



Central Bank of Jordan

Recent Monetary & Economic Developments in Jordan

**Research Dept / Monthly Report
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Central Bank of Jordan

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OUR VISION

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

OUR MISSION

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

OUR VALUES

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

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Executive Summary

□ **Output, Prices and Employment**

Real GDP at market prices declined by 1.6 percent during 2020, compared to a growth of 2.0 percent during 2019. The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first four months of 2021 by 0.4 percent, compared to a rise of 1.6 percent during the same period of 2020. The unemployment rate increased during 2020 to stand at 23.2 percent, compared to 19.1 percent during 2019.

□ **Monetary and Financial Sector**

- The CBJ's gross foreign reserves amounted to US\$ 15,535.3 million at the end of April 2021. This level of reserves covers around 8.8 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 37,731.4 million at the end of April 2021, compared to JD 37,011.9 million at the end of 2020.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 29,545.9 million at the end of April 2021, compared to JD 28,639.1 million at the end of 2020.
- Total deposits at licensed banks amounted to JD 37,326.1 million at the end of April 2021, compared to JD 36,789.1 million at the end of 2020.
- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 1,795.3 points at the end of April 2021, compared to 1,657.2 points at the end of 2020.

- **Public Finance:** The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 274.2 million (3.5 percent of GDP) during the first quarter of 2021, comparing to a fiscal deficit of JD 447.1 million (5.8 percent of GDP) during the same period of 2020. Government domestic debt (budgetary and guaranteed) increased by JD 493.3 million at the end of March 2021, compared to its level at the end of 2020, to reach JD 19,427.0 million (62.1 percent of GDP). While the outstanding external debt (budget and guaranteed) went down by JD 31.2 million, to reach JD 14,067.1 million (44.9 percent of GDP). Accordingly, outstanding government debt (domestic and external) rose up to reach JD 33,494.1 million at the end of March 2021 (107.0 percent of GDP), compared to JD 33,032.0 million (106.5 percent of GDP) at the end of 2020. When excluding the debt holding by the Social Security Investment Fund, the government domestic debt (budgetary and guaranteed) stand at JD 13,123.3 million (41.9 percent of GDP). While the outstanding external debt (budget and guaranteed) stand at JD 13,683.3 million (43.7 percent of GDP). As a result, the outstanding government debt (domestic and external) stand at JD 26,806.6 million (85.6 percent of GDP compared to 85.4 percent of GDP at the end of 2020).
- **External Sector:** Total merchandise exports (domestic exports *plus* re-exports) increased by 3.4 percent during the first quarter of 2021 to reach JD 1,427.6 million. Meanwhile, merchandise imports increased by 13.7 percent to reach JD 3,326.6 million. As a result, the trade balance deficit increased by 22.9 percent compared to the same period of 2020, to reach JD 1,899.0 million. The preliminary data during the first four months of 2021 showed a decrease in travel receipts by 69.7 percent, to reach JD 237.3 million, and a decrease in travel payments by 53.7 percent, to reach JD 88.4 million, compared to the same period of 2020. Moreover, total workers' remittances receipts decreased by 1.2 percent, to reach JD 790.7 million during the first four months of 2021 compared to the same period of 2020. The preliminary data for the balance of payments during 2020 displayed a deficit in the current account amounted to JD 2,473.0 million (8.0 percent of GDP) compared to a deficit of JD 672.0 million (2.1 percent of GDP) during 2019. Meanwhile, the current account deficit excluding grants increased to reach 10.9 percent of GDP compared with 5.1 percent of GDP during 2019. Moreover, net direct investment recorded a net inflow of JD 496.7 million during 2020, compared to a net inflow of JD 487.3 million during 2019. Furthermore, the international investment position (IIP) registered a net obligation to abroad in the amount of JD 33,951.2 million at the end of 2020 up from JD 32,372.6 million at the end of 2019.

First: Monetary and Financial Sector

□ Summary

- The CBJ's gross foreign reserves amounted to US\$ 15,535.3 million at the end of April 2021. This level of reserves covers around 8.8 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 37,731.4 million at the end of April 2021, compared to JD 37,011.9 million at the end of 2020.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 29,545.9 million at the end of April 2021, compared to JD 28,639.1 million at the end of 2020.
- Total deposits at licensed banks amounted to JD 37,326.1 million at the end of April 2021, compared to JD 36,789.1 million at the end of 2020.
- The interest rates on all types of credit facilities and deposit had decreased at the end of April 2021, except the interest rate on saving deposit which had increased, compared to their levels at the end of 2020.

- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 1,795.3 points at the end of April 2021, compared to 1,657.2 points at the end of 2020. Moreover, the market capitalization reached JD 13,735.3 million at the end of April 2021, compared to JD 12,907.8 million at the end of 2020.

