reach JD 835.3 million. It's worth mentioning that the workers' remittances receipts increased by 3.2 percent, during first quarter of 2015 to stand at JD 567.2 million.

- The capital and financial account in first quarter of 2015 registered a net inflow of JD 38.4 million, compared to a net inflow of JD 111.5 million during first quarter of 2014. This can be attributed to the following:
 - ◆ Direct investment recorded a net inflow of JD 179.4 million compared to a similar inflow of JD 189.9 million during first quarter of 2014.
 - ◆ Portfolio investments recorded a net inflow of JD 9.0 million compared to an inflow of JD 159.7 million during first quarter of 2014.
 - ◆ Other investments registered a net outflow of JD 80.0 million compared to an inflow of JD 184.6 million during first quarter of 2014.
 - ◆ An increase in the reserve assets of CBJ by JD 71.2 million, compared to an increase of JD 442.9 million during first quarter of 2014.

□ International Investment Position (IIP)

The IIP, which represents the Kingdom's net position (stock) of external assets and liabilities, displayed an obligation to abroad of JD 22,621.4 million at the first quarter of 2014 compared to JD 22,773.5 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 31.6 million to reach JD 18,526.8 million at the end of first quarter of 2015 compared to the end of 2014. This increase was a result of the rise in CBJ's reserves by 3.1 million, and the increase in loans by banks to non-residents and banks' deposits abroad by JD 17.7 million and JD 14.8 million, respectively.
- A decrease in the position of external liabilities (the stock of claims, obligations and financial assets) on all economic sectors residing in the Kingdom by JD 120.5 million at the first quarter of 2015 compared to the end of 2014; standing at JD 41,148.2 million due to the following:
 - ◆ An increase in the stock of direct investment in Jordan by JD 233.9 million to stand at JD 20,642.5 million.
 - ◆ An increase in the stock of portfolio investments by JD 126.7 million to reach JD 5,794.0 million.
 - ◆ A decrease in trade credits by JD 52.7 million, to stand at JD 634.6 million.
 - ◆ A decrease in the outstanding balance of loans on all economic sectors (resident) in the kingdom by JD 21.3 million to reach JD 1,416.3million.
 - ◆ A decrease in the deposits of non-residents at the banking system by JD 79.5 million. (a decrease of JD 116.4 million at the CBJ, and an increase of JD 36.9 million at the licensed banks) to reach JD 8,010.0 million.