



Central Bank of Jordan

Recent Monetary & Economic Developments in Jordan

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

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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

Contents

Executive Summary

1

First

Monetary & Financial Sector

3

Second

Output, Prices and Employment

15

Third

Public Finance

23

Fourth

External Sector

39

Executive Summary

□ **Output, Prices and Employment**

Real GDP at market prices grew by 2.7 percent during the first half of 2022, compared to a growth of 1.8 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 eight months of 2022 by 3.8 percent, compared to an increase of 1.1 percent during the same period of 2021. The unemployment rate during the second quarter of 2022 reached 22.6 percent, compared to 24.8 percent during the same quarter of 2021.

□ **Monetary and Financial Sector**

- The CBJ's gross foreign reserves amounted to US\$ 16,451.4 million at the end of August 2022. This level of reserves covers around 8.5 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 41,286.1 million at the end of August 2022, compared to JD 39,509.2 million at the end of 2021.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 32,113.0 million at the end of August 2022, compared to JD 30,028.5 million at the end of 2021.
- Total deposits at licensed banks amounted to JD 41,443.7 million at the end of August 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 2,547.0 points at the end of August 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 847.4 million (5.2 percent of GDP) during the first half of 2022, comparing to a fiscal deficit of JD 831.7 million (5.4 percent of GDP) during the same period of 2021. Government domestic debt (budgetary and guaranteed) increased by JD 580.8 million at the end of June 2022, compared to its level at the end of 2021, to reach JD 20,840.3 million (63.2 percent of GDP). Moreover, outstanding external debt (budget and guaranteed) went up by JD 176.5 million, to reach JD 15,683.7 million (47.6 percent of GDP). Accordingly, outstanding government debt (domestic and external) rose up to reach JD 36,524.0 million at the end of June 2022 (110.8 percent of GDP), compared to JD 35,766.7 million (110.1 percent of GDP) at the end of 2021. When excluding the debt holding by the Social Security Investment Fund, the government domestic debt (budgetary and guaranteed) stand at JD 13,898.8 million (42.2 percent of GDP). While the outstanding external debt (budget and guaranteed) stand at JD 15,261.6 million (46.3 percent of GDP). As a result, the outstanding government debt (domestic and external) stand at JD 29,160.4 million (88.4 percent of GDP compared to 88.6 percent of GDP at the end of 2021).
- **External Sector:** Total merchandize exports (domestic exports *plus* re-exports) increased by 43.4 percent during the first half of 2022 to reach JD 4,329.8 million. Meanwhile, merchandize imports increased by 38.6 percent to reach JD 9,373.9 million. As a result, the trade balance deficit increased by 34.6 percent, compared to the same period of 2021, to reach JD 5,044.1 million. The preliminary data for the first eight months of 2022 showed an increase in travel receipts by 161.6 percent, to reach JD 2,584.4 million, and an increase in travel payments by 89.4 percent, to reach JD 712.2 million, compared to the same period of 2021. Moreover, total workers' remittances receipts increased by 0.6 percent during the first eight months of 2022, to reach JD 1,595.6 million, compared to the same period of 2021. The preliminary data for the balance of payments during the first half of 2022 displayed a deficit in the current account amounted to JD 2,432.3 million (15.3 percent of GDP) compared to a deficit of JD 1,758.4 million (11.6 percent of GDP) during the same period of 2021. Meanwhile, the current account deficit excluding grants increased to reach 16.3 percent of GDP, compared with 12.8 percent of GDP during the same period of 2021. Moreover, foreign direct investment recorded an inflow of JD 388.8 million during the first half of 2022, compared to an inflow of JD 197.5 million during the same period of 2021. Furthermore, the international investment position (IIP) registered a net obligation to abroad in the amount of JD 36,244.2 million at the end of the first half of 2022 up from JD 35,015.7 million at the end of 2021.

First: Monetary and Financial Sector

□ Summary

- The CBJ's gross foreign reserves amounted to US\$ 16,451.4 million at the end of August 2022. This level of reserves covers around 8.5 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 41,286.1 million at the end of August 2022, compared to JD 39,509.2 million at the end of 2021.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 32,113.0 million at the end of August 2022, compared to JD 30,028.5 million at the end of 2021.
- Total deposits at licensed banks amounted to JD 41,443.7 million at the end of August 2022, compared to JD 39,522.3 million at the end of 2021.
- The interest rates on all types of credit facilities and deposits held by licensed banks had increased at the end of August 2022, compared to their levels registered at the end of 2021, except the interest rate on discounted bills and bonds, which had decreased, compared to its 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 2,547.0 points at the end of August 2022, compared to 2,118.6 points at the end of 2021. Moreover, the market capitalization reached JD 18,819.7 million at the end of August 2022, compared to JD 15,495.7 million at the end of 2021.

Main Monetary Indicators

JD Million, and Percentage Change Relative to the Previous Year

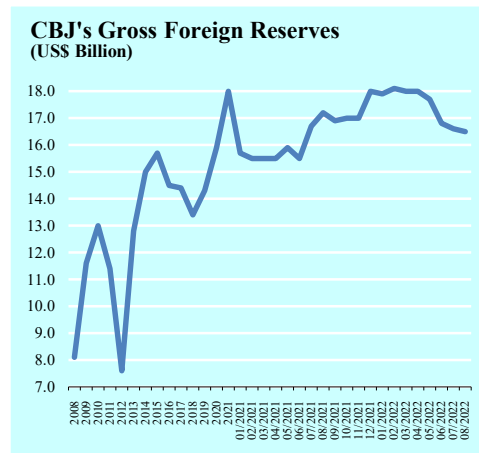
		End of August	
2021		2021	2022
US\$ 18,043.2	CBJ's Foreign Reserves*	US\$ 17,155.2	US\$ 16,451.4
13.3%		7.8%	-8.8%
9.4	Coverage in months	8.9	8.5
39,509.2	Money Supply (M2)	38,441.3	41,286.1
6.7%		3.9%	4.5%
30,028.5	Credit Facilities, of which:	29,906.8	32,113.0
4.9%		4.4%	6.9%
26,708.8	Private Sector (Resident)	26,521.5	28,600.7
4.6%		3.9%	7.1%
39,522.3	Total Deposits, of which:	38,141.0	41,443.7
7.4%		3.7%	4.9%
30,684.6	In JD	29,549.2	32,174.7
8.7%		4.7%	4.9%
8,837.7	In Foreign Currencies	8,591.8	9,268.9
3.3%		0.4%	4.9%
30,988.2	Deposits of Private Sector (Resident), of which:	30,099.2	32,500.6
7.4%		4.3%	4.9%
24,723.7	In JD	23,934.1	25,832.5
8.9%		5.4%	4.5%
6,264.5	In Foreign Currencies	6,165.1	6,668.1
2.0%		0.4%	6.4%

* 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\$ 16,451.4 million at the end of August 2022. This level of reserves covers around 8.5 months of the Kingdom's imports of goods and services.



□ Domestic Liquidity (M2)

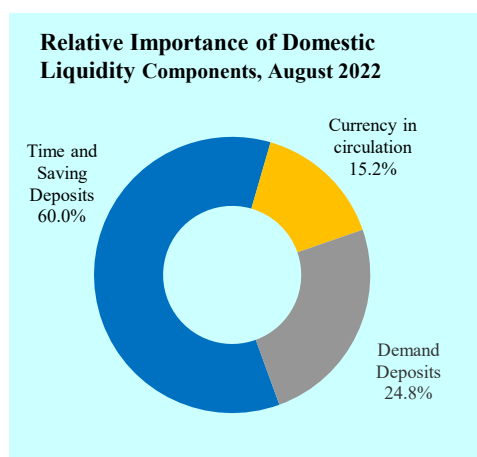
- Domestic liquidity amounted to JD 41.3 billion at the end of August 2022, compared to JD 39.5 billion at the end of 2021.

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

- **Components of Domestic Liquidity**

- Total deposits, according to liquidity definition, amounted to JD 35.0 billion at the end of August 2022, compared to JD 33.3 billion at the end of 2021.

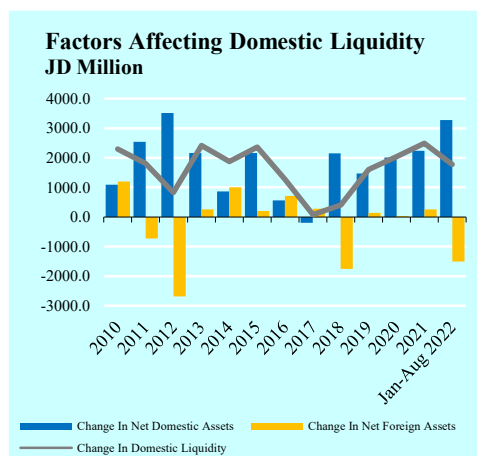
- Currency in circulation amounted to JD 6.3 billion at the end of August 2022, compared to JD 6.2



billion at the end of 2021.

