



Central Bank of Jordan

**Recent Monetary &  
Economic  
Developments in Jordan**

**Research Dept / Monthly Report  
May, 2023**

**Central Bank of Jordan**

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**Classification level: Public**



## ☐ 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

<b>Loyalty</b>	:	Commitment, responsibility, and dedication to the institution, its staff and clients.
<b>Integrity</b>	:	Dealing with the highest standards of professionalism and credibility to ensure equality and equal opportunities to all partners, clients, and workers.
<b>Excellence</b>	:	To make a difference in the quality of services provided in accordance with international standards and practices.
<b>Continuous Learning</b>	:	Aspiring to continuously improve professional and academic levels in accordance with international best practices.
<b>Involvement</b>	:	Working together, on all levels, in a team spirit to achieve our national and organizational goals with high efficiency.
<b>Transparency</b>	:	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 2.5 percent during 2022, compared to a growth of 2.2 percent during 2021. The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first four months of 2023 by 3.7 percent, compared to an increase of 2.6 percent during the same period of 2022. The unemployment rate during the first quarter of 2023 reached 21.9 percent, compared to 22.8 percent during the same quarter of 2022.

#### □ **Monetary and Financial Sector**

- The CBJ's gross foreign reserves amounted to US\$ 17,508.0 million at the end of April 2023. This level of reserves covers around 7.6 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 41,839.1 million at the end of April 2023, compared to JD 41,681.7 million at the end of 2022.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 33,376.3 million at the end of April 2023, compared to JD 32,591.5 million at the end of 2022.
- Total deposits at licensed banks amounted to JD 42,362.7 million at the end of April 2023, compared to JD 42,106.7 million at the end of 2022.
- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,461.5 points at the end of April 2023, compared to 2,501.6 points at the end of 2022.

- **Public Finance:** The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 199.5 million (3.5 percent of GDP) during the first two months of 2023, comparing to a fiscal deficit of JD 168.4 million (3.1 percent of GDP) during the same period of 2022. Government domestic debt (budgetary and guaranteed) decreased by JD 13.8 million at the end of February 2023, compared to its level at the end of 2022, to reach JD 21,565.4 million (63.3 percent of GDP). Moreover, outstanding external debt (budget and guaranteed) went up by JD 74.9 million, to reach JD 16,985.9 million (49.9 percent of GDP). Accordingly, outstanding government debt (domestic and external) rose up to reach JD 38,551.3 million at the end of February 2023 (113.2 percent of GDP), compared to JD 38,490.2 million (114.2 percent of GDP) at the end of 2022. When excluding the debt holding by the Social Security Investment Fund, the government domestic debt (budgetary and guaranteed) stand at JD 13,967.7 million (41.0 percent of GDP). While the outstanding external debt (budget and guaranteed) stand at JD 16,549.6 million (48.6 percent of GDP). As a result, the outstanding government debt (domestic and external) stand at JD 30,517.3 million (89.6 percent of GDP compared to 91.0 percent of GDP at the end of 2022).
- **External Sector:** Total merchandize exports (domestic exports *plus* re-exports) increased by 6.3 percent during the first quarter 2023 to reach JD 2,118.5 million. Meanwhile, merchandize imports increased by 5.6 percent to reach JD 4,513.8 million. As a result, the trade balance deficit increased by 4.9 percent, compared to the same quarter of 2022, to reach JD 2,395.3 million. The preliminary data during the first four months of 2023 showed an increase in travel receipts by 84.5 percent, to reach JD 1,569.9 million, and an increase in travel payments by 63.2 percent, to reach JD 400.1 million, compared to the same period of 2022. Moreover, total workers' remittances receipts decreased by 2.5 percent during the first four months of 2023, to reach JD 782.0 million, compared to the same period of 2022. The preliminary data for the balance of payments during 2022 displayed a deficit in the current account amounted to JD 2,953.0 million (8.8 percent of GDP) compared to a deficit of JD 2,639.5 million (8.2 percent of GDP) during 2021. Meanwhile, the current account deficit excluding grants increased to reach 12.7 percent of GDP, compared with 12.0 percent of GDP during 2021. Moreover, foreign direct investment recorded an inflow of JD 807.3 million during 2022, compared to an inflow of JD 441.5 million during 2021. Furthermore, the international investment position (IIP) registered a net obligation to abroad in the amount of JD 36,580.3 million at the end 2022 compared to 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\$ 17,508.0 million at the end of April 2023. This level of reserves covers around 7.6 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 41,839.1 million at the end of April 2023, compared to JD 41,681.7 million at the end of 2022.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 33,376.3 million at the end of April 2023, compared to JD 32,591.5 million at the end of 2022.
- Total deposits at licensed banks amounted to JD 42,362.7 million at the end of April 2023, compared to JD 42,106.7 million at the end of 2022.
- The interest rates on all types of deposits held by licensed banks had increased at the end of April 2023, except the interest rate on saving deposits which had decreased, compared to their levels at the end of 2022. Also the interest rate on all types of credit facilities extended by licensed banks had increased at the end of April 2023, except the interest rate on discounted bills and bonds which had decreased, compared to their levels at the end of 2022.

- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,461.5 points at the end of April 2023, compared to 2,501.6 points at the end of 2022. Moreover, the market capitalization reached JD 17,489.7 million at the end of April 2023, compared to JD 18,003.8 million at the end of 2022.

**Main Monetary Indicators**

JD Million, and Percentage Change Relative to the Previous Year

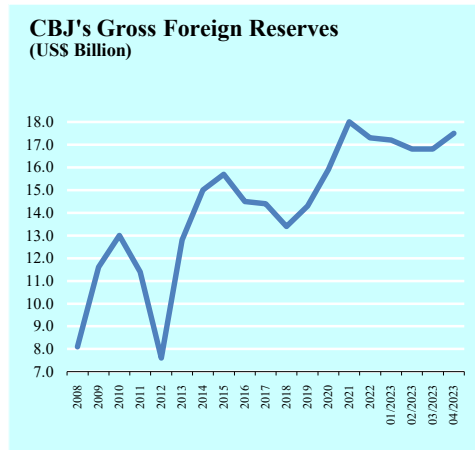
		End of April	
2022		2022	2023
US\$ 17,266.9	CBJ's Foreign Reserves*	US\$ 17,969.0	US\$ 17,508.0
-4.3%		-0.4%	1.4%
7.5	Coverage in months	7.4	7.6
41,681.7	Money Supply (M2)	40,610.0	41,839.1
5.5%		2.8%	0.4%
32,591.5	Credit Facilities, of which:	31,174.9	33,376.3
8.5%		3.8%	2.4%
28,870.5	Private Sector (Resident)	27,692.1	29,409.4
8.1%		3.7%	1.9%
42,106.7	Total Deposits, of which:	40,289.8	42,362.7
6.5%		1.9%	0.6%
32,841.5	In JD	31,319.4	33,015.7
7.0%		2.1%	0.5%
9,265.2	In Foreign Currencies	8,970.4	9,347.0
4.8%		1.5%	0.9%
33,206.2	Deposits of Private Sector (Resident), of which:	31,641.7	33,090.3
7.2%		2.1%	-0.3%
26,603.1	In JD	25,206.9	26,448.4
7.6%		2.0%	-0.6%
6,603.1	In Foreign Currencies	6,434.8	6,641.9
5.4%		2.7%	0.6%

\* 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\$ 17,508.0 million at the end of April 2023. This level of reserves covers around 7.6 months of the Kingdom's imports of goods and services.



### □ Domestic Liquidity (M2)

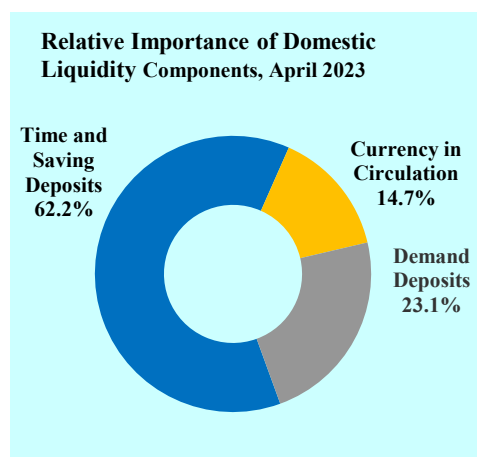
■ Domestic liquidity amounted to JD 41.8 billion at the end of April 2023, maintaining the same level registered at the end of 2022.

◆ **Developments in the components and the factors affecting domestic liquidity at the end of April 2023, compared to their levels at the end of 2022, reveal the following:**

- **Components of Domestic Liquidity**

- Total deposits, according to liquidity definition, amounted to JD 35.7 billion at the end of April 2023, compared to JD 34.0 billion during the same period in 2022, and JD 35.6 billion at the end of 2022.

