



Central Bank of Jordan

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

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

**Central Bank of Jordan**

Tel: (962 6) 4630301

Fax: (962 6) 4638889 / 4639730

P.O. Box 37 Amman 11118 Jordan

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

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

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 |



## **Contents**

	<b>Executive Summary</b>	<b>1</b>
<b>First</b>	<b>Monetary &amp; Financial Sector</b>	<b>3</b>
<b>Second</b>	<b>Output, Prices and Employment</b>	<b>15</b>
<b>Third</b>	<b>Public Finance</b>	<b>23</b>
<b>Fourth</b>	<b>External Sector</b>	<b>43</b>



### 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 quarter of 2023 by 4.0 percent, compared to an increase of 2.3 percent during the same period of 2022. The unemployment rate during the fourth quarter of 2022 reached 22.9 percent, compared to 23.3 percent during the same quarter of 2021.

#### □ Monetary and Financial Sector

- The CBJ's gross foreign reserves amounted to US\$ 16,834.7 million at the end of March 2023. This level of reserves covers around 7.4 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 41,710.7 million at the end of March 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 33,216.1 million at the end of March 2023, compared to JD 32,591.5 million at the end of 2022.
- Total deposits at licensed banks amounted to JD 42,450.7 million at the end of March 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 2,601.2 points at the end of March 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 1,552.5 million (4.6 percent of GDP) during 2022, comparing to a fiscal deficit of JD 1,730.6 million (5.4 percent of GDP) during 2021. Government domestic debt (budgetary and guaranteed) increased by JD 1,319.7 million at the end of 2022, compared to its level at the end of 2021, to reach JD 21,579.2 million (64.1 percent of GDP). Moreover, outstanding external debt (budget and guaranteed) went up by JD 1,403.8 million, to reach JD 16,911.0 million (50.2 percent of GDP). Accordingly, outstanding government debt (domestic and external) rose up to reach JD 38,490.2 million at the end of 2022 (114.2 percent of GDP), compared to JD 35,766.7 million (111.7 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 14,178.7 million (42.1 percent of GDP). While the outstanding external debt (budget and guaranteed) stand at JD 16,488.9 million (48.9 percent of GDP). As a result, the outstanding government debt (domestic and external) stand at JD 30,667.6 million (91.0 percent of GDP) compared to 89.8 percent of GDP at the end of 2021).
- **External Sector:** Total merchandize exports (domestic exports *plus* re-exports) increased by 2.2 percent during January 2023 to reach JD 589.9 million. Meanwhile, merchandize imports increased by 21.8 percent to reach JD 1,641.2 million. As a result, the trade balance deficit increased by 36.4 percent, compared to the same month of 2022, to reach JD 1,051.3 million. The preliminary data during the first quarter of 2023 showed an increase in travel receipts by 88.4 percent, to reach JD 1,184.8 million, and an increase in travel payments by 68.4 percent, to reach JD 299.4 million, compared to the same quarter of 2022. Moreover, total workers' remittances receipts decreased by 2.6 percent during the first quarter of 2023, to reach JD 587.2 million, compared to the same quarter 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\$ 16,834.7 million at the end of March 2023. This level of reserves covers around 7.4 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 41,710.7 million at the end of March 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 33,216.1 million at the end of March 2023, compared to JD 32,591.5 million at the end of 2022.
- Total deposits at licensed banks amounted to JD 42,450.7 million at the end of March 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 March 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 March 2023, 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 2,601.2 points at the end of March 2023, compared to 2,501.6 points at the end of 2022. Moreover, the market capitalization reached JD 18,816.6 million at the end of March 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

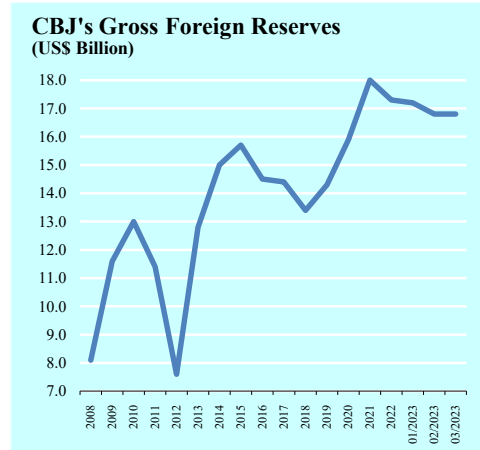
		End of March	
2022		2022	2023
US\$ 17,266.9	CBI's Foreign Reserves*	US\$ 17,974.4	US\$ 16,834.7
-4.3%		-0.4%	-2.5%
7.5	Coverage in months	7.6	7.4
41,681.7	Money Supply (M2)	40,134.3	41,710.7
5.5%		1.6%	0.1%
32,591.5	Credit Facilities, of which:	30,727.7	33,216.1
8.5%		2.3%	1.9%
28,870.5	Private Sector (Resident)	27,406.2	29,402.6
8.1%		2.6%	1.8%
42,106.7	Total Deposits, of which:	40,138.2	42,450.7
6.5%		1.6%	0.8%
32,841.5	In JD	31,066.4	32,991.6
7.0%		1.2%	0.5%
9,265.2	In Foreign Currencies	9,071.9	9,459.1
4.8%		2.7%	2.1%
33,206.2	Deposits of Private Sector (Resident), of which:	31,507.5	33,203.1
7.2%		1.7%	-0.01%
26,603.1	In JD	24,998.2	26,503.4
7.6%		1.1%	-0.4%
6,603.1	In Foreign Currencies	6,509.3	6,699.1
5.4%		3.9%	1.5%

\* 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\$ 16,834.7 million at the end of March 2023. This level of reserves covers around 7.4 months of the Kingdom's imports of goods and services.



### □ Domestic Liquidity (M2)

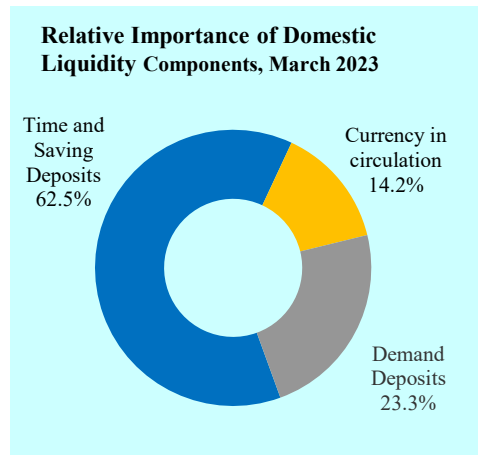
■ Domestic liquidity amounted to JD 41.7 billion at the end of March 2023, maintaining the same level registered at the end of 2022.

◆ **Developments in the components and the factors affecting domestic liquidity at the end of March 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 35.8 billion at the end of March 2023, compared to JD 33.8 billion during the same period in 2022, and 35.6 billion at the end of 2022.

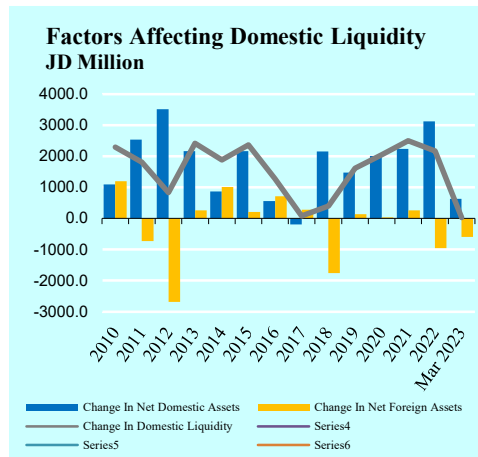
- Currency in circulation amounted to JD 5.9 billion at the end of March 2023, compared to JD 6.3 billion during



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 35.4 billion at the end of March 2023, compared to JD 32.6



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 6.3 billion at the end of March 2023, compared to JD 7.5 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 11.1 billion at the end of March 2023.