• Factors Affecting Domestic Liquidity

- Net domestic assets of the banking system amounted to JD 35.0 billion at the end of August 2022,



compared to JD 31.7 billion at the end of 2021.

- Net foreign assets of the banking system amounted to JD 6.3 billion at the end of August 2022. The net foreign assets of the CBJ amounted to JD 11.1 billion at the end of August 2022.

Factors Affecting Domestic Liquidity (M2)
JD Million

		End of August	
2021		2021	2022
7,818.8	Foreign Assets (Net)	7,845.0	6,312.9
12,087.9	CBJ	11,713.5	11,119.6
-4,269.1	Licensed Banks	-3,868.5	-4,806.7
31,690.4	Domestic Assets (Net)	30,596.3	34,973.2
-5,239.4	CBJ, of which:	-4,754.3	-4,162.1
1,185.3	Claims on Public Sector (Net)	979.3	1,389.1
-6,447.2	Other Items (Net*)	-5,756.1	-5,573.1
36,929.8	Licensed Banks	35,350.6	39,135.3
13,316.6	Claims on Public Sector (Net)	12,474.5	14,179.8
27,536.5	Claims on Private Sector	27,268.3	29,459.0
-3,923.3	Other Items (Net)	-4,392.2	-4,503.5
39,509.2	Money Supply (M2)	38,441.3	41,286.1
6,225.4	Currency in Circulation	6,337.2	6,281.4
33,283.8	Total Deposits, of which:	32,104.1	35,004.7
6,328.7	In Foreign Currencies	6,231.2	6,725.3

* This item includes Certificates of Deposit in Jordanian Dinar.

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

□ Interest Rates Structure

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

- ◆ The CBJ decided on September 25, 2022 to raise interest rates by 75 basis points on all monetary policy instruments. This is for the fifth time during 2022, to become as follow:

- The CBJ main interest rate: 5.25 percent.
- Re-discount Rate: 6.25 percent.
- Interest Rate on Overnight Repurchase Agreements: 6.00 percent.
- Overnight Deposit Window Rate: 5.00 percent.
- Weekly/ Monthly Repurchase Agreements: 5.25 percent.
- The interest rate on weekly certificates of deposit: 5.25 percent.

This decision comes in view of the continuation and expansion of external inflationary pressures and their reflection on local inflation rates, and the uncertainty resulted from the Russian- Ukrainian war and the geopolitical risks.

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

Interest Rates on Monetary Policy Instruments, percentage points

		August	
2021		2021	2022
2.50	CBJ main rate	2.50	4.50
3.50	Re-discount Rate	3.50	5.50
3.25	Repurchase Agreements Rate (overnight)	3.25	5.25
2.00	Overnight Deposit Window Rate	2.00	4.25
2.50	Repurchase Agreements rate (one week and one month)	2.50	4.50
2.50	Certificates of Deposits (one week)	2.50	4.50

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

Moreover, the CBJ decided to continue the CBJ's program to support small - medium sized enterprises, professionals and craftsman, and basic commodities wholesale importers, amounting to JD 700 million, until the end of 2022, and to keep the interest rate for the borrowers not exceed 2%, for a period of 54 months, including a grace period of up to 12 months.

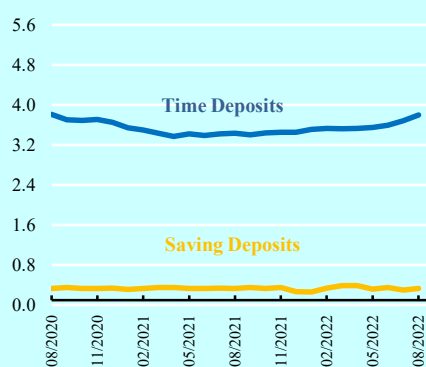
■ Interest Rates in the Banking Sector

◆ Interest Rates on Deposits

- **Time Deposits:** The weighted average interest rate on time deposits increased by 12 basis points at the end of August 2022, compared to its level registered at the end of the previous month to stand at 3.80%. This rate is higher by 35 basis points than its level registered at the end of 2021.

Interest Rates on Deposits

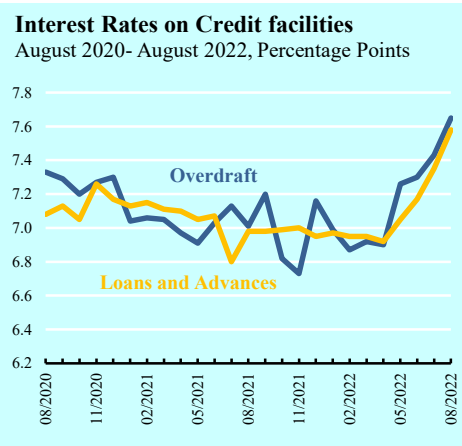
August 2020- August 2022, Percentage Points



- **Saving Deposits:** The weighted average interest rate on saving deposits increased by 3 basis points at the end of August 2022, compared to its level registered at the end of the previous month to stand at 0.33%. This rate is higher by 6 basis points than its level registered at the end of 2021.
- **Demand Deposits:** The weighted average interest rate on demand deposits increased by 2 basis points at the end of August 2022, compared to its level registered at the end of the previous month to stand at 0.36%. This rate is higher by 10 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 22 basis points at the end of August 2022, compared to its level registered at the end of the previous month to stand at 7.65%. This rate is higher by 49 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 11 basis points at the end of August 2022, compared to its level registered at the end of the previous month to stand at 7.31%. This rate is lower by 68 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				
2021		August		Change Relative to the Preceding Year Basis Points
		2021	2022	
Deposits				
0.26	Demand	0.27	0.36	10
0.27	Saving	0.33	0.33	6
3.45	Time	3.43	3.80	35
Credit Facilities				
7.99	Discounted Bills and Bonds	9.46	7.31	-68
6.95	Loans and Advances	6.98	7.58	63
7.16	Overdraft	7.01	7.65	49
8.37	Prime Lending Rate	8.35	9.64	127
Source: Central Bank of Jordan / Monthly Statistical Bulletin.				

- **Loans and Advances:** The weighted average interest rate on “loans and advances” increased by 23 basis point at the end of August 2022, compared to its level registered at the end of the previous month to stand at 7.58%. This rate is higher by 63 basis points than its level registered at the end of 2021.

- The prime lending rate stood at 9.64% at the end of August 2022, increasing by 43 basis points compared to its level registered at the end of the previous month, and by 127 basis points compared to its level at the end of 2021.

□ Credit Facilities Extended by Licensed Banks

- Total credit facilities extended by licensed banks increased by JD 2,084.4 million, or 6.9 percent, at the end of August 2022, compared to its level registered at the end of 2021, against an increase by JD 1,267.7 million, or 4.4 percent during the same period in 2021.
- In terms of borrower sectors, the credit facilities at the end of August 2022 had shown an increase in credit extended to the private sector (resident) by JD 1,891.9 million, or 7.1 percent, the public institution by JD 165.2 million, or 24.1 percent, the central government by JD 77.8 million, or 4.3 percent. In contrast, the credit facilities extended to the private sector (non-resident) decreased by JD 38.9 million, or 5.7 percent, and the non-banking financial institutions by JD 11.6 million, or 8.9 percent, compared to their levels at the end of 2021.

□ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 41.4 billion at the end of August 2022, compared to JD 38.1 billion at the end of August 2021, and JD 39.5 billion at the end of 2021.

- The currency composition of deposits at the end of August 2022 revealed that the JD deposits amounted to JD 32.2 billion, and the deposits in foreign currencies amounted to JD 9.3 billion, compared to JD 29.5 billion of JD deposits, and JD 8.6 billion of deposits in foreign currencies at the end of August 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 August 2022, compared to their levels in 2021. This can be demonstrated as follows:

■ Trading Volume

Trading volume at ASE totaled JD 294.6 million in August 2022, increasing by JD 113.2 million, or 62.4 percent, compared to its level registered at the end of the previous month, against an increase by JD 13.3 million, or 10.7 percent during the same month in the previous year. As for the first eight months of 2022, the trading volume totaled JD 1,446.3 million.

■ Traded Shares

The number of traded shares in August 2022 totaled 134.2 million shares, increasing by 39.1 million shares, or 41.1 percent, compared to its level registered at the end of the previous month, against an increase by 18.9 million shares, or 22.6 percent during the same month in 2021. As for the first eight months of 2022, the number of traded shares amounted to 812.1 million shares.