Main Monetary Indicators

JD Million, and Percentage Change Relative to the Previous Year

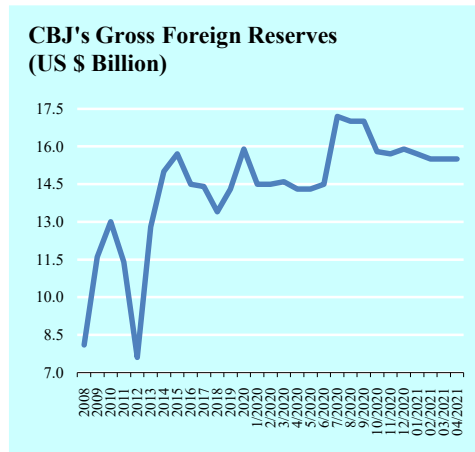
2020		End of April	
		2020	2021
US\$ 15,919.7	CBJ's Foreign Reserves*	US\$ 14,256.7	US\$ 15,535.3
11.1%		-0.5%	-2.4%
37,011.9	Money Supply (M2)	35,753.3	37,731.4
5.8%		2.2%	1.9%
28,634.6	Credit Facilities, of which:	27,867.0	29,545.9
5.7%		2.9%	3.2%
25,521.9	Private Sector (Resident)	24,679.2	26,300.7
6.3%		2.8%	3.0%
36,789.1	Total Deposits, of which:	34,914.2	37,326.1
4.2%		-1.1%	1.5%
28,233.9	In JD	26,574.6	28,784.7
4.2%		-2.0%	2.0%
8,555.2	In Foreign Currencies	8,339.6	8,541.4
4.4%		1.7%	-0.2%
28,851.1	Deposits of Private Sector (Resident), of which:	28,123.8	29,371.9
2.0%		-0.6%	1.8%
22,708.6	In JD	21,886.4	23,272.1
2.6%		-1.1%	2.5%
6,142.5	In Foreign Currencies	6,237.4	6,099.8
-0.3%		1.2%	-0.7%

* 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\$ 15,535.3 million at the end of April 2021. This level of reserves covers around 8.8 months of the Kingdom's imports of goods and services.



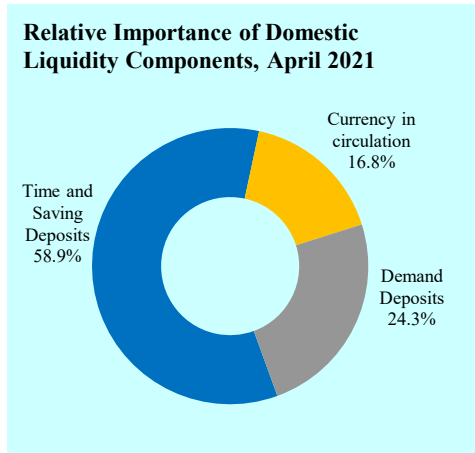
□ Domestic Liquidity (M2)

- Domestic liquidity amounted to JD 37.7 billion at the end of April 2021, compared to JD 37.0 billion at the end of 2020.
- ◆ **Developments in the components and the factors affecting domestic liquidity at the end of April 2021, compared to their levels at the end of 2020, reveal the following:**

- **Components of Domestic Liquidity**

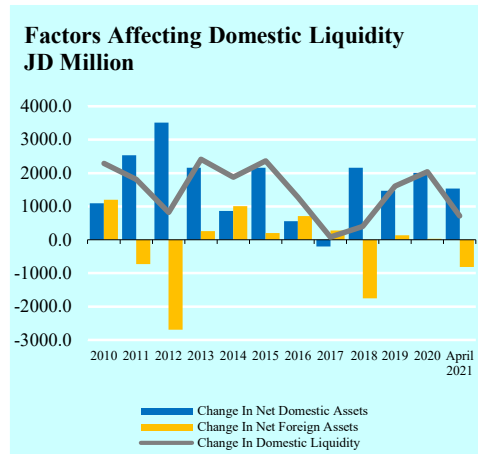
- Total liquidity deposits amounted to JD 31.4 billion at the end of April 2021, compared to JD 30.0 billion at end of the same period in 2020, against JD 31.1 billion at the end of 2020.

- Currency in circulation amounted to JD 6.3 billion at the end of April 2021, compared with JD 5.8 billion at end of the same period in 2020 and JD 5.9 billion at the end of 2020.



• **Factors Affecting Domestic Liquidity**

- Net domestic assets of the banking system amounted to JD 31.0 billion at the end of April 2021, compared with JD 28.5 billion at end of the same period in 2020, and JD 29.4 billion at the end of 2020.



- Net foreign assets of the banking system amounted to JD 6.7 billion at the end of April 2021. The net foreign assets of the CBJ amounted to JD 10.7 billion at the end of April 2021.

Factors Affecting Domestic Liquidity (M2)

JD Million

		End of April	
2020		2020	2021
7,542.2	Foreign Assets (Net)	7,274.8	6,744.0
10,798.6	CBJ	9,936.9	10,660.9
-3,256.4	Licensed Banks	-2,662.1	-3,916.9
29,469.7	Domestic Assets (Net)	28,478.5	30,987.4
-4,297.3	CBJ, of which:	-3,308.5	-3,757.3
1,026.9	Claims on Public Sector (Net)	476.7	840.8
-5,347.4	Other Items (Net*)	-3,807.9	-4,620.9
33,767.0	Licensed Banks	31,786.9	34,744.7
11,929.9	Claims on Public Sector (Net)	11,907.8	12,450.7
26,234.0	Claims on Private Sector	25,389.2	27,028.8
-4,396.9	Other Items (Net)	-5,510.0	-4,734.9
37,011.9	Money Supply (M2)	35,753.3	37,731.4
5,939.4	Currency in Circulation	5,768.2	6,325.5
31,072.5	Total Deposits, of which:	29,985.1	31,405.9
6,219.6	In Foreign Currencies	6,312.8	6,159.7

* This item includes Certificates of Deposit in Jordanian Dinar.