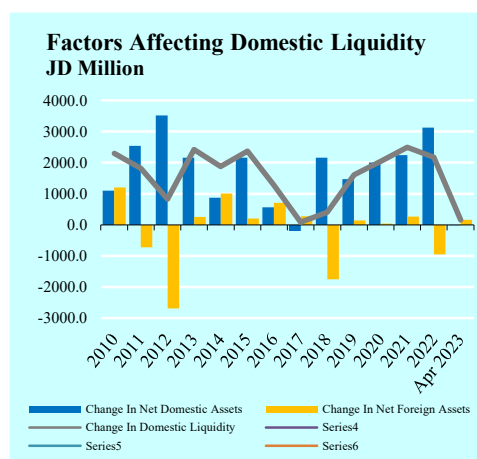
- Currency in circulation amounted to JD 6.2 billion at the end of April 2023, compared to JD 6.7 billion during



the same period in 2022, and JD 6.0 billion at the end of 2022.

#### • Factors Affecting Domestic Liquidity

- Net domestic assets of the banking system amounted to JD 34.8 billion at the end of April 2023, compared to JD 33.4



billion during the same period in 2022, and JD 34.8 billion at the end of 2022.

- Net foreign assets of the banking system amounted to JD 7.0 billion at the end of April 2023, compared to JD 7.2 billion during the same period in 2022, and JD 6.9 billion at the end of 2022. The net foreign assets of the CBJ amounted to JD 11.6 billion at the end of April 2023.

**Factors Affecting Domestic Liquidity (M2)**

JD Million

		End of April	
2022		2022	2023
<b>6,864.5</b>	<b>Foreign Assets (Net)</b>	<b>7,248.8</b>	<b>7,028.5</b>
11,388.0	CBJ	12,146.7	11,598.8
-4,523.5	Licensed Banks	-4,897.9	-4,570.3
<b>34,817.2</b>	<b>Domestic Assets (Net)</b>	<b>33,361.2</b>	<b>34,810.6</b>
-4,699.6	CBJ, of which:	-4,684.1	-4,741.7
1,052.3	Claims on Public Sector (Net)	1,011.9	1,031.4
-5,778.3	Other Items (Net*)	-5,717.6	5,800.3
39,516.7	Licensed Banks	38,045.3	39,552.3
14,432.2	Claims on Public Sector (Net)	13,545.6	14,470.4
29,733.7	Claims on Private Sector	28,555.1	30,243.3
-4,649.3	Other Items (Net)	-4,055.4	-5,161.4
<b>41,681.7</b>	<b>Money Supply (M2)</b>	<b>40,610.0</b>	<b>41,839.1</b>
<b>6,037.4</b>	<b>Currency in Circulation</b>	<b>6,650.6</b>	<b>6,158.9</b>
<b>35,644.3</b>	<b>Total Deposits, of which:</b>	<b>33,959.4</b>	<b>35,680.2</b>
6,650.2	In Foreign Currencies	6,492.2	6,704.1

\* 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 during 2022 to raise interest rates seven times by 400 basis points on all monetary policy instruments and 425 basis points on O/N window rate. During this year the CBJ raised the interest rates on 7/5/2023 by 25 basis points on all monetary policy instruments, and this is for the third time during 2023, to become as follow:

- The CBJ main interest rate: 7.25 percent.
- Re-discount Rate: 8.25 percent.
- Interest Rate on Overnight Repurchase Agreements: 8.00 percent.
- Overnight Deposit Window Rate: 7.00 percent.
- Weekly/ Monthly Repurchase Agreements: 7.25 percent.
- The interest rate on weekly certificates of deposit: 7.25 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 at 2022 and their expectations within the short-term.

#### Interest Rates on Monetary Policy Instruments, percentage points

		April	
2022		2022	2023
6.50	CBJ main rate	2.75	7.00
7.50	Re-discount Rate	3.75	8.00
7.25	Repurchase Agreements Rate (overnight)	3.50	7.75
6.25	Overnight Deposit Window Rate	2.25	6.75
6.50	Repurchase Agreements rate (one week and one month)	2.75	7.00
6.50	Certificates of Deposits (one week)	2.75	7.00

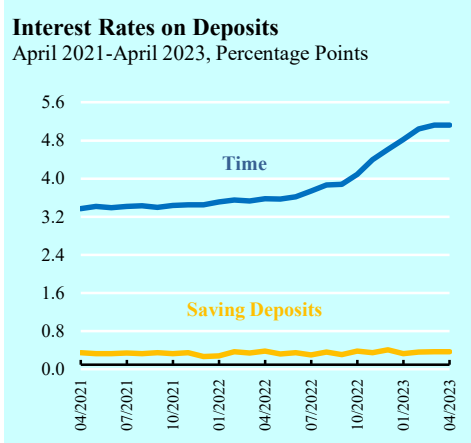
Source: Central Bank of Jordan / Monthly Statistical Bulletin.

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 1.4 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 in the Banking Sector

### ◆ Interest Rates on Deposits

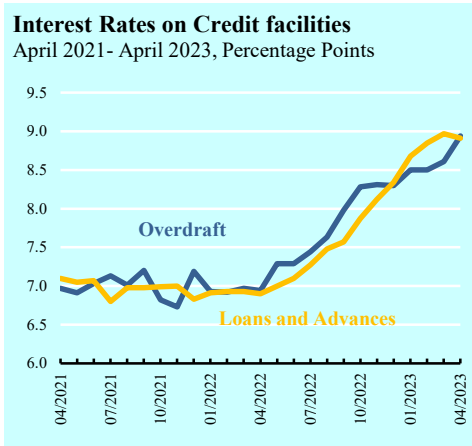
- **Time Deposits:** The weighted average interest rate on time deposits increased by 12 basis points at the end of April 2023, compared to its level registered at the previous month to stand at 5.24%. This rate is higher by 63 basis points than its level registered at the end of 2022.



- **Saving Deposits:** The weighted average interest rate on saving deposits increased by one basis point at the end of April 2023, compared to its level registered at the previous month to stand at 0.38%. This rate is lower by 3 basis points than its level registered at the end of 2022.
- **Demand Deposits:** The weighted average interest rate on demand deposits decreased by 3 basis points at the end of April 2023, compared to its level registered at the previous month to stand at 0.49%. This level is higher by 12 basis points than its level registered at the end of 2022.

### ◆ Interest Rates on Credit Facilities

- **Overdraft Accounts:** The weighted average interest rate on overdraft accounts increased by 33 basis points at the end of April 2023, compared to its level registered at the previous month to stand at 8.94%. This level is higher by 64 basis points than its level registered at the end of 2022.



- **Discounted Bills and Bonds:** The weighted average interest rate on “discounted bills and bonds” decreased by 83 basis points at the end of April 2023, compared to its level registered at the previous month to stand at 8.10%. This level is lower by 26 basis point, than its level registered at the end of 2022.

Weighted Average Interest Rates on Deposits and Credit Facilities at Licensed Banks, percentage points				
2022		April		Change Relative to the Preceding Year Basis Points
		2022	2023	
	Deposits			
0.37	Demand	0.25	0.49	12
0.41	Saving	0.38	0.38	-3
4.61	Time	3.58	5.24	63
	Credit Facilities			
8.36	Discounted Bills and Bonds	7.44	8.10	-26
8.34	Loans and Advances	6.90	8.91	57
8.30	Overdraft	6.94	8.94	64
10.80	Prime Lending Rate	8.52	11.24	44
Source: Central Bank of Jordan / Monthly Statistical Bulletin.				

- **Loans and Advances:** The weighted average interest rate on “loans and advances” decreased by 6 basis points at the end of April 2023, compared to its level registered at the previous month to stand at 8.91%. This level is higher by 57 basis points than its level registered at the end of 2022.



- The prime lending rate stood at 11.24% at the end of April 2023, increasing by 9 basis points compared to its level registered at the previous month. This level is higher by 44 basis points than its level registered at the end of 2022.

#### □ Credit Facilities Extended by Licensed Banks

- Total credit facilities extended by licensed banks increased by JD 784.8 million, or 2.4 percent, at the end of April 2023, compared to its level registered at the end of 2022, against an increase by JD 1,146.4 million, or 3.8 percent during the same period in 2022.
- In terms of borrower sectors, the credit facilities at the end of April 2023 had shown an increase in credit extended to the private sector (resident) by JD 538.9 million, or 1.9 percent, the central government by JD 145.3 million, or 7.1 percent, the credit facilities extended to the private sector (non-resident) by JD 94.6 million, or 14.2 percent, and the public institution by JD 21.7 million, or 2.4 percent. In contrast, the non-banking financial institutions decreased by JD 15.7 million, or 16.6 percent, compared to their levels at the end of 2022.

#### □ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 42.4 billion at the end of April 2023, compared to JD 40.3 billion at the end of April 2022, and JD 42.1 billion at the end of 2022.

- The currency composition of deposits at the end of April 2023 revealed that the JD deposits amounted to JD 33.0 billion, and the deposits in foreign currencies amounted to JD 9.3 billion, compared to JD 31.3 billion of JD deposits, and JD 9.0 billion of deposits in foreign currencies at the end of April 2022, and JD 32.8 billion of JD deposits, and JD 9.3 billion of deposits in foreign currency at the end of 2022.

#### □ Amman Stock Exchange (ASE)

The ASE main indicators showed a mixed performance during April 2023, compared to their levels in 2022. This can be demonstrated as follows:

##### ■ Trading Volume

Trading volume at ASE totaled JD 111.4 million in April 2023, decreasing by JD 48.6 million, or 30.4 percent, compared to its level registered at the end of the previous month, against an increase by JD 16.0 million, or 9.9 percent during the same month in 2022. As for the first four months of 2023, the trading volume totaled JD 645.5 million.

