



Central Bank of Jordan

Recent Monetary & Economic Developments in Jordan

**Research Dept / Monthly Report
December, 2022**

Central Bank of Jordan

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☐ OUR VISION

To continue maintaining monetary and financial stability and thereby contributing to the achievement of economic and social growth in the kingdom.

☐ OUR MISSION

Maintaining monetary stability represented in maintaining the stability of the Jordanian Dinar exchange rate and the general prices level. And contributing to providing an investment environment that is both attractive and motivating for the economic and social development through providing a convenient interest rate structure and implementing macro and micro prudential supervision policies that maintain financial and banking stability. In addition to providing safe and efficient national payments systems, promoting financial inclusion, and protecting the financial customer. To this end, the Central Bank of Jordan employs optimally its human, material, financial, technical and knowledge resources.

☐ OUR VALUES

Loyalty	:	Commitment, responsibility, and dedication to the institution, its staff and clients.
Integrity	:	Dealing with the highest standards of professionalism and credibility to ensure equality and equal opportunities to all partners, clients, and workers.
Excellence	:	To make a difference in the quality of services provided in accordance with international standards and practices.
Continuous Learning	:	Aspiring to continuously improve professional and academic levels in accordance with international best practices.
Involvement	:	Working together, on all levels, in a team spirit to achieve our national and organizational goals with high efficiency.
Transparency	:	Disclosing information and knowledge, and simplifying and clarifying procedures and regulations in accordance with professional standards and pertinent rules

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Executive Summary

□ **Output, Prices and Employment**

Real GDP at market prices grew by 2.7 percent during the first three quarters of 2022, compared to a growth of 2.1 percent during the same period of 2021. The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first eleven months of 2022 by 4.2 percent, compared to an increase of 1.2 percent during the same period of 2021. The unemployment rate during the third quarter of 2022 reached 23.1 percent, compared to 23.2 percent during the same quarter of 2021.

□ **Monetary and Financial Sector**

- The CBJ's gross foreign reserves amounted to US\$ 16,894.7 million at the end of November 2022. This level of reserves covers around 7.3 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 41,433.2 million at the end of November 2022, compared to JD 39,509.2 million at the end of 2021.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 32,441.5 million at the end of November 2022, compared to JD 30,028.5 million at the end of 2021.
- Total deposits at licensed banks amounted to JD 42,078.0 million at the end of November 2022, compared to JD 39,522.3 million at the end of 2021.
- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,492.9 points at the end of November 2022, compared to 2,118.6 points at the end of 2021.

- ❑ **Public Finance:** The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 1,291.6 million (5.9 percent of GDP) during the first eight months of 2022, comparing to a fiscal deficit of JD 698.6 million (3.3 percent of GDP) during the same period of 2021. Government domestic debt (budgetary and guaranteed) increased by JD 833.7 million at the end of August 2022, compared to its level at the end of 2021, to reach JD 21,093.2 million (62.4 percent of GDP). Moreover, outstanding external debt (budget and guaranteed) went up by JD 501.0 million, to reach JD 16,008.2 million (47.4 percent of GDP). Accordingly, outstanding government debt (domestic and external) rose up to reach JD 37,101.4 million at the end of August 2022 (109.8 percent of GDP), compared to JD 35,766.7 million (110.1 percent of GDP) at the end of 2021. When excluding the debt holding by the Social Security Investment Fund, the government domestic debt (budgetary and guaranteed) stand at JD 14,010.4 million (41.5 percent of GDP). While the outstanding external debt (budget and guaranteed) stand at JD 15,586.1 million (46.1 percent of GDP). As a result, the outstanding government debt (domestic and external) stand at JD 29,596.5 million (87.6 percent of GDP compared to 88.6 percent of GDP at the end of 2021).
- ❑ **External Sector:** Total merchandize exports (domestic exports *plus* re-exports) increased by 42.0 percent during the first three quarters of 2022 to reach JD 6,700.0 million. Meanwhile, merchandize imports increased by 36.8 percent to reach JD 14,837.2 million. As a result, the trade balance deficit increased by 32.8 percent, compared to the same period of 2021, to reach JD 8,137.2 million. The preliminary data for the first eleven months of 2022 showed an increase in travel receipts by 115.0 percent, to reach JD 3,751.7 million, and an increase in travel payments by 60.8 percent, to reach JD 958.1 million, compared to the same period of 2021. Moreover, total workers' remittances receipts increased by 1.0 percent during the first eleven months of 2022, to reach JD 2,221.4 million, compared to the same period of 2021. The preliminary data for the balance of payments during the first three quarters of 2022 displayed a deficit in the current account amounted to JD 3,179.8 million (12.7 percent of GDP) compared to a deficit of JD 2,026.9 million (8.5 percent of GDP) during the same period of 2021. Meanwhile, the current account deficit excluding grants increased to reach 14.9 percent of GDP, compared with 12.2 percent of GDP during the same period of 2021. Moreover, foreign direct investment recorded an inflow of JD 629.3 million during the three quarters of 2022, compared to an inflow of JD 325.1 million during the same period of 2021. Furthermore, the international investment position (IIP) registered a net obligation to abroad in the amount of JD 36,903.6 million at the end of the first three quarters of 2022 up from JD 35,015.7 million at the end of 2021.

First: Monetary and Financial Sector

□ Summary

- The CBJ's gross foreign reserves amounted to US\$ 16,894.7 million at the end of November 2022. This level of reserves covers around 7.3 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 41,433.2 million at the end of November 2022, compared to JD 39,509.2 million at the end of 2021.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 32,441.5 million at the end of November 2022, compared to JD 30,028.5 million at the end of 2021.
- Total deposits at licensed banks amounted to JD 42,078.0 million at the end of November 2022, compared to JD 39,522.3 million at the end of 2021.
- The interest rates on all types of credit facilities and deposits held by licensed banks had increased at the end of November 2022, compared to their levels registered at the end of 2021.

Monetary and Financial Sector

December 2022

- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,492.9 points at the end of November 2022, compared to 2,118.6 points at the end of 2021. Moreover, the market capitalization reached JD 18,015.9 million at the end of November 2022, compared to JD 15,495.7 million at the end of 2021.

Main Monetary Indicators

JD Million, and Percentage Change Relative to the Previous Year

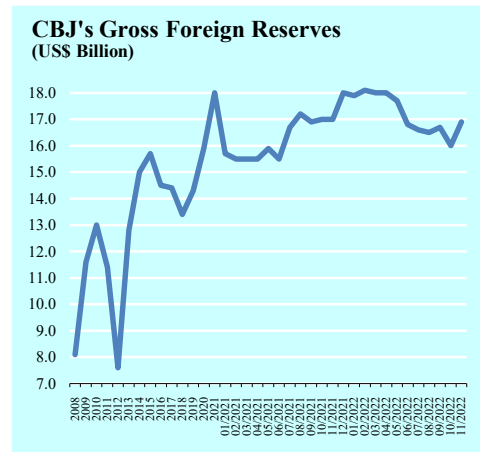
		End of November	
2021		2021	2022
US\$ 18,043.2	CBJ's Foreign Reserves*	US\$ 17,003.6	US\$ 16,894.7
13.3%		6.8%	-6.4%
7.6	Coverage in months	7.3	7.3
39,509.2	Money Supply (M2)	39,055.8	41,433.2
6.7%		5.5%	4.9%
30,028.5	Credit Facilities, of which:	30,055.4	32,441.5
4.9%		4.9%	8.0%
26,708.8	Private Sector (Resident)	26,680.0	28,795.3
4.6%		4.5%	7.8%
39,522.3	Total Deposits, of which:	39,026.7	42,078.0
7.4%		6.1%	6.5%
30,684.6	In JD	30,208.6	32,696.0
8.7%		7.0%	6.6%
8,837.7	In Foreign Currencies	8,818.1	9,382.0
3.3%		3.1%	6.2%
30,988.2	Deposits of Private Sector (Resident), of which:	30,667.9	33,092.8
7.4%		6.3%	6.8%
24,723.7	In JD	24,401.6	26,457.0
8.9%		7.5%	7.0%
6,264.5	In Foreign Currencies	6,266.3	6,635.8
2.0%		2.0%	5.9%

* Including gold reserves and special drawing rights.

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

□ CBJ's Foreign Reserves

The CBJ's gross foreign reserves amounted to US\$ 16,894.7 million at the end of November 2022. This level of reserves covers around 7.3 months of the Kingdom's imports of goods and services.



□ Domestic Liquidity (M2)

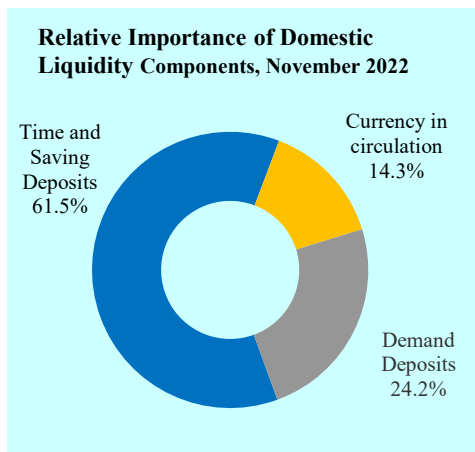
■ Domestic liquidity amounted to JD 41.4 billion at the end of November 2022, compared to JD 39.5 billion at the end of 2021.

◆ **Developments in the components and the factors affecting domestic liquidity at the end of November 2022, compared to their levels at the end of 2021, reveal the following:**

- **Components of Domestic Liquidity**

- Total deposits, according to liquidity definition, amounted to JD 35.5 billion at the end of November 2022, compared to JD 33.3 billion at the end of 2021.