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

□ Interest Rates Structure

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

◆ The CBJ cut its monetary policy interest rates twice during March 2020. On March 5, the CBJ cut the interest rates on all its instruments by 50 basis points. Moreover, on March 17, the CBJ cut the overnight deposit window rate by 75 basis points, and by 100 basis points on the other policy rates, to become as follows:

- The CBJ main interest rate: 2.50 percent.
- Re-discount Rate: 3.50 percent.
- Interest Rate on Overnight Repurchase Agreements: 3.25 percent.
- Overnight Deposit Window Rate: 2.00 percent.
- Weekly/ Monthly Repurchase Agreements: 2.50 percent.
- The interest rate on weekly certificates of deposit: 2.50 percent.

The CBJ conducted a set of procedures aimed to contain the repercussions of the “emerging COVID-19 virus” impact on the national economy. Also, these measures aimed to reduce the financing costs to all economic sectors and to ensure the continuity of economic activity and recovery after the crisis:

- The CBJ has decided to cut the Required Reserve Ratio (RRR) on the deposits held by banks from 7% to 5%, which provides additional liquidity to banks in the amount of JD 550 million.

2020		April	
		2020	2021
2.50	CBJ main rate	2.50	2.50
3.50	Re-discount Rate	3.50	3.50
3.25	Repurchase Agreements Rate (overnight)	3.25	3.25
2.00	Overnight Deposit Window Rate	2.00	2.00
2.50	Repurchase Agreements rate (one week and one month)	2.50	2.50
2.50	Certificates of Deposits (one week)	2.50	2.50

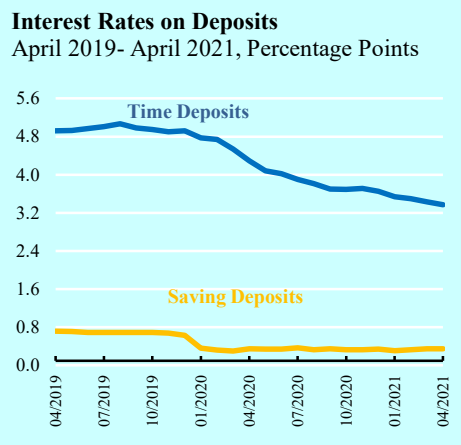
Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- The CBJ has also conducted repurchase agreements (REPO) with commercial banks by JD 850 million, with maturity up to one year.
- Moreover, the CBJ has introduced financing program to support SMEs companies, by a total amount of JD 500 million, and with a customer lending rate by 2%. Recently, in March 2021, the ceiling of this program was raised to JD 700 million.

■ Interest Rates in the Banking Sector

◆ Interest Rates on Deposits

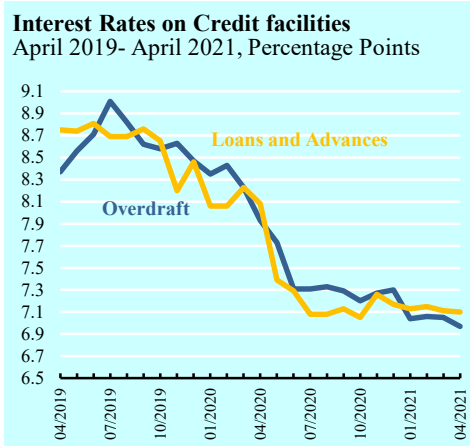
- Time Deposits: The weighted average interest rate on time deposits decreased by 6 basis points at the end of April 2021, compared to its level registered at the previous month to stand at 3.37 percent. This rate is lower by 28 basis points than its level registered at the end of 2020.



- Saving Deposits: The weighted average interest rate on saving deposits at the end of April 2021, maintaining the same level registered at the previous month, to stand at 0.35 percent. This rate is higher by one basis point than its level registered at the end of 2020.
- Demand Deposits: The weighted average interest rate on demand deposits decreased by one basis point at the end of April 2021, compared to its level registered at the previous month, to stand at 0.26 percent. This rate is lower by one basis point than its level registered at the end of 2020.

◆ Interest Rates on Credit Facilities

- **Overdraft Accounts:** The weighted average interest rate on overdraft accounts decreased by 8 basis points at the end of April 2021, compared to its level registered at the previous month to stand at 6.97 percent. This rate is lower by 33 basis points than its level registered at the end of 2020.



- **Discounted Bills and Bonds:** The weighted average interest rate on “discounted bills and bonds” decreased by 25 basis points at the end of April 2021, compared to its level registered at the previous month to stand at 8.15 percent. This rate is lower by 36 basis points than its level registered at the end of 2020.