■ Share Price Index (SPI)

The SPI weighted by market capitalization of free float shares at ASE decreased by 60.2 points, or 2.3 percent, at the end of August 2022 compared to its level in the previous month, to stand at 2,547.0 points, against a decrease by 25.8 points, or 1.2 percent, during the same month in 2021. Furthermore, the SPI increased by 428.3 points, or 20.2 percent, compared to its level at the end of 2021, against an increase by 404.5 points, or 24.4 percent during the same period in 2021. The aforementioned increase was an outcome of the increase in the SPI of the industrial sector by 2,017.1 points, or 55.0 percent, services sector by 480.3 points, or 36.2 percent, and the financial sector by 69.0 points, or 2.6 percent, compared to their levels at the end of 2021.

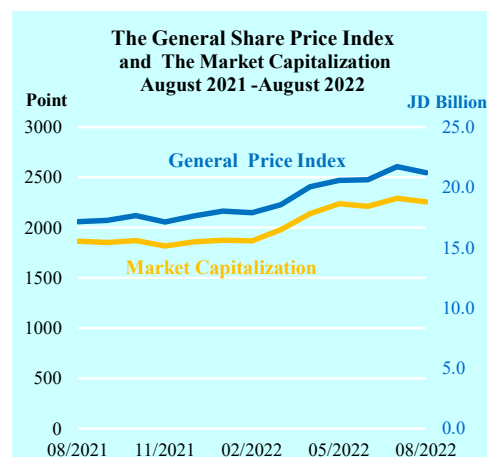
Share Price Index Weighted by Market Capitalization of Free Float Shares, by Sectors

		August	
		2021	2022
2,118.6	General Index	2,061.7	2,547.0
2,604.5	Financial Sector	2,516.2	2,673.4
3,665.9	Industrial Sector	3,645.7	5,683.0
1,327.4	Services Sector	1,296.2	1,807.7

Source: Amman Stock Exchange.

■ Market Capitalization

The ASE's market capitalization totaled JD 18.8 billion at the end of August 2022, decreasing by JD 288.7 million, or 1.5 percent, compared to its level registered at the end of the previous month, against a decrease by JD 366.4 million,



or 2.3 percent, during the same month in 2021. Furthermore, the ASE's market capitalization increased by JD 3,324.0 million, or 21.5 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 7.7 million in August 2022. The value of shares buying by non-Jordanian in August 2022 amounted to JD 123.6 million, while their selling amounted to JD 131.3 million. The Non-Jordanian net investment during the first eight months of 2022 recorded an outflow amounted to JD 83.4 million.

Main Amman Stock Exchange Trading Indicators, JD Million

		August	
2021		2021	2022
1,963.6	Value Traded	137.7	294.6
7.9	Average Daily Trading	6.3	12.8
15,495.7	Market Capitalization	15,550.6	18,819.7
1,538.2	No. of Traded Shares (million)	102.5	134.2
-60.9	Net Investment of Non-Jordanian	-2.3	-7.7
220.2	Non-Jordanian Buying	11.5	123.6
281.1	Non-Jordanian Selling	13.8	131.3

Source: Amman Stock Exchange.

Second: Output, Prices and Employment

■ Summary

- Gross Domestic Product (GDP), at constant market prices, grew by 2.9 percent during the second quarter of 2022, compared to a growth of 3.2 percent during the same quarter of 2021. At current market prices, GDP grew by 5.2 percent during the second quarter of 2022, compared to a growth of 4.7 percent in the same quarter of 2021.
- Accordingly, the real GDP grew by 2.7 percent during the first half of 2022, compared to a growth of 1.8 percent during the same period of 2021. At current market prices, GDP grew by 4.9 percent during the first half of 2022 compared to a growth of 2.6 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 eight months of 2022 by 3.8 percent, compared to an increase of 1.1 percent during the same period of 2021.
- The unemployment rate during the second quarter of 2022 reached 22.6 percent (20.7 percent for males and 29.4 percent for females), compared to 24.8 percent (22.7 percent for males and 33.1 percent for females) during the second quarter of 2021. The highest unemployment rate was among youth, which reached 50.1 percent for the (15-19) years old category and 45.5 percent for the (20-24) years old.

▣ Developments of GDP

Gross Domestic Product (GDP), at constant market prices, grew by 2.7 percent during the first half of 2022, compared to a growth of 1.8 percent during the same half of 2021. When excluding “net taxes on products” (which grew by 2.4 percent during the first half of 2022 compared to a growth of 2.0 percent during the same half of 2021), GDP at constant basic prices, grew by 2.8 percent during the first half of 2022, compared to a growth of 1.8 percent during the same half of 2021.

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

Percentages

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

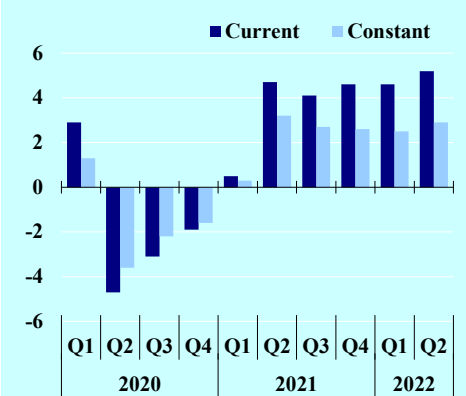
Source: Department of Statistics.

At current market prices, GDP grew by 4.9 percent during the first half of 2022, compared to a growth of 2.6 percent during the same half of 2021. This was in light of the increase of the general price level, measured by the GDP deflator, by 2.1 percent during the first half of 2022 compared to a growth of 0.8 percent during the same half of 2021.

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

As for the economic sectors contribution to growth rate during the first half of 2022, all sectors contributed positively to the growth rate. Most notably; Manufacturing contributed by (0.6 percentage point), “transport, storage and communications” (0.4 percentage point), “finance and insurance services” (0.3 percentage point), “real estate” (0.2 percentage point), and “social and personal services” (0.2 percentage point). These sectors accounted for 63.0 percent of the real growth recorded during the first half of 2022.

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



Main Sectors Contributed to Economic Growth at Constant Market Prices
Percentage

Sectors	Relative change		Contribution	
	2021 H1	2022 H1	2021 H1	2022 H1
GDP at Constant Market Prices	1.8	2.7	1.8	2.7
Agriculture	3.2	1.8	0.1	0.1
Mining And Quarrying	10.2	6.2	0.2	0.2
Manufacturing	1.5	3.5	0.3	0.6
Electricity And Water	1.1	2.8	0.02	0.04
Construction	2.4	5.0	0.06	0.13
Wholesale And Retail Trade	1.8	2.9	0.1	0.2
Restaurant And Hotels	-0.2	6.7	0.0	0.1
Transport, Storage And Communications	0.9	4.3	0.1	0.4
Finance And Insurance Services	4.0	4.4	0.3	0.3
Real Estate	1.4	1.4	0.2	0.2
Social And Personal Services	0.0	2.2	0.0	0.2
Producers of Government Services	1.5	0.9	0.2	0.12
Producers of Private Non-Profit	0.8	2.7	0.01	0.02
Domestic Services of Households	0.1	0.1	0.0	0.0

Source : Department of Statistics.

Microeconomic Indicators

Many of the microeconomic indicators witnessed an improvement in their performance during the available period of 2022. Most notably; “Number of passengers through Royal Jordanian” (155.4 percent), “Number of departures” (145.7 percent), and “Cargo through Royal Jordanian” (42.0 percent), and “Licensed areas for buildings” showed growth of (2.3 percent). The following table displays the performance of the main available microeconomic indicators:

Main Sectoral Indicators*				
Percentage Points				
2021	Item	2021	Available period	2022
52.9	Licensed areas for buildings	72.0	Jan - Jul	2.3
13.6	Manufacturing production quantity index	19.1		3.4
-10.2	Food products and beverages	-10.9		-0.2
-3.6	Tobacco products	7.0		4.0
106.5	Refined petroleum products	72.3		38.6
-6.3	Wearing apparel	-5.6		-14.9
0.7	Pharmaceuticals, medical products	6.2		4.5
2.5	Chemical products	11.6		-3.8
6.6	Mining and quarrying production quantity index	9.5		8.7
25.0	Extraction of crude petroleum and natural gas	17.2		6.5
6.4	Other mining and quarrying	9.4	Jan - Aug	8.7
4.3	Production of potash	2.4		5.6
14.2	Production of phosphate	15.5		17.4
20.4	Cargo through Royal Jordanian	-9.3		42.0
108.7	Number of passengers through Royal Jordanian	21.8		155.4
89.8	Number of departures	18.0		145.7
46.8	Value traded at the real estate market	56.2	Jan - Sep	23.6

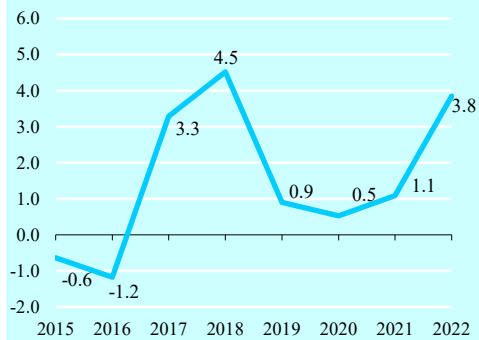
*: Computed based on the data from Department of Statistics, Department of Land and Survey, and Royal Jordanian.

Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first eight months of 2022 by 3.8 percent, compared to an increase of 1.1 percent during the same period of 2021. This was an outcome of the following:

- An increase in the prices of some items and groups, most notably:
 - “fuel and lighting” prices increased by 21.0 percent, compared to a decline by 0.7 percent, in addition to the transportation group, whose the prices increased by 5.8 percent, compared to an increase by 3.6 percent during the first eight months of 2021. and this comes in light of the rise in oil prices in global markets.

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



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

Expenditure Groups	Relative Imp.	Relative change		Contribution	
		Jan – Aug 2021	Jan – Aug 2022	Jan – Aug 2021	Jan – Aug 2022
All Items	100.00	1.08	3.85	1.08	3.85
1) Food and non-Alcoholic Beverages	26.52	-0.31	3.77	-0.08	1.00
Food	23.80	-0.36	4.00	-0.09	0.96
Cereals and Products	4.17	1.76	3.66	0.08	0.16
Meat and Poultry	4.69	4.88	3.43	0.23	0.17
Fish and Sea Product	0.41	0.87	3.06	0.00	0.01
Dairy Products and Eggs	3.72	0.64	3.24	0.02	0.12
Oil and Fats	1.70	6.22	8.27	0.10	0.14
Fruits and Nuts	2.57	-2.64	1.40	-0.07	0.03
Vegetables and Legumes Dry and Canned	2.96	-14.03	10.15	-0.42	0.26
2) Alcohol and Tobacco and Cigarettes	4.37	3.87	-0.04	0.17	0.00
Alcohol	0.01	20.75	0.55	0.00	0.00
Tobacco and Cigarettes	4.37	3.84	-0.04	0.17	0.00
3) Clothing and footwear	4.12	-1.84	0.46	-0.07	0.02
Clothing	3.41	-1.74	0.37	-0.06	0.01
Footwear	0.71	-2.31	0.86	-0.02	0.01
4) Housing	23.78	1.29	5.05	0.30	1.19
Rents	17.54	1.66	1.59	0.29	0.28
Fuels and Lighting	4.69	-0.69	20.97	-0.03	0.87
5) Household Furnishings and Equipment	4.94	0.19	2.57	0.01	0.13
6) Health	4.00	2.28	2.11	0.09	0.09
7) Transportation	15.98	3.64	5.80	0.57	0.93
8) Communication	2.83	1.98	0.73	0.06	0.02
9) Culture and Recreation	2.55	-0.68	8.14	-0.02	0.20
10) Education	4.35	-0.21	1.30	-0.01	0.06
11) Restaurants and Hotels	1.79	1.99	6.20	0.04	0.12
12) Other Goods and Services	4.77	0.33	1.88	0.02	0.09

Source: Department of Statistics.

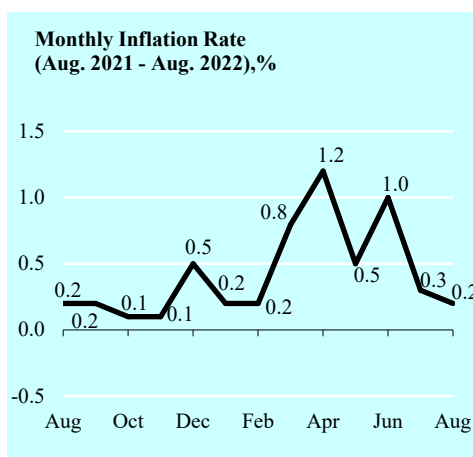
- “vegetables and legumes dry and canned” prices increased by 10.2 percent, compared to a decline by 14.0 percent during the first eight months of 2021, affected in part by the demand and supply factors in domestic market.

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

- On the other hand, the price of some items decline, notably, “spices and food additives” (1.5 percent) and “drinks and refreshments” (1.2 percent), during the first eight months of 2022.

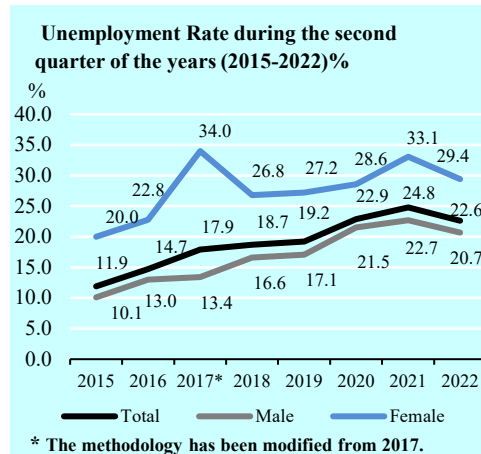
In August 2022, the CPI witnessed an increase compared to the previous month (July 2022) by 0.2 percent. This was an outcome of the increase in the prices of some items and groups, mainly, “vegetables and legumes dry and canned” (4.0 percent),

transportation (1.2 percent), on the one hand, and the decrease of the prices of a number of other items, most notably; “meat and poultry” (4.5 percent), and “fruits & nuts” (1.3 percent) on the other hand.



□ Labor Market

- The unemployment rate reached 22.6 percent (20.7 percent for males, and 29.4 percent for females) during the second quarter of 2022, compared to 24.8 percent (22.7 percent for males and 33.1 percent for females), during the same quarter of 2021.
- The unemployment rate among youth, during the second quarter of 2022, remains high reaching 50.1 percent for the category (15-19) years old, and 45.5 percent for the category (20-24) years old.
- The unemployment rate among academic degree holders (Bachelor and higher) reached 26.2 percent during the second quarter of 2022, as the unemployment rate among (less than secondary) reached 21.4 percent.
- The refined economic participation rate (the ratio of the labor force to the population of 15 years and over), was 33.5 percent (53.2 percent for males, and 14.2 percent for females), compared to 33.7 percent (53.4 percent for males and 13.9 percent for females) during the second quarter of 2021.
- The employment rate among population (15 years and older) reached 26.0 percent during the second quarter of 2022.



Third: Public Finance

□ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 847.4 million (5.2 percent of GDP) during the first half of 2022, comparing to a fiscal deficit of JD 831.7 million (5.4 percent of GDP) during the same period of 2021. When excluding foreign grants (JD 81.7 million), the general budget deficit increases to JD 929.1 million (5.7 percent of GDP), compared to a deficit of JD 908.8 million (5.9 percent of GDP) in the same period of 2021.
- Government domestic debt (budgetary and guaranteed) increased by JD 580.8 million at the end of June 2022, compared to its level at the end of 2021, to reach JD 20,840.3 million (63.2 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 13,989.8 million (42.2 percent of GDP).
- Outstanding external debt (budget and guaranteed) went up by JD 176.5 million at the end of June 2022, compared to its level at the end of 2021, to reach JD 15,683.7 million (47.6 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 15,261.6 million (46.3 percent of GDP).
- As a result, outstanding government debt (domestic and external) rose by JD 757.3 million at the end of June 2022, to reach JD 36,524.0 million (110.8 percent of GDP), compared to JD 35,766.7 million (110.1 percent of GDP) at the end of 2021. When excluding the government debt holding by the Social Security Investment Fund, the outstanding government debt (domestic and external) stand at JD 29,160.4 million (88.4 percent of GDP), compared to JD 28,763.1 million (88.6 percent of GDP) at the end of 2021.

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

■ Public Revenues

Public revenues (domestic revenues *plus* foreign grants) increased by JD 34.6 million, or 5.4 percent, in June 2022 compared to the same month in 2021, to stand at JD 680.2 million. As for the first half of 2022, public revenues went up by JD 313.1 million, or 8.3 percent, compared to same period of 2021, to stand at JD 4,098.7 million. This came as an outcome of the increase in domestic revenues by JD 308.5 million, and increase in foreign grants by JD 4.6 million.