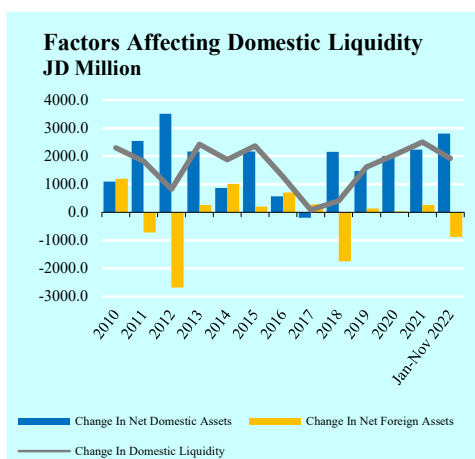
- Currency in circulation amounted to JD 5.9 billion at the end of November 2022, compared to JD



6.2 billion at the end of 2021.

• Factors Affecting Domestic Liquidity

- Net domestic assets of the banking system amounted to JD 34.5 billion at the end of November 2022,



compared to JD 31.7 billion at the end of 2021.

- Net foreign assets of the banking system amounted to JD 6.9 billion at the end of November 2022. The net foreign assets of the CBJ amounted to JD 11.4 billion at the end of November 2022.

Factors Affecting Domestic Liquidity (M2)

JD Million

		End of November	
2021		2021	2022
7,818.8	Foreign Assets (Net)	7,411.4	6,941.8
12,087.9	CBJ	11,629.3	11,352.8
-4,269.1	Licensed Banks	-4,217.9	-4,411.0
31,690.4	Domestic Assets (Net)	31,644.4	34,491.4
-5,239.4	CBJ, of which:	-4,768.6	-4,782.1
1,185.3	Claims on Public Sector (Net)	1,107.6	786.5
-6,447.2	Other Items (Net*)	-5,898.7	-5,590.7
36,929.8	Licensed Banks	36,413.1	39,273.5
13,316.6	Claims on Public Sector (Net)	13,519.1	14,518.2
27,536.5	Claims on Private Sector	27,508.0	29,593.6
-3,923.3	Other Items (Net)	-4,614.1	-4,837.7
39,509.2	Money Supply (M2)	39,055.8	41,433.2
6,225.4	Currency in Circulation	6,219.5	5,936.7
33,283.8	Total Deposits, of which:	32,836.3	35,496.5
6,328.7	In Foreign Currencies	6,365.7	6,703.7

* This item includes Certificates of Deposit in Jordanian Dinar.

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

□ Interest Rates Structure

■ Interest Rates on Monetary Policy Instruments and CBJ's procedures

- ◆ The CBJ decided on December 19, 2022 to raise interest rates by 50 basis points on all monetary policy instruments. This is for the seventh time during 2022, to become as follow:

- The CBJ main interest rate: 6.50 percent.
- Re-discount Rate: 7.50 percent.
- Interest Rate on Overnight Repurchase Agreements: 7.25 percent.
- Overnight Deposit Window Rate: 6.25 percent.
- Weekly/ Monthly Repurchase Agreements: 6.50 percent.
- The interest rate on weekly certificates of deposit: 6.50 percent.

This decision comes in line with the continuation of the inflationary pressures in the regional and international economic environment, compared to the rates targeted by Central Banks, which contributed to a rise in the recorded inflation rates in the Kingdom and their expectations within the short-term.

Within the CBJ's keenness for the importance of achieving a balance between its objective to maintain monetary stability, and continuing to stimulate economic growth and mitigating the impact of raising interest rates on economic sectors, the CBJ decided to extend the CBJ's program to refinance the vital economic sectors, with a value of JD 1.3 billion, covering ten sectors, and to keep the interest rate for this program unchanged at 1.0% for projects in Amman, and 0.5% for projects in the other governorates, in order to provide financing for productive activities with preferential terms.

Interest Rates on Monetary Policy Instruments, percentage points

		November	
2021		2021	2022
2.50	CBJ main rate	2.50	6.00
3.50	Re-discount Rate	3.50	7.00
3.25	Repurchase Agreements Rate (overnight)	3.25	6.75
2.00	Overnight Deposit Window Rate	2.00	5.75
2.50	Repurchase Agreements rate (one week and one month)	2.50	6.00
2.50	Certificates of Deposits (one week)	2.50	6.00

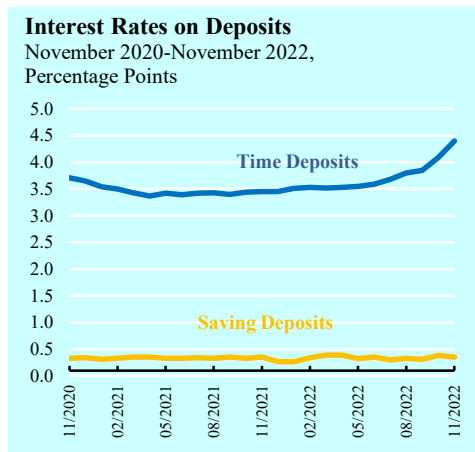
Source: Central Bank of Jordan / Monthly Statistical Bulletin.

Moreover, the CBJ decided to continue the CBJ's program to support small - medium sized enterprises, professionals and craftsman, and basic commodities wholesale importers, amounting to JD 700 million, until the end of February 2023, and to keep the interest rate for the borrowers not exceed 2%, for a period of 54 months, including a grace period of up to 12 months.

■ Interest Rates in the Banking Sector

◆ Interest Rates on Deposits

- **Time Deposits:** The weighted average interest rate on time deposits increased by 31 basis points at the end of November 2022, compared to its level registered at the end of the previous month to stand at 4.40%. This rate is higher by 95 basis points than its level registered at the end of 2021.



- **Saving Deposits:** The weighted average interest rate on saving deposits decreased by 3 basis points at the end of November 2022, compared to its level registered at the end of the previous month to stand at 0.35%. This rate is higher by 8 basis points than its level registered at the end of 2021.
- **Demand Deposits:** The weighted average interest rate on demand deposits decreased by 3 basis points at the end of November 2022, compared to its level registered at the end of the previous month to stand at 0.34%. This rate is higher by 8 basis points than its level registered at the end of 2021.

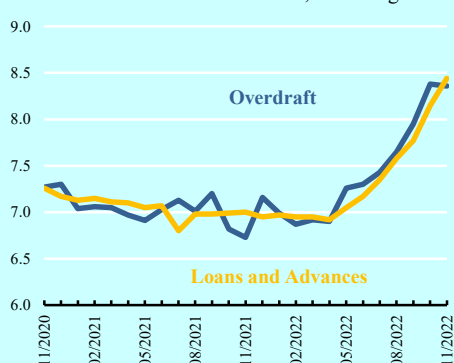
◆ Interest Rates on Credit Facilities

- **Overdraft Accounts:** The weighted average interest rate on overdraft accounts decreased by 2 basis points at the end of November 2022, compared to its level registered at the end of the previous month to stand at 8.36%. This rate is higher by 120 basis points than its level registered at the end of 2021.

- **Discounted Bills and Bonds:** The weighted average interest rate on “discounted bills and bonds” increased by 12 basis points at the end of November 2022, compared to its level registered at the end of the previous month to stand at 8.10%. This rate is higher by 11 basis points than its level registered at the end of 2021.

- **Loans and Advances:** The weighted average interest rate on “loans and advances” increased by 29 basis point at the end of November 2022, compared to its level registered at the end of the previous month to stand at 8.44%. This rate is higher by 149 basis points than its level registered at the end of 2021.

Interest Rates on Credit facilities
November 2020- November 2022, Percentage Points



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

		November		Change Relative to the Preceding Year
2021		2021	2022	Basis Points
Deposits				
0.26	Demand	0.25	0.34	8
0.27	Saving	0.35	0.35	8
3.45	Time	3.45	4.40	95
Credit Facilities				
7.99	Discounted Bills and Bonds	8.02	8.10	11
6.95	Loans and Advances	7.00	8.44	149
7.16	Overdraft	6.73	8.36	120
8.37	Prime Lending Rate	8.35	10.52	215

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- The prime lending rate stood at 10.52% at the end of November 2022, increasing by 35 basis points compared to its level registered at the end of the previous month, and by 215 basis points compared to its level at the end of 2021.

□ Credit Facilities Extended by Licensed Banks

- Total credit facilities extended by licensed banks increased by JD 2,413.0 million, or 8.0 percent, at the end of November 2022, compared to its level registered at the end of 2021, against an increase by JD 1,416.3 million, or 4.9 percent during the same period in 2021.
- In terms of borrower sectors, the credit facilities at the end of November 2022 had shown an increase in credit extended to the private sector (resident) by JD 2,086.5 million, or 7.8 percent, the public institution by JD 223.3 million, or 32.5 percent, the central government by JD 181.6 million, or 10.0 percent. In contrast, the credit facilities extended to the private sector (non-resident) decreased by JD 43.4 million, or 6.3 percent, and the non-banking financial institutions by JD 35.0 million, or 27.1 percent, compared to their levels at the end of 2021.

□ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 42.1 billion at the end of November 2022, compared to JD 39.0 billion at the end of November 2021, and JD 39.5 billion at the end of 2021.

- The currency composition of deposits at the end of November 2022 revealed that the JD deposits amounted to JD 32.7 billion, and the deposits in foreign currencies amounted to JD 9.4 billion, compared to JD 30.2 billion of JD deposits, and JD 8.8 billion of deposits in foreign currencies at the end of November 2021, and against JD 30.7 billion of JD deposits, and JD 8.8 billion of deposits in foreign currencies at the end of 2021.

□ Amman Stock Exchange (ASE)

The ASE main indicators showed a mixed performance during November 2022, compared to their levels in 2021. This can be demonstrated as follows:

■ Trading Volume

Trading volume at ASE totaled JD 118.1 million in November 2022, decreasing by JD 7.1 million, or 5.7 percent, compared to its level registered at the end of the previous month, against an increase by JD 11.2 million, or 9.1 percent during the same month in 2021. As for the first eleven months of 2022, the trading volume totaled JD 1,811.4 million.

■ Traded Shares

The number of traded shares in November 2022 totaled 100.4 million shares, increasing by 13.3 million shares, or 15.3 percent, compared to its level registered at the end of the previous month, against an increase by 17.7 million shares, or 18.6 percent during the same month in 2021. As for the first eleven months of 2022, the number of traded shares amounted to 1,075.8 million shares.