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

		April		Change Relative to the Preceding Year Basis Points
2020		2020	2021	
Deposits				
0.27	Demand	0.40	0.26	-1
0.34	Saving	0.35	0.35	1
3.65	Time	4.29	3.37	-28
Credit Facilities				
8.51	Discounted Bills and Bonds	8.75	8.15	-36
7.17	Loans and Advances	8.08	7.10	-7
7.30	Overdraft	7.93	6.97	-33
8.33	Prime Lending Rate	8.95	8.34	1

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- **Loans and Advances:** The weighted average interest rate on “loans and advances” decreased by one basis point at the end of April 2021, compared to its level registered at the previous month to stand at 7.10 percent. This rate is lower by 7 basis points than its level registered at the end of 2020.

- The prime lending rate stood at 8.34 percent at the end of April 2021, maintaining the same level registered in previous month. This rate is higher by one basis points than its level registered and at the end of 2020.

□ Credit Facilities Extended by Licensed Banks

- Total credit facilities extended by licensed banks increased by JD 906.8 million, or 3.2 percent, at the end of April 2021, compared to its level registered at the end of 2020. Against an increase by JD 784.8 million, or 2.9 percent during the same month in 2020.
- In terms of borrower sectors, the credit facilities at the end of April 2021 had shown an increase in credit extended to the private sector (resident) by JD 774.2 million, or 3.0 percent, the public institutions by JD 55.2 million, or 9.8 percent, the Central government by JD 37.2 million, or 2.1 percent, the private sector (non-resident) by JD 26.0 million, or 4.2 percent, and the non-banking financial institutions by JD 14.1 million or 10.9 percent, compared to their levels at the end of 2020.

□ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 37.3 billion at the end of April 2021, compared to JD 34.9 billion at the end of April 2020 and JD 36.8 million at the end of 2020.
- The currency composition of deposits at the end of April 2021 revealed that the JD deposits amounted to JD 28.8 billion, and the deposits in foreign currencies amounted to JD 8.5 billion, compared to JD 26.6 billion of JD deposits, and JD 8.3 billion of deposit in foreign currency at the same period in 2020, and JD 28.2 billion of JD deposits, and JD 8.6 billion of deposit in foreign currency at the end of 2020.

□ Amman Stock Exchange (ASE)⁽¹⁾

The ASE main indicators showed a mixed performance at the end of April 2021, compare to its level in 2020. This can be demonstrated as follows:

■ Trading Volume

Trading volume at ASE totaled JD 132.8 million in April 2021, decreasing by JD 44.2 million, or 25.0 percent, compared to its level registered in the previous month. As for the first four months of 2021, the trading balance totaled JD 658.4 million.

■ Traded Shares

The number of traded shares in April 2021 totaled 125.6 million shares, decreasing by JD 33.0 million, or 20.8 percent, compared to its level registered in the previous month. As for the first four months of 2021 the number of traded shares amounted to 612.3 million shares.

⁽¹⁾ The trading at ASE has been suspended during the period 17/3/2020 to 9/5/2020, with the aim to protect investors and local companies from the repercussions of COVID-19.

■ Share Price Index (SPI)

The SPI weighted by market capitalization of free float shares at ASE increased by 23.1 points or 1.3 percent, at the end of April 2021, compared to its level in the previous month, to stand at 1,795.3 points. Furthermore, the SPI increased by 138.1 points, or 8.3 percent compared to its level at the end of 2020. The aforementioned increase was an outcome of the increase in the SPI of the industrial

sector by 665.4 points, or 31.4 percent, and the financial sector by 75.6 points, or 3.5 percent, and the services sector by 64.8 points, or 5.6 percent, compared to their levels at the end of 2020.

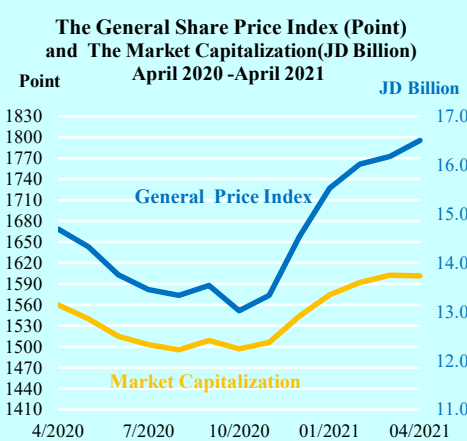
■ Market Capitalization

The ASE's market capitalization totaled JD 13.7 billion at the end of April 2021, decreasing by JD 14.3 million, or 0.1 percent, compared to its level registered in the previous month. Furthermore, the ASE's market capitalization increased by JD 827.5 million, or 6.4 percent compared to its level at the end of 2020.

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

		April	
2020		2020	2021
1,657.2	General Index	1,668.2	1,795.3
2,171.7	Financial Sector	2,196.1	2,247.2
2,119.7	Industrial Sector	1,859.5	2,785.1
1,148.0	Services Sector	1,214.5	1,212.9

Source: Amman Stock Exchange.



■ Non - Jordanian Net Investment

Non - Jordanian net investment at ASE recorded an inflow amounted of JD 0.05 million in April 2021. The value of shares buying by non-Jordanian in April 2021 amounted to JD 9.52 million, while their selling amounted to JD 9.47 million. The Non-Jordanian net investment at the end of

the first four months of 2021, recorded an outflow amounting to JD 7.2 million.

