



Central Bank of Jordan

Recent Monetary & Economic Developments in Jordan

**Research Dept / Monthly Report
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OUR VISION

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

OUR MISSION

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

OUR VALUES

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

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Executive Summary

□ Output, Prices and Employment

Real GDP at market prices grew by 2.2 percent during 2021, compared to a contraction of 1.6 percent during 2020. The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first quarter of 2022 by 2.3 percent, compared to a relative stability in the same quarter of 2021. The unemployment rate during 2021 reached 24.1 percent, compared to 23.2 percent during 2020.

□ Monetary and Financial Sector

- The CBJ's gross foreign reserves amounted to US\$ 17,974.4 million at the end of March 2022. This level of reserves covers around 9.4 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 40,134.3 million at the end of March 2022, compared to JD 39,509.2 million at the end of 2021.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 30,727.7 million at the end of March 2022, compared to JD 30,028.5 million at the end of 2021.
- Total deposits at licensed banks amounted to JD 40,138.2 million at the end of March 2022, compared to JD 39,522.3 million at the end of 2021.
- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,228.1 points at the end of March 2022, compared to 2,118.6 points at the end of 2021.

- **Public Finance:** The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 168.4 million (3.1 percent of GDP) during the first two months of 2022, comparing to a fiscal deficit of JD 64.1 million (1.2 percent of GDP) during the same period of 2021. Government domestic debt (budgetary and guaranteed) increased by JD 161.6 million at the end of February 2022, compared to its level at the end of 2021, to reach JD 20,421.1 million (63.0 percent of GDP). Moreover, outstanding external debt (budget and guaranteed) went down by JD 63.7 million, to reach JD 15,443.5 million (47.7 percent of GDP). Accordingly, outstanding government debt (domestic and external) rose up to reach JD 35,864.6 million at the end of February 2022 (110.7 percent of GDP), compared to JD 35,766.7 million (111.3 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 13,667.2 million (42.2 percent of GDP). While the outstanding external debt (budget and guaranteed) stand at JD 15,037.0 million (46.4 percent of GDP). As a result, the outstanding government debt (domestic and external) stand at JD 28,704.2 million (88.6 percent of GDP compared to 89.5 percent of GDP at the end of 2021).
- **External Sector:** Total merchandize exports (domestic exports *plus* re-exports) increased by 35.0 percent during the first two months of 2022 to reach JD 1,216.9 million. Meanwhile, merchandize imports increased by 32.9 percent to reach JD 2,760.5 million. As a result, the trade balance deficit increased by 31.2 percent, compared to the same period of 2021, to reach JD 1,543.6 million. The preliminary data during the first four months of 2022 showed an increase in travel receipts by 252.7 percent, to reach JD 860.5 million, and an increase in travel payments by 166.4 percent, to reach JD 245.1 million, compared to the same period of 2021. Moreover, total workers' remittances receipts increased by 1.0 percent during the first two months of 2022, to reach JD 412.8 million, compared to the same period of 2021. The preliminary data for the balance of payments during 2021 displayed a deficit in the current account amounted to JD 2,822.7 million (8.8 percent of GDP) compared to a deficit of JD 1,778.8 million (5.7 percent of GDP) during 2020. Meanwhile, the current account deficit excluding grants increased to reach 12.1 percent of GDP, compared with 9.1 percent of GDP during 2020. Moreover, direct investment recorded an inflow of JD 441.5 million during 2021, compared to an inflow of JD 539.8 million during 2020. Furthermore, the international investment position (IIP) registered a net obligation to abroad in the amount of JD 35,011.3 million at the end of 2021 up from JD 33,707.4 million at the end of 2020.

First: Monetary and Financial Sector

□ Summary

- The CBJ's gross foreign reserves amounted to US\$ 17,974.4 million at the end of March 2022. This level of reserves covers around 9.4 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 40,134.3 million at the end of March 2022, compared to JD 39,509.2 million at the end of 2021.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 30,727.7 million at the end of March 2022, compared to JD 30,028.5 million at the end of 2021.
- Total deposits at licensed banks amounted to JD 40,138.2 million at the end of March 2022, compared to JD 39,522.3 million at the end of 2021.
- The interest rates on all types of deposits held by licensed banks had increased at the end of March 2022, compared to their levels registered of the end of 2021. In contrast, the interest rates on all types of credit facilities had decreased at the end of March 2022, except the interest rate on loans and advances, which maintained the same level registered at the end of 2021.

- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,228.1 points at the end of March 2022, compared to 2,118.6 points at the end of 2021. Moreover, the market capitalization reached JD 16,504.5 million at the end of March 2022, compared to JD 15,495.7 million at the end of 2021.

Main Monetary Indicators

JD Million, and Percentage Change Relative to the Previous Year

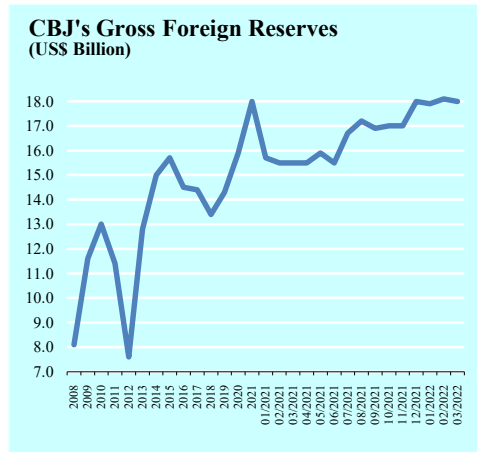
	2021	End of March	
		2021	2022
US\$ 18,043.2	CBJ's Foreign Reserves*	US\$ 15,486.0	US\$ 17,974.4
13.3%		-2.7%	-0.4%
9.5	Coverage in months	8.4	9.4
39,509.2	Money Supply (M2)	37,492.7	40,134.3
6.7%		1.3%	1.6%
30,028.5	Credit Facilities, of which:	29,321.2	30,727.7
4.9%		2.4%	2.3%
26,708.6	Private Sector (Resident)	26,095.5	27,406.2
4.6%		2.2%	2.6%
39,522.3	Total Deposits, of which:	37,183.6	40,138.2
7.4%		1.1%	1.6%
30,684.6	In JD	28,679.6	31,066.3
8.7%		1.6%	1.2%
8,837.7	In Foreign Currencies	8,504.0	9,071.9
3.3%		-0.6%	2.7%
30,988.2	Deposits of Private Sector (Resident), of which:	29,224.8	31,507.5
7.4%		1.3%	1.7%
24,723.7	In JD	23,156.9	24,998.2
8.9%		2.0%	1.1%
6,264.5	In Foreign Currencies	6,067.9	6,509.3
2.0%		-1.2%	3.9%

* Including gold reserves and special drawing rights.

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

□ CBJ's Foreign Reserves

The CBJ's gross foreign reserves amounted to US\$ 17,974.4 million at the end of March 2022. This level of reserves covers around 9.4 months of the Kingdom's imports of goods and services.



□ Domestic Liquidity (M2)

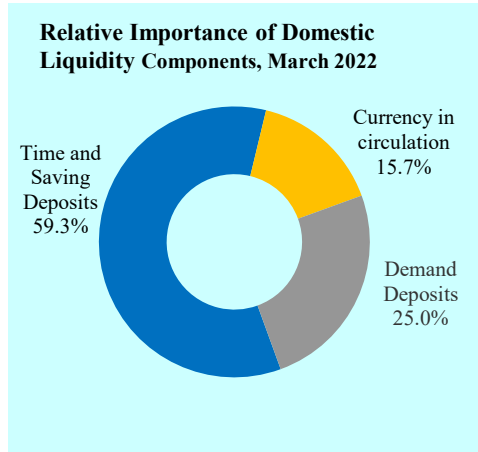
■ Domestic liquidity amounted to JD 40.1 billion at the end of March 2022, compared to JD 39.5 billion at the end of 2021.

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

● Components of Domestic Liquidity

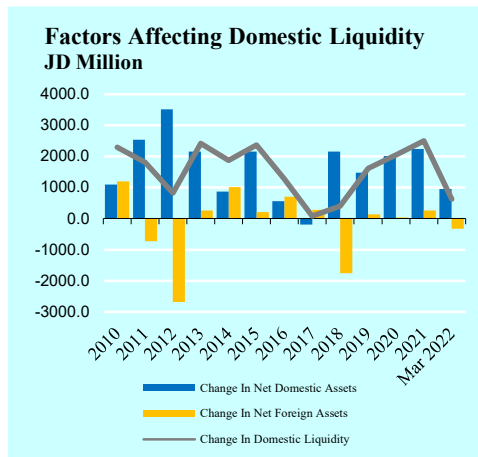
- Total liquidity deposits amounted to JD 33.8 billion at the end of March 2022, compared to JD 33.3 billion at end of 2021.