■ Share Price Index (SPI)

The SPI weighted by market capitalization of free float shares at ASE increased by 50.9 points, or 2.1 percent, at the end of November 2022 compared to its level in the

previous month, to stand at 2,492.9 points, against an increase by 63.1 points, or 3.0 percent, during the same month in 2021. Furthermore, the SPI increased by 374.3 points, or 17.7 percent, compared to its level at the end of 2021, against an increase by 400.5 points, or 24.2 percent during the same period in 2021. The aforementioned increase was an outcome of the increase in the SPI of the industrial sector by 1,623.5 points, or 44.3 percent, services sector by 409.4 points, or 30.8 percent, and the financial sector by 77.0 points, or 3.0 percent, compared to their levels at the end of 2021.

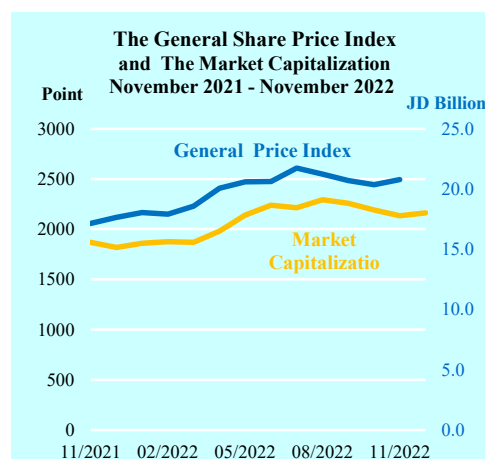
■ Market Capitalization

The ASE's market capitalization totaled JD 18.0 billion at the end of November 2022, increasing by JD 223.8 million, or 1.3 percent, compared to its level registered at the end of the previous month, against a decrease by JD 431.0

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

2021		November	
		2021	2022
2,118.6	General Index	2,057.7	2,492.9
2,604.5	Financial Sector	2,506.5	2,681.4
3,665.9	Industrial Sector	3,601.9	5,289.4
1,327.4	Services Sector	1,318.9	1,736.8

Source: Amman Stock Exchange.



million, or 2.8 percent, during the same month in 2021. Furthermore, the ASE's market capitalization increased by JD 2,520.2 million, or 16.3 percent, compared to its level at the end of 2021.

■ Net Investment of Non - Jordanian

Non-Jordanian net investment at ASE recorded an inflow amounted of JD 3.0 million in November 2022. The value of shares buying by non-Jordanian in November 2022 amounted to JD 15.9 million, while their selling amounted to JD 12.9 million. The net investment of Non-Jordanian during the first eleven months of 2022 recorded an outflow amounted to JD 70.9 million.

Main Amman Stock Exchange Trading Indicators, JD Million

		November	
2021		2021	2022
1,963.6	Value Traded	133.8	118.1
7.9	Average Daily Trading	6.4	5.4
15,495.7	Market Capitalization	15,158.1	18,015.9
1,538.2	No. of Traded Shares (million)	113.2	100.4
-60.9	Net Investment of Non-Jordanian	-1.9	3.0
220.2	Non-Jordanian Buying	9.4	15.9
281.1	Non-Jordanian Selling	11.3	12.9

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 third quarter of 2022, compared to a growth of 2.7 percent during the same quarter of 2021. At current market prices, GDP grew by 6.2 percent during the third quarter of 2022, compared to a growth of 4.1 percent in the same quarter of 2021.
- Accordingly, the real GDP grew by 2.7 percent during the first three quarters of 2022, compared to a growth of 2.1 percent during the same period of 2021. At current market prices, GDP grew by 5.3 percent during the first three quarters of 2022 compared to a growth of 3.1 percent during the same period of 2021.
- The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first eleven months of 2022 by 4.2 percent, compared to an increase of 1.2 percent during the same period of 2021.
- The unemployment rate during the third quarter of 2022 reached 23.1 percent (20.5 percent for males and 33.1 percent for females), compared to 23.2 percent (21.2 percent for males and 30.8 percent for females) during the same quarter of 2021. The highest unemployment rate was among youth, which reached 53.5 percent for the (15-19) years old category and 45.9 percent for the (20-24) years old.

▣ Developments of GDP

Gross Domestic Product (GDP), at constant market prices, grew by 2.7 percent during the first three quarters of 2022, compared to a growth of 2.1 percent during the same period of 2021. When excluding “net taxes on products” (which grew by 2.4 percent during the first three quarters of 2022 compared to a growth of 2.2 percent during the same period of 2021), GDP at constant basic prices, grew by 2.7 percent during the first three quarters of 2022, compared to a growth of 2.1 percent during the same period of 2021.

Quarterly Growth Rates of GDP at Market Prices (2020 – 2022)

Percentages

	Q1	Q2	Q3	Q4	Year
2020					
GDP at Constant Prices	1.3	-3.6	-2.2	-1.6	-1.6
GDP at Current Prices	2.9	-4.7	-3.1	-1.9	-1.8
2021					
GDP at Constant Prices	0.3	3.2	2.7	2.6	2.2
GDP at Current Prices	0.5	4.7	4.1	4.6	3.5
2022					
GDP at Constant Prices	2.5	2.9	2.6	-	-
GDP at Current Prices	4.6	5.2	6.2	-	-

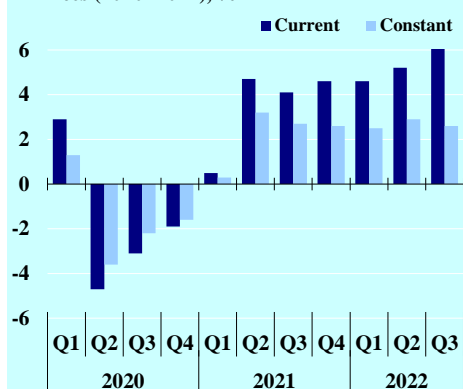
Source: Department of Statistics.

At current market prices, GDP grew by 5.3 percent during the first three quarters of 2022, compared to a growth of 3.1 percent during the same period of 2021. This was in light of the increase of the general price level, measured by the GDP deflator, by 2.6 percent during the first three quarters of 2022 compared to a growth of 1.0 percent during the same period of 2021.

The economic growth recorded during the first three quarters of 2022 was mainly driven by the significant improvement in the external sector indicators, such as; tourism income, total exports, and inflow FDI to Jordan.

As for the economic sectors contribution to growth rate during the first three quarters of 2022, all sectors contributed positively to the growth rate. Most notably; manufacturing contributed by (0.6 percentage point), “transport, storage and communications” (0.3 percentage point), “finance and insurance services” (0.3 percentage point), “wholesale and retail trade” (0.3 percentage point), and “social and personal services” (0.2 percentage point). These sectors accounted for 63.0 percent of the real growth recorded during the first three quarters of 2022.

Quarterly Growth Rates of GDP at Market Prices (2020- 2022), %



Main Sectors Contributed to Economic Growth at Constant Market Prices

Sectors	Relative change		Contribution	
	Percentage		Percentage Point	
	2021 3Qs	2022 3Qs	2021 3Qs	2022 3Qs
GDP at Constant Market Prices	2.1	2.7	2.1	2.7
Agriculture	3.0	2.5	0.1	0.1
Mining And Quarrying	10.1	5.9	0.2	0.1
Manufacturing	2.1	3.5	0.4	0.6
Electricity And Water	1.6	2.8	0.0	0.0
Construction	3.0	4.5	0.1	0.1
Wholesale And Retail Trade	2.0	3.0	0.2	0.3
Restaurant And Hotels	2.0	5.1	0.0	0.1
Transport, Storage And Communications	1.8	3.8	0.2	0.3
Finance And Insurance Services	4.1	4.6	0.3	0.3
Real Estate	1.5	1.2	0.2	0.1
Social And Personal Services	0.7	2.1	0.1	0.2
Producers of Government Services	1.4	0.8	0.2	0.1
Producers of Private Non-Profit	1.4	2.8	0.0	0.02
Domestic Services of Households	0.1	0.1	0.0	0.0

Source : Department of Statistics.

Microeconomic Indicators

Many of the microeconomic indicators witnessed an improvement in their performance during the available period of 2022. Most notably; “Number of passengers through Royal Jordanian” (101.6 percent), “Number of departures” (103.5 percent), and “Cargo through Royal Jordanian” (16.3 percent), in addition to production of phosphate (17.6 percent) and potash (5.3 percent). The following table displays the performance of the main available microeconomic indicators:

Main Sectoral Indicators*				
Percentage Points				
2021	Item	2021	Available period	2022
13.6	Manufacturing production quantity index	15.2	Jan - Oct	3.0
-10.2	Food products and beverages	-11.7		5.3
-3.6	Tobacco products	-1.3		7.2
106.5	Refined petroleum products	98.0		21.1
-6.3	Wearing apparel	-3.1		-14.4
0.7	Pharmaceuticals, medical products	0.7		5.3
2.5	Chemical products	4.8		-3.7
6.6	Mining and quarrying production quantity index	6.9		7.0
25.0	Extraction of crude petroleum and natural gas	22.1		-4.9
6.4	Other mining and quarrying	6.8		7.2
46.8	Value traded at the real estate market	54.3		23.3
52.9	Licensed areas for buildings	56.6		6.3
4.3	Production of potash	3.3	Jan - Nov	5.3
14.2	Production of phosphate	12.9		17.6
20.4	Cargo through Royal Jordanian	15.2		16.3
108.7	Number of passengers through Royal Jordanian	89.9		101.6
89.8	Number of departures	79.6		103.5

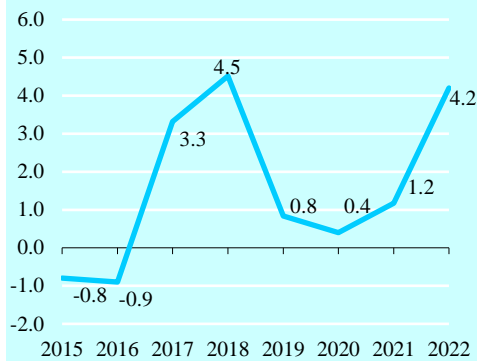
*: Computed based on the data from Department of Statistics, Department of Land and Survey, and Royal Jordanian.

□ Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first eleven months of 2022 by 4.2 percent, compared to an increase of 1.2 percent during the same period of 2021. This was an outcome of the following:

- An increase in the prices of some items and groups, most notably:
 - “fuel and lighting” prices increased by 24.7 percent, compared to a increase by 0.9 percent, in addition to the transportation group, whose the prices increased by 5.7 percent, compared to an increase by 4.2 percent during the first eleven months of 2021. and this comes in light of the rise in oil prices in global markets.

Inflation Rate during the first eleven months of the years (2015-2022),



Inflation Rate during the first eleven months for the years 2021-2022

Expenditure Groups	Relative Imp.	Relative change		Contribution	
		Jan – Nov		Jan – Nov	
		2021	2022	2021	2022
All Items	100.0	1.2	4.2	1.2	4.2
1) Food and non-Alcoholic Beverages	26.5	-0.1	3.6	0.0	1.0
Food	23.8	-0.1	3.8	0.0	0.9
Cereals and Products	4.2	1.8	4.2	0.1	0.2
Meat and Poultry	4.7	5.9	3.2	0.3	0.2
Fish and Sea Product	0.4	0.5	3.2	0.0	0.0
Dairy Products and Eggs	3.7	0.2	4.4	0.0	0.2
Oil and Fats	1.7	6.1	8.5	0.1	0.1
Fruits and Nuts	2.6	-2.2	1.2	-0.1	0.0
Vegetables and Legumes Dry and Canned	3.0	-13.7	6.6	-0.4	0.2
2) Alcohol and Tobacco and Cigarettes	4.4	2.8	0.0	0.1	0.0
Alcohol	0.0	16.3	0.6	0.0	0.0
Tobacco and Cigarettes	4.4	2.8	0.0	0.1	0.0
3) Clothing and footwear	4.1	-1.3	0.3	-0.1	0.0
Clothing	3.4	-1.2	0.1	0.0	0.0
Footwear	0.7	-1.8	1.4	0.0	0.0
4) Housing	23.8	1.6	6.3	0.4	1.5
Rents	17.5	1.7	2.4	0.3	0.4
Fuels and Lighting	4.7	0.9	24.7	0.0	1.0
5) Household Furnishings and Equipment	4.9	0.4	2.9	0.0	0.1
6) Health	4.0	1.1	3.4	0.0	0.1
7) Transportation	16.0	4.2	5.7	0.7	0.9
8) Communication	2.8	1.4	0.9	0.0	0.0
9) Culture and Recreation	2.6	0.2	9.5	0.0	0.2
10) Education	4.3	0.2	1.3	0.0	0.1
11) Restaurants and Hotels	1.8	1.5	7.1	0.0	0.1
12) Other Goods and Services	4.8	0.2	2.3	0.0	0.1

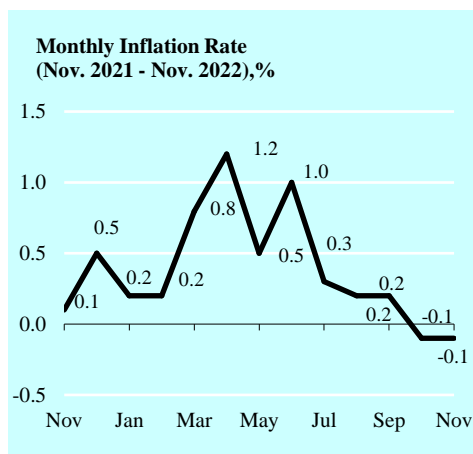
Source: Department of Statistics.

- “vegetables and legumes dry and canned” prices increased by 6.6 percent, compared to a decline by 13.7 percent during the first eleven months of 2021, affected in part by the demand and supply factors in domestic market.

The above groups and items collectively contributed to raising the inflation rate during the first eleven months of 2022 by 2.1 percentage points, compared to 0.3 percentage point in the same period of 2021.

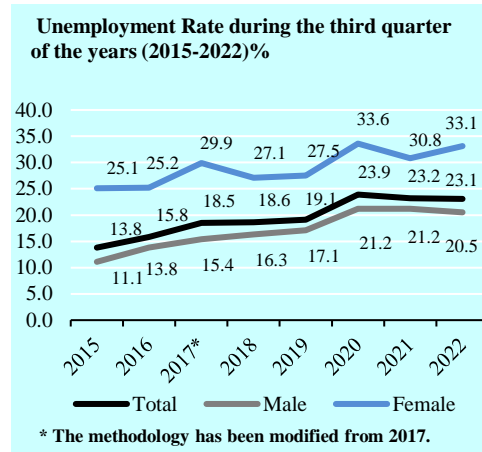
- On the other hand, the price of some items decline, notably, “spices and food additives” (2.0 percent) and “drinks and refreshments” (1.0 percent), during the first eleven months of 2022.

In November 2022, the CPI witnessed a decline compared to the previous month (October 2022) by 0.1 percent. This was an outcome of the decrease in the prices of some items and groups, mainly, “meat and poultry” (1.8 percent), transportation (0.3 percent), on the one hand, and the increase of the prices of a number of other items, most notably; “fuels and lighting” (0.9 percent), and “oil and fats” (0.7 percent), on the other hand.



■ Labor Market

- The unemployment rate reached 23.1 percent (20.5 percent for males, and 33.1 percent for females) during the third quarter of 2022, compared to 23.2 percent (21.2 percent for males and 30.8 percent for females), during the same quarter of 2021.



- The unemployment rate among youth, during the third quarter of 2022, remains high reaching 53.5 percent for the category (15-19) years old, and 45.9 percent for the category (20-24) years old.
- The unemployment rate among academic degree holders (Bachelor and higher) reached 29.3 percent during the third quarter of 2022, as the unemployment rate among (less than secondary) reached 20.0 percent.
- The refined economic participation rate (the ratio of the labor force to the population of 15 years and over), was 33.0 percent (52.5 percent for males, and 13.7 percent for females), compared to 34.4 percent (54.4 percent for males and 14.5 percent for females) during the third quarter of 2021.
- The employment rate among population (15 years and older) reached 25.4 percent during the third quarter of 2022.

Third: Public Finance

□ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 1,291.6 million (5.9 percent of GDP) during the first eight months of 2022, comparing to a fiscal deficit of JD 698.6 million (3.3 percent of GDP) during the same period of 2021. When excluding foreign grants (JD 125.0 million), the general budget deficit increases to JD 1,416.6 million (6.5 percent of GDP), compared to a deficit of JD 1,254.2 million (6.0 percent of GDP) in the same period of 2021.
- Government domestic debt (budgetary and guaranteed) increased by JD 833.7 million at the end of August 2022, compared to its level at the end of 2021, to reach JD 21,093.2 million (62.4 percent of GDP). When excluding the domestic debt holding by the Social Security Investment Fund, the government domestic debt (budgetary and guaranteed) stand at JD 14,010.4 million (41.5 percent of GDP).
- Outstanding external debt (budget and guaranteed) went up by JD 501.0 million at the end of August 2022, compared to its level at the end of 2021, to reach JD 16,008.2 million (47.4 percent of GDP). When excluding the external debt holding by the Social Security Investment Fund, the outstanding external debt (budget and guaranteed) stand at JD 15,586.1 million (46.1 percent of GDP).
- As a result, outstanding government debt (domestic and external) rose by JD 1,334.7 million at the end of August 2022, to reach JD 37,101.4 million (109.8 percent of GDP), compared to JD 35,766.7 million (110.1 percent of GDP) at the end of 2021. When excluding the government debt holding by the Social Security Investment Fund, the outstanding government debt (domestic and external) stand at JD 29,596.5 million (87.6 percent of GDP), compared to JD 28,763.1 million (88.6 percent of GDP) at the end of 2021.

□ The performance of the general budget during the first eight months of 2022 compared with the same period of 2021:

■ Public Revenues

Public revenues (domestic revenues *plus* foreign grants) increased by JD 51.1 million, or 8.4 percent, in August 2022 compared to the same month in 2021, to stand at JD 661.8 million. As for the first eight months of 2022, public revenues went up by JD 16.1 million, or 0.3 percent, compared to same period of 2021, to stand at JD 5,544.4 million. This came as an outcome of the increase in domestic revenues by JD 446.7 million, and decrease in foreign grants by JD 430.6 million.

Main Government Budget Indicators During the First Eight Months of 2022

(JD Million and Percentages)

	August		Growth Rate	Jan.- Aug.		Growth Rate
	2021	2022		2021	2022	
Public Revenues	610.7	661.8	8.4	5,528.3	5,544.4	0.3
Domestic Revenues, of which:	610.6	618.9	1.4	4,972.7	5,419.4	9.0
Tax Revenues, of which:	457.0	462.9	1.3	3,828.4	4,209.2	9.9
General Sales Tax	368.2	365.0	-0.9	2,574.5	2,701.2	4.9
Other Revenues	153.2	155.6	1.6	1,139.1	1,207.1	6.0
Foreign Grants	0.1	42.9	-	555.6	125.0	-77.5
Total Expenditures	787.3	947.9	20.4	6,226.9	6,836.0	9.8
Current Expenditures	713.8	755.9	5.9	5,697.6	5,928.9	4.1
Capital Expenditures	73.6	192.0	160.9	529.3	907.1	71.4
Overall Deficit/ Surplus (Including Grants)	-176.7	-286.1	-	-698.6	-1,291.6	-
Overall Deficit/ Surplus (Including Grants) as a Percent of GDP	-	-	-	-3.3	-5.9	-

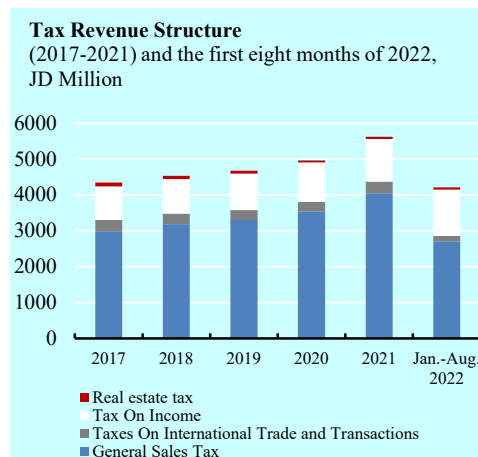
Source: Ministry of Finance/ General Government Finance Bulletin.