Main Amman Stock Exchange Trading Indicators, JD Million			
		April	
2020		2020	2021
1,048.8	Value Traded	0.0	132.8
4.9	Average Daily Trading	0.0	6.6
12,907.8	Market Capitalization	13,137.6	13,735.3
1,142.7	No. of Traded Shares (million)	0.0	125.6
-67.5	Net Investment of Non-Jordanian	0.0	0.05
96.8	Non-Jordanian Buying	0.0	9.52
164.4	Non-Jordanian Selling	0.0	9.47

Source: Amman Stock Exchange.

Second: Output, Prices and Employment

■ Summary

- Gross Domestic Product (GDP), at constant market prices, contracted by 1.6 percent during the fourth quarter of 2020, compared to a growth of 2.1 percent during the same quarter of 2019. At current market prices, GDP contracted by 1.9 percent during the fourth quarter of 2020, compared to growth of 4.0 percent during the same quarter of 2019.
- Accordingly, real GDP declined by 1.6 percent during 2020, compared to a growth of 2.0 percent during 2019. At current market prices, GDP declined by 1.8 percent during 2020 compared to a growth of 3.7 percent during 2019.
- The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first four months of 2021 by 0.4 percent, compared to a rise of 1.6 percent during the same period of 2020.
- The unemployment rate increased during the 2020 to stand at 23.2 percent (21.2 percent for males and 30.7 percent for females), compared to 19.1 percent (17.1 percent for males and 27.0 percent for females) during 2019. The highest unemployment rate among youth reached 55.6 percent for the (15-19) years old category and 44.3 percent for the (20-24) years old category.

■ Developments of GDP

- Gross domestic product (GDP), at constant market prices witnessed a decline by 1.6 percent during 2020 compared to a growth of 2.0 percent during 2019, affected mainly by the deep impact of the Covid-19 crisis, which started to materialize in the middle of March 2020. When excluding “net taxes on products” (which witnessed a decline by 2.6 percent during 2020 compared to a growth of 0.6 percent during 2019). GDP, at constant basic prices, declined by 1.4 percent during 2020, compared to a growth of 2.2 percent during 2019.

Quarterly Growth Rates of GDP at Market Prices (2018 – 2020)

Percentages

	Q1	Q2	Q3	Q4	Year
2018					
GDP at Constant Prices	1.9	2.1	1.9	1.8	1.9
GDP at Current Prices	3.9	3.8	3.5	3.6	3.7
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

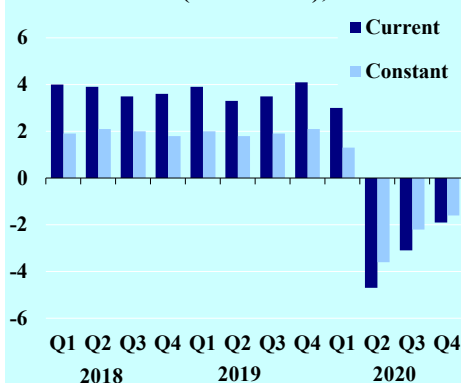
Source: Department of Statistics.

At current market prices, GDP declined by 1.8 percent during 2020 compared to a growth of 3.7 percent during 2019. This was in light of the decline of the general price level, measured by the GDP deflator, by 0.3 percent during 2020 compared to a growth of 1.7 percent during 2019.

The main sectors that contributed to the decline in (GDP) at constant market prices during 2020 include: manufacturing (-0.5 percentage point), “transport, storage and communications” (-0.5 percentage point), “social and personal services” (-0.3 percentage point). These sectors collectively accounted for 81.3 percent of the decline rate of real GDP during 2020.

Most of the economic sectors witnessed a decline in their performance during 2020, most notably, “restaurant and hotels”, “transport, storage and communications”, construction, manufacturing, “social and personal services”, “wholesale and retail trade”, and “electricity and water”. In contrast, agriculture, “finance and insurance services”, “real estate”, “producers of government services”, and “mining and quarrying” witnessed a slowdown.

Quarterly Growth Rates of GDP at Market Prices (2018-2020), %



Main Sectors Contributed to Economic Growth at Constant Market Prices

Sectors	Relative change		Contribution	
	Percentage		Percentage Point	
	2019	2020	2019	2020
GDP at Constant Market Prices	2.0	-1.6	2.0	-1.6
Agriculture	2.6	1.6	0.1	0.1
Mining And Quarrying	5.5	0.8	0.1	0.0
Manufacturing	1.2	-2.7	0.2	-0.5
Electricity And Water	1.8	-1.4	-	-
Construction	-0.4	-3.8	-	-0.1
Wholesale And Retail Trade	1.0	-2.3	0.1	-0.2
Restaurant And Hotels	1.2	-8.2	-	-0.1
Transport, Storage And Communications	3.2	-5.2	0.3	-0.5
Finance And Insurance Services	3.6	3.0	0.3	0.2
Real Estate	2.5	0.5	0.3	0.1
Social And Personal Services	3.3	-3.3	0.3	-0.3
Producers of Government Services	2.1	1.1	0.3	0.2
Producers of Private Non-Profit	2.6	-2.3	-	-
Domestic Services of Households	0.1	0.1	-	-

Source : Department of Statistics.
- : Less than 0.1 percentage point.