- Currency in circulation amounted to JD 6.3 billion at the end of March 2022, compared to JD 6.2 billion at the end of 2021.



• **Factors Affecting Domestic Liquidity**

- Net domestic assets of the banking system amounted to JD 32.6 billion at the end of March 2022, compared to JD 31.7 billion at the end of 2021.



- Net foreign assets of the banking system amounted to JD 7.5 billion at the end of March 2022. The net foreign assets of the CBJ amounted to JD 12.1 billion at the end of March 2022.

Factors Affecting Domestic Liquidity (M2) JD Million

		End of March	
2021		2021	2022
7,822.5	Foreign Assets (Net)	6,910.1	7,499.9
12,088.0	CBJ	10,658.1	12,096.7
-4,265.5	Licensed Banks	-3,748.0	-4,596.8
31,686.7	Domestic Assets (Net)	30,582.5	32,634.4
-5,239.4	CBJ, of which:	-3,935.5	-5,146.9
1,185.3	Claims on Public Sector (Net)	948.9	1,410.0
-6,447.2	Other Items (Net*)	-4,907.2	-6,578.3
36,926.1	Licensed Banks	34,518.1	37,781.3
13,319.0	Claims on Public Sector (Net)	12,338.6	13,511.7
27,535.9	Claims on Private Sector	26,820.5	28,361.0
-3,928.8	Other Items (Net)	-4,641.0	-4,091.5
39,509.2	Money Supply (M2)	37,492.7	40,134.3
6,225.4	Currency in Circulation	6,107.2	6,293.7
33,283.8	Total Deposits, of which:	31,385.5	33,840.6
6,328.7	In Foreign Currencies	6,168.5	6,575.6

* 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 to raise interest rates by 50 basis points on all monetary policy instruments in 8/5/2022, to become as follow:

- The CBJ main interest rate: 3.25 percent.
- Re-discount Rate: 4.25 percent.
- Interest Rate on Overnight Repurchase Agreements: 4.00 percent.
- Overnight Deposit Window Rate: 2.75 percent.
- Weekly/ Monthly Repurchase Agreements: 3.25 percent.
- The interest rate on weekly certificates of deposit: 3.25 percent.

This decision aims to contain the anticipated inflationary pressures, that are fueled by escalation in world prices due to the gradual recovery of global demand following the Covid-19 pandemic, in addition to the recent disruptions in international supply chains. Moreover, the high uncertainty caused by global geopolitical tensions has resulted in higher pressures on global prices and supply chains.

In order to stimulating economic growth and job creation, the CBJ decided to extend the CBJ's program to refinance the vital economic sectors, with a value of JD 1.3 billion, covering ten sectors, and to keep the interest rate for this program unchanged at 1.0% for projects in Amman, and 0.5% for projects in the other governorates, in order to provide financing for productive activities with preferential terms.

Interest Rates on Monetary Policy Instruments, percentage points

2021		March	
		2021	2022
2.50	CBJ main rate	2.50	2.75
3.50	Re-discount Rate	3.50	3.75
3.25	Repurchase Agreements Rate (overnight)	3.25	3.50
2.00	Overnight Deposit Window Rate	2.00	2.25
2.50	Repurchase Agreements rate (one week and one month)	2.50	2.75
2.50	Certificates of Deposits (one week)	2.50	2.75

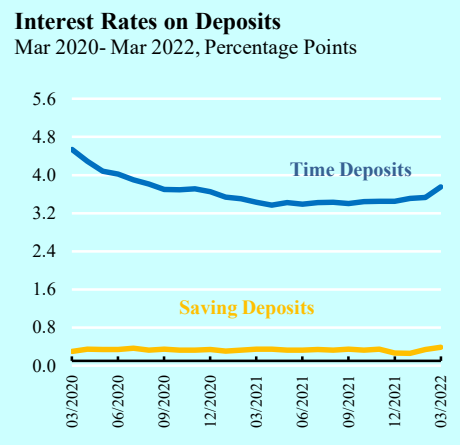
Source: Central Bank of Jordan / Monthly Statistical Bulletin.

Moreover, the CBJ decided to continue the CBJ's JD 700 million program that supports small and medium sized enterprises, professionals and handicraft persons, and to retain the interest rate for borrowers at no more than 2%, for a period of 54 months, including a grace period of up to 12 months.

■ Interest Rates in the Banking Sector

◆ Interest Rates on Deposits

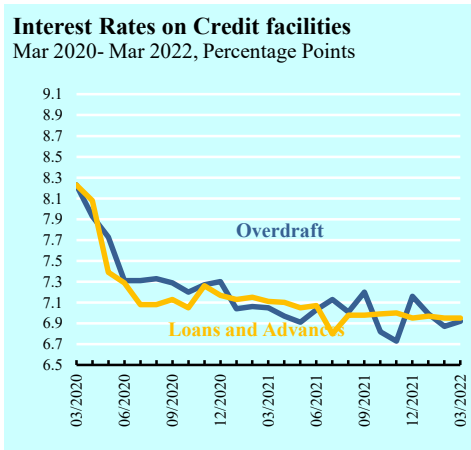
- **Time Deposits:** The weighted average interest rate on time deposits increased by 22 basis points at the end of March 2022, compared to its level registered at the end of the previous month to stand at 3.75%. This rate is higher by 30 basis points than its level registered at the end of 2021.



- **Saving Deposits:** The weighted average interest rate on saving deposits increased by 5 basis points at the end of March 2022, compared to its level registered at the end of the previous month to stand at 0.39%. This rate is higher by 12 basis points than its level registered at the end of 2021.
- **Demand Deposits:** The weighted average interest rate on demand deposits increased by 4 basis points at the end of March 2022, compared to its level registered at the end of the previous month to stand at 0.28%. This rate is higher by two basis points than its level registered at the end of 2021.

◆ Interest Rates on Credit Facilities

- **Overdraft Accounts:** The weighted average interest rate on overdraft accounts increased by 5 basis points at the end of March 2022, compared to its level registered at the end of the previous month to stand at 6.92%. This rate is lower by 24 basis points than its level registered at the end of 2021.



- **Discounted Bills and Bonds:** The weighted average interest rate on “discounted bills and bonds” decreased by 16 basis points at the end of March 2022, compared to its level registered at the end of the previous month to stand at 7.33%. This rate is lower by 66 basis points than its level registered at the end of 2021.

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

		March		Change Relative to the Preceding Year Basis Points
2021		2021	2022	
Deposits				
0.26	Demand	0.27	0.28	2
0.27	Saving	0.35	0.39	12
3.45	Time	3.43	3.75	30
Credit Facilities				
7.99	Discounted Bills and Bonds	8.40	7.33	-66
6.95	Loans and Advances	7.11	6.95	0
7.16	Overdraft	7.05	6.92	-24
8.37	Prime Lending Rate	8.34	8.41	4

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- **Loans and Advances:** The weighted average interest rate on “loans and advances” maintaining the same level registered in the previous month and at the end of 2021, to stand at 6.95%.

- The prime lending rate stood at 8.41% at the end of March 2022, increasing by 4 basis points compared to its level registered at the end of the previous month and at the end of 2021.

□ Credit Facilities Extended by Licensed Banks

- Total credit facilities extended by licensed banks increased by JD 699.2 million, or 2.3 percent, at the end of March 2022, compared to its level registered at the end of 2021, against an increase by JD 682.1 million, or 2.4 percent during the same period in 2021.
- In terms of borrower sectors, the credit facilities at the end of March 2022 had shown an increase in credit extended to the private sector (resident) by JD 697.6 million, or 2.6 percent, the public institutions by JD 22.7 million, or 3.3 percent, the private sector (non-resident) by JD 11.8 million, or 1.7 percent. In contrast, the credit facilities extended to the central government decreased by JD 19.5 million, or 1.1 percent, and the non-banking financial institutions by JD 13.4 million, or 10.4 percent, compared to their levels at the end of 2021.

□ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 40.1 billion at the end of March 2022, compared to JD 37.2 billion at the end of March 2021, and to JD 39.5 billion at the end of 2021.

- The currency composition of deposits at the end of March 2022 revealed that the JD deposits amounted to JD 31.1 billion, and the deposits in foreign currencies amounted to JD 9.1 billion, compared to JD 28.7 billion of JD deposits, and JD 8.5 billion of deposits in foreign currencies at the same period in 2021, and against JD 30.7 billion of JD deposits, and JD 8.8 billion of deposits in foreign currencies at the end of 2021.

□ Amman Stock Exchange (ASE)

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

■ Trading Volume

Trading volume at ASE totaled JD 160.5 million in March 2022, increasing by JD 45.7 million, or 39.8 percent compared to its level registered at the end of the previous month, against an increase by JD 40.7 million, or 29.8 percent during the same month in the previous year. As for the first quarter of 2022, the trading volume totaled JD 386.9 million.