◆ Domestic Revenues

Domestic revenues witnessed an increase of JD 446.7 million, or 9.0 percent, in the first eight months of 2022, compared to the same period of 2021, to reach JD 5,419.4 million. This increase was a result of the rise in the proceeds of “tax revenues”, and “other revenues” by JD 380.8 million, and JD 68.0 million, respectively, and the drop in “Pension contributions” by JD 2.1 million.

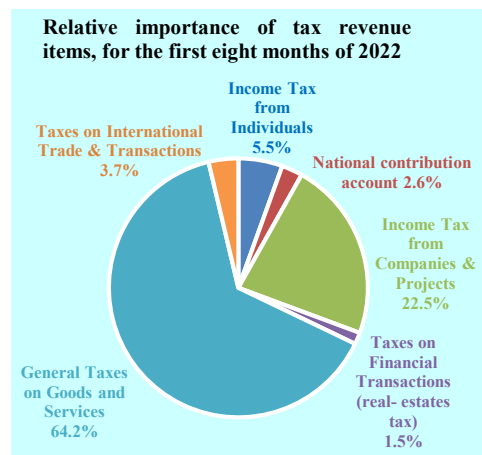
● Tax Revenues

Tax revenues increased by JD 380.8 million, or 9.9 percent, during the first eight months of 2022, compared to the same period of 2021, to reach JD 4,209.2 million (77.7 percent of domestic revenues). Following are the main developments in tax revenue items:



- An increase in the proceeds of **general sales tax on goods and services** by JD 126.7 million, or 4.9 percent, to reach JD 2,701.2 million, accounting for 64.2 percent of total tax revenues. This result was driven by the increase in the proceeds of sales tax on imported goods by JD 74.3 million, and on services by JD 66.8 million, and on commercial sector by JD 14.3 million, and decrease in the proceeds of sales tax on domestic goods by JD 28.7 million.

- An increase in the proceeds of **income and profit taxes** by JD 296.6 million, or 29.8 percent, to reach JD 1,290.3 million, accounting for 30.7 percent of total tax revenues. This increase came mainly as a result of the increase in the proceeds of “income taxes from companies and projects” by JD 247.7 million, or 35.3 percent, to account for 73.5 percent of total proceeds of income and profits taxes, amounting to JD 948.6 million, and increase the proceeds of “income taxes from individuals” by JD 37.0 million, or 19.0 percent, to reach JD 231.8 million, and increase the proceeds of national contribution account item by JD 12.0 million, or 12.2 percent, to reach JD 110.0 million.
- An increase in the proceeds of **taxes on financial transactions (real-estates tax)** by JD 19.1 million, or 44.9 percent, to reach JD 61.6 million.
- A decrease in the proceeds of **taxes on international trade and transactions** (including customs duties and fees) by JD 61.6 million, or 28.3 percent, to reach JD 156.0 million.



● Non-Tax Revenues

- “Other revenues” increased by JD 68.0 million, or 6.0 percent, during the first eight months of 2022, to reach JD 1,207.1 million. This increase was chiefly due to the following:
 - An increase in **miscellaneous revenues** by JD 79.3 million to stand at JD 392.5 million.
 - An increase in revenues from **selling goods and services** by JD 27.5 million to reach JD 580.2 million.
 - A decrease in the **property income** by JD 38.9 million to stand at JD 234.4 million (of which financial surplus of independent government units amounted to JD 209.7 million against JD 258.7 million during the same period of 2021).
- Pension contributions decreased by JD 2.1 million, or 40.4 percent, during the first eight months of 2022, compared to the same period of 2021, to reach JD 3.1 million.

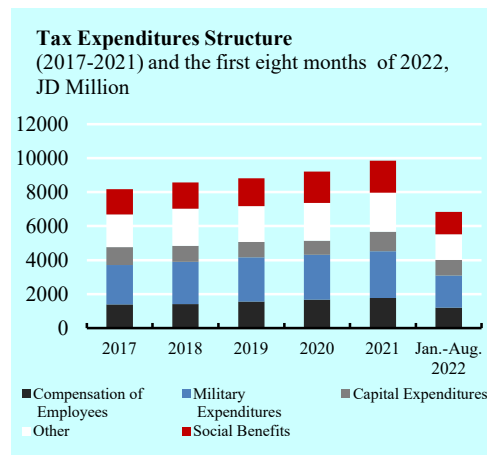
◆ Foreign Grants

Foreign grants decreased by JD 430.6 million, or 77.5 percent, during the first eight months of 2022, standing at JD 125.0 million, compared to JD 555.6 million during the same period of 2021.

Public Expenditures

Public expenditures increased by JD 160.6 million, or 20.4 percent, in August 2022 compared to the same month in 2021, to stand at JD 947.9 million. As for the first eight months of 2022,

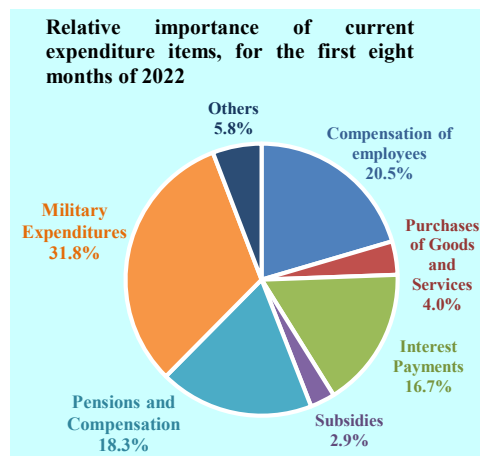
public expenditures increased by JD 609.1 million, or 9.8 percent, compared to the same period of 2021, to stand at JD 6,836.0 million. This increase was a result of the rise in current expenditures by 4.1 percent, and capital expenditures by 71.4 percent.



Current Expenditures

Current expenditures went up by JD 231.3 million, or 4.1 percent, during the first eight months of 2022, to reach JD 5,928.9 million (86.7 percent of public expenditures). Because of the growth rate of domestic revenues is higher than that of current expenditure, the coverage ratio (measured by the ratio of domestic revenues to current expenditures) increased by 4.1 percentage point, to reach 91.4 percent compared to 87.3 percent during the same period of 2021. The increase in current expenditures is due to the evolution of its components, as follow:

- An increase in **interest payments** (commitment basis) by JD 56.0 million, to stand at JD 989.6 million.
- An increase in **subsidies** by JD 47.8 million, to stand at JD 174.9 million.
- An increase in **military expenditures** by JD 41.9 million, to total JD 1,883.0 million.
- An increase in the **compensation of civil sector's employees (wages, salaries and social security contributions)** by JD 30.3 million, to reach JD 1,212.8 million.
- An increase in **pensions and compensation** by JD 17.4 million, to stand at JD 1,087.9 million.
- An increase in the **purchases of goods and services** by JD 2.7 million, to reach JD 235.5 million.

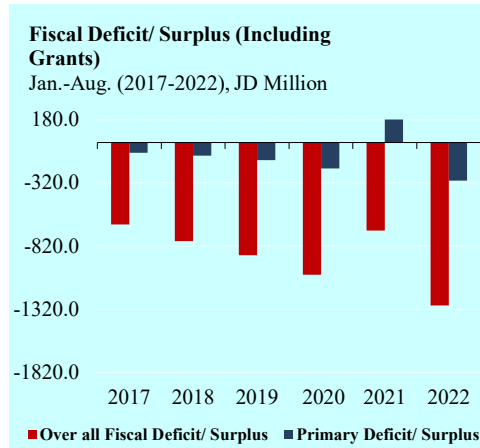


◆ Capital Expenditures

Capital expenditures increased by JD 377.8 million, or 71.4 percent, during the first eight months of 2022 compared to the same period of 2021, to reach JD 907.1 million.

■ General Budget Deficit/ Surplus

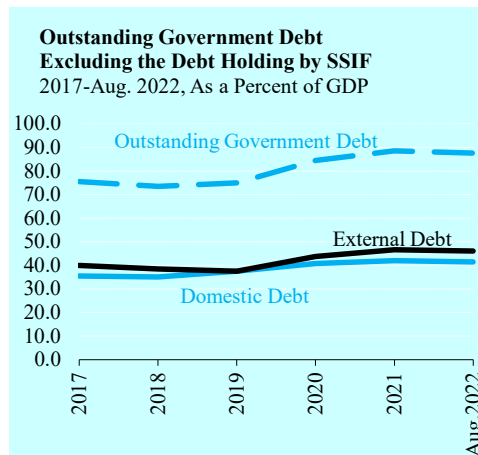
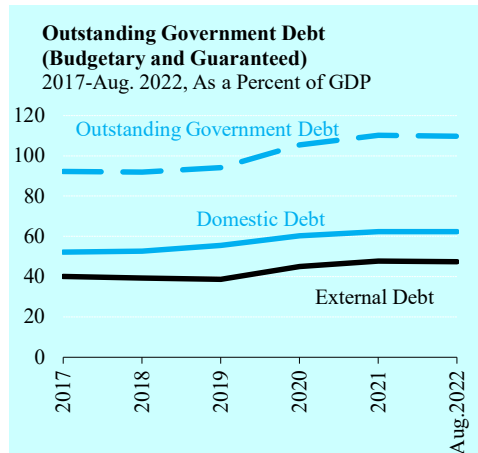
- ◆ The overall fiscal deficit, including foreign grants, increased by JD 593.0 million, during the first eight months of 2022, to reach JD 1,291.6 million (5.9 percent of GDP), compared to a fiscal



- deficit of JD 698.6 million (3.3 percent of GDP), in the same period of 2021. When foreign grants are excluded, the general budget deficit increases to reach JD 1,416.6 million (6.5 percent of GDP), compared to a fiscal deficit of JD 1,254.2 million (6.0 percent of GDP) in the same period of 2021.
- ◆ The primary deficit, excluding foreign grants, (domestic revenues *minus* total public expenditures excluding interest payments on public debt) reached JD 427.0 million (2.0 percent of GDP) in the first eight months of 2022, against a primary deficit of JD 320.6 million (1.5 percent of GDP) in the same period of 2021. When foreign grants are including, the primary deficit of the general budget reached JD 302.0 million (1.4 percent of GDP), compared to a primary surplus of JD 235.0 million (1.1 percent of GDP) in the same period of 2021.