Main Government Budget Indicators During the First Half of 2022

(JD Million and Percentages)

	June		Growth Rate	Jan.- Jun.		Growth Rate
	2021	2022		2021	2022	
Public Revenues	645.6	680.2	5.4	3,785.6	4,098.7	8.3
Domestic Revenues, of which:	639.8	640.5	0.1	3,708.5	4,017.0	8.3
Tax Revenues, of which:	489.6	473.3	-3.3	2,825.4	3,088.9	9.3
General Sales Tax	334.3	329.4	-1.5	1,862.7	1,962.3	5.3
Other Revenues	149.4	166.7	11.6	878.7	925.9	5.4
Foreign Grants	5.8	39.7	-	77.1	81.7	6.0
Total Expenditures	840.8	966.1	14.9	4,617.3	4,946.1	7.1
Current Expenditures	735.5	794.5	8.0	4,231.8	4,408.2	4.2
Capital Expenditures	105.3	171.6	63.0	385.5	537.9	39.5
Overall Deficit/ Surplus (Including Grants)	-195.2	-285.9	-	-831.7	-847.4	-
Overall Deficit/ Surplus (Including Grants) as a Percent of GDP	-	-	-	-5.4	-5.2	-

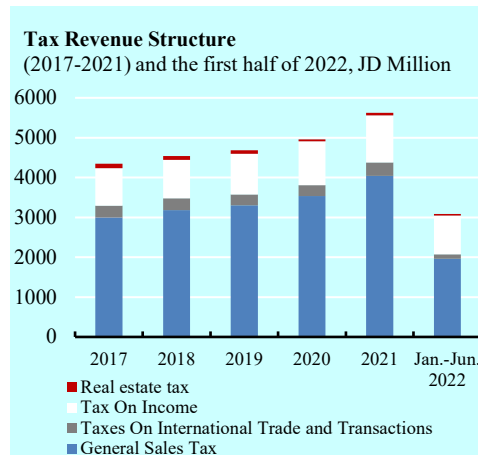
Source: Ministry of Finance/ General Government Finance Bulletin.

◆ Domestic Revenues

Domestic revenues witnessed an increase of JD 308.5 million, or 8.3 percent, in the first half of 2022, compared to the same period of 2021, to reach JD 4,017.0 million. This increase was a result of the rise in the proceeds of “tax revenues”, and “other revenues” by JD 263.5 million, and JD 47.2 million, respectively, and the drop in “Pension contributions” by JD 2.2 million.

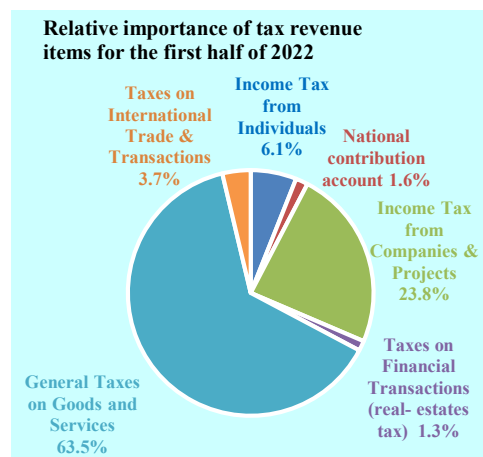
● Tax Revenues

Tax revenues increased by JD 263.5 million, or 9.3 percent, during the first half of 2022, compared to the same period of 2021, to reach JD 3,088.9 million (76.9 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 99.6 million, or 5.3 percent, to reach JD 1,962.3 million, accounting for 63.5 percent of total tax revenues. This result was driven by the increase in the proceeds of sales tax on imported goods by JD 64.0 million, and on services by JD 45.9 million, and on commercial sector by JD 16.6 million, and decrease in the proceeds of sales tax on domestic goods by JD 27.0 million.

- An increase in the proceeds of **income and profit taxes** by JD 195.8 million, or 25.3 percent, to reach JD 970.8 million, accounting for 31.4 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 181.8 million, or 32.9 percent, to account for 75.7 percent of total proceeds of income and profits taxes, amounting to JD 734.6 million, and increase the proceeds of “income taxes from individuals” by JD 32.0 million, or 20.8 percent, to reach JD 186.2 million, and increase the proceeds of national contribution account item by JD 18.0 million, or 26.5 percent, to reach JD 50.0 million.
- An increase in the proceeds of **taxes on financial transactions (real-estates tax)** by JD 10.1 million, or 32.8 percent, to reach JD 40.9 million.
- A decrease in the proceeds of **taxes on international trade and transactions** (including customs duties and fees) by JD 42.0 million, or 26.8 percent, to reach JD 114.9 million.



● Non-Tax Revenues

- “Other revenues” increased by JD 47.2 million, or 5.4 percent, during the first half of 2022, to reach JD 925.9 million. This increase was chiefly due to the following:
 - An increase in **miscellaneous revenues** by JD 69.5 million to stand at JD 302.9 million.
 - An increase in revenues from **selling goods and services** by JD 23.7 million to reach JD 420.4 million.
 - A decrease in the **property income** by JD 45.9 million to stand at JD 202.6 million (of which financial surplus of independent government units amounted to JD 186.2 million against JD 237.9 million during the same period of 2021).
- Pension contributions decreased by JD 2.2 million, or 50.0 percent, during the first half of 2022, compared to the same period of 2021, to reach JD 2.2 million.

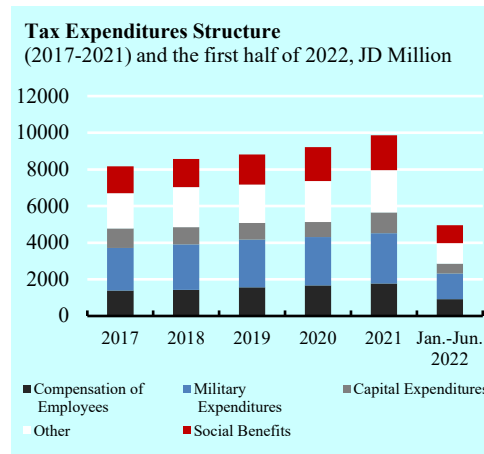
◆ Foreign Grants

Foreign grants increased by JD 4.6 million, or 6.0 percent, during the first half of 2022, standing at JD 81.7 million, compared to JD 77.1 million during the same period of 2021.

■ Public Expenditures

Public expenditures increased by JD 125.3 million, or 14.9 percent, in June 2022 compared to the same month in 2021, to stand at JD 966.1 million. As for the first half of 2022, public

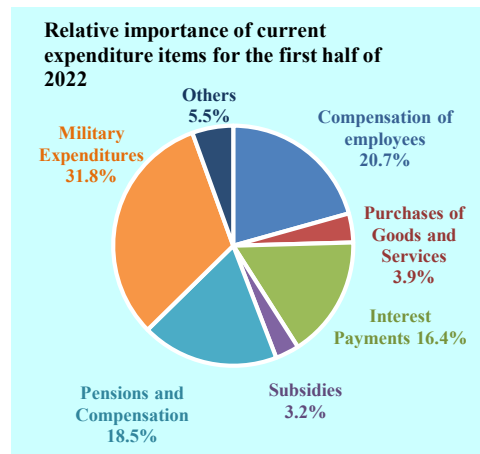
expenditures increased by JD 328.8 million, or 7.1 percent, compared to the same period of 2021, to stand at JD 4,946.1 million. This increase was a result of the rise in current expenditures by 4.2 percent, and capital expenditures by 39.5 percent.



◆ Current Expenditures

Current expenditures went up by JD 176.4 million, or 4.2 percent, during the first half of 2022, to reach JD 4,408.2 million (89.1 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 3.5 percentage point, to reach 91.1 percent compared to 87.6 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 50.5 million, to stand at JD 722.5 million.
- An increase in **subsidies** by JD 48.9 million, to stand at JD 141.4 million.
- An increase in the **compensation of civil sector's employees (wages, salaries and social security contributions)** by JD 23.0 million, to reach JD 910.9 million.
- An increase in **military expenditures** by JD 22.9 million, to total JD 1,402.9 million.
- An increase in **pensions and compensation** by JD 12.7 million, to stand at JD 814.6 million.
- An increase in the **purchases of goods and services** by JD 12.3 million, to reach JD 172.2 million.

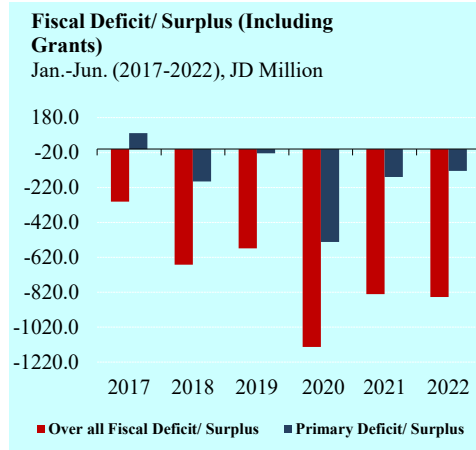


◆ Capital Expenditures

Capital expenditures increased by JD 152.4 million, or 39.5 percent, during the first half of 2022 compared to the same period of 2021, to reach JD 537.9 million.