##### ■ Traded Shares

The number of traded shares in March 2023 totaled 64.1 million shares, decreasing by 51.5 million shares, or 44.5 percent, compared to its level registered at the end of the previous month, against a decrease by 16.4 million shares, or 17 percent during the same month in 2022. As for the first four months of 2023, the number of traded shares amounted to 404.7 million shares.

### ■ Share Price Index (SPI)

The SPI weighted by market capitalization of free float shares at ASE decreased by 139.7 points, or 5.4 percent, at the end of April 2023 compared to its level in the previous month, to stand

at 2,461.5 points, compared to an increase by 180.0 basis points, or 8.1 percent during the same period in 2022. Furthermore, the SPI decreased by 40.1 points, or 1.6 percent compared to its level registered at the end of 2022, against a decrease by 289.4 basis points, or 13.7 percent during the same period in 2022. The aforementioned decrease was an outcome of the decrease in the SPI of the industrial sector by 165.0 points, or 3.1 percent, and the financial sector by 56.3 points, or 2.1 percent, while the services sector increased by 8.6 basis points, or 0.5 percent, compared to their levels at the end of 2022.

### ■ Market Capitalization

The ASE's market capitalization totaled JD 17.5 billion at the end of April 2023, decreasing by JD 1,326.9 million, or 7.1 percent, compared to its level registered at the previous month, against an increase by JD 1,329.7 million, or 8.1 percent,

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

		April	
2022		2022	2023
2,501.6	General Index	2,408.1	2,461.5
2,692.2	Financial Sector	2,728.7	2,635.9
5,292.3	Industrial Sector	5,415.0	5,127.3
1,740.8	Services Sector	1,443.4	1,749.4

Source: Amman Stock Exchange.

The General Share Price Index and The Market Capitalization April 2022 - April 2023



during the same month in 2022. Furthermore, the ASE's market capitalization decreased by JD 514.0 million, or 2.9 percent compared to its level registered at the end of 2022.

#### ■ Net Investment of Non - Jordanian

Non-Jordanian net investment at ASE recorded an outflow amounted of JD 5.8 million in April 2023, compared to an outflow amounted by JD 8.9 million during the same months of 2022. The value of shares buying by non-Jordanian in April 2023 amounted to JD 12.8 million, while their selling

Main Amman Stock Exchange Trading Indicators, JD Million			
		April	
2022		2022	2023
1,903.7	Value Traded	176.5	111.4
7.7	Average Daily Trading	8.8	6.2
18,003.8	Market Capitalization	17,834.3	17,489.7
1,155.7	No. of Traded Shares (million)	80.0	64.1
-68.0	Net Investment of Non-Jordanian	-8.9	-5.8
274.2	Non-Jordanian Buying	11.6	12.8
342.2	Non-Jordanian Selling	20.5	18.6
Source: Amman Stock Exchange.			

amounted to JD 18.6 million. The net investment of Non-Jordanian at the end of the first four months of 2023, recorded an outflow amounted to JD 15.9 million.

## Second: Output, Prices and Employment

### ■ Summary

- Gross Domestic Product (GDP), at constant market prices, grew by 2.0 percent during the fourth quarter of 2022, compared to a growth of 2.6 percent during the same quarter of 2021. At current market prices, GDP grew by 4.7 percent during the fourth quarter of 2022, compared to a growth of 4.6 percent in the same quarter of 2021.
- Accordingly, the real GDP grew by 2.5 percent during 2022, compared to a growth of 2.2 percent during 2021. At current market prices, GDP grew by 5.2 percent during 2022 compared to a growth of 3.5 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 four months of 2023 by 3.7 percent, compared to an increase of 2.6 percent during the same period of 2022.
- The unemployment rate during the first quarter of 2023 reached 21.9 percent (19.6 percent for males and 30.7 percent for females), compared to 22.8 percent (20.5 percent for males and 31.5 percent for females) during the same quarter of 2022. The highest unemployment rate was among youth, which reached 57.2 percent for the (15-19) years old category and 44.2 percent for the category (20-24) years old.

### ▣ Developments of GDP

Gross Domestic Product (GDP), at constant market prices, grew by 2.5 percent during 2022, compared to a growth of 2.2 percent during 2021. When excluding “net taxes on products” (which grew by 2.2 percent during 2022 compared to a growth of 2.3 percent during 2021), GDP at constant basic prices, grew by 2.5 percent during 2022, compared to a growth of 2.2 percent during 2021.

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

Percentages

	Q1	Q2	Q3	Q4	Year
<b>2020</b>					
GDP at Constant Prices	1.2	-3.6	-2.2	-1.6	-1.6
GDP at Current Prices	2.2	-5.0	-3.3	-1.9	-2.1
<b>2021</b>					
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
<b>2022</b>					
GDP at Constant Prices	2.5	3.0	2.5	2.0	2.5
GDP at Current Prices	4.6	5.2	6.2	4.7	5.2

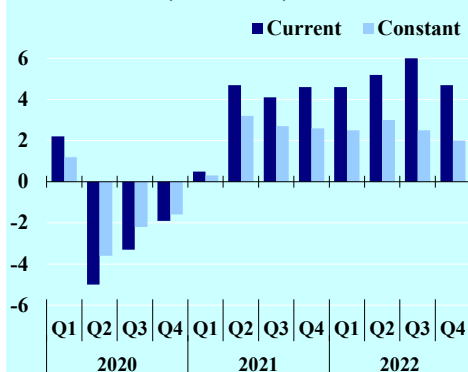
Source: Department of Statistics.

At current market prices, GDP grew by 5.2 percent during 2022, compared to a growth of 3.5 percent during 2021. This was in light of the increase of the general price level, measured by the GDP deflator, by 2.6 percent during 2022 compared to a growth of 1.3 percent during 2021.

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

As for the economic sectors contribution to growth rate during 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” (0.2 percentage point), and “social and personal services” (0.2 percentage point). These sectors accounted for 64.0 percent of the real growth recorded during 2022.

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



**Main Constituent Sectors of GDP at Constant Market Prices**

Sectors	Relative change		Contribution	
	2021	2022	2021	2022
<b>GDP at Constant Market Prices</b>	2.2	2.5	2.2	2.5
Agriculture	2.8	3.3	0.1	0.2
Mining And Quarrying	8.8	2.9	0.2	0.1
Manufacturing	2.3	3.3	0.4	0.6
Electricity And Water	1.8	2.5	0.0	0.0
Construction	3.8	4.1	0.1	0.1
Wholesale And Retail Trade	2.2	2.9	0.2	0.2
Restaurant And Hotels	2.7	4.9	0.0	0.1
Transport, Storage And Communications	2.3	3.4	0.2	0.3
Finance And Insurance Services	4.2	4.4	0.3	0.3
Real Estate	1.4	1.0	0.2	0.1
Social And Personal Services	1.0	1.9	0.1	0.2
Producers of Government Services	1.4	1.2	0.2	0.2
Producers of Private Non-Profit	1.7	2.6	0.0	0.0
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 2023. Most notably; “Number of passengers through Royal Jordanian” (41.5 percent), “Number of departures” (77.6 percent), in addition to production of phosphate (1.6 percent) and potash (6.9 percent). The following table displays the performance of the main available microeconomic indicators:

Main Sectoral Indicators*				
Percentage Points				
2022	Item	2022	Available period	2023
16.5	Value traded at the real estate market	9.4	Jan. – Feb.	22.2
2.3	Manufacturing production quantity index	5.2	Jan. – Mar.	-2.4
3.6	Food products and beverages	-0.3		-5.1
7.9	Tobacco products	-3.7		6.1
15.2	Refined petroleum products	117.9		-2.1
-14.4	Wearing apparel	-17.4		-8.6
5.0	Pharmaceuticals, medical products	-0.2		3.7
-2.9	Chemical products	-4.4		-15.9
3.9	Mining and quarrying production quantity index	3.4		3.8
-19.0	Extraction of crude petroleum and natural gas	9.6		6.2
5.4	Other mining and quarrying	3.3		3.8
3.6	Licensed areas for buildings	-12.6		32.0
11.1	Cargo through Royal Jordanian	75.7	Jan. – Apr.	-13.8
91.8	Number of passengers through Royal Jordanian	378.7		41.5
4.7	Production of potash	6.9		6.9
11.3	Production of phosphate	11.2		1.6
99.8	Number of departures	232.6		77.6

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

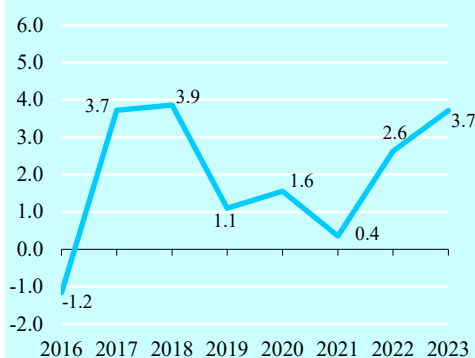


### □ Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI), increased during the first four months of 2023 by 3.7 percent, compared to an increase of 2.6 percent during the same period of 2022. 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 23.3 percent, compared to an increase by 10.6 percent, in addition to the transportation group, whose the prices increased by 3.3 percent, compared to an increase by 5.4 percent during the first four months of 2022. and this comes in light of the rise in oil prices in global markets.