□ Outstanding Government Debt

- Government domestic debt (budgetary and guaranteed) increased by JD 833.7 million, at the end of August 2022 compared to its level at the end of 2021, to stand at JD 21,093.2 million (62.4 percent of GDP). This increase was an outcome of the rise in the domestic debt of the budget by JD 689.0 million, and the increase in the domestic debt of guaranteed by JD 144.6 million, compared to their levels at the end of 2021, standing at JD 18,572.4 million and JD 2,520.7 million, respectively.



- When excluding the domestic debt holding by the Social Security Investment Fund (SSIF), the government domestic debt (budgetary and guaranteed) increased by JD 384.8 million, at the end of August 2022 compared to its level at the end of 2021, to stand at JD 14,010.4 million (41.5 percent of GDP).

- Outstanding external debt (budget and guaranteed) went up by JD 501.0 million at the end of August 2022, compared to its level at the end of 2021, to reach JD 16,008.2 million (47.4 percent of GDP). It is worth mentioning that the external debt denominated in the U.S. Dollar accounted for 70.8 percent of the total external debt, and the debt in Euro accounted for 10.8 percent. However, the SDR accounted for 10.0 percent, Kuwaiti Dinar (3.6 percent), and Japanese Yen (3.0 percent).
- When excluding the external debt holding by the Social Security Investment Fund, the outstanding external debt (budget and guaranteed) increased by JD 448.6 million, at the end of August 2022 compared to its level at the end of 2021, to stand at JD 15,586.1 million (46.1 percent of GDP).
- In light of the above-mentioned developments, outstanding government debt (domestic and external) increased by JD 1,334.7 million at the end of August 2022 to reach JD 37,101.4 million (109.8 percent of GDP), compared to JD 35,766.7 million (110.1 percent of GDP) at the end of 2021. When excluding the debt holding by the Social Security Investment Fund, the outstanding government debt (budget and guaranteed) stand at JD 29,596.5 million (87.6 percent of GDP), compared to JD 28,763.1 million (88.6 percent of GDP) at the end of 2021.
- External debt service (budget and guaranteed) increased by JD 529.2 million during the first eight months of 2022 compared to the same period of 2021, to reach JD 2,045.1 million (including principal payments of JD 1,685.4 million and interest of JD 359.7 million).

□ Fiscal and Price Measures of 2023

◆ January

- The Oil Derivatives Pricing Committee decided to decrease the prices of all oil derivatives, while maintaining the price of liquid gas cylinder for households unchanged, as follows:

Development of Oil Derivatives Prices				
	Unit	2022	2023	Percentage Change
		December	January	
Unleaded Gasoline 90	Fils/ Liter	920	900	-2.2
Unleaded Gasoline 95	Fils/ Liter	1,170	1,140	-2.6
Unleaded Gasoline 98	Fils/ Liter	1,320	1,290	-2.3
Gas Oil (Diesel)	Fils/ Liter	895	820	-8.4
Kerosene	Fils/ Liter	860	785	-8.7
Liquid Gas (12.5kg)	JD/ Cylinder	7.0	7.0	0.0
Fuel oil (1%)	JD/ Ton	407.8	383.1	-6.1
Fuel for airplanes (local companies)	Fils/ Liter	722	665	-7.9
Fuel for airplanes (foreign companies)	Fils/ Liter	727	670	-7.8
Fuel for unplanned flights	Fils/ Liter	742	685	-7.7
Asphalt	JD/ Ton	402.7	378	-6.1

Source: Jordan Petroleum Refinery Company (1/1/2023).

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for January 2023.

- In implementation of Royal directives, the Cabinet decided to freeze the kerosene tax during the winter season to alleviate the burden on citizens, especially those in low-income households.

□ **Fiscal and Price Measures of 2022**

◆ **December**

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for December 2022.

◆ **November**

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for November 2022.

◆ **October**

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for October 2022.

◆ **September**

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for September 2022.

◆ **August**

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for August 2022.

- The Royal Decree was issued approving the law amending the 2022 General Sales Tax Law, and published in the official gazette. The amendment Law aims to fighting tax evasion and avoidance, and treatment late in sales tax refunds.

◆ July

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for July 2022.
- The Cabinet decided to about JD 30 million will be allocated to fuel subsidy, aim to reduce impact of rising oil prices globally, as follow:
 - JD 16 million to support households benefiting from NAF programs.
 - JD 4 million to support underprivileged university students.
 - JD 5 million to support operating public transport means.

◆ June

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for June 2022.

◆ May

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for May 2022.

◆ April

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for April 2022.

◆ March

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for March 2022.
- The Cabinet decided to reduce the sales tax on vegetable oils from 4 percent to 0 percent, until 31/5/2022.

◆ February

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for February 2022.

◆ January

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for January 2022.
- Reduce and unify customs tariffs on goods, excludes imported goods such as cars, alcoholic beverages, and tobacco, to become 4 categories (exempt, 5%, 15%, 25%) instead of 11 categories (between 0% to 40%), as follows:
 - Reduce customs tariffs on goods subject on 1 percent to become exempt.

- Reduce customs tariffs on goods subject on 6.5 percent and 10 percent to become subject 5 percent.
- Reduce customs tariffs on goods subject on 25 percent and 30 percent 35 percent 40 percent to become subject 5 percent, except for those produced by Jordanian engineering, construction, furniture and food industries, will be subject to:
 - 25 percent to 31/12/2024.
 - 20 percent starting from 1/1/2025.
 - 15 percent starting from 1/1/2027.
- Reduce the sales tax on cakes, wafers and biscuits from 16 percent to 5 percent.
- The expiry of the Cabinet decides taken in July 2018, according to which the special tax imposed on cars that partially operate on electricity (hybrid) was reduced and raised gradually during the period (2018-2021), to become the special tax imposed on it 55 percent, as of 1/1/2022.
- Issuing the amending by-law for the year 2022 for the work permit fees to non-Jordanian workers, in which a fee for issuing or renewing a work permit for one year or part of the year shall be collected from the employer JD 350, for every worker in all sectors and economic activities, except the following:

- Collect JD 225 for each worker with institutions and companies operating in the clothing and textile industry sector registered in the Investment Commission in development zones.
- Collect JD 800 for each worker from Day laborers for a free permit in the agricultural sector, or construction sector, or loading and unloading sector, or whoever the Minister of Labor decides to consider them in this category.
- Collect a fee for issuing or renewing a work permit for each worker with specialized skills in excess of the numbers or percentages of expatriate workers allowed, as following:
 - o JD 2,150 for issuance of a work permit for a period of one year.
 - o JD 1,250 for issuance of a work permit for a period of six months.
 - o JD 645 for issuance of a work permit for a period of three months.

□ Grants, Loans and Other Agreements for 2022

◆ December

- Signing a soft loan agreement in the amount USD 110 million, provided by the Japanese government, to support the General Budget, and specifically for the development of the energy sector in order to ensure sustainability of the electricity supply, improve governance in the sector.

- Signing a soft loan agreement in the amount EUR 200 million, provided by the European Investment Bank (EIB), to finance the National Water Carrier Project.

◆ November

- Signing the annual US grant agreement in the amount USD 845.1 million, to support the Kingdom's budget. The grant is part of the US economic assistance programme to Jordan, and falls under the third memorandum of understanding (MoU) for 2018-2022.

◆ October

- Signing a tow grant agreement in the amount EUR 32 million, provided by the German government through the German Development Bank (KFW) to support the Jordan education sector.
- Signing a financing agreement in the amount USD 125 million, provided by the World Bank, to strengthen the development of Jordan's agriculture sector by enhancing its climate resilience.
- Signing a financing agreement in the amount USD 100 million, provided by the OPEC fund, to finance Jordan's emergency food security project.

◆ September

- Signing a grant agreement in the amount EUR 364 million, provided by the European Union, during the period 2021-2024, to help the government in a number of economic, political and administrative development and reform endeavours.
- Signing a tow agreement in the amount USD 210 million, provided by the Islamic Development Bank, as follows:
 - USD 200 million to finance the emergency food security project in the Kingdom.
 - USD 10 million soft loan agreement and a technical assistance grant agreement worth USD 50,000 to support SMEs in the tourism sector.

◆ June

- Signing a grant agreement in the amount £ 50.2 million, provided by the UK government, to help the government expand the social security network.
- Signing a loan agreement in the amount USD 38.3 million, provided by the Kuwait Fund for Arab Economic Development, to support the public education infrastructure project in Jordan.

◆ April

- Signing a grant agreement in the amount USD 33 million, provided by the UN Food and Agriculture Organisation (FAO), to support Cope with Climate Change in Jordan.
- Signing a loan agreement in the amount EUR 150 million, provided by the French Development Agency (AFD), to support the implementation of gender-responsive budgeting in Jordan.

◆ February

- Signing a grant agreement in the amount of EUR 4.13 million, provided by the Netherlands government, to contribute to the countryside economic development and employment project implemented by Jordan Enterprise Development Corporation (JEDCO) and funded by IFAD.