■ Traded Shares

The number of traded shares in March 2022 totaled 96.3 million shares, increasing by 7.1 million shares, or 7.9 percent compared to its level registered at the end of the previous month, against an increase by 30.2 million shares, or 23.5 percent. As for the first quarter of 2022, the number of traded shares amounted to 272.2 million shares.

■ Share Price Index (SPI)

The SPI weighted by market capitalization of free float shares at ASE increased by 79.8 points or 3.7 percent, at the end of March 2022 compared to its level in the

previous month, to stand at 2,228.1 points, against an increase by 10.9 points (0.6%) during the same month in 2021. Furthermore, the SPI increased by 109.5 points or 5.2 percent compared to its level at the end of 2021, against an increase by 115.0 points or 6.9 percent at the same period in 2021. The aforementioned increase was an outcome of the increase in the industrial sector by 926.0 points, or 25.3 percent, and the financial sector by 17.3 points, or 0.7 percent, and the services sector by 4.9 points, or 0.4 percent, compared to their levels at the end of 2021.

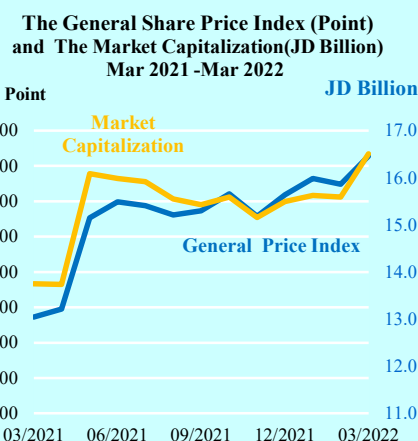
■ Market Capitalization

The ASE's market capitalization totaled JD 16.5 billion at the end of March 2022, increasing by JD 916.4 million, or 5.9 percent, compared to its level registered at the end of the previous month, against an increase by JD 150.8 million

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

	2021	March	
		2021	2022
2,118.6	General Index	1,772.3	2,228.1
2,604.5	Financial Sector	2,238.2	2,621.8
3,665.9	Industrial Sector	2,733.1	4,591.9
1,327.4	Services Sector	1,181.7	1,332.3

Source: Amman Stock Exchange.



or 1.1 percent during the same month in 2021. Furthermore, the ASE’s market capitalization increased by JD 1,008.9 million or 6.5 percent compared to its level at the end of 2021.

■ **Non - Jordanian Net Investment**

Non-Jordanian net investment at ASE recorded an outflow amounted of JD 6.8 million in March 2022. The value of shares buying by non-Jordanian in March 2022 amounted to JD 12.3 million, while their selling amounted to JD 19.1 million. The Non-Jordanian net investment as the first quarter of 2022, recorded an outflow amounting to JD 14.0 million.

Main Amman Stock Exchange Trading Indicators, JD Million			
		March	
2021		2021	2022
1,963.6	Value Traded	177.1	160.5
7.9	Average Daily Trading	7.7	7.3
15,495.7	Market Capitalization	13,749.6	16,504.5
1,538.2	No. of Traded Shares (million)	158.6	96.4
-60.9	Net Investment of Non-Jordanian	-3.1	-6.8
220.2	Non-Jordanian Buying	20.0	12.3
281.1	Non-Jordanian Selling	23.1	19.1

Source: Amman Stock Exchange.

Second: Output, Prices and Employment

□ Summary

- Gross Domestic Product (GDP), at constant market prices, grew by 2.6 percent during the fourth quarter of 2021, compared to a contraction of 1.6 percent during the same quarter of 2020. At current market prices, GDP grew by 4.7 percent during the fourth quarter of 2021, compared to a contraction of 1.9 percent in the same quarter of 2020.
- Accordingly, the real GDP grew by 2.2 percent during 2021, compared to contraction of 1.6 percent during 2020. At current market prices, GDP grew by 3.5 percent during 2021 compared to a decline by 1.8 percent during 2020.
- The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first quarter of 2022 by 2.3 percent, compared to a relative stability in the same quarter of 2021.
- The unemployment rate during 2021 reached 24.1 percent (22.4 percent for males and 30.7 percent for females), compared to 23.2 percent (21.2 percent for males and 30.7 percent for females) during 2020. The highest unemployment rate was among youth, which reached 60.9 percent for the (15-19) years old category and 47.3 percent for the (20-24) years old category.

□ Developments of GDP

Gross domestic product (GDP), at constant market prices, grew by 2.2 percent during 2021 compared to a contraction of 1.6 percent during 2020. When excluding “net taxes on products” (which grew by 2.3 percent during 2021 compared to a contraction of 2.6 percent during 2020), GDP at constant basic prices, grew by 2.2 percent during 2021, compared to a contraction of 1.4 percent during 2020.

Quarterly Growth Rates of GDP at Market Prices (2019 – 2021)

Percentages

	Q1	Q2	Q3	Q4	Year
2019					
GDP at Constant Prices	2.0	1.7	1.9	2.1	2.0
GDP at Current Prices	3.8	3.3	3.5	4.0	3.7
2020					
GDP at Constant Prices	1.3	-3.6	-2.2	-1.6	-1.6
GDP at Current Prices	3.0	-4.7	-3.1	-1.9	-1.8
2021					
GDP at Constant Prices	0.3	3.2	2.7	2.6	2.2
GDP at Current Prices	0.5	4.7	4.2	4.7	3.5

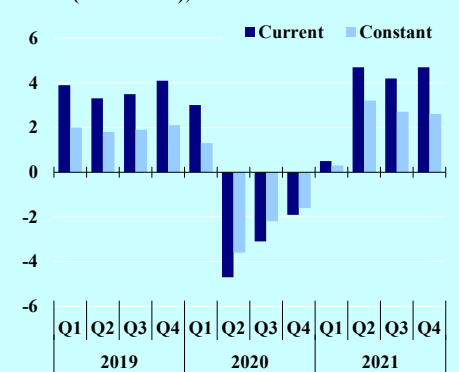
Source: Department of Statistics.

At current market prices, GDP grew by 3.5 percent during 2021 compared to contraction of 1.8 percent during 2020. This was in light of the increase of the general price level, measured by the GDP deflator, by 1.3 percent during 2021 compared to a contraction of 0.3 percent during 2020.

The economic growth recorded during 2021 was mainly driven by the significant improvement in the external sector indicators, such as; tourism income, total exports, and the gradual return to work in all economic sectors during this year.

As for the economic sectors contribution to growth rate during 2021, all sectors contributed positively to the growth rate. Most notably; manufacturing contributed by (0.4 percentage point), “finance and insurance services” (0.3 percentage point), “mining and quarrying” (0.2 percentage point), “real estate” (0.2 percentage point), and “producers of government services” (0.2 percentage point). These sectors accounted for 59.1 percent of the real growth recorded during 2021.

Quarterly Growth Rates of GDP at Market Prices (2019- 2021), %



Main Sectors Contributed to Economic Growth at Constant Market Prices
Percentage

Sectors	Relative change		Contribution Percentage Point	
	2020	2021	2020	2021
GDP at Constant Market Prices	-1.6	2.2	-1.6	2.2
Agriculture	1.6	2.8	0.1	0.1
Mining And Quarrying	0.8	8.8	0.02	0.2
Manufacturing	-2.7	2.3	-0.5	0.4
Electricity And Water	-1.4	1.8	0.0	0.0
Construction	-3.8	3.8	-0.1	0.1
Wholesale And Retail Trade	-2.3	2.2	-0.2	0.2
Restaurant And Hotels	-8.2	2.7	-0.1	0.0
Transport, Storage And Communications	-5.2	2.3	-0.5	0.2
Finance And Insurance Services	3.0	4.2	0.2	0.3
Real Estate	0.5	1.4	0.1	0.2
Social And Personal Services	-3.3	1.0	-0.3	0.1
Producers of Government Services	1.1	1.4	0.1	0.2
Producers of Private Non-Profit	-2.3	1.7	0.0	0.0
Domestic Services of Households	0.1	0.1	0.0	0.0

Source : Department of Statistics.