■ General Budget Deficit/ Surplus

- ◆ The overall fiscal deficit, including foreign grants, increased by JD 15.7 million, during the first half of 2022, to reach JD 847.4 million (5.2 percent of GDP), compared to a fiscal deficit of JD 831.7



million (5.4 percent of GDP), in the same period of 2021. When foreign grants are excluded, the general budget deficit increases to reach JD 929.1 million (5.7 percent of GDP), compared to a fiscal deficit of JD 908.8 million (5.9 percent of GDP) in the same period of 2021.

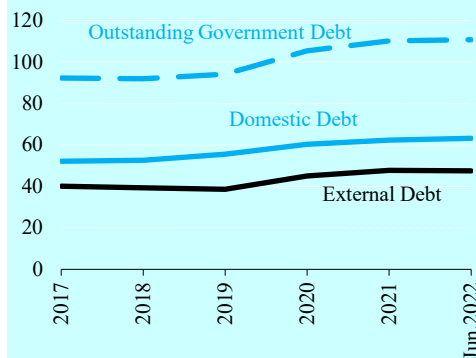
- ◆ The primary deficit, excluding foreign grants, (domestic revenues *minus* total public expenditures excluding interest payments on public debt) reached JD 206.6 million (1.3 percent of GDP) in the first half of 2022, against a primary deficit of JD 236.8 million (1.6 percent of GDP) in the same period of 2021. When foreign grants are including, the primary deficit of the general budget reached JD 124.9 million (0.8 percent of GDP), compared to a primary deficit of JD 159.7 million (1.1 percent of GDP) in the same period of 2021.

□ Outstanding Government Debt

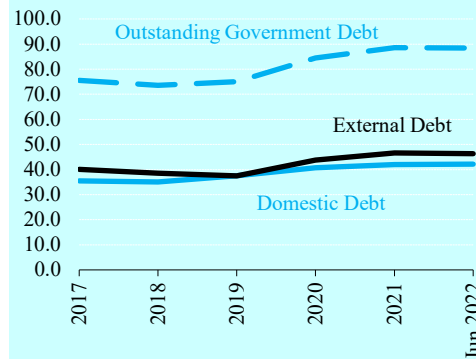
■ Government domestic debt (budgetary and guaranteed) increased by JD 580.8 million, at the end of June 2022 compared to its level at the end of 2021, to stand at JD 20,840.3 million (63.2 percent of GDP compared to 62.4 percent of GDP at the end of 2021). This increase was an outcome of the rise in the domestic debt of the budget by JD 588.6 million, and the decrease in the domestic debt of guaranteed by JD 7.9 million, compared to their levels at the end of 2021, standing at JD 18,472.0 million and JD 2,368.2 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 273.2 million, at the end of June 2022 compared to its level at the end of 2021, to stand at JD 13,898.8 million (42.2 percent of GDP).

**Outstanding Government Debt
(Budgetary and Guaranteed)**
2017-Jun. 2022, As a Percent of GDP



**Outstanding Government Debt
Excluding the Debt Holding by SSIF**
2017-Jun. 2022, As a Percent of GDP



- Outstanding external debt (budget and guaranteed) went up by JD 176.5 million at the end of June 2022, compared to its level at the end of 2021, to reach JD 15,683.7 million (47.6 percent of GDP compared to 47.7 percent of GDP at the end of 2021). It is worth mentioning that the external debt denominated in the U.S. Dollar accounted for 70.5 percent of the total external debt, and the debt in Euro accounted for 11.2 percent. However, the SDR accounted for 9.5 percent, Kuwaiti Dinar (3.7 percent), and Japanese Yen (3.1 percent).
- When excluding the external debt holding by the Social Security Investment Fund, the outstanding external debt (budget and guaranteed) increased by JD 124.1 million, at the end of June 2022 compared to its level at the end of 2021, to stand at JD 15,261.6 million (46.3 percent of GDP).
- In light of the above-mentioned developments, outstanding government debt (domestic and external) increased by JD 757.3 million at the end of June 2022 to reach JD 36,524.0 million (110.8 percent of GDP), compared to JD 35,766.7 million (110.1 percent of GDP) at the end of 2021. When excluding the debt holding by the Social Security Investment Fund, the outstanding government debt (budget and guaranteed) stand at JD 29,160.4 million (88.4 percent of GDP), compared to JD 28,763.1 million at the end of 2021 (88.6 percent of GDP).
- External debt service (budget and guaranteed) increased by JD 978.9 million during the first half of 2022 compared to the same period of 2021, to reach JD 1,882.0 million (including principal payments of JD 1,638.2 million and interest of JD 243.9 million).

□ Fiscal and Price Measures of 2022

◆ October

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

Development of Oil Derivatives Prices

	Unit	2022		Percentage Change
		September	October	
Unleaded Gasoline 90	Fils/ Liter	985	925	-6.1
Unleaded Gasoline 95	Fils/ Liter	1,230	1,170	-4.9
Unleaded Gasoline 98	Fils/ Liter	1,380	1,320	-4.3
Gas Oil (Diesel)	Fils/ Liter	790	825	4.4
Kerosene	Fils/ Liter	790	825	4.4
Liquid Gas (12.5kg)	JD/ Cylinder	7.0	7.0	0.0
Fuel oil (1%)	JD/ Ton	467.1	401.1	-14.1
Fuel for airplanes (local companies)	Fils/ Liter	765	724	-5.4
Fuel for airplanes (foreign companies)	Fils/ Liter	770	729	-5.3
Fuel for unplanned flights	Fils/ Liter	785	744	-5.2
Asphalt	JD/ Ton	462	396	-14.3

Source: Jordan Petroleum Refinery Company (1/10/2022).

- 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:
 - o 25 percent to 31/12/2024.
 - o 20 percent starting from 1/1/2025.
 - o 15 percent starting from 1/1/2027.
- Reduce the sales tax on cakes, wafers and biscuits from 16 percent to 5 percent.
- The expiry of the Cabinet decides taken in July 2018, according to which the special tax imposed on cars that partially operate on electricity (hybrid) was reduced and raised gradually during the period (2018-2021), to become the special tax imposed on it 55 percent, as of 1/1/2022.
- Issuing the amending by-law for the year 2022 for the work permit fees to non-Jordanian workers, in which a fee for issuing or renewing a work permit for one year or part of the year shall be collected from the employer JD 350, for every worker in all sectors and economic activities, except the following:
 - Collect JD 225 for each worker with institutions and companies operating in the clothing and textile industry sector registered in the Investment Commission in development zones.

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

□ Grants, Loans and Other Agreements for 2022

◆ October

- 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 51.9 percent in June 2022, compared to the same month of 2021, to reach JD 967.1 million. As for the first half of 2022, total exports increased by 43.4 percent, compared to the same period of 2021, to reach JD 4,329.8 million.
- **Merchandize imports** increased by 50.8 percent in June 2022, compared to the same month of 2021, to reach JD 1,860.9 million. As for the first half of 2022, imports increased by 38.6 percent, compared to the same period of 2021, to reach JD 9,373.9 million.
- **Consequently**, the trade balance deficit (total exports minus imports) increased by 49.7 percent in June 2022, compared to the same month of 2021; standing at JD 893.8 million. As for the first half of 2022, trade balance deficit increased by 34.6 percent, compared to the same period of 2021, to reach JD 5,044.1 million.
- **Travel receipts** increased by 161.6 percent during the first eight months of 2022, to register JD 2,584.4 million, compared to the same period of 2021. While, **travel payments** increased by 89.4 percent, to register JD 712.2 million, compared to the same period of 2021.
- **Total workers' remittances receipts** increased by 0.6 percent during the first eight months of 2022, compared to the same period of 2021, to reach JD 1,595.6 million.
- **The current account of the balance of payments** (including grants) registered a deficit amounted to JD 2,432.3 million (15.3 percent of GDP) during the first half of 2022, compared to a deficit of JD 1,758.4 million (11.6 percent of GDP) during the same period of 2021. Meanwhile, the current account deficit excluding grants increased to reach 16.3 percent of GDP, compared with 12.8 percent of GDP during the same period of 2021.
- **Foreign direct investment** recorded an inflow of JD 388.8 million during the first half of 2022, compared to an inflow of JD 197.5 million during the same period of 2021.

- **International investment position (IIP)** displayed a net obligation to abroad of JD 36,224.2 million at the end of the first half 2022, compared to a net obligation of JD 35,015.7 million at the end of 2021.