**Factors Affecting Domestic Liquidity (M2)**

JD Million

		End of March	
2022		2022	2023
<b>6,864.5</b>	<b>Foreign Assets (Net)</b>	<b>7,499.9</b>	<b>6,268.3</b>
11,388.0	CBJ	12,096.7	11,090.6
-4,523.5	Licensed Banks	-4,596.8	-4,822.2
<b>34,817.2</b>	<b>Domestic Assets (Net)</b>	<b>32,634.4</b>	<b>35,422.3</b>
-4,699.6	CBJ, of which:	-5,146.9	-4,502.5
1,052.3	Claims on Public Sector (Net)	1,410.0	1,637.3
-5,778.3	Other Items (Net*)	-6,578.3	-6,166.8
39,516.7	Licensed Banks	37,781.3	39,944.8
14,432.2	Claims on Public Sector (Net)	13,511.7	14,562.4
29,733.7	Claims on Private Sector	28,361.0	30,277.5
-4,649.3	Other Items (Net)	-4,091.5	-4,895.1
<b>41,681.7</b>	<b>Money Supply (M2)</b>	<b>40,134.3</b>	<b>41,710.7</b>
<b>6,037.4</b>	<b>Currency in Circulation</b>	<b>6,293.7</b>	<b>5,935.0</b>
<b>35,644.3</b>	<b>Total Deposits, of which:</b>	<b>33,840.6</b>	<b>35,775.7</b>
6,650.2	In Foreign Currencies	6,575.6	6,768.4

\* 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 Monetary Policy Instruments, percentage points

2022		March	
		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.

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.

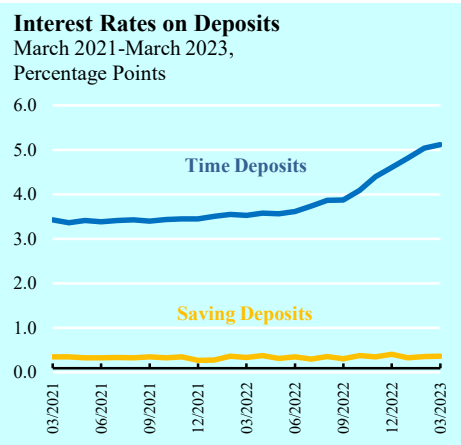
This decision comes in line with the continuation of the inflationary pressures in the regional and international economic environment, compared to the rates targeted by Central Banks, which contributed to a rise in the recorded inflation rates in the Kingdom at 2022 and their expectations within the short-term.

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

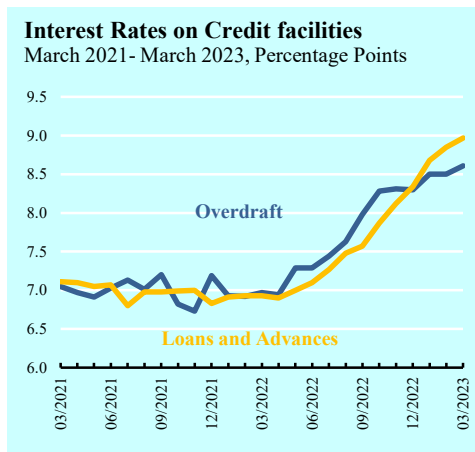
- **Time Deposits:** The weighted average interest rate on time deposits increased by 8 basis points at the end of March 2023, compared to its level registered at the previous month to stand at 5.12%. This rate is higher by 51 basis points than its level registered at the end of 2022.



- **Saving Deposits:** The weighted average interest rate on saving deposits increased by one basis point at the end of March 2023, compared to its level registered at the previous month to stand at 0.37%. This rate is lower by 4 basis points than its level registered at the end of 2022.
- **Demand Deposits:** The weighted average interest rate on demand deposits increased by 7 basis points at the end of March 2023, compared to its level registered at the previous month to stand at 0.52%. This level is higher by 15 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 11 basis points at the end of March 2023, compared to its level registered at the previous month to stand at 8.61 percent. This level is higher by 31 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” increased by 10 basis points at the end of March 2023, compared to its level registered at the previous month to stand at 8.93%. This level is higher by 57 basis point, than its level registered at the end of 2022.
- **Loans and Advances:** The weighted average interest rate on “loans and advances” increased by 12 basis points at the end of March 2023, compared to its level registered at the of previous month to stand at 8.97%. This level is higher by 63 basis points than its level registered at the end of 2022.



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

2022		March		Change Relative to the Preceding Year Basis Points
		2022	2023	
<b>Deposits</b>				
0.37	Demand	0.26	0.52	15
0.41	Saving	0.34	0.37	-4
4.61	Time	3.53	5.12	51
<b>Credit Facilities</b>				
8.36	Discounted Bills and Bonds	7.29	8.93	57
8.34	Loans and Advances	6.93	8.97	63
8.30	Overdraft	6.97	8.61	31
10.80	Prime Lending Rate	8.41	11.15	35

Source: Central Bank of Jordan / Monthly Statistical Bulletin.



- The prime lending rate stood at 11.15% at the end of March 2023, increasing by 6 basis points compared to its level registered at its level registered at the previous month. This level is higher by 35 basis points that its level registered at the end of 2022.

#### □ Credit Facilities Extended by Licensed Banks

- Total credit facilities extended by licensed banks increased by JD 624.6 million, or 1.9 percent, at the end of March 2023, compared to its level registered at the end of 2022, against an increase by JD 699.2 million, or 2.3 percent during the same period in 2022.
- In terms of borrower sectors, the credit facilities at the end of March 2023 had shown an increase in credit extended to the private sector (resident) by JD 532.1 million, or 1.8 percent, the central government by JD 86.7 million, or 4.2 percent, the credit facilities extended to the private sector (non-resident) by JD 12.5 million, or 1.9 percent, and the public institution by JD 8.9 million, or 1.0 percent. In contrast, the non-banking financial institutions decreased by JD 15.8 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 42.5 billion at the end of March 2023, compared to JD 40.1 billion at the end of March 2022, and JD 42.1 billion at the end of 2022.

- The currency composition of deposits at the end of March 2023 revealed that the JD deposits amounted to JD 33.0 billion, and the deposits in foreign currencies amounted to JD 9.5 billion, compared to JD 31.1 billion of JD deposits, and JD 9.1 billion of deposits in foreign currencies at the end of March 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 March 2023, compared to their levels in 2022. This can be demonstrated as follows:

##### ■ Trading Volume

Trading volume at ASE totaled JD 160.1 million in March 2023, decreasing by JD 24.3 million, or 13.2 percent, compared to its level registered at the end of the previous month, against an increase by JD 45.7 million, or 39.8 percent during the same month in 2022. As for the first quarter of 2023, the trading volume totaled JD 534.1 million.

##### ■ Traded Shares

The number of traded shares in March 2023 totaled 115.6 million shares, increasing by 2.6 million shares, or 2.3 percent, compared to its level registered at the end of the previous month, against an increase by 7.1 million shares, or 7.9 percent during the same month in 2022. As for the first quarter of 2023, the number of traded shares amounted to 340.6 million shares.