Microeconomic Indicators

The microeconomic indicators displayed a divergent performance during the available period of 2021. Some indicators recorded a growth, such as; “value traded at the real estate market” (75.9 percent), and “licensed areas for buildings” (34.6 percent). However, other indicators showed a contraction, particularly; “number of passengers through Royal Jordanian” (79.6 percent), and “manufacturing production quantity index” (1.8 percent). The following table displays the performance of the main available sectoral indicators.

Main Sectoral Indicators*

Percentage Points					
2019	2020	Item	2020	Available period	2021
-35.1	-19.2	Licensed areas for buildings	-13.8	Jan-Feb	34.6
-1.2	-13.8	Manufacturing production quantity index	-4.4	Jan-Mar	-1.8
-6.3	-19.5	Food products and beverages	-18.7		-8.2
7.1	3.0	Tobacco products	22.0		5.3
3.1	-16.7	Refined petroleum products	4.5		-14.8
-6.5	-29.8	Wearing apparel	-13.4		-24.6
-9.0	-28.3	Non-metallic mineral products	-29.1		12.9
15.2	13.4	Chemical products	14.5		11.5
5.4	1.3	Mining and quarrying production quantity index	0.7		15.3
2.9	55.4	Extraction of crude petroleum and natural gas	60.9		7.9
5.5	0.9	Other mining and quarrying	0.2		15.4
-16.4	-40.3	Production of phosphate	2.2		22.2
13.8	-5.2	Number of passengers through Royal Jordanian	-19.3		-79.6
1.2	-77.2	Cargo through Royal Jordanian	-2.6		-57.4
-12.0	-26.2	Value traded at the real estate market	-48.2		Jan-Apr
14.5	-76.6	Number of departures	-40.5	-68.9	

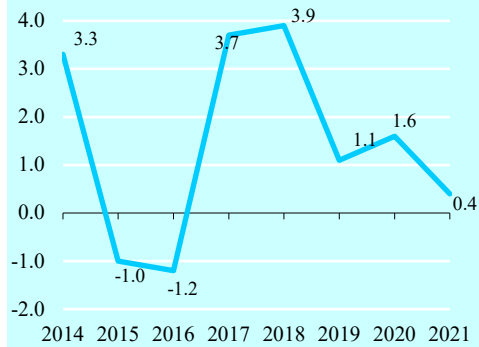
*: Computed based on the data from Department of Statistics, Department of Land and Survey, and Royal Jordanian.

Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first four months of 2021 by 0.4 percent, compared to a rise of 1.6 percent during the same period of 2020. This was an outcome of the following:

- An increase in the prices of some items and groups, notably:
 - “tobacco and cigarettes” prices increased by 6.1 percent, compared to declined by 1.6 percent during the same period of 2020.
 - “oil and fats” prices increased by 5.8 percent compared to declined by 1.4 percent during the same period of 2020.
 - health prices increased by 3.5 percent compared to an increase of 1.1 percent during the same period of 2020.

Inflation Rate during the first four months of the years (2014-2021), %



Inflation Rate during the first four months 2020-2021

Expenditure Groups	Relative Imp.	Relative change		Contribution	
		2020	2021	2020	2021
All Items	100.0	1.6	0.4	1.6	0.4
1) Food and non-Alcoholic Beverages	26.5	3.3	-0.6	0.9	-0.2
Food	23.8	3.7	-0.8	0.9	-0.2
Cereals and Products	4.2	1.5	1.8	0.1	0.1
Meat and Poultry	4.7	5.6	2.7	0.3	0.1
Fish and Sea Product	0.4	1.7	2.2	0.0	0.0
Dairy Products and Eggs	3.7	4.3	1.2	0.2	0.0
Oil and Fats	1.7	-1.4	5.8	0.0	0.1
Fruits and Nuts	2.6	6.7	1.2	0.2	0.0
Vegetables and Legumes Dry and Canned	3.0	6.5	-18.7	0.2	-0.6
2) Alcohol and Tobacco and Cigarettes	4.4	-1.6	6.2	-0.1	0.3
Alcohol	0.0	0.1	21.2	0.0	0.0
Tobacco and Cigarettes	4.4	-1.6	6.1	-0.1	0.3
3) Clothing and footwear	4.1	-0.3	-1.5	0.0	-0.1
Clothing	3.4	-0.5	-1.4	0.0	0.0
Footwear	0.7	0.9	-2.4	0.0	0.0
4) Housing	23.8	0.4	0.1	0.1	0.0
Rents	17.5	1.2	1.7	0.2	0.3
Fuels and Lighting	4.7	-2.5	-6.5	-0.1	-0.3
5) Household Furnishings and Equipment	4.9	0.9	0.0	0.0	0.0
6) Health	4.0	1.1	3.5	0.0	0.1
7) Transportation	16.0	1.9	0.3	0.3	0.0
8) Communication	2.8	0.0	2.3	0.0	0.1
9) Culture and Recreation	2.6	3.3	-1.4	0.1	0.0
10) Education	4.3	2.8	-0.2	0.1	0.0
11) Restaurants and Hotels	1.8	0.9	2.8	0.0	0.1
12) Other Goods and Services	4.8	1.6	1.0	0.1	0.0