□ External Trade

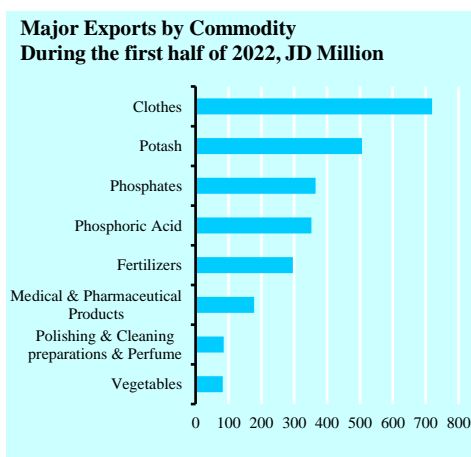
- As a result of the increase in domestic exports by JD 1,238.2 million and the increase in imports by JD 2,608.4 million during the first half of 2022, the volume of external trade (domestic exports *plus* imports) increased by JD 3,846.6 million to stand at JD 13,334.9 million, compared to the same period of 2021.

Jordan's Major Trading Partners			
JD Million			
January - June			
	2021	2022	Percentage Change
Exports			
USA	675.9	824.8	22.0
India	358.1	762.6	113.0
Saudi Arabia	385.6	390.8	1.3
Iraq	185.5	243.9	31.5
Indonesia	58.8	141.6	140.8
UAE	78.8	87.4	10.9
Egypt	54.8	84.8	54.7
Imports			
Saudi Arabia	1,042.2	1,460.0	40.1
China	979.3	1,436.0	46.6
UAE	319.3	592.0	85.4
USA	471.6	527.5	11.9
India	210.8	498.9	136.7
Switzerland	127.3	325.8	155.9
Turkey	222.5	320.2	43.9
Source: Department of Statistics.			

Main External Trade Indicators				
JD Million				
January - June				
	2021	Percentage Change (%)	2022	Percentage Change (%)
External Trade	9,488.3	21.9	13,334.9	40.5
Total Exports	3,018.4	19.6	4,329.8	43.4
Domestic Exports	2,722.8	23.1	3,961.0	45.5
Re-exports	295.6	-5.2	368.8	24.8
Imports	6,765.5	21.4	9,373.9	38.6
Trade Balance	-3,747.1	22.9	-5,044.1	34.6
Source: Department of Statistics.				

■ Merchandize Exports:

Total merchandize exports increased by 43.4 percent during the first half of 2022, to reach JD 4,329.8 million. This increase was a result of the increase in domestic exports by JD 1,238.2 million, or 45.5 percent to reach JD 3,961.0 million, and the increase in re-exports by JD 73.2 million, or 24.8 percent to reach JD 368.8 million.



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

- Exports of **Potash** increased by JD 299.1 million, or 144.7 percent, to stand at JD 505.8 million. It is worth noting that markets of India, China, Malaysia and Egypt accounted for 53.5 percent of these exports.
- Exports of **Phosphates** increased by JD 218.6 million, or 148.9 percent, to reach JD 365.4 million. The markets of India, Indonesia and Bangladesh accounted for 90.4 percent of these exports.
- Exports of **phosphoric Acid** increased by JD 159.9 million, or 83.2 percent, to stand at JD 352.2 million. The markets of India and Turkey accounted for 95.8 percent of these exports.

- Exports of **Fertilizers** increased by JD 148.4 million, or 100.6 percent, to stand at JD 295.9 million. India, Bangladesh, Australia, Brazil and Romania were the main destination markets for these exports, accounting for 69.0 percent.
- Exports of **Clothes** increased by JD 107.6 million or 17.6 percent to reach JD 719.1 million. It is worth noting that the USA market accounted for 85.8 percent of these exports.
- Exports of **Medical & Pharmaceutical Products** decreased by JD 28.3 million, or 13.7 percent, to reach JD 178.0 million. Saudi Arabia, Iraq, the UAE and Algeria were the main destination markets; accounting for 58.7 percent of these exports.

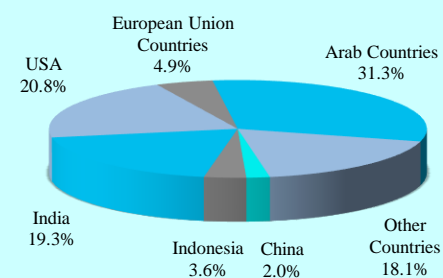
**Major Domestic Exports by Commodity, JD Million
The first half of 2021-2022**

	2021	2022	Percentage Change
Domestic Exports	2,722.8	3,961.0	45.5
Clothes	611.5	719.1	17.6
USA	509.5	617.2	21.1
Potash	206.7	505.8	144.7
India	41.2	95.7	132.3
China	37.8	71.8	89.9
Malaysia	15.2	53.0	248.7
Egypt	20.2	50.0	147.5
Phosphates	146.8	365.4	148.9
India	92.1	246.0	167.1
Indonesia	41.1	75.5	83.7
Bangladesh	2.6	9.0	246.2
Phosphoric Acid	192.3	352.2	83.2
India	182.7	310.4	69.9
Turkey	0.1	27.0	-
Fertilizers	147.5	295.9	100.6
India	26.8	84.2	214.2
Bangladesh	0.0	34.8	-
Australia	1.4	30.9	-
Brazil	19.7	28.0	42.1
Romania	0.8	26.4	-
Medical & Pharmaceutical Products	206.3	178.0	-13.7
Saudi Arabia	50.1	43.4	-13.4
Iraq	35.1	33.0	-6.0
UAE	15.5	14.0	-9.7
Algeria	20.0	14.0	-30.0
Polishing & Cleaning Preparations & Perfume Materials	68.7	85.2	24.0
Iraq	31.7	39.9	25.9
Saudi Arabia	12.8	17.3	35.2
Libya	7.2	10.3	43.1
Vegetables	61.5	82.6	34.3
Saudi Arabia	13.6	20.0	47.1
Kuwait	13.3	13.6	2.3
Bahrain	6.9	8.9	29.0

Source: Department of Statistics.

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

Geographic Distribution of Domestic Exports During the first half of 2022

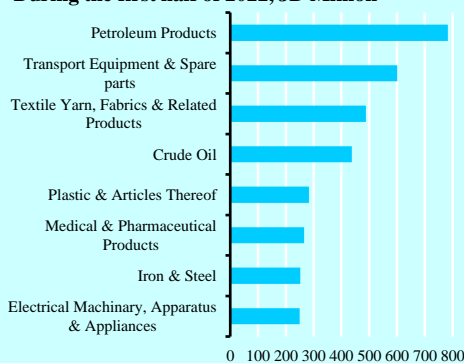


Phosphoric Acid, Fertilizers, “Medical & Pharmaceutical Products”, “Polishing & Cleaning Preparations & Perfume Material” and Vegetables, topped the list of domestic exports during the first half of 2022; accounting for 65.2 percent, compared with 60.3 percent during the same period of 2021. Meanwhile, the geographical distribution of domestic exports indicates that the USA, India, Saudi Arabia, Iraq, Indonesia, the UAE and Egypt were the main destination markets during the first half of 2022; accounting for 64.0 percent, compared with 66.0 percent during the same period of 2021.

■ **Merchandise Imports:**

Merchandise imports increased by 38.6 percent to reach JD 9,373.9 million during the first half of 2022, compared to an increase by 21.4 percent during the same period of 2021.

**Major Imports by Commodity
During the first half of 2022, JD Million**



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

- **Petroleum Products** imports increased by JD 452.6 million, or 137.0 percent, to stand at JD 782.9 million. Saudi Arabia, India and the UAE were the main markets, accounting for 93.9 percent of these imports.
- **Textile Yarn, Fabrics & Related Products** imports increased by JD 136.0 million, or 38.6 percent, to reach JD 488.0 million. China, Taiwan and Turkey were the main markets, accounting for 76.0 percent of these imports.
- **Crude oil** imports increased by JD 125.1 million or 40.1 percent to reach JD 437.1 million. Saudi Arabia and Iraq were the main origin markets accounting for 100.0 percent of these imports.

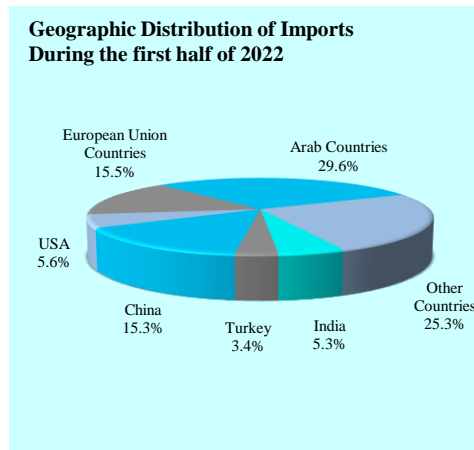
- **Iron & Steel** imports increased by JD 93.6 million, or 59.1 percent, to reach JD 252.1 million. China, Saudi Arabia, and India were the main origin markets, accounting for 56.4 percent of these imports.
- **Plastic & Articles Thereof** imports increased by JD 82.3 million or 40.9 percent, to reach JD 283.5 million. Saudi Arabia, China and the UAE were the main markets, accounting for 69.3 percent of these imports.
- **Transport Equipment & Spare Parts** imports increased by JD 79.5 million, or 15.2 percent, to reach JD 601.5 million. China, South Korea, the USA, and Japan were the main origin markets, accounting for 67.1 percent of these imports.