Microeconomic Indicators

Most of the microeconomic indicators witnessed an improvement in their performance during the available period of 2022. Most notably; “mining and quarrying production quantity index” (3.1 percent), “manufacturing production quantity index” (2.0 percent), and “number of passengers through Royal Jordanian” (364.3 percent), while “licensed areas for buildings” showed decline of (22.2 percent). The following table displays the performance of the main available microeconomic indicators:

Main Sectoral Indicators*				
Percentage Points				
2021	Item	2021	Available period	2022
13.6	Manufacturing production quantity index	-9.8	Jan - Feb	2.0
-10.2	Food products and beverages	-13.0		2.6
-3.6	Tobacco products	-3.6		-3.8
106.5	Refined petroleum products	-19.0		71.4
-6.3	Wearing apparel	-34.0		-17.9
0.7	Non-metallic mineral products	18.4		-1.3
2.5	Chemical products	-3.8		-3.5
6.6	Mining and quarrying production quantity index	10.5		3.1
25.0	Extraction of crude petroleum and natural gas	8.7		3.9
6.4	Other mining and quarrying	11.0		7.5
4.3	Production of potash	13.9		2.3
52.9	Licensed areas for buildings	34.6		-22.2
14.2	Production of phosphate	1.9		3.8
20.4	Cargo through Royal Jordanian	-57.4		Jan - Mar
46.8	Value traded at the real estate market	35.7	37.3	
108.7	Number of passengers through Royal Jordanian	-79.6	364.3	
89.8	Number of departures	-77.1	233.6	

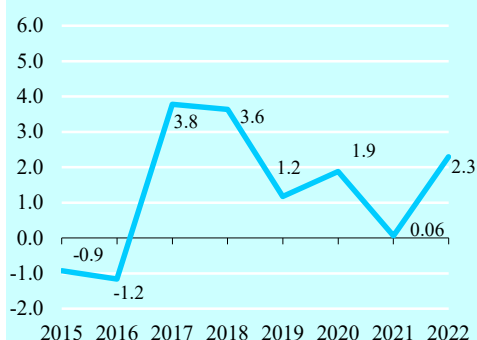
*: Computed based on the data from Department of Statistics, Department of Land and Survey, and Royal Jordanian.

Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first quarter of 2022 by 2.3 percent, compared to a relative stability during the same quarter of 2021. This was an outcome of the following:

- An increase in the prices of some items and groups, most notably:
 - “vegetables and legumes dry and canned” prices increased by 21.2 percent, compared to a decline by 19.7 percent during the first quarter of 2021, affected in part by the demand and supply factors caused by the unusual weather conditions of some days this period.
 - transportation prices increased by 5.7 percent compared to decline by 1.3 percent during the first quarter of 2021.
 - “culture and recreation” prices increase by 5.0 percent compared to decline by 1.4 percent during the first quarter of 2021.

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



Inflation Rate during the first quarter for the years 2021-2022

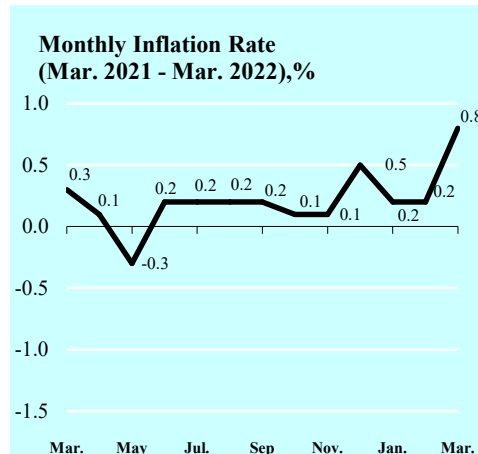
Expenditure Groups	Relative Imp.	Relative change		Contribution	
		Jan – Mar 2021	2022	2021	Jan – Mar 2022
All Items	100.00	0.06	2.29	0.1	2.29
1) Food and non-Alcoholic Beverages	26.52	-0.37	3.25	-0.1	0.86
Food	23.80	-0.55	3.60	-0.1	0.86
Cereals and Products	4.17	1.83	2.07	0.1	0.09
Meat and Poultry	4.69	2.76	1.84	0.1	0.09
Fish and Sea Product	0.41	2.58	1.53	0.0	0.01
Dairy Products and Eggs	3.72	1.88	1.52	0.1	0.06
Oil and Fats	1.70	5.55	5.85	0.1	0.10
Fruits and Nuts	2.57	2.82	-2.59	0.1	-0.07
Vegetables and Legumes Dry and Canned	2.96	-19.71	21.19	-0.6	0.53
2) Alcohol and Tobacco and Cigarettes	4.37	6.2	-0.04	0.3	0.00
Alcohol	0.01	21.26	0.55	0.0	0.00
Tobacco and Cigarettes	4.37	6.15	-0.04	0.3	0.00
3) Clothing and footwear	4.12	-1.3	0.3	-0.1	0.01
Clothing	3.41	-1.07	0.53	0.0	0.01
Footwear	0.71	-2.26	0.10	0.0	0.00
4) Housing	23.78	-0.52	0.76	-0.1	0.18
Rents	17.54	1.67	-0.13	0.3	-0.02
Fuels and Lighting	4.69	-9.17	3.87	-0.4	0.16
5) Household Furnishings and Equipment	4.94	-0.02	1.48	0.0	0.07
6) Health	4.00	3.86	-1.11	0.2	-0.05
7) Transportation	15.98	-1.26	5.69	-0.2	0.90
8) Communication	2.83	2.27	0.14	0.1	0.00
9) Culture and Recreation	2.55	-1.42	5.03	0.0	0.12
10) Education	4.35	-0.23	1.24	0.0	0.06
11) Restaurants and Hotels	1.79	2.84	3.69	0.1	0.07
12) Other Goods and Services	4.77	1.31	1.12	0.1	0.05

Source: Department of Statistics.

The above groups and items collectively contributed to raising the inflation rate during the first quarter of 2022 by 1.6 percentage points, compared to a negative contribution of 0.8 percentage point during the same quarter of 2021.

- A decline in the prices of some items and groups, notably, “drinks and refreshments” (2.7 percent), and “fruits and nuts” (2.6 percent). These groups and items contributed to a contraction of the inflation rate during the first quarter of 2022 by 0.1 percentage point, compared to a positive contribution of 0.1 percentage point, during the same quarter of 2021.

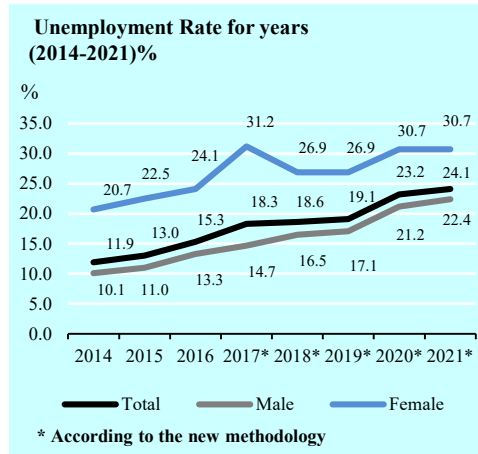
In March 2022, the CPI witnessed an increase compared to the previous month (February 2022) by 0.8 percent. This was an outcome of the increase of the prices of some items and groups, mainly “restaurants and hotels”



(10.0 percent), “oil and fats” (7.8 percent), and “meat and poultry” (3.5 percent) on the one hand, and the decrease of the prices of clothes (0.7 percent), on the other hand.

□ Labor Market

■ The unemployment rate reached 24.1 percent (22.4 percent for males, and 30.7 percent for females) during 2021, compared to 23.2 percent (21.2 percent for males and 30.7 percent for females), during 2020.



- The unemployment rate among youth, during 2021, remains high reaching 60.9 percent for the category (15-19) years old, and 47.3 percent for the category (20-24) years old.
- The unemployment rate among academic degree holders (Bachelor and higher) reached 28.5 percent during 2021, as the unemployment rate among (less than secondary) reached 22.9 percent.
- The refined economic participation rate (the ratio of the labor force to the population of 15 years and over), was 34.0 percent (54.0 percent for males, and 14.0 percent for females), compared to 34.0 percent (53.6 percent for males and 14.2 percent for females) during 2020.
- The employment rate among population (15 years and older) reached 25.8 percent during 2021.

Third: Public Finance

□ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 168.4 million (3.1 percent of GDP) during the first two months of 2022, comparing to a fiscal deficit of JD 64.1 million (1.2 percent of GDP) during the same period of 2021. When excluding foreign grants (JD 26.0 million), the general budget deficit increases to JD 194.4 million (3.6 percent of GDP), compared to a deficit of JD 82.2 million (1.6 percent of GDP) in the same period of 2021.
- Government domestic debt (budgetary and guaranteed) increased by JD 161.6 million at the end of February 2022, compared to its level at the end of 2021, to reach JD 20,421.1 million (63.0 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 13,667.2 million (42.2 percent of GDP).
- Outstanding external debt (budget and guaranteed) went down by JD 63.7 million at the end of February 2022, compared to its level at the end of 2021, to reach JD 15,443.5 million (47.7 percent of GDP). When excluding the external debt holding by the Social Security Investment Fund, the outstanding external debt (budget and guaranteed) stand at JD 15,037.0 million (46.4 percent of GDP).
- As a result, outstanding government debt (domestic and external) rose by JD 97.9 million at the end of February 2022, to reach JD 35,864.6 million (110.7 percent of GDP), compared to JD 35,766.7 million (111.3 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 28,704.2 million (88.6 percent of GDP), compared to JD 28,763.1 million (89.5 percent of GDP) at the end of 2021.