### ■ Share Price Index (SPI)

The SPI weighted by market capitalization of free float shares at ASE decreased by 53.9 points, or 2.0 percent, at the end of March 2023 compared to its level in the

previous month, to stand at 2,601.2 points, compared to an increase by 79.8 basis points, or 3.7 percent during the same period in 2022. Furthermore, the SPI increased by 99.6 points, or 4.0 percent compared to its level registered at the end of 2022, against an increase by 109.5 basis points, or 5.2 percent during the same period in 2022. The aforementioned increase was an outcome of the increase in the SPI of the industrial sector by 378.0 points, or 7.1 percent, services sector by 109.8 points, or 6.3 percent, and the financial sector by 40.9 points, or 1.5 percent, compared to their levels at the end of 2022.

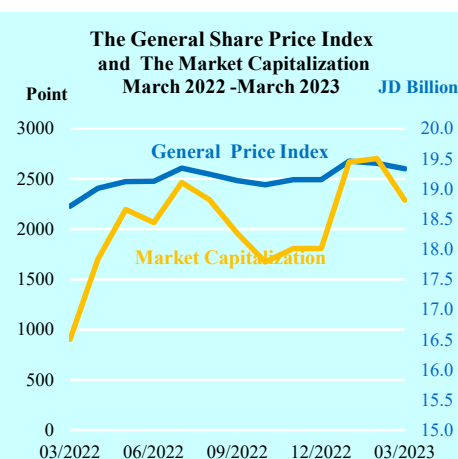
### ■ Market Capitalization

The ASE's market capitalization totaled JD 18.8 billion at the end of March 2023, decreasing by JD 686.3 billion, or 3.5 percent, compared to its level registered at the previous month, against an increase by JD 916.4 million, or 5.9

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

2022		March	
		2022	2023
2,501.6	General Index	2,228.1	2,601.2
2,692.2	Financial Sector	2,621.8	2,733.1
5,292.3	Industrial Sector	4,591.9	5,670.3
1,740.8	Services Sector	1,332.3	1,850.6

Source: Amman Stock Exchange.



percent, during the same month in 2022. Furthermore, the ASE's market capitalization increased by JD 812.9 million, or 4.5 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 5.9 million in March 2023, compared to an outflow amounted by JD 6.8 million during the same months of 2022. The value of shares buying by non-Jordanian in March 2023 amounted to JD 15.1 million, while their selling amounted to JD 20.9

Main Amman Stock Exchange Trading Indicators, JD Million			
		March	
2022		2022	2023
1,903.7	Value Traded	160.5	160.1
7.7	Average Daily Trading	7.3	7.3
18,003.8	Market Capitalization	16,504.5	18,816.6
1,155.7	No. of Traded Shares (million)	96.4	115.6
-68.0	Net Investment of Non-Jordanian	-6.8	-5.9
274.2	Non-Jordanian Buying	12.3	15.1
342.2	Non-Jordanian Selling	19.1	20.9

Source: Amman Stock Exchange.

million. The net investment of Non-Jordanian at the end of the first quarter of 2023, recorded an outflow amounted to JD 10.1 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 quarter of 2023 by 4.0 percent, compared to an increase of 2.3 percent during the same period of 2022.
- The unemployment rate during the fourth quarter of 2022 reached 22.9 percent (20.6 percent for males and 31.7 percent for females), compared to 23.3 percent (21.4 percent for males and 30.7 percent for females) during the same quarter of 2021. The highest unemployment rate was among youth, which reached 53.9 percent for the (15-19) years old category and 46.2 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

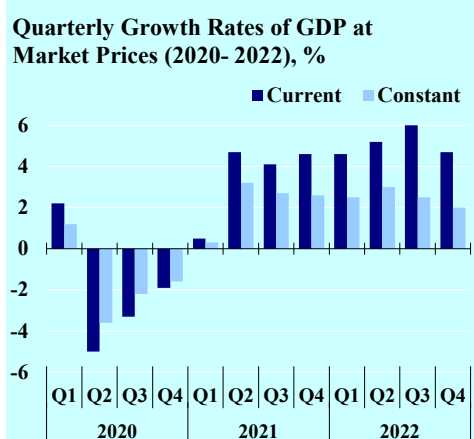
	Q1	Q2	Q3	Q4	Year
<b>2020</b>					
GDP at Constant Prices	1.2	-3.6	-2.2	-1.6	-1.6
GDP at Current Prices	2.2	-5.0	-3.3	-1.9	-2.1
<b>2021</b>					
GDP at Constant Prices	0.3	3.2	2.7	2.6	2.2
GDP at Current Prices	0.5	4.7	4.1	4.6	3.5
<b>2022</b>					
GDP at Constant Prices	2.5	3.0	2.5	2.0	2.5
GDP at Current 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.



**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” (53.8 percent), “Number of departures” (81.2 percent), in addition to production of phosphate (2.5 percent) and potash (6.5 percent). The following table displays the performance of the main available microeconomic indicators:

<b>Main Sectoral Indicators*</b>				
Percentage Points				
2022	Item	2022	Available period	2023
2.3	<b>Manufacturing production quantity index</b>	2.0	<b>Jan. – Feb.</b>	1.2
3.6	Food products and beverages	2.6		-9.1
7.9	Tobacco products	-3.8		6.3
15.2	Refined petroleum products	71.4		26.6
-14.4	Wearing apparel	-17.9		-13.2
5.0	Pharmaceuticals, medical products	-1.3		4.6
-2.9	Chemical products	-3.5		-7.8
3.9	<b>Mining and quarrying production quantity index</b>	3.1		4.2
-19.0	Extraction of crude petroleum and natural gas	3.9		14.6
5.4	Other mining and quarrying	3.1		4.1
3.6	<b>Licensed areas for buildings</b>	-22.2		47.3
16.5	<b>Value traded at the real estate market</b>	9.4		22.2
11.1	<b>Cargo through Royal Jordanian</b>	121.9		<b>January</b>
91.8	<b>Number of passengers through Royal Jordanian</b>	313.2	53.8	
4.7	<b>Production of potash</b>	3.6	<b>Jan. – Mar.</b>	6.5
11.3	<b>Production of phosphate</b>	1.7		2.5
99.8	<b>Number of departures</b>	233.6		81.2

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

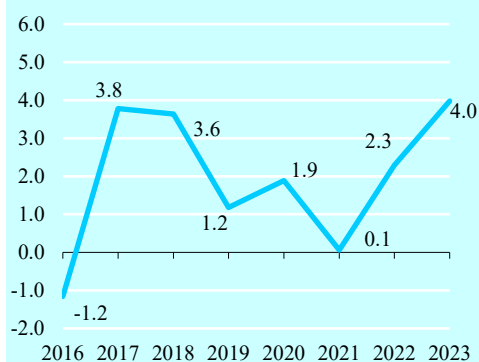


### □ Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI), increased during the first quarter of 2023 by 4.0 percent, compared to an increase of 2.3 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 31.8 percent, compared to an increase by 3.9 percent, in addition to the transportation group, whose the prices increased by 3.2 percent, compared to an increase by 5.7 percent during the first quarter of 2022. and this comes in light of the rise in oil prices in global markets.