Fourth: External Sector

□ Summary

- **Total merchandize exports** (domestic exports *plus* re-exports) increased by 30.7 percent in September 2022, compared to the same month of 2021, to reach JD 773.2 million. As for the first three quarters of 2022, total exports increased by 42.0 percent, compared to the same period of 2021, to reach JD 6,700.0 million.
- **Merchandize imports** increased by 30.5 percent in September 2022, compared to the same month of 2021, to reach JD 1,823.0 million. As for the first three quarters of 2022, imports increased by 36.8 percent, compared to the same period of 2021, to reach JD 14,837.2 million.
- **Consequently**, the trade balance deficit (total exports minus imports) increased by 30.3 percent in September 2022, compared to the same month of 2021; standing at JD 1,049.8 million. As for the first three quarters of 2022, trade balance deficit increased by 32.8 percent, compared to the same period of 2021, to reach JD 8,137.2 million.
- **Travel receipts** increased by 115.0 percent during the first eleven months of 2022, to register JD 3,751.7 million, compared to the same period of 2021. While, **travel payments** increased by 60.8 percent, to register JD 958.1 million, compared to the same period of 2021.
- **Total workers' remittances receipts** increased by 1.0 percent during the first eleven months of 2022, compared to the same period of 2021, to reach JD 2,221.4 million.
- **The current account of the balance of payments** (including grants) registered a deficit amounted to JD 3,179.8 million (12.7 percent of GDP) during the first three quarters of 2022, compared to a deficit of JD 2,026.9 million (8.5 percent of GDP) during the same period of 2021. Meanwhile, the current account deficit excluding grants increased to reach 14.9 percent of GDP, compared with 12.2 percent of GDP during the same period of 2021.
- **Foreign direct investment** recorded an inflow of JD 629.3 million during the first three quarters of 2022, compared to an inflow of JD 325.1 million during the same period of 2021.

- **International investment position (IIP)** displayed a net obligation to abroad of JD 36,903.6 million at the end of the first three quarters 2022, compared to a net obligation of JD 35,015.7 million at the end of 2021.

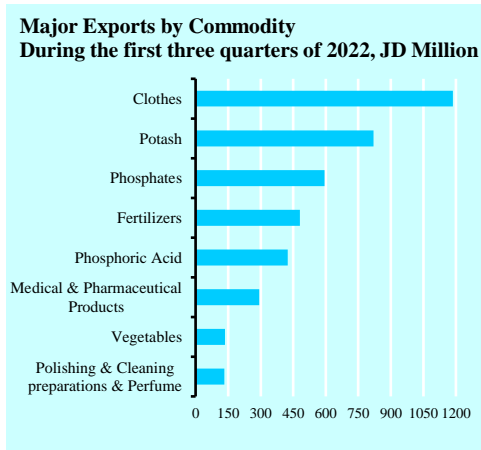
□ External Trade

- As a result of the increase in domestic exports by JD 1,886.4 million and the increase in imports by JD 3,992.5 million during the first three quarters of 2022, the volume of external trade (domestic exports *plus* imports) increased by JD 5,878.9 million to stand at JD 21,006.5 million, compared to the same period of 2021.

Jordan's Major Trading Partners				Main External Trade Indicators								
JD Million				JD Million								
January - September				January - September								
	2021	2022	Percentage Change		2021	Percentage Change (%)	2022	Percentage Change (%)				
Exports				External Trade	15,127.7	19.3	21,006.5	38.9				
USA	1,145.1	1,312.9	14.7									
India	542.1	1,045.8	92.9									
Saudi Arabia	567.3	626.0	10.3									
Iraq	301.8	399.9	32.5	Total Exports	4,719.3	13.6	6,700.0	42.0				
Indonesia	94.1	192.7	104.8									
Palestine	91.9	150.0	63.2									
Brazil	74.8	135.5	81.1									
Imports				Domestic Exports	4,283.0	15.8	6,169.3	44.0				
Saudi Arabia	1,588.4	2,280.0	43.5									
China	1,577.1	2,254.9	43.0									
UAE	655.3	1,227.8	87.4									
USA	723.1	788.6	9.1	Re-exports	436.3	-4.0	530.7	21.6				
India	313.8	706.5	125.1									
Switzerland	269.4	591.3	119.5									
Turkey	359.3	493.8	37.4									
Source: Department of Statistics.				Imports				Trade Balance	-6,125.4	26.8	-8,137.2	32.8
Source: Department of Statistics.				Source: Department of Statistics.								

■ Merchandize Exports:

Total merchandize exports increased by 42.0 percent during the first three quarters of 2022, to reach JD 6,700.0 million. This increase was as result of the increase in domestic exports by JD 1,886.4 million, or 44.0 percent to reach JD 6,169.3 million, and the increase in re-exports by JD 94.4 million, or 21.6 percent to reach JD 530.7 million.



◆ The developments of domestic exports during the first three quarters of 2022, compared with the same period of 2021 reveals the following:

- Exports of **Potash** increased by JD 475.6 million, or 138.0 percent, to stand at JD 820.3 million. It is worth noting that markets of India, China, Egypt and Malaysia accounted for 47.6 percent of these exports.
- Exports of **Phosphates** increased by JD 347.8 million, or 140.6 percent, to reach JD 595.1 million. The markets of India, Indonesia and Brazil accounted for 88.7 percent of these exports.
- Exports of **Fertilizers** increased by JD 238.0 million, or 97.8 percent, to stand at JD 481.4 million. India, Bangladesh, Brazil and Nepal were the main destination markets for these exports, accounting for 62.0 percent.

- Exports of **Clothes** increased by JD 174.7 million or 17.3 percent to reach JD 1,185.8 million. It is worth noting that the USA market accounted for 85.3 percent of these exports.
- Exports of **Phosphoric Acid** increased by JD 167.9 million, or 65.4 percent, to stand at JD 424.7 million. The markets of India and Turkey accounted for 93.1 percent of these exports.
- Exports of **Polishing & Cleaning Preparations & Perfume Materials** increased by JD 26.5 million, or 25.1 percent, to reach JD 132.1 million. Iraq, Saudi Arabia and Libya were the main destination markets; accounting for 80.5 percent of these exports.

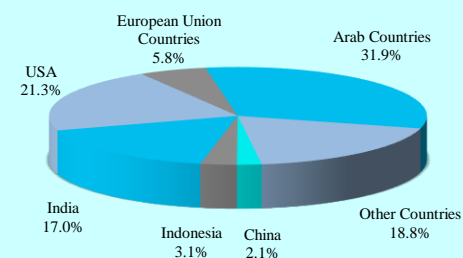
**Major Domestic Exports by Commodity, JD Million
During the first three quarters of 2021-2022**

	2021	2022	Percentage Change
Domestic Exports	4,283.0	6,169.3	44.0
Clothes	1,011.1	1,185.8	17.3
USA	856.9	1011.9	18.1
Potash	344.7	820.3	138.0
China	69.3	127.2	83.5
India	37.9	115.1	203.7
Egypt	32.2	75.6	134.8
Malaysia	23.5	72.6	208.9
Phosphates	247.3	595.1	140.6
India	177.6	392.4	120.9
Indonesia	53.9	108.7	101.7
Brazil	8.7	26.7	206.9
Fertilizers	243.4	481.4	97.8
India	36.1	122.8	240.2
Bangladesh	0.0	86.6	-
Brazil	19.7	47.0	138.6
Nepal	0.0	41.9	-
Phosphoric Acid	256.8	424.7	65.4
India	233.4	368.3	57.8
Turkey	11.2	27.1	142.0
Medical & Pharmaceutical Products	306.5	294.0	-4.1
Saudi Arabia	66.8	69.4	3.9
Iraq	52.5	46.8	-10.9
Algeria	31.0	24.2	-21.9
USA	20.9	23.9	14.4
Vegetables	122.4	135.6	10.8
Saudi Arabia	37.8	36.9	-2.4
Kuwait	27.9	24.5	-12.2
Bahrain	11.9	13.4	12.6
Polishing & Cleaning Preparations & Perfume Materials	105.6	132.1	25.1
Iraq	49.0	65.2	33.1
Saudi Arabia	19.2	27.7	44.3
Libya	10.5	13.5	28.6

Source: Department of Statistics.

- Consequently, the commodity breakdown of domestic exports indicates that exports of Clothes, Potash, Phosphates,

**Geographic Distribution of Domestic Exports
During the first three quarters of 2022**

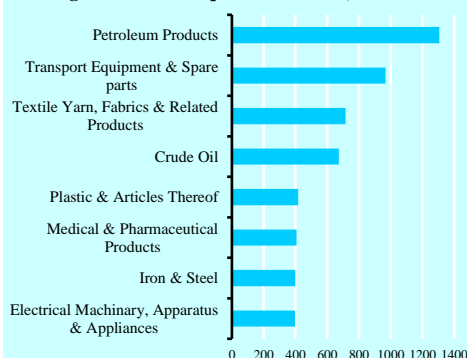


Fertilizers, Phosphoric Acid, “Medical & Pharmaceutical Products”, Vegetables and “Polishing & Cleaning Preparations & Perfume Material” topped the list of domestic exports during the first three quarters of 2022; accounting for 66.0 percent, compared with 61.6 percent during the same period of 2021. Meanwhile, the geographical distribution of domestic exports indicates that the USA, India, Saudi Arabia, Iraq, Indonesia, Palestine and Brazil were the main destination markets during the first three quarters of 2022; accounting for 62.6 percent, compared with 65.8 percent during the same period of 2021.

■ Merchandize Imports:

Merchandize imports increased by 36.8 percent to reach JD 14,837.2 million during the first three quarters of 2022, compared to an increase by 20.7 percent during the same period of 2021.

Major Imports by Commodity
During the first three quarters of 2022, JD Million



◆ The developments of imports during the first three quarters of 2022, compared with the same period of 2021, reveals the following:

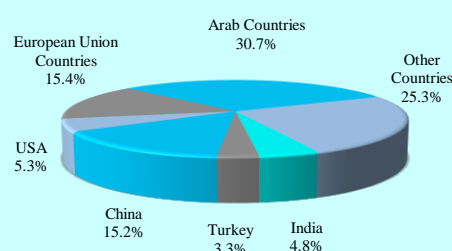
- **Petroleum Products** imports increased by JD 757.4 million, or 138.2 percent, to stand at JD 1,305.6 million. Saudi Arabia, the UAE and India were the main markets, accounting for 92.6 percent of these imports.
- **Iron & Steel** imports increased by JD 170.8 million, or 74.9 percent, to reach JD 398.9 million. China, Saudi Arabia, and India were the main origin markets, accounting for 58.6 percent of these imports.
- **Crude oil** imports increased by JD 140.1 million or 26.3 percent to reach JD 672.7 million. Saudi Arabia and Iraq were the main origin markets accounting for 100.0 percent of these imports.