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

■ Public Revenues

Public revenues (domestic revenues *plus* foreign grants) increased by JD 14.9 million, or 2.8 percent, in February 2022 compared to the same month in 2021, to stand at JD 540.7 million. As for the first two months of 2022, public revenues went down by JD 32.8 million, or 2.6 percent, compared to same period of 2021, to stand at JD 1,238.3 million. This came as an outcome of the decrease in domestic revenues by JD 40.6 million, and increase in foreign grants by JD 7.8 million.

Main Government Budget Indicators During the First Two Months of 2022

(JD Million and Percentages)

	February		Growth Rate	Jan.-Feb.		Growth Rate
	2021	2022		2021	2022	
Public Revenues	525.8	540.7	2.8	1,271.1	1,238.3	-2.6
Domestic Revenues, of which:	519.5	525.1	1.1	1,252.9	1,212.3	-3.2
Tax Revenues, of which:	412.5	410.7	-0.4	915.4	970.2	6.0
General Sales Tax	317.5	317.5	0.0	646.7	648.9	0.3
Other Revenues	105.1	114.0	8.5	335.3	241.7	-27.9
Foreign Grants	6.3	15.6	147.6	18.2	26.0	42.9
Total Expenditures	681.5	716.9	5.2	1,335.1	1,406.7	5.4
Current Expenditures	663.1	695.5	4.9	1,303.9	1,371.6	5.2
Capital Expenditures	18.4	21.4	16.3	31.2	35.1	12.5
Overall Deficit/ Surplus (Including Grants)	-155.7	-176.2	-	-64.1	-168.4	-
Overall Deficit/ Surplus (Including Grants) as a Percent of GDP	-	-	-	-1.2	-3.1	-

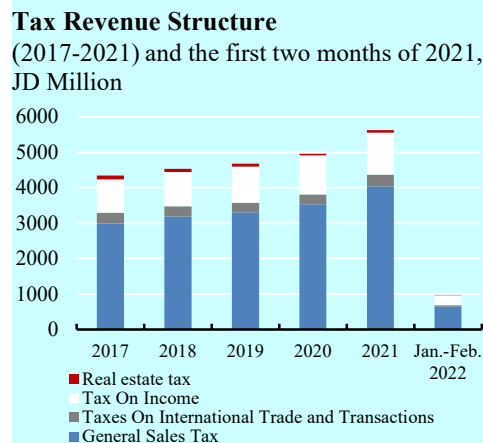
Source: Ministry of Finance/ General Government Finance Bulletin.

◆ Domestic Revenues

Domestic revenues witnessed a decrease of JD 40.6 million, or 3.2 percent, in the first two months of 2022, compared to the same period of 2021, to reach JD 1,212.3 million. This decrease was a result of the drop in the proceeds of “other revenues”, and “Pension contributions” by JD 93.6 million, JD 1.8 million, respectively. and the rise in “tax revenues” by JD 54.8 million.

● Tax Revenues

Tax revenues increased by JD 54.8 million, or 6.0 percent, during the first two months of 2022, compared to the same period of 2021, to reach JD 970.2 million (80.0 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 2.2 million, or 0.3 percent, to reach JD 648.9 million, accounting for 66.9 percent of total tax revenues. This result was driven by the increase in the proceeds of sales tax on services by JD 17.4 million, and on imported goods by JD 11.4 million, and decrease in the proceeds of sales tax on domestic goods by JD 18.0 million, and on commercial sector by JD 8.6 million.

- An increase in the proceeds of **income and profit taxes** by JD 66.0 million, or 31.3 percent, to reach JD 277.1 million, accounting for 28.6 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 85.0 million, or 59.8 percent, to account for 82.0 percent of total proceeds of income and profits taxes, amounting to JD 227.1 million, and decrease the proceeds of national contribution account item by JD 18.0 million, or 100 percent, Moreover, the proceeds of “income taxes from individuals” decreased by JD 1.1 million, or 2.2 percent, to reach JD 50.0 million.
- An increase in the proceeds of **taxes on financial transactions (real-estates tax)** by JD 0.8 million, or 9.0 percent, to reach JD 9.7 million.
- A decrease in the proceeds of **taxes on international trade and transactions** (including customs duties and fees) by JD 14.1 million, or 29.0 percent, to reach JD 34.5 million.



- **Non-Tax Revenues**

- “Other revenues” decreased by JD 93.6 million, or 27.9 percent, during the first two months of 2022 to reach JD 241.7 million.

This decrease was chiefly due to the following:

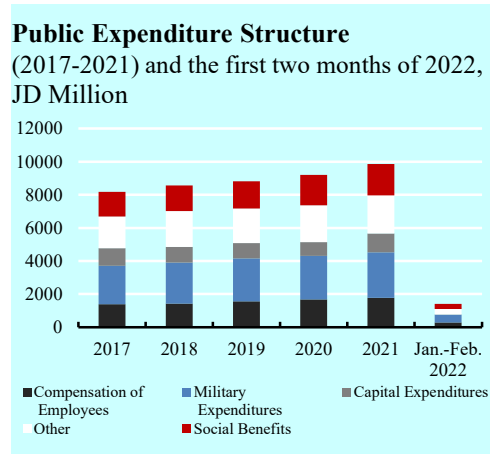
- A decrease in the **property income** by JD 116.5 million to stand at JD 23.8 million (of which financial surplus of independent government units amounted to JD 21.5 million against JD 137.7 million during the same period of 2021).
- A decrease in revenues from **selling goods and services** by JD 6.6 million to reach JD 123.4 million.
- An increase in **miscellaneous revenues** by JD 29.5 million to stand at JD 94.5 million.
- Pension contributions decreased by JD 1.8 million, or 81.8 percent, during the first two months of 2022, compared to the same period of 2021, to reach JD 0.4 million.

- ◆ **Foreign Grants**

Foreign grants increased by JD 7.8 million, or 42.9 percent, during the first two months of 2022, standing at JD 26.0 million, compared to JD 18.2 million during the same period of 2021.

Public Expenditures

Public expenditures increased by JD 35.4 million, or 5.2 percent, in February 2022 compared to the same month in 2021, to stand at JD 716.9 million. As for the first two months of 2022, public

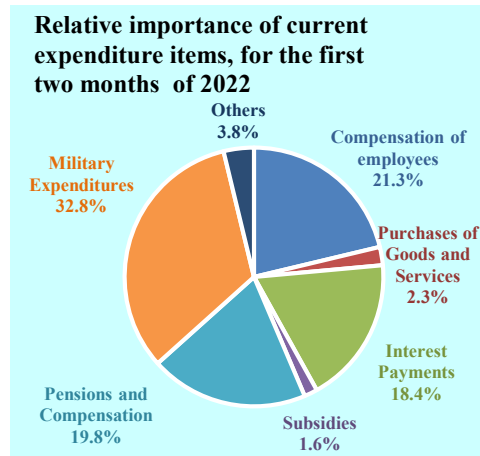


expenditures increased by JD 71.6 million, or 5.4 percent, compared to the same period of 2021 to stand at JD 1,406.7 million. This increase was a result of the rise in capital expenditures by 12.5 percent, and in current expenditures by 5.2 percent.

Current Expenditures

Current expenditures went up by JD 67.7 million, or 5.2 percent, during the first two months of 2022, to reach JD 1,371.6 million (97.5 percent of public expenditures). Because of the decrease in domestic revenues and increase in current expenditures, the coverage ratio (measured by the ratio of domestic revenues to current expenditures) decreased by 7.7 percentage point, to reach 88.4 percent compared to 96.1 percent during the same period of 2021. The increase in current expenditures is due to the evolution of its components, as follow:

- An increase in **interest payments** (commitment basis) by JD 31.2 million, to stand at JD 252.2 million.
- An increase in the **purchases of goods and services** by JD 13.9 million, to reach JD 31.3 million.
- An increase in **military expenditures** by JD 13.6 million, to total JD 450.6 million.
- An increase in **pensions and compensation** by JD 4.2 million, to stand at JD 1.6 million.
- An increase in the **compensation of civil sector's employees (wages, salaries and social security contributions)** by JD 1.9 million, to reach JD 291.7 million.
- A decrease in **subsidies** by JD 4.9 million, to stand at JD 22.7 million.