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



**Inflation Rate during the first quarter of the years 2022-2023**

Expenditure Groups	Relative Imp.	Relative change		Contribution	
		Jan. – Mar. 2022	2023	Jan. – Mar. 2022	2023
All Items	100.0	2.29	3.98	2.29	3.98
1) Food and non-Alcoholic Beverages	26.52	3.25	0.46	0.86	0.12
Food	23.80	3.60	0.43	0.86	0.10
Cereals and Products	4.17	2.07	4.90	0.09	0.21
Meat and Poultry	4.69	1.84	1.39	0.09	0.07
Fish and Sea Product	0.41	1.53	1.60	0.01	0.01
Dairy Products and Eggs	3.72	1.52	8.73	0.06	0.32
Oil and Fats	1.70	5.85	6.72	0.10	0.12
Fruits and Nuts	2.57	-2.59	-2.76	-0.07	-0.07
Vegetables and Legumes Dry and Canned	2.96	21.19	-16.69	0.53	-0.49
2) Alcohol and Tobacco and Cigarettes	4.37	-0.04	0.03	0.00	0.00
Alcohol	0.01	0.55	0.01	0.00	0.00
Tobacco and Cigarettes	4.37	-0.04	0.03	0.00	0.00
3) Clothing and footwear	4.12	0.29	-1.37	0.01	-0.05
Clothing	3.41	0.33	-2.08	0.01	-0.07
Footwear	0.71	0.10	2.11	0.00	0.01
4) Housing	23.78	0.76	9.72	0.18	2.26
Rents	17.54	-0.13	5.17	-0.02	0.91
Fuels and Lighting	4.69	3.87	31.75	0.16	1.33
5) Household Furnishings and Equipment	4.94	1.48	3.79	0.07	0.19
6) Health	4.00	-1.11	6.71	-0.05	0.27
7) Transportation	15.98	5.69	3.24	0.90	0.53
8) Communication	2.83	0.14	1.15	0.00	0.03
9) Culture and Recreation	2.55	5.03	10.39	0.12	0.26
10) Education	4.35	1.24	1.72	0.06	0.08
11) Restaurants and Hotels	1.79	3.69	5.97	0.07	0.11
12) Other Goods and Services	4.77	1.12	3.79	0.05	0.18

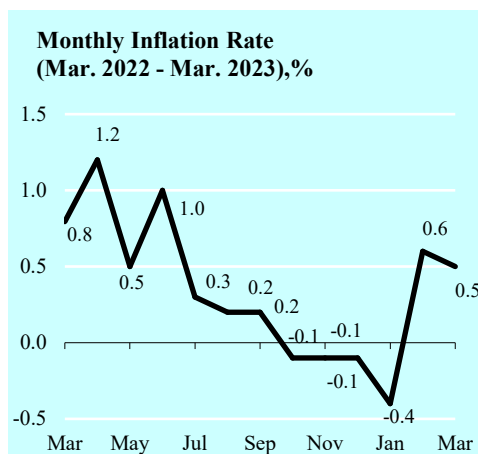
Source: Department of Statistics.

- The price of the items “dairy products and eggs” and “cereals and products” increased by 8.7 percent and 4.9 percent compared to an increase by 1.5 percent and 2.1 percent, respectively, during the first quarter 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 quarter of 2022.
- The health group also increased by 6.7 percent compared to a decline by 1.1 percent during the first quarter 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 quarter of 2023 by 3.6 percentage points, compared to 1.1 percentage points during the same period of 2022.

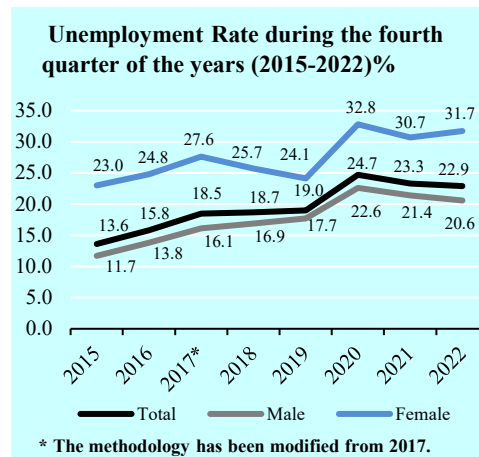
- On the other hand, the price of some items decline, notably, “vegetables and legumes dry and canned” (16.7 percent) and “fruits and nuts” (2.8 percent), during the first quarter of 2023.

In March 2023, the CPI witnessed an increase compared to the previous month (February 2023) by 0.5 percent. This was an outcome of the increase in the prices of some items and groups, mainly, “vegetables and legumes dry and canned” (3.6 percent), “meat and poultry” (3.6 percent), “fruit and nuts” (2.5 percent), on the one hand, and the decrease of the prices of a number of other items, most notably; “drinks and refreshments” (1.3 percent), and “fuels and lighting” (0.2 percent), on the other hand.



### □ Labor Market

- The unemployment rate reached 22.9 percent (20.6 percent for males, and 31.7 percent for females) during the fourth quarter of 2022, compared to 23.3 percent (21.4 percent for males and 30.7 percent for females), during the same quarter of 2021.



- The unemployment rate among youth, during the fourth quarter of 2022, remains high reaching 53.9 percent for the category (15-19) years old, and 46.2 percent for the category (20-24) years old.
- The unemployment rate among academic degree holders (Bachelor and higher) reached 28.4 percent during the fourth quarter of 2022, and the unemployment rate among (less than secondary) reached 20.7 percent.
- The refined economic participation rate (the ratio of the labor force to the population of 15 years and over), was 33.7 percent (53.6 percent for males, and 14.0 percent for females), compared to 33.5 percent (53.6 percent for males and 13.6 percent for females) during the fourth quarter of 2021.
- The employment rate among population (15 years and older) reached 26.0 percent during the fourth quarter of 2022.



### Third: Public Finance

#### □ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 1,552.5 million (4.6 percent of GDP) during 2022, comparing to a fiscal deficit of JD 1,730.6 million (5.4 percent of GDP) during 2021. When excluding foreign grants (JD 792.2 million), the general budget deficit increases to JD 2,344.7 million (7.0 percent of GDP), compared to a deficit of JD 2,533.9 million (7.9 percent of GDP) in 2021.
- Government domestic debt (budgetary and guaranteed) increased by JD 1,319.7 million at the end of 2022, compared to its level at the end of 2021, to reach JD 21,579.2 million (64.1 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 14,178.7 million (42.1 percent of GDP).
- Outstanding external debt (budget and guaranteed) went up by JD 1,403.8 million at the end of 2022, compared to its level at the end of 2021, to reach JD 16,911.0 million (50.2 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 16,488.9 million (48.9 percent of GDP).
- As a result, outstanding government debt (domestic and external) rose by JD 2,723.5 million at the end of 2022, to reach JD 38,490.2 million (114.2 percent of GDP), compared to JD 35,766.7 million (111.7 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 30,667.6 million (91.0 percent of GDP), compared to JD 28,763.1 million (89.8 percent of GDP) at the end of 2021.

□ The performance of the general budget during of 2022 compared of 2021:

■ Public Revenues

Public revenues (domestic revenues *plus* foreign grants) increased by JD 29.1 million, or 3.5 percent, in December 2022 compared to the same month in 2021, to stand at JD 854.1 million. As for the year of 2022, public revenues went up by JD 785.9 million, or 9.7 percent, compared to 2021, to stand at JD 8,914.1 million. This came as an outcome of the increase in domestic revenues by JD 797.0 million, and decrease in foreign grants by JD 11.1 million.