**Inflation Rate during the first four months for the years (2016-2023),**



**Inflation Rate during the first four months of the years 2022-2023**

Expenditure Groups	Relative Imp.	Relative change		Contribution	
		Jan. – Apr. 2022	Jan. – Apr. 2023	Jan. – Apr. 2022	Jan. – Apr. 2023
All Items	100.0	2.6	3.7	2.6	3.7
1) Food and non-Alcoholic Beverages	26.52	3.5	0.5	0.9	0.1
Food	23.80	3.8	0.5	0.9	0.1
Cereals and Products	4.17	2.2	4.9	0.1	0.2
Meat and Poultry	4.69	2.3	1.0	0.1	0.1
Fish and Sea Product	0.41	2.1	1.0	0.0	0.0
Dairy Products and Eggs	3.72	1.7	8.8	0.1	0.3
Oil and Fats	1.70	6.7	5.5	0.1	0.1
Fruits and Nuts	2.57	-1.2	-1.9	0.0	0.0
Vegetables and Legumes Dry and Canned	2.96	18.8	-15.5	0.5	-0.5
2) Alcohol and Tobacco and Cigarettes	4.37	0.0	0.0	0.0	0.0
Alcohol	0.01	0.6	0.0	0.0	0.0
Tobacco and Cigarettes	4.37	0.0	0.0	0.0	0.0
3) Clothing and footwear	4.12	0.5	-1.2	0.0	0.0
Clothing	3.41	0.5	-1.9	0.0	-0.1
Footwear	0.71	0.4	2.1	0.0	0.0
4) Housing	23.78	1.9	8.4	0.5	2.0
Rents	17.54	-0.1	5.2	0.0	0.9
Fuels and Lighting	4.69	10.6	23.3	0.4	1.0
5) Household Furnishings and Equipment	4.94	1.5	3.8	0.1	0.2
6) Health	4.00	-0.7	6.6	0.0	0.3
7) Transportation	15.98	5.4	3.3	0.9	0.5
8) Communication	2.83	0.4	0.9	0.0	0.0
9) Culture and Recreation	2.55	5.3	10.2	0.1	0.3
10) Education	4.35	1.3	1.8	0.1	0.1
11) Restaurants and Hotels	1.79	3.0	6.6	0.1	0.1
12) Other Goods and Services	4.77	1.3	3.8	0.1	0.2

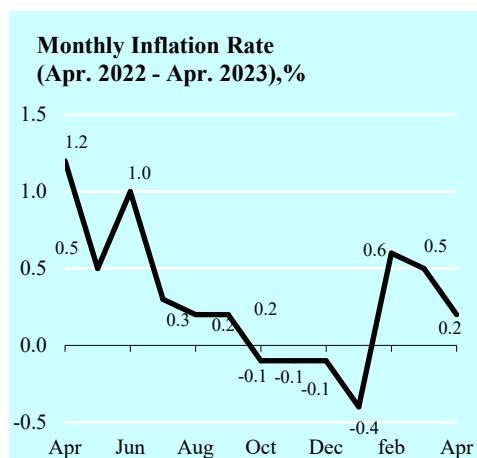
Source: Department of Statistics.

- The price of the items “dairy products and eggs” and “cereals and products” increased by 8.8 percent and 4.9 percent compared to an increase by 1.7 percent and 2.2 percent, respectively, during the first four months of 2022, affected partly by the demand and supply factors in domestic market.
- In addition to rising rents item by 5.2 percent compared to decline by 0.1 percent during the first four months of 2022.
- The health group also increased by 6.6 percent compared to a decline by 0.7 percent during the first four months of 2022, this increase is partially due to the increase in prices of medical and hospital services.

The above groups and items collectively contributed to raising the inflation rate during the first four months of 2023 by 3.3 percentage points, compared to 1.4 percentage points during the same period of 2022.

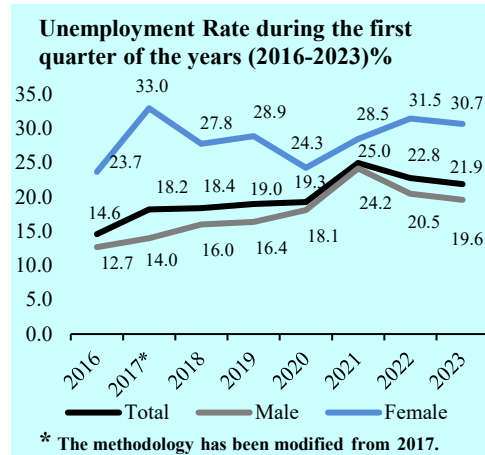
- On the other hand, the price of some items decline, notably; “vegetables and legumes dry and canned” (15.5 percent) and clothes (1.9 percent), during the first four months of 2023.

In April 2023, the CPI witnessed an increase compared to the previous month (March 2023) by 0.2 percent. This was an outcome of the increase in the prices of some items and groups, mainly, “vegetables and legumes dry and canned” (4.0 percent), “fruits and nuts” (4.5 percent), on the one hand, and the decrease of the prices of a number of other items, most notably; “dairy products and eggs” (0.8 percent), and “fuels and lighting” (0.5 percent), on the other hand.



### □ Labor Market

- The unemployment rate reached 21.9 percent (19.6 percent for males, and 30.7 percent for females) during the first quarter of 2023, compared to 22.8 percent (20.5 percent for males and 31.5 percent for females), during the same quarter of 2022.



- The unemployment rate among youth, during the first quarter of 2023, remains high reaching 57.2 percent for the category (15-19) years old, and 44.2 percent for the category (20-24) years old.
- The unemployment rate among academic degree holders (Bachelor and higher) reached 25.8 percent during the first quarter of 2023, and the unemployment rate among (less than secondary) reached 20.5 percent.
- The refined economic participation rate (the ratio of the labor force to the population of 15 years and over), was 33.3 percent (53.3 percent for males, and 13.7 percent for females), compared to 33.2 percent (53.2 percent for males and 13.7 percent for females) during the first quarter of 2022.
- The employment rate among population (15 years and older) reached 26.0 percent during the first quarter of 2023.



### Third: Public Finance

#### □ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 199.5 million (3.5 percent of GDP) during the first two months of 2023, comparing to a fiscal deficit of JD 168.4 million (3.1 percent of GDP) during the same period of 2022. When excluding foreign grants (JD 9.3 million), the general budget deficit increases to JD 208.8 million (3.7 percent of GDP), compared to a deficit of JD 194.5 million (3.6 percent of GDP) in the same period of 2022.
- Government domestic debt (budgetary and guaranteed) decreased by JD 13.8 million at the end of February 2023, compared to its level at the end of 2022, to reach JD 21,565.4 million (63.3 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 13,967.7 million (41.0 percent of GDP).
- Outstanding external debt (budget and guaranteed) went up by JD 74.9 million at the end of February 2023, compared to its level at the end of 2022, to reach JD 16,985.9 million (49.9 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 16,549.6 million (48.6 percent of GDP).
- As a result, outstanding government debt (domestic and external) rose by JD 61.1 million at the end of February 2023, to reach JD 38,551.3 million (113.2 percent of GDP), compared to JD 38,490.2 million (114.2 percent of GDP) at the end of 2022. When excluding the government debt holding by the Social Security Investment Fund, the outstanding government debt (domestic and external) stand at JD 30,517.3 million (89.6 percent of GDP), compared to JD 30,667.6 million (91.0 percent of GDP) at the end of 2022.

□ The performance of the general budget during the first two months of 2023 compared with the same period of 2022:

■ Public Revenues

Public revenues (domestic revenues *plus* foreign grants) increased by JD 21.6 million, or 4.0 percent, in February 2023 compared to the same month in 2022, to stand at JD 562.3 million. As for the first two months of 2023, public revenues went up by JD 66.6 million, or 5.4 percent, compared to same period of 2022, to stand at JD 1,304.9 million. This came as an outcome of the increase in domestic revenues by JD 83.3 million, and decrease in foreign grants by JD 16.7 million.