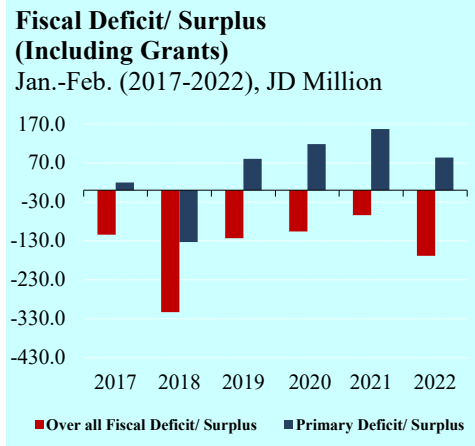


◆ Capital Expenditures

Capital expenditures increased by JD 3.9 million, or 12.5 percent, during the first two months of 2022 compared to the same period of 2021, to reach JD 35.1 million.

■ General Budget Deficit/ Surplus

- ◆ The overall fiscal deficit, including foreign grants, increased by JD 104.3 million, during the first two months of 2022, to reach JD 168.4 million (3.1 percent of GDP), compared to a fiscal



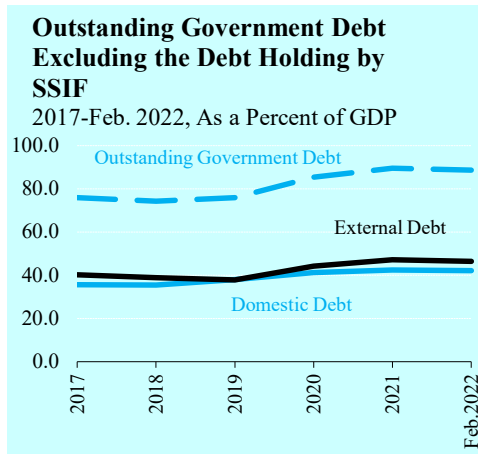
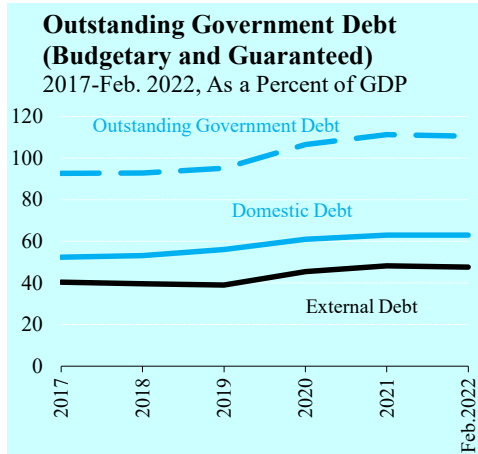
deficit of JD 64.1 million (1.2 percent of GDP), in the same period of 2021. When foreign grants are excluded, the general budget deficit increases to reach JD 194.4 million (3.6 percent of GDP), compared to a fiscal deficit of JD 82.2 million (1.6 percent of GDP) in the same period of 2021.

- ◆ The primary surplus, excluding foreign grants, (domestic revenues *minus* total public expenditures excluding interest payments on public debt) reached JD 57.8 million (1.1 percent of GDP) in the first two months of 2022, against a primary surplus of JD 138.7 million (2.6 percent of GDP) in the same period of 2021. When foreign grants are including, the primary surplus of the general budget reached JD 83.8 million (1.6 percent of GDP), compared to a primary surplus of JD 157.0 million (2.9 percent of GDP) in the same period of 2021.

□ Outstanding Government Debt

■ Government domestic debt (budgetary and guaranteed) increased by JD 161.6 million, at the end of February 2022 compared to its level at the end of 2021, to stand at JD 20,421.1 million (63.0 percent of GDP compared to 63.1 percent of GDP at the end of 2021). This increase was an outcome of the rise in the domestic debt of the budget by JD 214.0 million, and the decrease in the domestic debt of guaranteed by JD 52.4 million, compared to their levels at the end of 2021, standing at JD 18,097.4 million and JD 2,323.7 million, respectively.

■ When excluding the domestic debt holding by the Social Security Investment Fund (SSIF), the government domestic debt (budgetary and guaranteed) increased by JD 41.6 million, at the end of February 2022 compared to its level at the end of 2021, to stand at JD 13,667.2 million (42.2 percent of GDP).



- Outstanding external debt (budget and guaranteed) went down by JD 63.7 million at the end of February 2022, compared to its level at the end of 2021, to reach JD 15,443.5 million (47.7 percent of GDP compared to 48.3 percent of GDP at the end of 2021). It is worth mentioning that the external debt denominated in the U.S. Dollar accounted for 69.9 percent of the total external debt, and the debt in Euro accounted for 12.2 percent. However, the SDR accounted for 8.2 percent, Kuwaiti Dinar (3.8 percent), Japanese Yen (3.8 percent).
- When excluding the external debt holding by the Social Security Investment Fund, the outstanding external debt (budget and guaranteed) decreased by JD 100.5 million, at the end of February 2022 compared to its level at the end of 2021, to stand at JD 15,037.0 million (46.4 percent of GDP).
- In light of the above-mentioned developments, outstanding government debt (domestic and external) increased by JD 97.9 million at the end of February 2022 to reach JD 35,864.6 million (110.7 percent of GDP), compared to JD 35,766.7 million (111.3 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 28,704.2 million (88.6 percent of GDP), compared to JD 28,763.1 million at the end of 2021 (89.5 percent of GDP).
- External debt service (budget and guaranteed) decreased by JD 328.2 million during the first two months of 2022 compared to the same period of 2021, to reach JD 153.1 million (including principal payments of JD 51.8 million and interest of JD 101.3 million).

□ Fiscal and Price Measures of 2022

◆ May

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

Development of Oil Derivatives Prices

	Unit	2022		Percentage Change
		April	May	
Unleaded Gasoline 90	Fils/ Liter	850	885	4.1
Unleaded Gasoline 95	Fils/ Liter	1,085	1,120	3.2
Unleaded Gasoline 98	Fils/ Liter	1,235	1,270	2.8
Gas Oil (Diesel)	Fils/ Liter	615	650	5.7
Kerosene	Fils/ Liter	615	650	5.7
Liquid Gas (12.5kg)	JD/ Cylinder	7.0	7.0	0.0
Fuel oil (1%)	JD/ Ton	574.5	594.7	3.5
Fuel for airplanes (local companies)	Fils/ Liter	766	783	2.2
Fuel for airplanes (foreign companies)	Fils/ Liter	771	788	2.2
Fuel for unplanned flights	Fils/ Liter	786	803	2.2
Asphalt	JD/ Ton	569.5	589.6	3.5

Source: Jordan Petroleum Refinery Company (1/5/2022).

- 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 2022

◆ 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 42.7 percent in February 2022, compared to the same month of 2021, to reach JD 639.9 million. As for the first two months of 2022, total export increased by 35.0 percent, compared to the same period of 2021, to reach JD 1,216.9 million.
- **Merchandize imports** increased by 44.5 percent in February 2022, compared to the same month of 2021, to reach JD 1,412.8 million. As for the first two months of 2022, imports increased by 32.9 percent, compared to the same period of 2021, to reach JD 2,760.5 million.
- **Consequently**, the trade balance deficit (total exports minus imports) increased by 46.1 percent in February 2022, compared to the same month of 2021; standing at JD 772.9 million. As for the first two months of 2022, trade balance deficits increase by 31.2 percent, compared to the same period of 2021, to reach JD 1,543.6 million.
- **Travel receipts** increased by 252.7 percent during the first four months of 2022, to register JD 860.5 million, compared to the same period of 2021. While, travel payments increased by 166.4 percent, to register JD 245.1 million, compared to the same period of 2021.
- **Total workers' remittances receipts** increased by 1.0 percent during the first two months of 2022, compared to the same period of 2021, to reach JD 412.8 million.
- **The current account of the balance of payments** (including grants) registered a deficit amounted to JD 2,822.7 million (8.8 percent of GDP) during 2021, compared to a deficit of JD 1,778.8 million (5.7 percent of GDP) during 2020. Meanwhile, the current account deficit excluding grants increased to reach 12.1 percent of GDP, compared with 9.1 percent of GDP during 2020.
- **Direct investment** recorded an inflow of JD 441.5 million during 2021, compared to an inflow of JD 539.8 million during 2020.

- **International investment position (IIP)** displayed a net obligation to abroad of JD 35,011.3 million at the end of 2021, compared to a net obligation of JD 33,707.4 million at the end of 2020.