**Main Government Budget Indicators During of 2022**

(JD Million and Percentages)

	December		Growth Rate	Jan.-Dec.		Growth Rate
	2021	2022		2021	2022	
<b>Public Revenues</b>	<b>825.0</b>	<b>854.1</b>	<b>3.5</b>	<b>8,128.2</b>	<b>8,914.1</b>	<b>9.7</b>
Domestic Revenues, of which:	605.7	801.1	32.3	7,324.9	8,121.9	10.9
Tax Revenues, of which:	433.3	485.1	12.0	5,626.9	6,047.9	7.5
General Sales Tax	343.8	382.1	11.1	4,038.7	4,167.5	3.2
Other Revenues	171.4	315.4	84.0	1,690.4	2,069.1	22.4
Foreign Grants	219.4	53.0	-75.8	803.3	792.2	-1.4
<b>Total Expenditures</b>	<b>1,068.3</b>	<b>1,078.2</b>	<b>0.9</b>	<b>9,858.8</b>	<b>10,466.6</b>	<b>6.2</b>
Current Expenditures	794.4	842.2	6.0	8,720.6	8,954.3	2.7
Capital Expenditures	273.9	236.0	-13.8	1,138.2	1,512.3	32.9
<b>Overall Deficit/ Surplus (Including Grants)</b>	<b>-243.3</b>	<b>-224.2</b>	<b>-</b>	<b>-1,730.6</b>	<b>-1,552.5</b>	<b>-</b>
<b>Overall Deficit/ Surplus (Including Grants) as a Percent of GDP</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-5.4</b>	<b>-4.6</b>	<b>-</b>

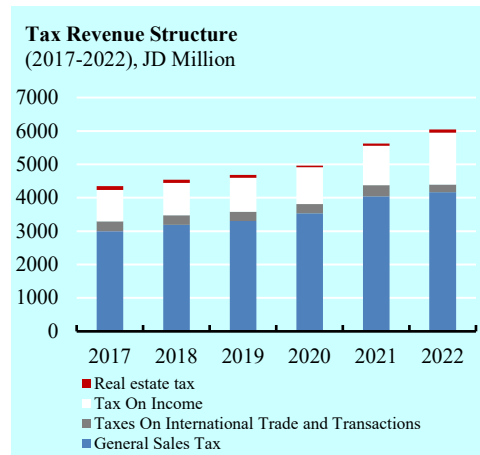
Source: Ministry of Finance/ General Government Finance Bulletin.

◆ **Domestic Revenues**

Domestic revenues witnessed an increase of JD 797.0 million, or 10.9 percent, in 2022, compared to 2021, to reach JD 8,121.9 million. This increase was a result of the rise in the proceeds of “tax revenues”, and “other revenues” by JD 421.0 million, and JD 378.7 million, respectively, and the drop in “Pension contributions” by JD 2.6 million.

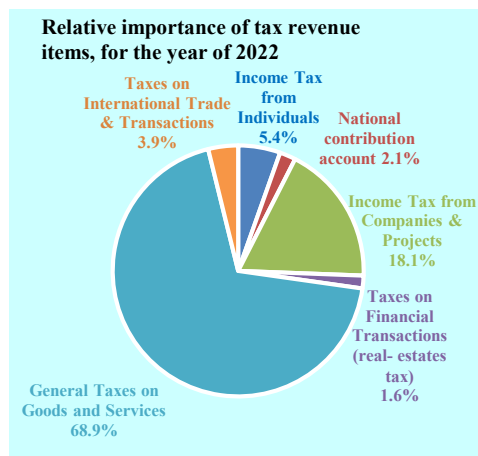
● **Tax Revenues**

Tax revenues increased by JD 421.0 million, or 7.5 percent, during 2022, compared to 2021, to reach JD 6,047.9 million (74.5 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 128.8 million, or 3.2 percent, to reach JD 4,167.5 million, accounting for 68.9 percent of total tax revenues. This result was driven by the increase in the proceeds of sales tax on services by JD 110.6 million, and on imported goods by JD 58.2 million, and decrease in the proceeds of sales tax on domestic goods by JD 31.4 million, and on commercial sector by JD 8.7 million.

- An increase in the proceeds of **income and profit taxes** by JD 368.6 million, or 31.2 percent, to reach JD 1,548.2 million, accounting for 25.6 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 291.8 million, or 36.3 percent, to account for 70.7 percent of total proceeds of income and profits taxes, amounting to JD 1,094.6 million, and increase the proceeds of “income taxes from individuals” by JD 51.4 million, or 18.6 percent, to reach JD 328.2 million, and increase the proceeds of national contribution account item by JD 25.3 million, or 25.3 percent, to reach JD 125.3 million.
- An increase in the proceeds of **taxes on financial transactions (real-estates tax)** by JD 28.9 million, or 40.9 percent, to reach JD 99.5 million.
- A decrease in the proceeds of **taxes on international trade and transactions** (including customs duties and fees) by JD 105.3 million, or 31.2 percent, to reach JD 232.7 million.





### ● Non-Tax Revenues

- “Other revenues” increased by JD 378.7 million, or 22.4 percent, during 2022, to reach JD 2,069.1 million. This increase was chiefly due to the following:
  - An increase in **miscellaneous revenues** by JD 230.2 million to stand at JD 724.3 million.
  - An increase in revenues from **selling goods and services** by JD 47.9 million to reach JD 886.3 million.
  - An increase in the **property income** by JD 100.7 million to stand at JD 458.6 million (of which financial surplus of independent government units amounted to JD 423.7 million against JD 335.2 million during of 2021).
- Pension contributions decreased by JD 2.6 million, or 34.7 percent, during 2022, compared to 2021, to reach JD 4.9 million.

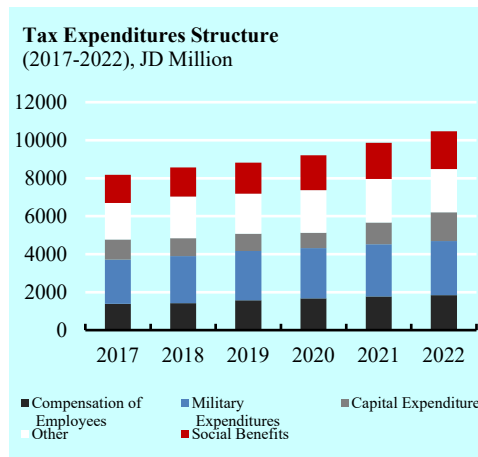
### ◆ Foreign Grants

Foreign grants decreased by JD 11.1 million, or 1.4 percent, during 2022, standing at JD 792.2 million, compared to JD 803.3 million during of 2021.

■ **Public Expenditures**

Public expenditures increased by JD 9.9 million, or 0.9 percent, in December 2022 compared to the same month in 2021, to stand at JD 1,078.2 million. As for year of 2022,

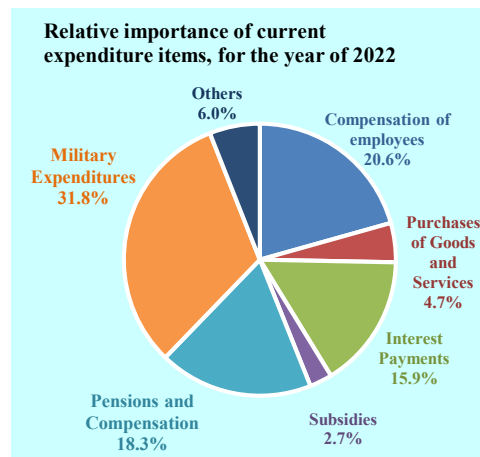
public expenditures increased by JD 607.8 million, or 6.2 percent, compared to 2021, to stand at JD 10,466.6 million. This increase was a result of the rise in current expenditures by 2.7 percent, and capital expenditures by 32.9 percent.



◆ **Current Expenditures**

Current expenditures went up by JD 233.7 million, or 2.7 percent, during 2022, to reach JD 8,954.3 million (85.6 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 6.7 percentage point, to reach 90.7 percent compared to 84.0 percent during of 2021. The increase in current expenditures is due to the evolution of its components, as follow:

- An increase in **military expenditures** by JD 96.3 million, to total JD 2,845.9 million.
- An increase in **interest payments** (commitment basis) by JD 24.2 million, to stand at JD 1,427.6 million.
- An increase in the **compensation of civil sector's employees (wages, salaries and social security contributions)** by JD 77.4 million, to reach JD 1,848.7 million.
- An increase in **pensions and compensation** by JD 33.4 million, to stand at JD 1,638.4 million.
- An increase in **subsidies** by JD 2.3 million, to stand at JD 240.4 million.
- A decrease in the **purchases of goods and services** by JD 24.4 million, to reach JD 417.3 million.