**Main Government Budget Indicators During the First Two Months of 2023**

(JD Million and Percentages)

	February		Growth Rate	Jan.-Feb.		Growth Rate
	2022	2023		2022	2023	
<b>Public Revenues</b>	<b>540.7</b>	<b>562.3</b>	<b>4.0</b>	<b>1,238.3</b>	<b>1,304.9</b>	<b>5.4</b>
Domestic Revenues, of which:	525.1	561.3	6.9	1,212.3	1,295.6	6.9
Tax Revenues, of which:	410.7	421.6	2.7	970.2	1,004.6	3.5
General Sales Tax	317.5	308.7	-2.8	648.9	628.8	-3.1
Other Revenues	114.0	139.4	22.3	241.7	290.4	20.1
Foreign Grants	15.6	1.0	-93.6	26.0	9.3	-64.2
<b>Total Expenditures</b>	<b>716.9</b>	<b>754.6</b>	<b>5.3</b>	<b>1,406.7</b>	<b>1,504.4</b>	<b>6.9</b>
Current Expenditures	695.5	726.0	4.4	1,371.6	1,456.4	6.2
Capital Expenditures	21.4	28.6	33.6	35.1	48.0	36.8
<b>Overall Deficit/ Surplus (Including Grants)</b>	<b>-176.2</b>	<b>-192.3</b>	<b>-</b>	<b>-168.4</b>	<b>-199.5</b>	<b>-</b>
<b>Overall Deficit/ Surplus (Including Grants) as a Percent of GDP</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-3.1</b>	<b>-3.5</b>	<b>-</b>

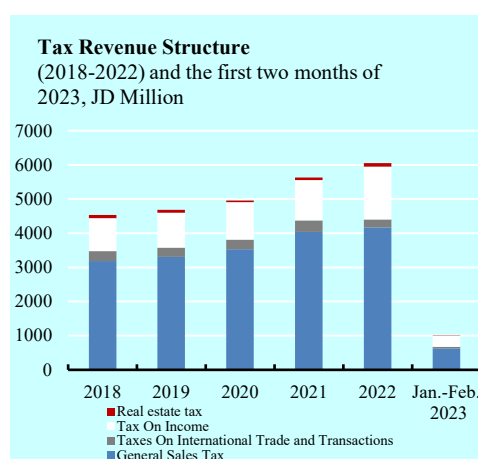
Source: Ministry of Finance/ General Government Finance Bulletin.

### ◆ Domestic Revenues

Domestic revenues witnessed an increase of JD 83.3 million, or 6.9 percent, in the first two months of 2023, compared to the same period of 2022, to reach JD 1,295.6 million. This increase was a result of the rise in the proceeds of “tax revenues”, and “other revenues” and “Pension contributions” by JD 34.4 million, and JD 48.7 million, and JD 0.2 million, respectively.

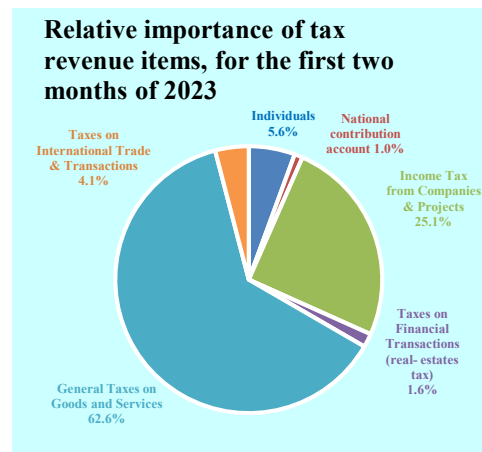
#### ● Tax Revenues

Tax revenues increased by JD 34.4 million, or 3.5 percent, during the first two months of 2023, compared to the same period of 2022, to reach JD 1,004.6 million (77.5 percent of domestic revenues). Following are the main developments in tax revenue items:



- A decrease in the proceeds of **general sales tax on goods and services** by JD 20.1 million, or 3.1 percent, to reach JD 628.8 million, accounting for 62.6 percent of total tax revenues. This result was driven by the decrease in the proceeds of sales tax on commercial sector by JD 50.1 million, and increase in the proceeds of sales tax on imported goods by JD 17.5 million, and on domestic goods by JD 12.1 million, and on services by JD 0.4 million.

- An increase in the proceeds of **income and profit taxes** by JD 41.3 million, or 14.9 percent, to reach JD 318.4 million, accounting for 31.7 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 25.2 million, or 11.1 percent, to account for 79.2 percent of total proceeds of income and profits taxes, amounting to JD 252.3 million, and increase the proceeds of “income taxes from individuals” by JD 6.2 million, or 12.4 percent, to reach JD 56.2 million, and increase the proceeds of national contribution account item by JD 10.0 million, to reach JD 10.0 million.
- An increase in the proceeds of **taxes on financial transactions (real-estates tax)** by JD 6.9 million, or 71.1 percent, to reach JD 16.6 million.
- An increase in the proceeds of **taxes on international trade and transactions** (including customs duties and fees) by JD 6.3 million, or 18.3 percent, to reach JD 40.8 million.





### ● Non-Tax Revenues

- “Other revenues” increased by JD 48.7 million, or 20.1 percent, during the first two months of 2023, to reach JD 290.4 million. This increase was chiefly due to the following:
  - An increase in the **property income** by JD 26.1 million to stand at JD 49.9 million (of which financial surplus of independent government units amounted to JD 41.8 million against JD 21.5 million during the same period of 2022).
  - An increase in revenues from **selling goods and services** by JD 20.6 million to reach JD 144.0 million.
  - An increase in **miscellaneous revenues** by JD 2.0 million to stand at JD 96.5 million.
- Pension contributions increased by JD 0.2 million, or 50.0 percent, during the first two months of 2023, compared to the same period of 2022, to reach JD 0.6 million.

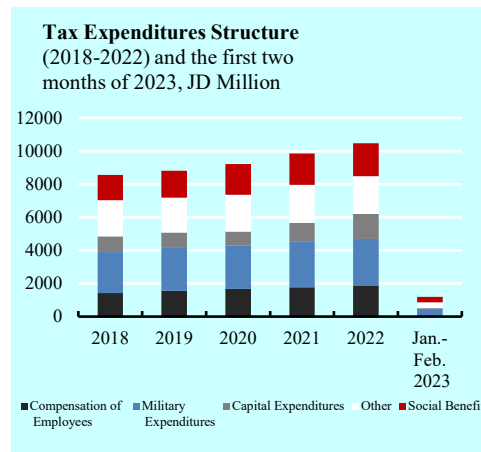
### ◆ Foreign Grants

Foreign grants decreased by JD 16.7 million, or 64.2 percent, during the first two months of 2023, standing at JD 9.3 million, compared to JD 26.0 million during the same period of 2022.

## Public Expenditures

Public expenditures increased by JD 37.7 million, or 5.3 percent, in February 2023 compared to the same month in 2022, to stand at JD 754.6 million. As for the first

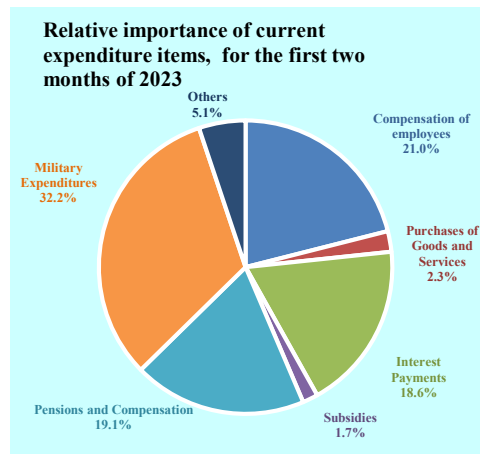
two months of 2023, public expenditures increased by JD 97.7 million, or 6.9 percent, compared to the same period of 2022, to stand at JD 1,504.4 million. This increase was a result of the rise in current expenditures by 6.2 percent, and capital expenditures by 36.8 percent.



## Current Expenditures

Current expenditures went up by JD 84.8 million, or 6.2 percent, during the first two months of 2023, to reach JD 1,456.4 million (96.8 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 0.6 percentage point, to reach 89.0 percent compared to 88.4 percent during the same period of 2022. The increase in current expenditures is due to the evolution of its components, as follow:

- An increase in **military expenditures** by JD 18.3 million, to total JD 468.9 million.
- An increase in **interest payments** (commitment basis) by JD 18.1 million, to stand at JD 270.3 million.
- An increase in the **compensation of civil sector's employees (wages, salaries and social security contributions)** by JD 14.9 million, to reach JD 306.6 million.
- An increase in **pensions and compensation** by JD 6.7 million, to stand at JD 277.9 million.
- An increase in **subsidies** by JD 2.0 million, to stand at JD 24.7 million.
- An increase in the **purchases of goods and services** by JD 1.8 million, to reach JD 33.1 million.

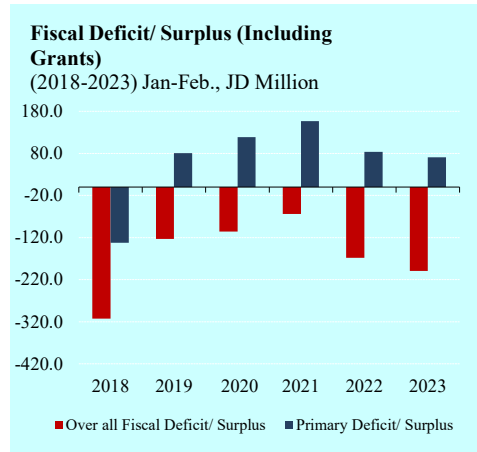


#### ◆ Capital Expenditures

Capital expenditures increased by JD 12.9 million, or 36.8 percent, during the first two months of 2023 compared to the same period of 2022, to reach JD 48.0 million.