Major Imports by Commodity, JD Million
The first half of 2021-2022

	2021	2022	Percentage Change
Total Imports	6,765.5	9,373.9	38.6
Petroleum Products	330.3	782.9	137.0
Saudi Arabia	271.6	424.0	56.1
India	42.0	172.3	310.2
UAE	7.2	138.5	-
Transport Equipment & Spare Parts	522.0	601.5	15.2
China	20.0	121.9	509.5
South Korea	100.4	110.4	10.0
USA	112.3	101.1	-10.0
Japan	76.8	70.4	-8.3
Textile Yarn, Fabrics and Related Products	352.0	488.0	38.6
China	152.8	232.7	52.3
Taiwan	76.2	86.8	13.9
Turkey	34.6	51.6	49.1
Crude oil	312.0	437.1	40.1
Saudi Arabia	312.0	355.3	13.9
Iraq	0.0	81.7	-
Plastic & Articles Thereof	201.2	283.5	40.9
Saudi Arabia	111.6	129.9	16.4
China	18.5	46.0	148.6
UAE	13.4	20.6	53.7
Medical & Pharmaceutical Products	266.7	266.2	-0.2
Germany	40.0	37.0	-7.5
USA	22.1	28.1	27.1
France	16.2	21.2	30.9
Iron & Steel	158.5	252.1	59.1
China	24.0	57.4	139.2
Saudi Arabia	23.7	49.1	107.2
India	2.6	35.8	-
Electrical machinery, Apparatus and Appliances	213.7	249.9	16.9
China	72.9	115.9	59.0
Turkey	15.6	17.7	13.5
Italy	15.4	14.8	-3.9

Source: Department of Statistics.

- Consequently, the commodity composition of imports indicates that Petroleum Products, “Transport Equipment & Spare Parts”, “Textile Yarn, Fabrics and Related Products”, Crude oil, “Plastic & Articles Thereof”, “Medical & Pharmaceutical Products”, “Iron & Steel” “Electrical machinery, Apparatus and Appliances”, topped the list of imports during the first half of 2022, accounting for 35.9 percent, compared with 34.8 percent during the same period of 2021. Meanwhile, the geographical distribution of imports indicates that Saudi Arabia, China, the UAE, the USA, India, Switzerland, and Turkey were the main source markets during the first half of 2022; accounting for 55.1 percent of imports, compared to 49.9 percent during the same period of 2021.



■ Re-Exports

The value of re-exported goods in June 2022 increased by JD 22.6 million, or 39.6 percent, compared to the same month of 2021, to stand at JD 79.6 million. As for the first half of 2022, the re-exported goods increased by JD 73.2 million, or 24.8 percent, compared to the same period of 2021, to stand at JD 368.8 million.

■ Trade Balance

The trade balance deficit increased by JD 296.7 million, or 49.7 percent in June 2022, compared to the same month of 2021, to reach JD 893.8 million. As for the first half of 2022, trade balance deficit increased by JD 1,297.0 million, or 34.6 percent, compared to the same period of 2021, to stand at JD 5,044.1 million.

□ Total Workers' Remittances Receipts

Total workers' remittances receipts increased during the first eight months of 2022 by JD 9.1 million, or 0.6 percent, to stand at JD 1,595.6 million, compared to the same period of 2021.

□ Travel

■ Receipts

Travel receipts increased by 161.6 percent during the first eight months of 2022, to register JD 2,584.4 million, compared to the same period of 2021.

■ Payments

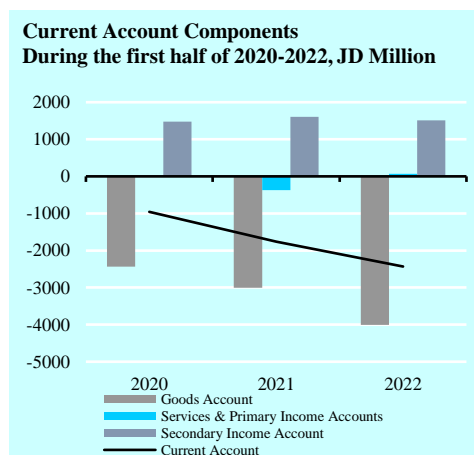
Travel payments increased by 89.4 percent during the first eight months of 2022, to register JD 712.2 million, compared to the same period of 2021.

□ Balance of Payments

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

- **The current account** recorded a deficit of JD 2,432.3 million (15.3 percent of GDP), compared to a deficit of JD 1,758.4 million (11.6 percent of GDP) during the same period. Meanwhile, the current account deficit (excluding grants) increased to reach JD 2,602.2 million (16.3 percent of GDP), compared to a deficit of JD 1,945.7 million (12.8 percent of GDP) during the same period of 2021. This was an outcome of the following developments:

- ◆ An increase in the goods account deficit by JD 1,007.3 million, or 33.6 percent, to reach JD 4,008.7 million, compared to a deficit of JD 3,001.4 million.



- ◆ The services account recorded a surplus of JD 382.2 million, compared to a deficit of JD 242.7 million.
- ◆ The primary income account recorded a deficit of JD 316.4 million, compared to a deficit of JD 124.2 million. This was mainly due to the increase in the deficit of investment income (net) to reach JD 413.2 million, compared to deficit of JD 222.1 million, and the decrease of “compensation of employees (net)” surplus by JD 1.1 million to reach JD 96.8 million.
- A decrease in the secondary income account net surplus by JD 99.3 million to reach JD 1,510.6 million, compared to a net surplus of JD 1,609.9 million. This was a result of the decrease in both net surplus of other sectors transfers (net) by JD 81.9 million to reach JD 1,340.7 million, and the net transfers of the public sector (foreign grants) by JD 17.4 million to reach JD 169.9 million.

- As for the capital and financial transactions during the first half of 2022, the capital account registered a net inflow of JD 17.6 million, compared to an identical net inflow of JD 5.4 million during the same period 2021. Meanwhile, the financial account registered a net inflow of JD 2,151.2 million during the first half of 2022, compared to a net inflow of JD 985.1 million during the same period 2021, this could be attributed to the following:
 - ◆ Foreign direct investment recorded an inflow of JD 388.8 million compared to an inflow of JD 197.5 million.
 - ◆ Portfolio investment recorded a net outflow of JD 379.0 million compared to a net outflow of JD 30.4 million.
 - ◆ Other investment registered a net inflow of JD 1,246.6 million, compared to a net inflow of JD 775.2 million.
 - ◆ Reserve assets of the CBJ registered a decrease by JD 890.9 million, compared to a decrease by JD 56.8 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 36,244.2 million at the end of the first half of 2022, compared to JD 35,015.7 million at the end of 2021. This was due to the following developments:

- A decrease in the position of external assets (the stock of claims, obligations and financial assets) for all residing economic sectors in the Kingdom by JD 1,349.0 million at the end of the first half of 2022 to reach JD 20,542.2 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 909.5 million, banking sector currency and deposits

abroad by JD 585.5 million, licensed bank loans to abroad by JD 52.0 million and the increase in trade credit of other sectors to abroad by JD 168.2 million.

- A decrease in the position of external liabilities (the stock of claims, obligations and financial liabilities) on all residing economic sectors in the Kingdom by JD 120.6 million at the end of the first half of 2022, to reach JD 56,786.4 million compared to its level at the end of 2021. This was due to the following developments:
 - ◆ A decrease in the deposits of non-residents at the banking sector by JD 572.1 million, to stand at JD 10,533.9 million (decrease by JD 297.4 million for the licensed banks, and a decrease by JD 274.7 million for the CBJ).
 - ◆ A decrease in the stock of portfolio investment in the kingdom by JD 471.4 million, to stand at JD 6,717.4 million.
 - ◆ A decrease in the stock of special drawing rights allocation by JD 333.9 million, to stand at JD 153.2 million.
 - ◆ A decrease in outstanding balance of other sectors long-term loans by JD 142.9 million, to stand at JD 2,083.7 million.
 - ◆ An increase of trade credits to non-residents in the kingdom by JD 439.8 million, to stand at JD 1,233.9 million.
 - ◆ An increase in the stock of direct investment in the kingdom by JD 436.7 million, to stand at JD 26,923.3 million.
 - ◆ An increase in outstanding balance of the international monetary fund credit facilities, to reach JD 1,331.2 million.
 - ◆ An increase in outstanding balance of banks short-term loans by JD 193.3 million, to stand at JD 756.5 million.