#### ◆ Capital Expenditures

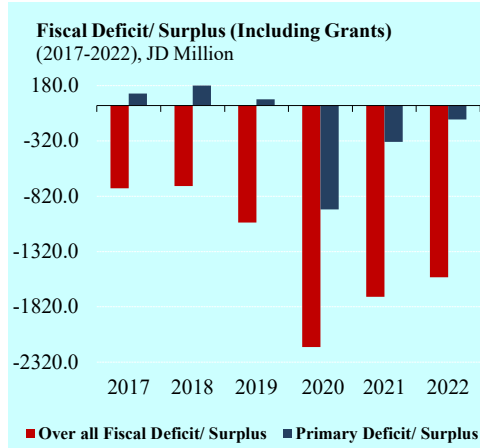
Capital expenditures increased by JD 374.1 million, or 32.9 percent, during 2022 compared to 2021, to reach JD 1,512.3 million.

### ■ General Budget Deficit/ Surplus

- ◆ The overall fiscal deficit, including foreign grants, decreased by JD 178.1 million, during 2022, to reach JD 1,552.5 million (4.6 percent of GDP),

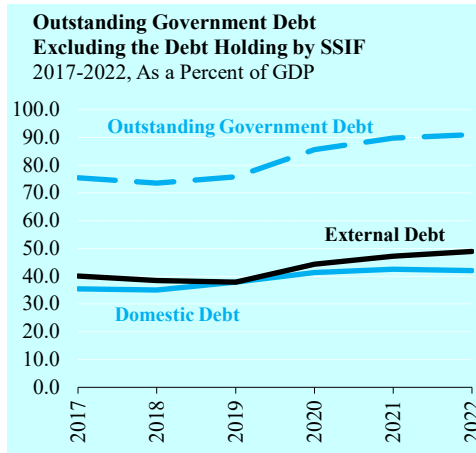
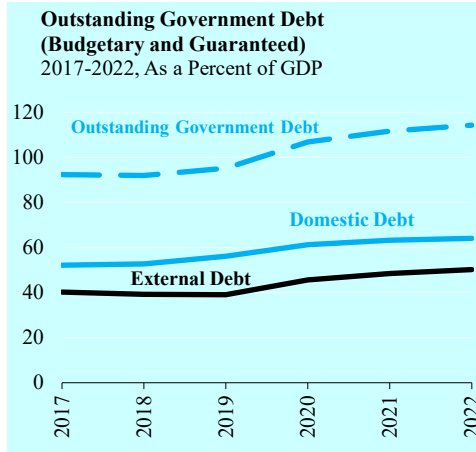
compared to a fiscal deficit of JD 1,730.6 million (5.4 percent of GDP) in 2021. When foreign grants are excluded, the general budget deficit increases to reach JD 2,344.7 million (7.0 percent of GDP), compared to a fiscal deficit of JD 2,533.9 million (7.9 percent of GDP) in 2021.

- ◆ The primary deficit, excluding foreign grants, (domestic revenues *minus* total public expenditures excluding interest payments on public debt) reached JD 917.1 million (2.7 percent of GDP) in 2022, against a primary deficit of JD 1,130.5 million (3.5 percent of GDP) in 2021. When foreign grants are including, the primary deficit of the general budget reached JD 124.9 million (0.4 percent of GDP), compared to a primary deficit of JD 327.2 million (1.0 percent of GDP) in 2021.



□ Outstanding Government Debt

■ Government domestic debt (budgetary and guaranteed) increased by JD 1,319.7 million, at the end of 2022 compared to its level at the end of 2021, to stand at JD 21,579.5 million (64.1 percent of GDP). This increase was an outcome of the rise in the domestic debt of the budget by JD 1,064.3 million, and the increase in the domestic debt of guaranteed by JD 255.3 million, compared to their levels at the end of 2021, standing at JD 18,947.7 million and JD 2,631.4 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 553.1 million, at the end of 2022 compared to its level at the end of 2021, to stand at JD 14,178.7 million (42.1 percent of GDP).

- Outstanding external debt (budget and guaranteed) went up by JD 1,403.8 million at the end of 2022, compared to its level at the end of 2021, to reach JD 16,911.0 million (50.2 percent of GDP). It is worth mentioning that the external debt denominated in the U.S. Dollar accounted for 69.4 percent of the total external debt, and the debt in Euro accounted for 11.2 percent. However, the SDR accounted for 10.9 percent, Kuwaiti Dinar (3.5 percent), and Japanese Yen (3.4 percent).
- When excluding the external debt holding by the Social Security Investment Fund, the outstanding external debt (budget and guaranteed) increased by JD 1,351.4 million, at the end of 2022 compared to its level at the end of 2021, to stand at JD 16,488.9 million (48.9 percent of GDP).
- In light of the above-mentioned developments, outstanding government debt (domestic and external) increased by JD 2,723.5 million at the end of 2022 to reach JD 38,490.2 million (114.2 percent of GDP), compared to JD 35,766.7 million (111.7 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 30,667.6 million (91.0 percent of GDP), compared to JD 28,763.1 million (89.8 percent of GDP) at the end of 2021.
- External debt service (budget and guaranteed) increased by JD 973.6 million during 2022 compared to 2021, to reach JD 2,803.2 million (including principal payments of JD 2,307.1 million and interest of JD 496.1 million).

## □ Fiscal and Price Measures of 2023

### ◆ May

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

#### Development of Oil Derivatives Prices

	Unit	2023		Percentage Change
		April	May	
Unleaded Gasoline 90	Fils/ Liter	940	950	1.1
Unleaded Gasoline 95	Fils/ Liter	1,180	1,185	0.4
Unleaded Gasoline 98	Fils/ Liter	1,330	1,335	0.4
Gas Oil (Diesel)	Fils/ Liter	785	755	-3.8
Kerosene	Fils/ Liter	620	620	0.0
Liquid Gas (12.5kg)	JD/ Cylinder	7.0	7.0	0.0
Fuel oil (1%)	JD/ Ton	422.6	455.4	7.8
Fuel for airplanes (local companies)	Fils/ Liter	595	583	-2.0
Fuel for airplanes (foreign companies)	Fils/ Liter	600	588	-2.0
Fuel for unplanned flights	Fils/ Liter	615	603	-2.0
Asphalt	JD/ Ton	417.5	450.3	7.9

Source: Jordan Petroleum Refinery Company (1/5/2023).

- 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.

**□ 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:
    - JD 2,150 for issuance of a work permit for a period of one year.
    - JD 1,250 for issuance of a work permit for a period of six months.
    - JD 645 for issuance of a work permit for a period of three months.

## □ Grants, Loans and Other Agreements for 2023

### ◆ 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.

## □ 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 2.2 percent in January 2023, compared to the same month of 2022, to reach JD 589.9 million.
- **Merchandize imports** increased by 21.8 percent in January 2023, compared to the same month of 2022, to reach JD 1,641.2 million.
- **Consequently**, the trade balance deficit (total exports minus imports) increased by 36.4 percent in January 2023, compared to the same month of 2022; standing at JD 1,051.3 million.
- **Travel receipts** increased by 88.4 percent during the first quarter of 2023, to register JD 1,184.8 million, compared to the same quarter of 2022. While, **travel payments** increased by 68.4 percent, to register JD 299.4 million, compared to the same quarter of 2022.
- **Total workers' remittances receipts** decreased by 2.6 percent during the first quarter of 2023, compared to the same quarter of 2022, to reach JD 587.2 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 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 19.7 million and the increase in imports by JD 293.4 million during January 2023, the volume of external trade (domestic exports plus imports) increased by JD 313.1 million to stand at JD 2,184.4 million, compared to the same month of 2022.