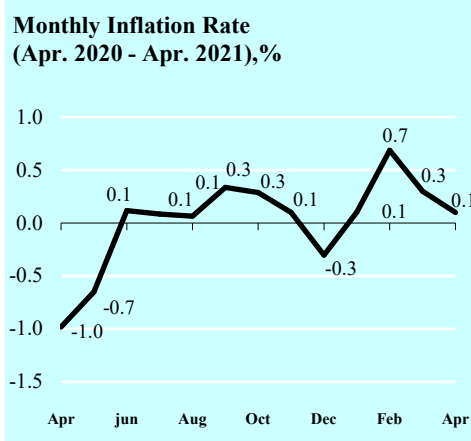
Source: Department of Statistics.

The above groups and items collectively contributed to raising of the inflation rate during the first four months of 2021 by 0.5 percentage point, compared to a negative contribution of 0.1 percentage point during the same period of 2020.

- Declined in the prices of some items and groups, notably, “vegetables and legumes dry and canned” (18.7 percent), fuels and lighting” (6.5 percent) and clothing (1.4 percent). These groups and items contributed to contraction of the inflation rate during the first four months of 2021 by 0.9 percentage point, compared to a rise of 0.1 percentage point during the same period of 2020.

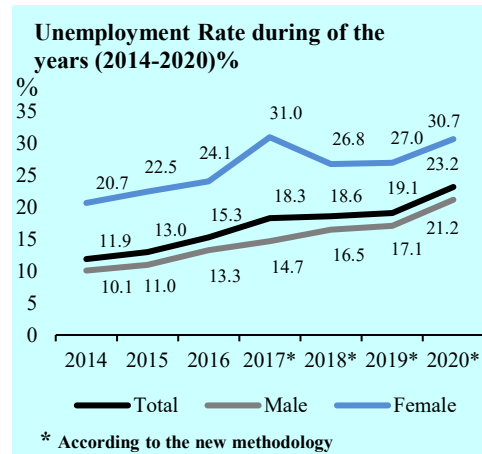
In April 2021, the CPI witnessed an increase compared to the previous month (March 2021) by 0.1 percent. This was an outcome of the increase in the prices of some items and groups, mainly “vegetables and legumes dry and canned” (10.7 percent),

“meat and poultry” (1.5 percent), on the one hand, and contract in the prices of “fruits and nuts” (6.7 percent), “oil and fats” (0.7 percent), and clothing (0.6 percent) on the other hand.



□ Labor Market

- The unemployment rate reached 23.2 percent (21.2 percent for males, and 30.7 percent for females) during 2020, compared to 19.1 percent (17.1 percent for males and 27.0 percent for females), during 2019.



- The unemployment rate among youth, during 2020, remains high at 55.6 percent for the category (15-19) years old, and 44.3 percent for the category (20-24) years old.
- The unemployment rate among academic degree holders (Bachelor and higher) reached 26.7 percent during 2020.
- The refined economic participation rate (the ratio of the labor force to the population of 15 years and over), was 34.0 percent (53.6 percent for males, and 14.2 percent for females), compared to 34.3 percent (54.0 percent for males and 14.0 percent for females) during 2019.
- The employment rate among population (15 years and older) reached 26.1 percent.

Third: Public Finance

□ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 274.2 million (3.5 percent of GDP) during the first quarter of 2021, comparing to a fiscal deficit of JD 447.1 million (5.8 percent of GDP) during the same period of 2020. When excluding foreign grants (JD 54.5 million), the general budget deficit increases to JD 328.7 million (4.2 percent of GDP), compared to a deficit of JD 535.7 million (6.9 percent of GDP) in the same period of 2020.
- Government domestic debt (budgetary and guaranteed) increased by JD 493.3 million at the end of March 2021, compared to its level at the end of 2020, to reach JD 19,427.0 million (62.1 percent of GDP). When excluding the domestic debt holding by the Social Security Investment Fund, the government domestic debt (budgetary and guaranteed) stand at JD 13,123.3 million (41.9 percent of GDP).
- Outstanding external debt (budget and guaranteed) went down by JD 31.2 million at the end of March 2021, compared to its level at the end of 2020, to reach JD 14,067.1 million (44.9 percent of GDP). When excluding the external debt holding by the Social Security Investment Fund, the outstanding external debt (budget and guaranteed) stand at JD 13,683.3 million (43.7 percent of GDP).
- As a result, outstanding government debt (domestic and external) rose by JD 462.1 million at the end of March 2021, to reach JD 33,494.1 million (107.0 percent of GDP), compared to JD 33,032.0 million (106.5 percent of GDP) at the end of 2020. When excluding the government debt holding by the Social Security Investment Fund, the outstanding government debt (domestic and external) stand at JD 26,806.6 million (85.6 percent of GDP), compared to JD 26,499.3 million (85.4 percent of GDP) at the end of 2020.