□ External Trade

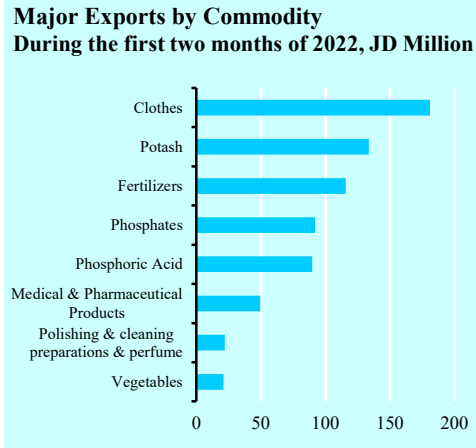
- As a result of the increase in domestic exports by JD 298.4 million and the increase in imports by JD 682.9 million during the first two months of 2022, the volume of external trade (domestic exports *plus* imports) increased by JD 981.3 million to stand at JD 3,860.7 million, compared to the same period of 2021.

Jordan's Major Trading Partners			
JD Million			
January - February			
	2021	2022	Percentage Change
Exports			
India	111.6	235.6	111.1
USA	240.2	216.9	-9.7
Saudi Arabia	78.9	99.6	26.2
Iraq	55.2	72.7	31.7
Australia	7.5	40.7	442.7
Egypt	15.8	30.1	90.5
Indonesia	14.0	27.0	92.9
Imports			
China	312.4	445.8	42.7
Saudi Arabia	318.8	333.3	4.5
UAE	71.9	249.1	246.5
USA	153.2	181.2	18.3
Germany	93.4	99.5	6.5
Egypt	84.2	97.2	15.4
Turkey	60.8	92.0	51.3
Source: Department of Statistics.			

Main External Trade Indicators				
JD Million				
January - February				
	2021	Percentage Change (%)	2022	Percentage Change (%)
External Trade	2,879.4	-4.7	3,860.7	34.1
Total Exports	901.4	-8.9	1,216.9	35.0
Domestic Exports	801.8	-6.4	1,100.2	37.2
Re-exports	99.6	-25.1	116.7	17.2
Imports	2,077.6	-4.0	2,760.5	32.9
Trade Balance	-1,176.2	0.1	-1,543.6	31.2
Source: Department of Statistics.				

■ Merchandize Exports:

Total merchandize exports increased by 35.0 percent during the first two months of 2022, to reach JD 1,216.9 million. This increase was a result of the increase in domestic exports by JD 298.4 million, or 37.2 percent to reach JD 1,100.2 million and an increase in re-exports by JD 17.1 million, or 17.2 percent to reach JD 116.7 million.



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

- Exports of **Fertilizers** increased by JD 67.7 million, or 141.0 percent, to stand at JD 115.7 million. India, Australia, Japan and the USA were the main destination markets for these exports, accounting for 89.2 percent.
- Exports of **Potash** increased by JD 62.7 million, or 88.4 percent, to stand at JD 133.6 million. It is worth noting that markets of India, Malaysia, Egypt and Barazil accounted for 60.1 percent these exports.
- Exports of **Phosphates** increased by JD 52.8 million, or 134.7 percent, to stand at JD 92.0 million. The markets of India, Indonesia and South Korea accounted for 88.3 percent of these exports.

- Exports of **Phosphoric Acid** increased by JD 33.5 million, or 59.6 percent, to reach JD 89.7 million. The markets of India and Turkey accounted for 97.9 percent of these exports.
- Exports of **Vegetables** increased by JD 7.9 million, or 59.8 percent, to reach JD 21.1 million. Saudi Arabia, Bahrain and Kuwait were the main destination markets; accounting for 46.4 percent of these exports.
- Exports of **Clothes** decreased by JD 31.3 million or 14.8 percent to reach JD 180.8 million. It is worth noting that the USA market accounted for 86.6 percent of these exports.

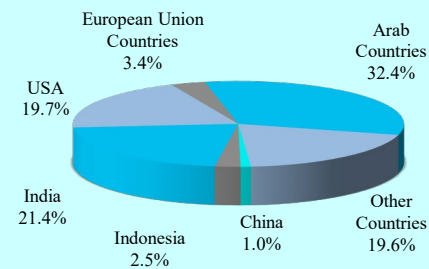
**Major Domestic Exports by Commodity, JD Million
January - February 2021-2022**

	2021	2022	Percentage Change
Domestic Exports	801.8	1,100.2	37.2
Clothes	212.1	180.8	-14.8
USA	176.3	156.5	-11.2
Potash	70.9	133.6	88.4
India	19.3	23.1	19.7
Malaysia	1.5	21.5	-
Egypt	5.7	18.9	231.6
Brazil	0.0	16.8	-
Fertilizers	48.0	115.7	141.0
India	1.8	61.8	-
Australia	0.0	30.0	-
Japan	0.0	6.0	-
USA	36.1	5.4	-85.0
Phosphates	39.2	92.0	134.7
India	31.0	62.9	102.9
Indonesia	8.2	14.3	74.4
South Korea	0.0	4.0	-
Phosphoric Acid	56.2	89.7	59.6
India	54.2	78.1	44.1
Turky	0.0	9.7	-
Medical & Pharmaceutical Products	54.0	49.5	-8.3
Iraq	11.3	12.3	8.8
Saudi Arabia	7.8	6.2	-20.5
USA	4.4	5.4	22.7
Yamen	3.8	3.4	-10.5
Polishing & Cleaning Preparations & Perfume Materials	22.0	21.9	-0.5
Iraq	9.4	10.0	6.4
Saudi Arabia	4.5	5.0	11.1
Libya	1.9	2.9	52.6
Vegetables	13.2	21.1	59.8
Saudi Arabia	2.2	4.6	109.1
Bahrain	1.4	2.7	92.9
Kuwait	1.9	2.5	31.6

Source: Department of Statistics.

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

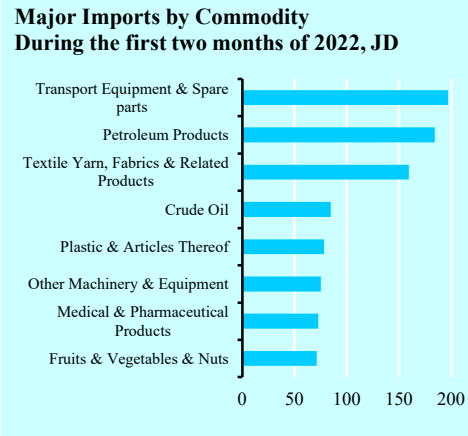
Geographic Distribution of Domestic Exports During the first two months of 2022



Phosphates, “Phosphoric Acid”, “Medical & Pharmaceutical Products”, “Polishing & Cleaning Preparations & Perfume Material” and Vegetables, topped the list of domestic exports during the first two months of 2022; accounting for 64.0 percent, compared with 64.3 percent during the same period of 2021. Meanwhile, the geographical distribution of domestic exports indicates that India, the USA, Saudi Arabia, Iraq, Australia, Egypt and Indonesia were the main destination markets during the first two months of 2022; accounting for 65.7 percent, compared with 65.3 percent during the same period of 2021.

■ **Merchandise Imports:**

Merchandise imports increased by 32.9 percent to reach JD 2,760.5 million during the first two months of 2022, compared to a decrease by 4.0 percent during the same period of 2021.



◆ **The developments of imports during the first two months of 2022, compared with the same period of 2021, reveals the following:**

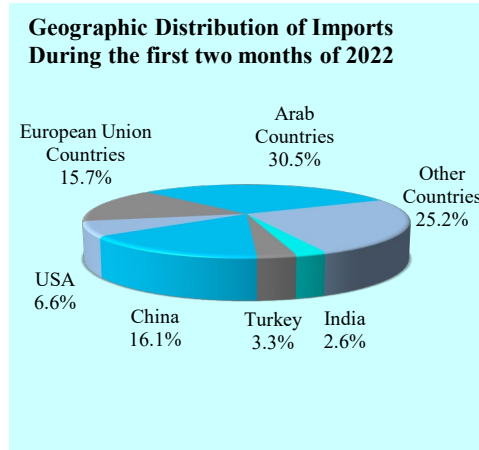
- **Petroleum Products** imports increased by JD 105.7 million, or 134.8 percent to stand at JD 184.1 million. The UAE, Saudi Arabia and Kuwait were the main markets, accounting for 96.0 percent of these imports.
- **Textile Yarn, Fabrics & Related Products** imports increased by JD 65.1 million, or 69.0 percent, to reach JD 159.7 million. China, Taiwan and Turkey were the main markets, accounting for 76.0 percent, of these imports.
- **Transport Equipment & Spare Parts** imports increased by JD 25.1 million, or 14.6 percent, to reach JD 197.1 million. the USA South Korea, China and Japan were the main origin markets, accounting for 64.6 percent of these imports.