### ■ General Budget Deficit/ Surplus

- ◆ The overall fiscal deficit, including foreign grants, increased by JD 31.1 million, during the first two months of 2023, to reach JD 199.5 million (3.5 percent of GDP), compared to a fiscal deficit

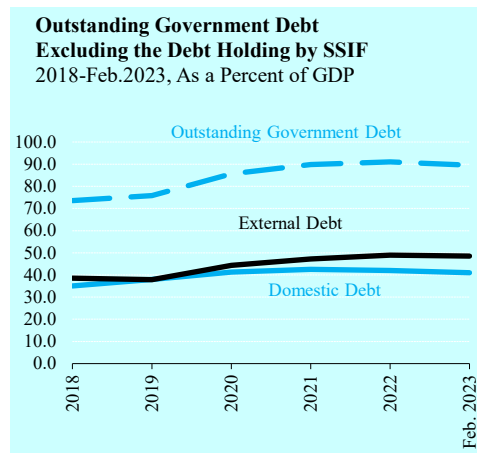
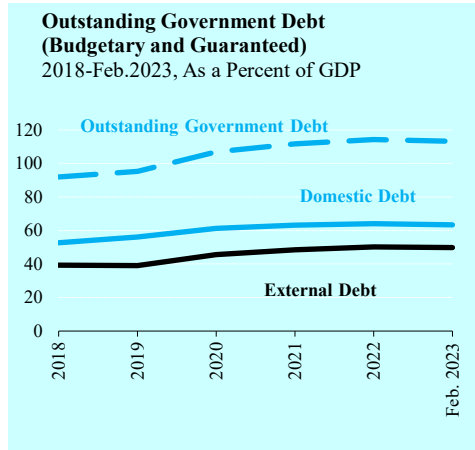


of JD 168.4 million (3.1 percent of GDP) in the same period of 2022. When foreign grants are excluded, the general budget deficit increases to reach JD 208.8 million (3.7 percent of GDP), compared to a fiscal deficit of JD 194.5 million (3.6 percent of GDP) in the same period of 2022.

- ◆ The primary surplus, excluding foreign grants, (domestic revenues *minus* total public expenditures excluding interest payments on public debt) reached JD 61.6 million (1.1 percent of GDP) in the first two months of 2023, against a primary surplus of JD 57.8 million (0.9 percent of GDP) in the same period of 2022. When foreign grants are including, the primary surplus of the general budget reached JD 70.8 million (1.3 percent of GDP), compared to a primary surplus of JD 83.8 million (1.4 percent of GDP) in the same period of 2022.

### □ Outstanding Government Debt

- Government domestic debt (budgetary and guaranteed) decreased by JD 13.8 million, at the end of February 2023 compared to its level at the end of 2022, to stand at JD 21,565.4 million (63.3 percent of GDP). This decrease was an outcome of the drop in the domestic debt of the budget by JD 23.6 million, and the increase in the domestic debt of guaranteed by JD 9.8 million, compared to their levels at the end of 2022, standing at JD 18,924.1 million and JD 2,641.2 million, respectively.



- When excluding the domestic debt holding by the Social Security Investment Fund (SSIF), the government domestic debt (budgetary and guaranteed) decreased by JD 211.0 million, at the end of February 2023 compared to its level at the end of 2022, to stand at JD 13,967.7 million (41.0 percent of GDP).

- Outstanding external debt (budget and guaranteed) went up by JD 74.9 million at the end of February 2023, compared to its level at the end of 2022, to reach JD 16,985.9 million (49.9 percent of GDP). It is worth mentioning that the external debt denominated in the U.S. Dollar accounted for 69.7 percent of the total external debt, and the debt in Euro accounted for 11.1 percent. However, the SDR accounted for 10.8 percent, Kuwaiti Dinar (3.4 percent), and Japanese Yen (3.2 percent).
- When excluding the external debt holding by the Social Security Investment Fund, the outstanding external debt (budget and guaranteed) increased by JD 60.7 million, at the end of February 2023 compared to its level at the end of 2022, to stand at JD 16,549.6 million (48.6 percent of GDP).
- In light of the above-mentioned developments, outstanding government debt (domestic and external) increased by JD 61.1 million at the end of February 2023 to reach JD 38,551.3 million (113.2 percent of GDP), compared to JD 38,490.2 million (114.2 percent of GDP) at the end of 2022. When excluding the debt holding by the Social Security Investment Fund, the outstanding government debt (budget and guaranteed) stand at JD 30,517.3 million (89.6 percent of GDP), compared to JD 30,667.6 million (91.0 percent of GDP) at the end of 2022.
- External debt service (budget and guaranteed) increased by JD 2.5 million during the first two months of 2023 compared to the same period of 2022, to reach JD 150.6 million (including principal payments of JD 35.5 million and interest of JD 115.1 million).

## □ Fiscal and Price Measures of 2023

### ◆ June

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

**Development of Oil Derivatives Prices**

	Unit	2023		Percentage Change
		May	June	
Unleaded Gasoline 90	Fils/ Liter	950	900	-5.3
Unleaded Gasoline 95	Fils/ Liter	1,185	1,140	-3.8
Unleaded Gasoline 98	Fils/ Liter	1,335	1,290	-3.4
Gas Oil (Diesel)	Fils/ Liter	755	715	-5.3
Kerosene	Fils/ Liter	620	620	0.0
Liquid Gas (12.5kg)	JD/ Cylinder	7.0	7.0	0.0
Fuel oil (1%)	JD/ Ton	455.4	429.5	-5.7
Fuel for airplanes (local companies)	Fils/ Liter	583	546	-6.3
Fuel for airplanes (foreign companies)	Fils/ Liter	588	551	-6.3
Fuel for unplanned flights	Fils/ Liter	603	566	-6.1
Asphalt	JD/ Ton	450.3	424.4	-5.8

Source: Jordan Petroleum Refinery Company (1/6/2023).

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

**◆ May**

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

**◆ April**

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

**◆ March**

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

**◆ February**

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

**◆ January**

- 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.

**□ Grants, Loans and Other Agreements for 2023****◆ June**

- Signing a two grants agreement in the amount EUR 25 million, provided by the European Union (EU), as follows:
  - EUR 10 million for the "Support for democratic reforms in Jordan" programme.



- EUR 15 million targets the partnership programme in accordance with the Economic Modernisation Vision and its 2023-2025 executive programme, as well as the public sector modernisation roadmap.

#### ◆ April

- Signing a two financing agreement in the amount USD 650 million, provided by the World Bank, as follows:
  - USD 400 million to transparent and Climate Responsive Investments Program for Results.
  - USD 250 million to electricity Sector Efficiency.

#### ◆ March

- Signing a grant agreement in the amount EUR 30 million, provided by the European Bank for Reconstruction and Development (EBRD), to finance the construction of a greenfield wastewater treatment facility in Al Ghabawi on the outskirts of Amman.

#### ◆ January

- Signing a two grants agreement in the amount EUR 64 million, provided by the European Union (EU), as follows:
  - EUR 39 million to implement a program the Rule of Law in Jordan.
  - EUR 25 million to support Food Security in Jordan.



## Fourth: External Sector

### □ Summary

- **Total merchandize exports** (domestic exports *plus* re-exports) decreased by 15.6 percent in March 2023, compared to the same month of 2022, to reach JD 655.2 million. As for the first quarter of 2023, total export increased by 6.3 percent, compared to the same quarter of 2022, to reach JD 2,118.5 million.
- **Merchandize imports** decreased by 0.8 percent in March 2023, compared to the same month of 2022, to reach JD 1,503.9 million. As for the first quarter of 2023, import increased by 5.6 percent, compared to the same quarter of 2022, to reach JD 4,513.8 million.
- **Consequently**, the trade balance deficit (total exports minus imports) increased by 14.7 percent in March 2023, compared to the same month of 2022; standing at JD 848.7 million. As for the first quarter of 2023, trade balance deficits increased by 4.9 percent, compared to the same quarter of 2022, to reach JD 2,395.3 million.
- **Travel receipts** increased by 84.5 percent during the first four months of 2023, to register JD 1,569.9 million, compared to the same period of 2022. While, **travel payments** increased by 63.2 percent, to register JD 400.1 million, compared to the same period of 2022.
- **Total workers' remittances receipts** decreased by 2.5 percent during the first four months of 2023, compared to the same period of 2022, to reach JD 782.0 million.
- **The current account of the balance of payments** (including grants) registered a deficit amounted to JD 2,953.0 million (8.8 percent of GDP) during 2022, compared to a deficit of JD 2,639.5 million (8.2 percent of GDP) during 2021. Meanwhile, the current account deficit excluding grants increased to reach 12.7 percent of GDP, compared with 12.0 percent of GDP during 2021.
- **Foreign direct investment** recorded an inflow of JD 807.3 million during 2022, compared to an inflow of JD 441.5 million during 2021.

- **International investment position (IIP)** displayed a net obligation to abroad of JD 36,580.3 million, at the end of 2022, compared to JD 35,015.7 million at the end of 2021.

#### □ External Trade

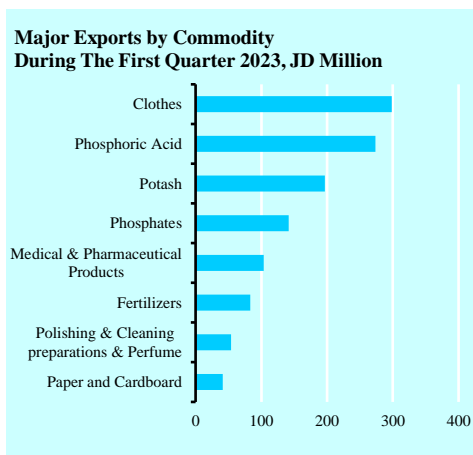
- As a result of the increase in domestic exports by JD 159.6 million and the increase in imports by JD 237.4 million during the first quarter 2023, the volume of external trade (domestic exports plus imports) increased by JD 397.0 million to stand at JD 6,488.6 million, compared to the same quarter of 2022.