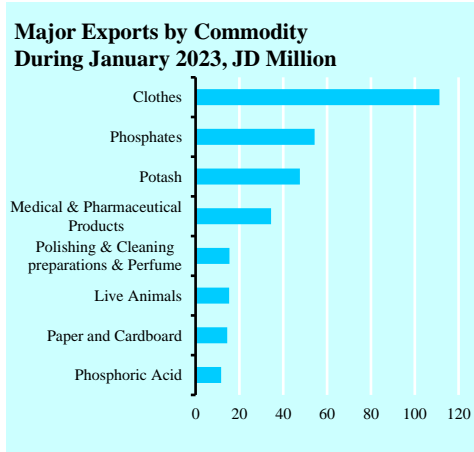
Jordan's Major Trading Partners			
JD Million			
	January		Percentage Change
	2022	2023	
<b>Exports</b>			
USA	96.5	117.8	22.1
Saudi Arabia	42.8	70.6	65.0
India	100.9	52.6	-47.9
Iraq	38.4	35.5	-7.6
Palestine	14.2	18.5	30.3
China	9.3	17.0	82.8
UAE	10.9	13.4	22.9
<b>Imports</b>			
Saudi Arabia	125.9	269.3	113.9
China	233.1	253.0	8.5
USA	108.8	150.4	38.2
India	35.3	122.9	248.2
UAE	120.9	73.6	-39.1
Turkey	47.3	60.6	28.1
Germany	55.5	58.2	4.9
Source: Department of Statistics.			

Main External Trade Indicators				
JD Million				
	January		Percentage Change (%)	Percentage Change (%)
	2022	2023		
External Trade	1,871.3	2,184.4	29.7	16.7
Total Exports	577.0	589.9	27.4	2.2
Domestic Exports	523.5	543.2	29.4	3.8
Re-exports	53.5	46.7	10.5	-12.7
Imports	1,347.8	1,641.2	29.8	21.8
Trade Balance	-770.8	-1,051.3	31.6	36.4
Source: Department of Statistics.				

### ■ Merchandize Exports:

Total merchandize exports increased by 2.2 percent during January 2023, to reach JD 589.9 million. This increase was an outcome of the increase in domestic exports by JD 19.7 million, or

3.8 percent to reach JD 543.2 million, and the decrease in re-exports by JD 6.8 million, or 12.7 percent to reach JD 46.7 million.



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

- Exports of **Clothes** increased by JD 30.1 million or 37.1 percent to reach JD 111.3 million. It is worth noting that the USA market accounted for 80.9 percent of these exports.
- Exports of **Live animals** increased by JD 15.1 million, to stand at JD 15.3 million. It is worth noting that markets of Saudi Arabia and Kuwait accounted for 97.4 percent of these exports.
- Exports of “**Medical & Pharmaceutical Products**” increased by JD 6.6 million, or 23.7 percent, to stand at JD 34.4 million. Iraq, Saudi Arabia, the USA and Sudan were the main destination markets for these exports, accounting for 52.3 percent.

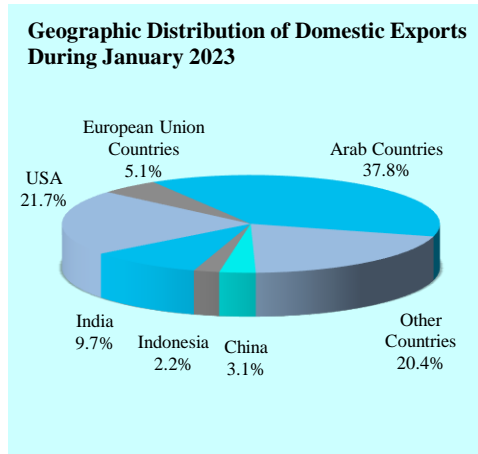
- Exports of “**Polishing & Cleaning Preparations & Perfume Materials**” increased by JD 4.6 million, or 42.6 percent, to reach JD 15.4 million. Iraq, Saudi Arabia and Libya were the main destination markets; accounting for 80.5 percent of these exports.
- Exports of “**Paper and Cardboard**” increased by JD 4.6 million, or 46.9 percent, to stand at JD 14.4 million. The markets of Saudi Arabia and Iraq accounted for 73.6 percent of these exports.
- Exports of **Phosphates** increased by JD 4.5 million, or 9.0 percent, to reach JD 54.3 million. The markets of India, Brazil and Taiwan accounted for 92.8 percent of these exports.

**Major Domestic Exports by Commodity, JD Million During January of 2022-2023**

	2022	2023	Percentage Change
<b>Domestic Exports</b>	<b>523.5</b>	<b>543.2</b>	<b>3.8</b>
<b>Clothes</b>	<b>81.2</b>	<b>111.3</b>	<b>37.1</b>
USA	69.7	90.0	29.1
<b>Phosphates</b>	<b>49.8</b>	<b>54.3</b>	<b>9.0</b>
India	29.6	35.0	18.2
Brazil	-	10.1	-
Taiwan	-	5.3	-
<b>Potash</b>	<b>76.9</b>	<b>47.6</b>	<b>-38.1</b>
China	7.6	14.6	92.1
Indonesia	2.5	8.2	228.0
Australia	10.1	5.2	-48.5
<b>Medical &amp; Pharmaceutical Products</b>	<b>27.8</b>	<b>34.4</b>	<b>23.7</b>
Iraq	8.1	5.4	-33.3
Saudi Arabia	3.2	5.2	62.5
USA	2.9	4.4	51.7
Sudan	2.2	3.0	36.4
<b>Polishing &amp; Cleaning Preparations &amp; Perfume Materials</b>	<b>10.8</b>	<b>15.4</b>	<b>42.6</b>
Iraq	5.4	6.6	22.2
Saudi Arabia	2.5	3.9	56.0
Libya	1.0	1.9	90.0
<b>Live animals</b>	<b>0.2</b>	<b>15.3</b>	<b>-</b>
Saudi Arabia	0.1	14.3	-
Kuwait	-	0.6	-
<b>Paper and Cardboard</b>	<b>9.8</b>	<b>14.4</b>	<b>46.9</b>
Saudi Arabia	2.7	8.2	203.7
Iraq	2.1	2.4	14.3
<b>Phosphoric Acid</b>	<b>15.3</b>	<b>11.7</b>	<b>-23.5</b>
India	14.4	10.4	-27.8
Saudi Arabia	0.2	0.7	250.0
Egypt	0.6	0.4	-33.3

Source: Department of Statistics.