- **Plastic and Articles Thereof** imports increased by JD 19.7 million or 33.6 percent, to reach JD 78.3 million. Saudi Arabia, China and the UAE were the main markets, accounting for 67.0 percent of these imports.
- **Fruits and Vegetables and Nuts** imports increased by JD 8.7 million or 14.0 percent to reach JD 71.0 million. Egypt, the USA and Lebanon were the main origin markets accounting for 28.0 percent of these imports.
- **Other Machinery and Equipments** imports increased by JD 6.9 million, or 10.1 percent, to reach JD 75.0 million. China, Germany and Italy were the main origin markets, accounting for 68.9 percent of these imports.

Major Imports by Commodity, JD Million January – February 2021-2022			
	2021	2022	Percentage Change
Total Imports	2,077.6	2,760.5	32.9
Transport Equipment & Spare Parts	172.0	197.1	14.6
USA	32.4	35.5	9.6
South Korea	32.5	34.4	5.8
China	6.0	32.2	436.7
Japan	25.9	25.3	-2.3
Petroleum Products	78.4	184.1	134.8
UAE	0.6	91.5	-
Saudi Arabia	55.9	61.8	10.6
Kuwait	0.5	23.5	-
Textile Yarn, Fabrics and Related Products	94.4	159.5	69.0
China	39.8	84.0	111.1
Taiwan	19.5	22.5	15.4
Turkey	9.2	14.7	59.8
Crude oil	121.3	84.7	-30.2
Saudi Arabia	121.3	69.1	-43.0
Iraq	0.0	15.6	-
Plastic and Articles Thereof	58.6	78.3	33.6
Saudi Arabia	32.7	34.9	6.7
China	4.7	12.0	155.3
UAE	3.6	5.6	55.6
Other Machinery and Equipments	68.1	75.0	10.1
China	23.9	23.7	-0.8
Germany	7.0	18.1	158.6
Italy	14.1	9.9	-29.8
Medical & Pharmaceutical Products	72.7	72.8	0.1
Germany	10.5	9.5	-9.5
China	5.1	7.3	43.1
Italy	4.1	5.6	36.6
Fruits & Vegetables & Nuts	62.3	71.0	14.0
Egypt	5.4	7.4	37.0
USA	8.6	6.4	-25.6
Lebanon	3.4	6.1	79.4

Source: Department of Statistics.

- Consequently, the commodity composition of imports indicates that “Transport Equipment and Spare Parts”, Petroleum Products, “Textile Yarn, Fabrics and Related Products”, Crude oil, “Plastic and Articles Thereof”, “Other Machinery and Equipment”, “Medical & Pharmaceutical Products” and “Fruits & Vegetables & Nuts”, topped the list of imports during the first two months of 2022, accounting for 33.4 percent, compared with 35.0 percent during the same period of 2021. Meanwhile, the geographical distribution of imports indicates that China, Saudi Arabia, the UAE, the USA, Germany, Egypt and Turkey were the main source markets during the first two months of 2022; accounting for 54.3 percent of imports, compared to 52.7 percent during the same period of 2021.



■ Re-Exports

The value of re-exported goods in February 2022 increased by JD 11.8 million, or 23.0 percent, compared to the same month of 2021, to stand at JD 63.2 million. As for the first two months of 2022, the re-exported goods increased by JD 17.1 million, or 17.2 percent, compared to the same period of 2021, to stand at JD 116.7 million.

■ Trade Balance

The trade balance deficit increased by JD 243.9 million, or 46.1 percent in February 2022, compared to the same period of 2021, to reach JD 772.9 million. As for the first two months of 2022, trade balance deficit increased by JD 367.4 million, or 31.2 percent, compared to the same period of 2021, to stand at JD 1,543.6 million.

□ Total Workers' Remittances Receipts

Total workers' remittances receipts increased during the first two months of 2022 by JD 4.1 million, or 1.0 percent, to stand at 412.8 million, compared to the same period of 2021.

□ Travel

■ Receipts

Travel receipts increased by 252.7 percent during the first four months of 2022, to register JD 860.5 million, compared to the same period of 2021.

■ Payments

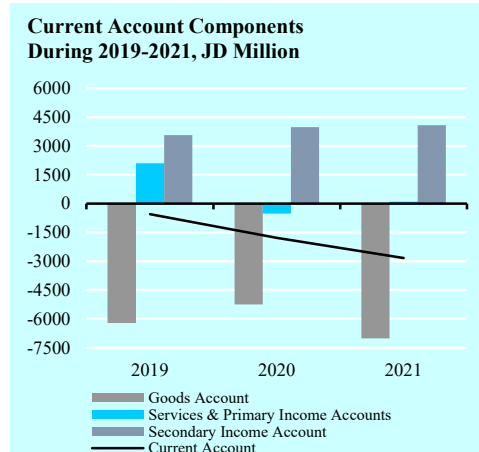
Travel payments increased by 166.4 percent during the first four months of 2022, to register JD 245.1 million, compared to the same period of 2021.

□ Balance of Payments

The preliminary data for the balance of payments during 2021 reveals the following:

- The current account recorded a deficit of JD 2,822.7 million (8.8 percent of GDP), compared to a deficit of JD 1,778.8 million (5.7 percent of GDP) during 2020. Meanwhile, the current account deficit (excluding grants) increased to reach JD 3,874.7 million (12.1 percent of GDP), compared to a deficit of JD 2,817.4 million (9.1 percent of GDP) during 2020. This was an outcome of the following developments:

- ◆ An increase in the goods account deficit by JD 1,765.3 million, or 33.7 percent, to reach JD 7,009.2 million, compared to a deficit of JD 5,243.9 million.



- ◆ The services account recorded a surplus of JD 273.8 million, compared to a deficit of JD 421.7 million.
- ◆ An increase in the primary income account deficit to reach JD 164.9 million, compared to a deficit of JD 88.3 million. This was mainly due to the increase in the deficit of investment income (net) to reach JD 361.6 million, compared to deficit of JD 294.4 million, and the decrease of “compensation of employees (net)” surplus by JD 9.4 million to reach JD 196.7 million.
- An increase in the secondary income account net surplus by JD 102.6 million to reach JD 4,077.6 million, compared to a net surplus of JD 3,975.0 million. This was a result of the increase in both net surplus of other sectors transfers (net) by JD 89.2 million to reach JD 3,025.6 million, and the net transfers of the public sector (foreign grants) by JD 13.4 million to reach JD 1,052.0 million.

- As for the capital and financial transactions during 2021, the capital account registered a net inflow of JD 17.2 million, compared to an identical net inflow during 2020. Meanwhile, the financial account registered a net inflow of JD 1,312.6 million during 2021, compared to a net inflow of JD 1,882.8 million during 2020, this could be attributed to the following:
 - ◆ Direct investment recorded an inflow of JD 441.5 million compared to an inflow of JD 539.8 million.
 - ◆ Portfolio investment recorded a net outflow of JD 165.0 million compared to a net inflow of JD 301.6 million.
 - ◆ Other investment registered a net inflow of JD 2,739.5 million, compared to a net inflow of JD 1,847.3 million.
 - ◆ Reserve assets of the CBJ registered an increase by JD 1,692.1 million, compared to an increase by JD 787.2 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 35,011.3 million at the end of 2021, compared to JD 33,707.4 million at the end of 2020. This was due to the following developments:

- An increase in the position of external assets (the stock of claims, obligations and financial assets) for all residing economic sectors in the Kingdom by JD 1,586.0 million at the end of 2021 to reach JD 21,859.1 million. This was mainly due to the increase in the position of both, the CBJ's reserve asset by JD 1,478.4 million, the trade credit of other sectors to abroad by JD 90.9 million, and the increase of licensed bank loan's to abroad by JD 74.9 million.

- An increase in the position of external liabilities (the stock of claims, obligations and financial assets) on all residing economic sectors in the Kingdom by JD 2,889.9 million at the end of 2021, to reach JD 58,870.5 million compared to its level at the end of 2020. This was due to the following developments:
 - ◆ An increase of government long-term loans by JD 683.2 million, to stand at JD 6,419.0 million.
 - ◆ An increase in the deposits of non-residents at the banking sector by JD 649.4 million, to stand at JD 11,106.0 million (increase by JD 825.2 million for the licensed banks, and a decrease by JD 175.8 million for the CBJ).
 - ◆ An increase in the stock of net foreign direct investment in the kingdom by JD 507.8 million, to stand at JD 26,486.6 million.
 - ◆ An increase in the balance of the international monetary fund credit facilities by JD 348.3 million, to reach JD 1,085.0 million.
 - ◆ An increase of banks short-term loans by JD 146.1 million, to stand at JD 563.2 million.
 - ◆ An increase of trade credits stock to residents in the kingdom by JD 131.4 million, to stand at JD 757.6 million.
 - ◆ A decrease in the stock of portfolio investment in the kingdom by JD 6.3 million, to stand at JD 7,188.8 million.