Jordan's Major Trading Partners JD Million			
January – March			
	2022	2023	Percentage Change
<b>Exports</b>			
India	340.2	419.3	23.3
USA	365.1	394.3	8.0
Saudi Arabia	181.3	203.5	12.2
Iraq	111.4	109.5	-1.7
China	47.0	62.6	33.2
Palestine	50.4	59.3	17.7
UAE	44.0	52.5	19.3
<b>Imports</b>			
China	669.8	698.0	4.2
Saudi Arabia	636.0	653.1	2.7
USA	260.2	340.0	30.7
India	120.5	322.9	168.0
UAE	310.1	215.6	-30.5
Turkey	152.5	167.6	9.9
Germany	145.7	159.8	9.7
Source: Department of Statistics.			

Main External Trade Indicators JD Million				
January - March				
	2022	Percentage Change (%)	2023	Percentage Change (%)
External Trade	6,091.6	34.4	6,488.6	6.5
Total Exports	1,992.8	39.6	2,118.5	6.3
Domestic Exports	1,815.2	43.2	1,974.8	8.8
Re-exports	177.6	11.1	143.7	-19.1
Imports	4,276.4	31.0	4,513.8	5.6
Trade Balance	-2,283.6	24.3	-2,395.3	4.9
Source: Department of Statistics.				

### ■ Merchandize Exports:

Total merchandize exports increased by 6.3 percent during the first quarter 2023, to reach JD 2,118.5 million. This increase was an outcome of the increase in domestic exports by JD 159.6 million, or 8.8 percent to reach JD 1,974.8 million, and the decrease in re-exports by JD 33.9 million, or 19.1 percent to reach JD 143.7 million.



### ◆ The developments of domestic exports during the first quarter 2023, compared with the same quarter of 2022 reveals the following:

- Exports of **phosphoric acid** increased by JD 132.7 million, or 94.3 percent to reach at JD 273.4 million. It is worth noting that markets of India, Bangladesh and Saudi Arabia accounted for 99.2 percent of these exports.
- Exports of “**Medical & Pharmaceutical Products**” increased by JD 18.1 million, or 21.2 percent, to stand at JD 103.6 million. Saudi Arabia, the USA, and Algeria were the main destination markets for these exports, accounting for 46.7 percent.
- Exports of “**Polishing & Cleaning Preparations & Perfume Materials**” increased by JD 15.8 million, or 41.3 percent, to reach JD 54.1 million. Iraq and Saudi Arabia were the main destination markets; accounting for 64.7 percent of these exports.

- Exports of “**Paper and Cardboard**” increased by JD 9.1 million, or 28.2 percent, to stand at JD 41.1 million. The markets of Saudi Arabia, Iraq and The UAE accounted for 79.0 percent of these exports
- Exports of **Clothes** decreased by JD 7.7 million or 2.5 percent to reach JD 298.2 million. It is worth noting that the USA market accounted for 82.2 percent of these exports.
- Exports of **phosphates** decreased by JD 8.3 million, or 5.5 percent, to reach JD 141.7 million. The markets of India, Indonesia, Brazil and Taiwan accounted for 93.2 percent of these exports.

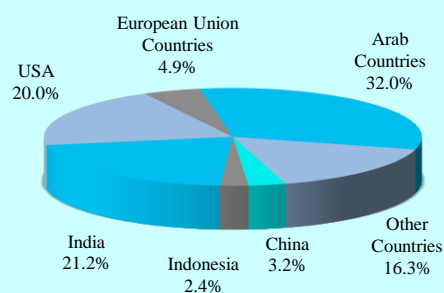
**Major Domestic Exports by Commodity, JD Million  
During the first quarter of 2022-2023**

	2022	2023	Percentage Change
<b>Domestic Export</b>	<b>1,815.2</b>	<b>1,974.8</b>	<b>8.8</b>
<b>Clothes</b>	<b>305.9</b>	<b>298.2</b>	<b>-2.5</b>
USA	266.1	245.1	-7.9
<b>Phosphoric Acid</b>	<b>140.7</b>	<b>273.4</b>	<b>94.3</b>
India	121.3	261.6	115.7
Bangladesh	-	7.5	-
Saudi Arabia	2.0	2.2	10.0
<b>Potash</b>	<b>266.1</b>	<b>196.8</b>	<b>-26.0</b>
China	42.6	55.1	29.3
Indonesia	13.3	28.9	117.3
Egypt	27.4	17.5	-36.1
<b>Phosphates</b>	<b>150.0</b>	<b>141.7</b>	<b>-5.5</b>
India	85.6	97.7	14.1
Indonesia	35.6	19.0	-46.6
Brazil	7.6	10.1	32.9
Taiwan	3.9	5.3	35.9
<b>Medical &amp; Pharmaceutical Products</b>	<b>85.5</b>	<b>103.6</b>	<b>21.2</b>
Saudi Arabia	20.5	21.4	4.4
USA	5.8	15.9	174.1
Algeria	5.9	11.1	88.1
<b>Fertilizers</b>	<b>134.8</b>	<b>83.0</b>	<b>-38.4</b>
India	61.9	32.6	-47.3
USA	5.4	25.6	374.1
<b>Polishing &amp; Cleaning preparations &amp; Perfume</b>	<b>38.3</b>	<b>54.1</b>	<b>41.3</b>
Iraq	16.6	22.4	34.9
Saudi Arabia	8.5	12.6	48.2
<b>Paper and Cardboard</b>	<b>32.3</b>	<b>41.4</b>	<b>28.2</b>
Saudi Arabia	11.6	23.1	99.1
Iraq	6.3	7.3	15.9
UAE	2.1	2.3	9.5

Source: Department of Statistics.

- Consequently, the commodity breakdown of domestic exports indicates that exports of Clothes, Phosphoric Acid, Potash, Phosphates, “Medical & Pharmaceutical Products”, Fertilizer, “Polishing & Cleaning Preparations & Perfume Material” and “Paper and Cardboard”, topped the list of domestic exports during the first quarter of 2023; accounting for 60.4 percent, compared with 63.6 percent during the same quarter of 2022. Meanwhile, the geographical distribution of domestic exports indicates that India, the USA, Saudi Arabia, Iraq, China, Palestine and the UAE were the main destination markets during the first quarter of 2023; accounting for 65.9 percent, compared with 62.8 percent during the same quarter of 2022.

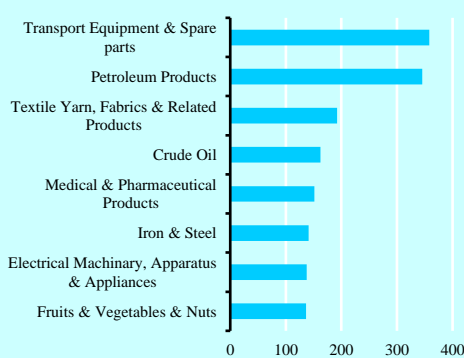
**Geographic Distribution of Domestic Exports During The First Quarter 2023**



### ■ Merchandize Imports:

Merchandize imports increased by 5.6 percent to reach JD 4,513.8 million during the first quarter 2023, compared to an increase by 31.0 percent during the same quarter of 2022.

**Major Imports by Commodity  
During The First Quarter 2023, JD Million**



### ◆ The developments of imports during the first quarter 2023, compared with the same quarter of 2022, reveals the following:

- “**Transport Equipment & Spare Parts**” imports increased by JD 66.4 million, or 22.8 percent, to reach JD 358.1 million. China, the USA and South Korea were the main origin markets, accounting for 58.9 percent of these imports
- **Crude Oil** imports increased by JD 36.3 million, or 28.8 percent, to reach JD 162.5 million. Saudi Arabia and Iraq were the main origin markets, accounting for 100.0 percent of these imports.
- “**Electrical Machinery, Apparatus and Appliances**” imports increased by JD 28.9 million or 26.6 percent, to reach JD 137.4 million. China, Thailand and Turkey were the main markets, accounting for 51.6 percent of these imports.



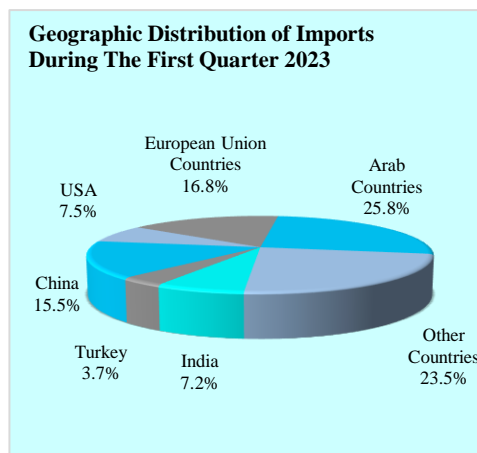
- **“Medical and pharmaceutical products”** imports increased by JD 28.8 million, or 23.5 percent, to reach JD 151.6 million. The USA, Germany and Switzerland, were the main markets, accounting for 33.2 percent of these imports.
- **Petroleum Products** imports increased by JD 27.2 million, or 8.5 percent, to stand at JD 345.4 million. Saudi Arabia, India and the UAE were the main markets, accounting for 97.9 percent of these imports.
- **Fruits & vegetable & nuts** imports increased by JD 18.5 million or 15.7 percent to reach JD 136.3 million. The USA, Egypt and Belgium were the main origin markets accounting for 34.4 percent of these imports.