- **Textile Yarn, Fabrics & Related Products** imports increased by JD 137.2 million, or 23.7 percent, to reach JD 715.2 million. China, Taiwan and Turkey were the main markets, accounting for 75.7 percent of these imports.
- **Transport Equipment & Spare Parts** imports increased by JD 112.2 million, or 13.1 percent, to reach JD 967.3 million. China, South Korea, the USA and Japan were the main origin markets, accounting for 67.9 percent of these imports.
- **Plastic & Articles Thereof** imports increased by JD 100.2 million or 31.6 percent, to reach JD 417.0 million. Saudi Arabia, China and the UAE were the main markets, accounting for 68.2 percent of these imports.

Major Imports by Commodity, JD Million During the first three quarters of 2021-2022			
	2021	2022	Percentage Change
Total Imports	10,844.7	14,837.2	36.8
Petroleum Products	548.2	1,305.6	138.2
Saudi Arabia	347.4	681.1	96.1
UAE	80.2	297.9	271.4
India	42.0	230.3	448.3
Transport Equipment & Spare Parts	855.1	967.3	13.1
China	38.9	204.5	425.7
South Korea	164.2	181.0	10.2
USA	164.8	163.7	-0.7
Japan	125.3	107.6	-14.1
Textile Yarn, Fabrics and Related Products	578.0	715.2	23.7
China	265.0	344.5	30.0
Taiwan	116.3	117.3	0.9
Turkey	57.7	79.4	37.6
Crude oil	532.6	672.7	26.3
Saudi Arabia	521.2	577.9	10.9
Iraq	11.4	94.8	731.6
Plastic & Articles Thereof	316.8	417.0	31.6
Saudi Arabia	174.9	186.5	6.6
China	30.4	69.2	127.6
UAE	21.1	28.5	35.1
Medical & Pharmaceutical Products	396.5	407.8	2.8
Germany	55.2	56.4	2.2
USA	35.4	40.1	13.3
France	27.0	35.8	32.6
Iron & Steel	228.1	398.9	74.9
China	35.5	110.1	210.1
Saudi Arabia	43.8	82.0	87.2
India	13.5	41.6	208.1
Electrical machinery, Apparatus and Appliances	323.8	396.9	22.6
China	121.9	194.9	59.9
Turkey	22.5	25.8	14.7
Italy	21.1	21.0	-0.5
Source: Department of Statistics.			

- Consequently, the commodity composition of imports indicates that Petroleum Products, “Transport Equipment & Spare Parts”, “Textile Yarn, Fabrics and Related Products”, Crude oil, “Plastic & Articles Thereof”, “Medical & Pharmaceutical Products”, “Iron & Steel” and “Electrical machinery, Apparatus and Appliances” topped the list of imports during the first three quarters of 2022, accounting for 35.6 percent, compared with 34.8 percent during the same period of 2021. Meanwhile, the geographical distribution of imports indicates that Saudi Arabia, China, the UAE, the USA, India, Switzerland and Turkey were the main source markets during the first three quarters of 2022; accounting for 56.2 percent of imports, compared to 50.6 percent during the same period of 2021.

**Geographic Distribution of Imports
During the first three quarters of 2022**



■ Re-Exports

The value of re-exported goods in September 2022 increased by JD 4.3 million, or 7.9 percent, compared to the same month of 2021, to stand at JD 58.4 million. As for the first three quarters of 2022, the re-exported goods increased by JD 94.4 million, or 21.6 percent, compared to the same period of 2021, to stand at JD 530.7 million.

■ Trade Balance

The trade balance deficit increased by JD 244.4 million, or 30.3 percent in September 2022, compared to the same month of 2021, to reach JD 1,049.8 million. As for the first three quarters of 2022, trade balance deficit increased by JD 2,011.8 million, or 32.8 percent, compared to the same period of 2021, to stand at JD 8,137.2 million.

□ Total Workers' Remittances Receipts

Total workers' remittances receipts increased during the first eleven months of 2022 by JD 21.5 million, or 1.0 percent, to stand at JD 2,221.4 million, compared to the same period of 2021.

□ Travel

■ Receipts

Travel receipts increased by 115.0 percent during the first eleven months of 2022, to register JD 3,751.7 million, compared to the same period of 2021.

■ Payments

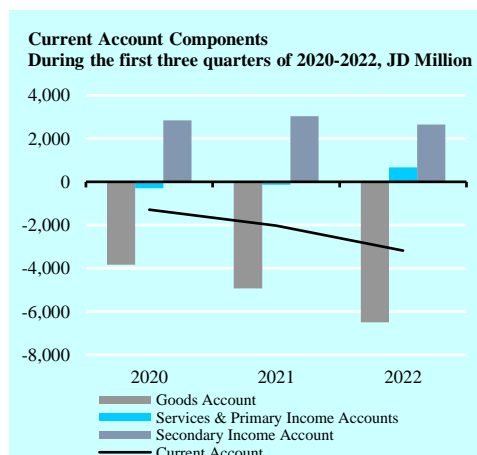
Travel payments increased by 60.8 percent during the first eleven months of 2022, to register JD 958.1 million, compared to the same period of 2021.

□ Balance of Payments

The preliminary data for the balance of payments during first three quarters of 2022 reveals the following:

- **The current account** recorded a deficit of JD 3,179.8 million (12.7 percent of GDP), compared to a deficit of JD 2,026.9 million (8.5 percent of GDP) during the same period. Meanwhile, the current account deficit (excluding grants) increased to reach JD 3,723.2 million (14.9 percent of GDP), compared to a deficit of JD 2,893.9 million (12.2 percent of GDP) during the same period of 2021. This was an outcome of the following developments:

- ◆ An increase in the goods account deficit by JD 1,567.6 million, or 31.8 percent, to reach JD 6,498.2 million, compared to a deficit of JD 4,930.6 million.



- ◆ The services account recorded a surplus of JD 1,046.5 million, compared to a surplus of JD 23.8 million.
- ◆ The primary income account recorded a deficit of JD 378.1 million, compared to a deficit of JD 149.3 million. This was mainly due to the increase in the deficit of investment income (net) to reach JD 525.1 million, compared to deficit of JD 296.6 million, and the decrease of “compensation of employees (net)” surplus by JD 0.3 million to reach JD 147.0 million.
- A decrease in the secondary income account net surplus by JD 379.2 million to reach JD 2,650.0 million, compared to a net surplus of JD 3,029.2 million. This was a result of the decrease in both net surplus of the public sector (foreign grants) by JD 323.6 million to reach JD 543.4 million, and other sectors transfers by JD 55.6 million to reach JD 2,106.6 million.

- As for the capital and financial transactions during the first three quarters of 2022, the capital account registered a net inflow of JD 26.4 million, compared to an identical net inflow of JD 8.2 million during the same period 2021. Meanwhile, the financial account registered a net inflow of JD 2,362.2 million during the first three quarters of 2022, compared to a net inflow of JD 907.5 million during the same period 2021, this could be attributed to the following:

- ◆ Foreign direct investment recorded an inflow of JD 629.3 million compared to an inflow of JD 325.1 million.
- ◆ Portfolio investment recorded a net outflow of JD 460.5 million compared to a net outflow of JD 115.1 million.
- ◆ Other investment registered a net inflow of JD 1,496.6 million, compared to a net inflow of JD 1,694.9 million.
- ◆ Reserve assets of the CBJ registered a decrease by JD 702.1 million, compared to an increase by JD 988.5 million.

□ 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 36,903.6 million at the end of the first three quarters of 2022, compared to JD 35,015.7 million at the end of 2021. This was due to the following developments:

- A decrease in the position of external assets (the stock of claims, obligations and financial assets) for all residing economic sectors in the Kingdom by JD 1,796.0 million at the end of the first three quarters of 2022 to reach JD 20,095.2 million compared to its level at the end of 2021. This was mainly due to the decrease of the banking sector currency and deposits abroad by JD 1,030.5 million, CBJ's reserve assets by JD 990.7 million, and the increase in trade credit of other sectors to abroad by JD 134.7 million.

- An increase in the position of external liabilities (the stock of claims, obligations and financial liabilities) on all residing economic sectors in the Kingdom by JD 91.8 million at the end of the first three quarters of 2022, to reach JD 56,998.8 million compared to its level at the end of 2021. This was due to the following developments:
 - ◆ A decrease in the deposits of non-residents at the banking sector by JD 721.0 million, to stand at JD 10,385.0 million (decrease by JD 430.1 million for the licensed banks, and a decrease by JD 290.9 million for the CBJ).
 - ◆ A decrease in the stock of portfolio investment in the kingdom by JD 391.8 million, to stand at JD 6,797.0 million.
 - ◆ A decrease in the stock of special drawing rights allocation by JD 341.5 million, to stand at JD 145.6 million.
 - ◆ A decrease in outstanding balance of other sectors long-term loans by JD 186.3 million, to stand at JD 2,040.3 million.
 - ◆ An increase in the stock of direct investment in the kingdom by JD 677.4 million, to stand at JD 27,164.0 million.
 - ◆ An increase in outstanding balance of the international monetary fund credit facilities by JD 319.0 million, to reach JD 1,404.0 million.
 - ◆ An increase of trade credits to non-residents in the kingdom by JD 315.3 million, to stand at JD 1,109.4 million.
 - ◆ An increase in outstanding balance of government long-term loans by JD 283.4 million, to stand at JD 6,702.4 million.
 - ◆ An increase in outstanding balance of banks short-term loans by JD 154.9 million, to stand at JD 718.1 million.