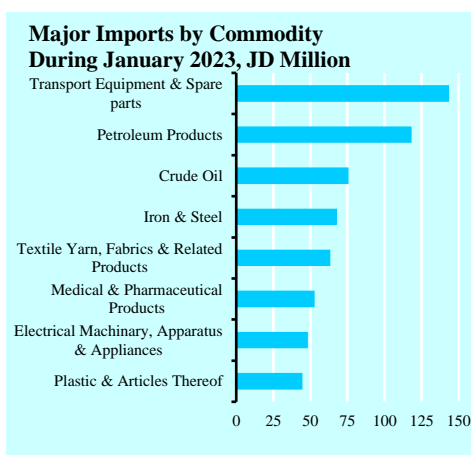
- Consequently, the commodity breakdown of domestic exports indicates that exports of Clothes, Phosphates, Potash,



“Medical & Pharmaceutical Products”, “Polishing & Cleaning Preparations & Perfume Material”, live animals, “Paper and Cardboard”, “Phosphoric Acid”, topped the list of domestic exports during January 2023; accounting for 56.0 percent, compared with 51.9 percent during the same month of 2022. Meanwhile, the geographical distribution of domestic exports indicates that the USA, Saudi Arabia, India, Iraq, Palestine, China and the UAE were the main destination markets during January 2023; accounting for 59.9 percent, compared with 59.8 percent during the same month of 2022.

■ **Merchandize Imports:**

Merchandize imports increased by 21.8 percent to reach JD 1,641.2 million during January 2023, compared to an increase by 29.8 percent during the same month of 2022.



◆ **The developments of imports during January 2023, compared with the same month of 2022, reveals the following:**

- **Crude oil** imports increased by JD 60.1 million or 385.3 percent to reach JD 75.7 million. Saudi Arabia and Iraq were the main origin markets accounting for 100.0 percent of these imports.
- **Petroleum Products** imports increased by JD 54.4 million, or 85.0 percent, to stand at JD 118.4 million. Saudi Arabia, India and the UAE were the main markets, accounting for 98.3 percent of these imports.
- **“Iron & Steel”** imports increased by JD 33.1 million, or 94.8 percent, to reach JD 68.0 million. India, Saudi Arabia, and China were the main origin markets, accounting for 62.4 percent of these imports.

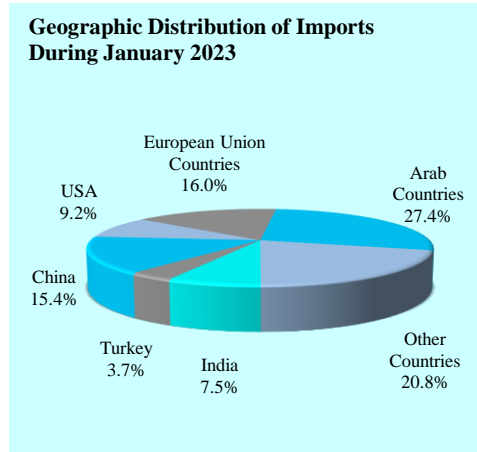
- “**Transport Equipment & Spare Parts**” imports increased by JD 31.5 million, or 28.1 percent, to reach JD 143.5 million. China, South Korea, and the USA were the main origin markets, accounting for 53.2 percent of these imports.
- “**Medical and pharmaceutical products**” imports increased by JD 16.9 million, or 46.9 percent, to reach JD 52.9 million. USA, Germany and China, were the main markets, accounting for 34.8 percent of these imports.
- “**Electrical Machinery, Apparatus and Appliances**” imports increased by JD 13.5 million or 38.7 percent, to reach JD 48.4 million. China, France and Turkey were the main markets, accounting for 57.2 percent of these imports.

**Major Imports by Commodity, JD Million  
During January of 2022-2023**

	2022	2023	Percentage Change
<b>Total Imports</b>	<b>1,347.8</b>	<b>1,641.2</b>	<b>21.8</b>
<b>Transport Equipment &amp; Spare Parts</b>	<b>112.0</b>	<b>143.5</b>	<b>28.1</b>
China	15.5	27.9	80.0
South Korea	21.8	26.0	19.3
USA	18.1	22.4	23.8
<b>Petroleum Products</b>	<b>64.0</b>	<b>118.4</b>	<b>85.0</b>
Saudi Arabia	30.5	61.0	100.0
India	-	54.3	-
UAE	31.8	1.1	-96.9
<b>Crude oil</b>	<b>15.6</b>	<b>75.7</b>	<b>385.3</b>
Saudi Arabia	-	61.0	-
Iraq	15.6	14.7	-5.8
<b>Iron &amp; Steel</b>	<b>34.9</b>	<b>68.0</b>	<b>94.8</b>
India	1.2	18.2	-
Saudi Arabia	9.0	13.2	46.7
China	9.4	11.0	17.0
<b>Textile Yarn, Fabrics and Related Products</b>	<b>78.8</b>	<b>63.5</b>	<b>-19.4</b>
China	41.2	25.2	-38.8
Taiwan	12.1	10.7	-11.6
Turkey	7.3	7.8	6.8
<b>Medical &amp; Pharmaceutical Products</b>	<b>36.0</b>	<b>52.9</b>	<b>46.9</b>
USA	3.4	6.7	97.1
Germany	3.6	6.4	77.8
China	3.5	5.3	51.4
<b>Electrical machinery, Apparatus and Appliances</b>	<b>34.9</b>	<b>48.4</b>	<b>38.7</b>
China	14.5	19.7	35.9
France	0.8	4.7	487.5
Turkey	2.3	3.3	43.5
<b>Plastic &amp; Articles Thereof</b>	<b>37.3</b>	<b>44.6</b>	<b>19.6</b>
Saudi Arabia	17.0	16.9	-0.6
China	5.9	8.9	50.8
UAE	2.5	3.1	24.0

Source: Department of Statistics.

- Consequently, the commodity composition of imports indicates that “Transport Equipment & Spare Parts”, Petroleum Products, Crude oil, “Iron & Steel”, “Textile Yarn, Fabrics and Related Products”, “Medical & Pharmaceutical Products”, “Electrical machinery Apparatus and Appliances”, “Plastic & Articles Thereof”, and, topped the list of imports during January 2023, accounting for 37.5 percent, compared with 30.7 percent during the same month of 2022. Meanwhile, the geographical distribution of imports indicates that Saudi Arabia, China, the USA, India, the UAE, Germany and Turkey were the main source markets during January 2023; accounting for 60.2 percent of imports, compared to 53.9 percent during the same month of 2022.



#### ■ Re-Exports

The value of re-exported goods in January 2023 decreased by JD 6.8 million, or 12.7 percent, compared to the same month of 2022, to stand at JD 46.7 million.

#### ■ Trade Balance

The trade balance deficit increased by JD 280.5 million, or 36.4 percent in January 2023, compared to the same month of 2022, to reach JD 1,051.3 million.



### □ Total Workers' Remittances Receipts

Total workers' remittances receipts decreased during the first quarter of 2023 by JD 15.6 million, or 2.6 percent, to stand at JD 587.2 million, compared to the same quarter of 2022.

### □ Travel

#### ■ Receipts

Travel receipts increased by 88.4 percent during the first quarter of 2023, to register JD 1,184.8 million, compared to the same quarter of 2022.

#### ■ Payments

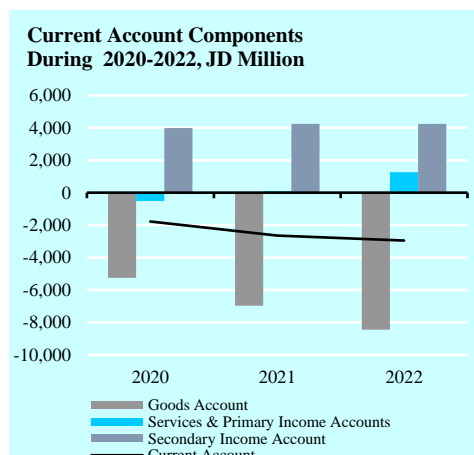
Travel payments increased by 68.4 percent during the first quarter of 2023, to register JD 299.4 million, compared to the same quarter of 2022.

### □ 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.