**Major Imports by Commodity, JD Million  
During the first quarter of 2022-2023**

	2022	2023	Percentage Change
<b>Total Imports</b>	<b>4,276.4</b>	<b>4,513.8</b>	<b>5.6</b>
<b>Transport Equipment &amp; Spare parts</b>	<b>291.7</b>	<b>358.1</b>	<b>22.8</b>
China	51.6	80.3	55.6
USA	49.1	66.0	34.4
South Korea	49.9	64.5	29.3
<b>Petroleum Products</b>	<b>318.2</b>	<b>345.4</b>	<b>8.5</b>
India	-	162.0	-
Saudi Arabia	184.1	147.3	-20.0
UAE	91.9	28.9	-68.6
<b>Textile Yarn, Fabrics &amp; Related Products</b>	<b>239.8</b>	<b>192.0</b>	<b>-19.9</b>
China	122.1	82.0	-32.8
Taiwan	35.4	29.2	-17.5
Turkey	23.2	21.4	-7.8
<b>Crude Oil</b>	<b>126.2</b>	<b>162.5</b>	<b>28.8</b>
Saudi Arabia	110.6	120.9	9.3
Iraq	15.6	41.6	166.7
<b>Medical &amp; Pharmaceutical Products</b>	<b>122.8</b>	<b>151.6</b>	<b>23.5</b>
USA	9.9	18.9	90.9
Germany	15.4	18.5	20.1
Switzerland	7.6	13.0	71.1
<b>Iron &amp; Steel</b>	<b>125.1</b>	<b>140.9</b>	<b>12.6</b>
Saudi Arabia	32.2	29.7	-7.8
China	29.5	28.2	-4.4
Iran	-	23.7	-
<b>Electrical Machinery, Apparatus &amp; Appliances</b>	<b>108.5</b>	<b>137.4</b>	<b>26.6</b>
China	44.0	48.8	10.9
Thailand	1.7	12.0	605.9
Turkey	8.1	10.1	24.7
<b>Fruits &amp; Vegetables &amp; Nuts</b>	<b>117.8</b>	<b>136.3</b>	<b>15.7</b>
USA	10.6	19.3	82.1
Egypt	15.6	16.5	5.8
Belgium	7.6	11.1	46.1

Source: Department of Statistics.

- Consequently, the commodity composition of imports indicates that “Transport Equipment & Spare Parts”, Petroleum Products, “Textile Yarn, Fabrics and Related Products”, Crude oil, “Medical & Pharmaceutical Products”, “Iron & Steel”, “Electrical machinery Apparatus and Appliances”



and “Fruits & Vegetable & Nuts”, topped the list of imports during the first quarter of 2023, accounting for 36.0 percent, compared with 33.9 percent during the same quarter of 2022. Meanwhile, the geographical distribution of imports indicates that China, Saudi Arabia, the USA, India, the UAE, Turkey and Germany were the main source markets during the first quarter 2023; accounting for 56.6 percent of imports, compared to 53.7 percent during the same quarter of 2022.

### ■ Re-Exports

The value of re-exported goods in March 2023 decreased by JD 9.0 million, or 14.8 percent, compared to the same month of 2022, to stand at JD 51.9 million. As for the first quarter of 2023, re-export decreased by 19.1 present, compared to the same quarter of 2022, to reach JD 143.7 million.

### ■ Trade Balance

The trade balance deficit increased by JD 108.7 million, or 14.7 percent in March 2023, compared to the same month of 2022, to reach JD 848.7 million. As for the first quarter of 2023, trade balance deficit increased by 4.9 present, compared to the same quarter of 2022, to reach JD 2,395.3 million.

### ❑ Total Workers' Remittances Receipts

Total workers' remittances receipts decreased during the first four months of 2023 by JD 20.3 million, or 2.5 percent, to stand at JD 782.0 million, compared to the same period of 2022.

### ❑ Travel

#### ■ Receipts

Travel receipts increased by 84.5 percent during the first four months of 2023, to register JD 1,569.9 million, compared to the same period of 2022.

#### ■ Payments

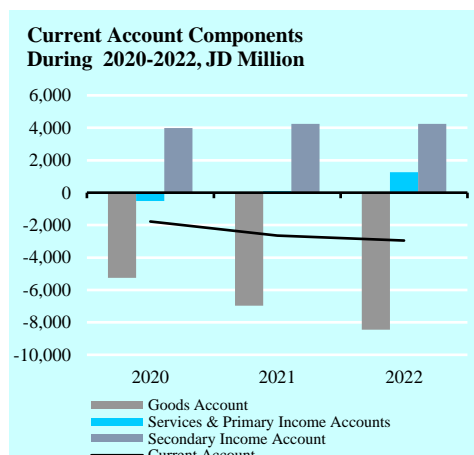
Travel payments increased by 63.2 percent during the first four months of 2023, to register JD 400.1 million, compared to the same period of 2022.

### ❑ Balance of Payments

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

- **The current account** recorded a deficit of JD 2,953.0 million (8.8 percent of GDP), compared to a deficit of JD 2,639.5 million (8.2 percent of GDP) during 2021. Meanwhile, the current account deficit (excluding grants) increased to reach JD 4,272.6 million (12.7 percent of GDP), compared to a deficit of JD 3,848.5 million (12.0 percent of GDP) during 2021. This was an outcome of the following developments:

- ◆ An increase in the goods account deficit by JD 1,480.7 million, or 21.3 percent, to reach JD 8,445.5 million, compared to a deficit of JD 6,964.8 million.



- ◆ The services account recorded a surplus of JD 1,615.7 million, compared to a surplus of JD 254.0 million.
- ◆ The primary income account recorded a deficit of JD 359.1 million, compared to a deficit of JD 164.5 million. This was mainly due to the increase in the deficit of investment income (net) to reach JD 560.1 million, compared to deficit of JD 361.2 million, and the increase of “compensation of employees (net)” surplus by JD 4.3 million to reach JD 201.0 million.
- The secondary income recorded a net surplus of JD 4,235.9 million, compared to a net surplus of JD 4,235.8 million. This was a result of the increase net surplus of the public sector (foreign grants) by JD 110.6 million to reach JD 1,319.6 million, and decrease net surplus of other sectors transfers by JD 110.5 million to reach JD 2,916.3 million.

- As for the capital and financial transactions during 2022, the capital account registered a net inflow of JD 35.2 million, compared to an identical net inflow of JD 11.0 million during 2021. Meanwhile, the financial account registered a net inflow of JD 1,990.5 million during 2022, compared to a net inflow of JD 1,331.2 million during 2021, this could be attributed to the following:
  - ◆ Foreign direct investment recorded an inflow of JD 807.3 million compared to an inflow of JD 441.5 million.
  - ◆ Portfolio investment recorded a net outflow of JD 487.3 million compared to a net outflow of JD 165.0 million.
  - ◆ Other investment registered a net inflow of JD 1,132.1 million, compared to a net inflow of JD 2,758.1 million.
  - ◆ Reserve assets of the CBJ registered a decrease by JD 527.2 million, compared to an increase by JD 1,692.1 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 36,580.3 million at the end 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 948.0 million at the end 2022 to reach JD 20,943.2 million compared to its level at the end of 2021. This was mainly due to the decrease of the CBJ's reserve assets by JD 606.2 million, banking sector currency and deposits abroad by JD 512.3 million, and the increase in trade credit of other sectors to abroad by JD 110.6 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 616.5 million at the end of 2022, to reach JD 57,523.5 million compared to its level at the end of 2021. This was due to the following developments:
  - ◆ An increase in the stock of direct investment in the kingdom by JD 763.1 million, to stand at JD 27,249.7 million.
  - ◆ An increase in outstanding balance of the international monetary fund credit facilities by JD 614.0 million, to reach JD 1,699.0 million.
  - ◆ An increase in outstanding balance of government (long-term) loans by JD 445.7 million, to stand at JD 6,864.7 million.
  - ◆ An increase in outstanding balance of licensed banks (short-term) loans by JD 223.1 million, to stand at JD 786.3 million.
  - ◆ An increase of trade credits to non-residents in the kingdom by JD 177.3 million, to stand at JD 971.4 million.
  - ◆ A decrease in the deposits of non-residents at the banking sector by JD 713.6 million, to stand at JD 10,392.4 million (decrease by JD 409.3 million for the licensed banks, and a decrease by JD 304.3 million for the CBJ).
  - ◆ A decrease in the stock of special drawing rights allocation by JD 334.2 million, to stand at JD 152.9 million.
  - ◆ A decrease in the stock of portfolio investment in the kingdom by JD 276.2 million, to stand at JD 6,912.6 million.
- A decrease in outstanding balance of other sectors (long-term) loans by JD 221.4 million, to stand at JD 2,005.2 million.