□ The performance of the general budget during the first quarter of 2021 compared with the same period of 2020:

■ Public Revenues

Public revenues (domestic revenues *plus* foreign grants) increased by JD 208.4 million, or 56.0 percent, in March 2021 compared to the same month in 2020, to stand at JD 580.6 million. As for the first quarter of 2021, public revenue went up by JD 280.4 million, or 17.8 percent, compared to same period of 2020 to stand at JD 1,851.7 million. This came as an outcome of the increase in domestic revenues by JD 314.5 million, and the decrease in foreign grants by JD 34.2 million.

Main Government Budget Indicators during the first quarter of 2021:

(JD Million and Percentages)

	March		Growth Rate	The first quarter		Growth Rate
	2020	2021		2020	2021	
Total Revenues and Grants	372.2	580.6	56.0	1,571.3	1,851.7	17.8
Domestic Revenues, of which:	348.9	544.3	56.0	1,482.6	1,797.1	21.2
Tax Revenues, of which:	279.8	423.1	51.2	1,164.8	1,338.5	14.9
General Sales Tax	201.9	322.2	59.6	810.2	969.0	19.6
Other Revenues	68.4	120.6	76.3	316.2	455.9	44.2
Foreign Grants	23.4	36.4	55.6	88.7	54.5	-38.6
Total Expenditures, of which:	713.7	790.7	10.8	2,018.4	2,125.8	5.3
Current Expenditures	648.3	739.5	14.1	1,933.5	2,043.3	5.7
Capital Expenditures	65.4	51.3	-21.6	84.9	82.5	-2.8
Overall Deficit/ Surplus (Including Grants)	-341.5	-210.1	-	-447.1	-274.2	-
Overall Deficit/ Surplus (Including Grants) as a percent of GDP	-	-	-	-5.8	-3.5	-

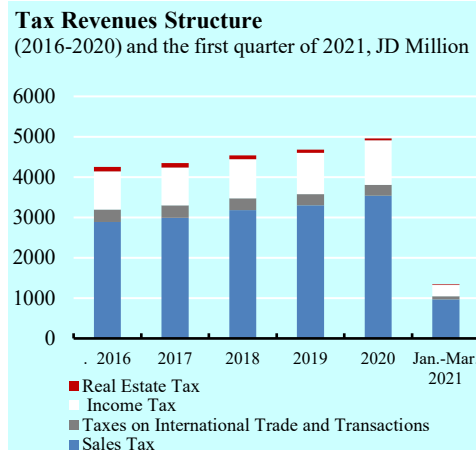
Source: Ministry of Finance/ General Government Finance Bulletin.

◆ Domestic Revenues

Domestic revenues witnessed a increase of JD 314.5 million, or 21.2 percent, in the first quarter of 2021, compared to the same period of 2020, to reach JD 1,797.1 million. This increase was a result of the rise in the proceeds of “tax revenues”, and “other revenues”, and “pension contributions” by JD 173.7 million, and JD 139.7 million, and JD 1.0 million, respectively.

● Tax Revenues

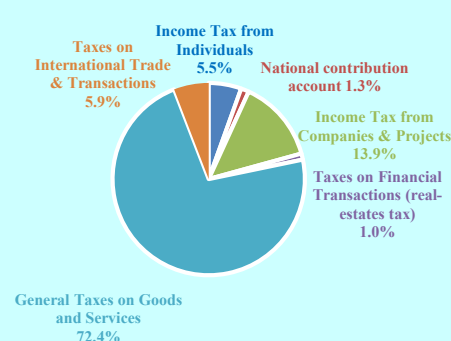
Tax revenues increased by JD 173.7 million, or 14.9 percent, during the first quarter of 2021, compared to the same period of 2020, to reach JD 1,338.5 million (74.5 percent of domestic revenues). Following are the main developments in tax revenue items:



- An increase in the proceeds of **general sales tax on goods and services** by JD 158.8 million, or 19.6 percent, to reach JD 969.0 million, accounting for 72.4 percent of total tax revenues. This result was driven by the increase in the proceeds of sales tax on commercial sector by JD 75.6 million, and on imported goods by JD 45.3 million, and on domestic goods by JD 30.7 million, and on services by JD 7.3 million.

- An increase in the proceeds of **taxes on international trade and transactions** (including customs duties and fees) by JD 16.2 million, or 26.0 percent, to reach JD 78.4 million.
- An increase in the proceeds of **taxes on financial transactions (real-estates tax)** by JD 4.4 million, or 47.3 percent, to reach JD 13.7 million.
- A decrease in the proceeds of **income and profit taxes** by JD 5.8 million, or 2.0 percent, to reach JD 277.3 million, accounting for 20.7 percent of total tax revenues. This decrease came mainly as an outcome of the decreased in the proceeds of income taxes on companies and projects by JD 41.3 million, or 18.2 percent, to account for 67.1 percent of total proceeds of income and profits taxes, amounting to JD 186.0 million. However, the proceeds of “income taxes on individuals” increased by JD 17.6 million, or 31.5 percent, to reach JD 73.4 million. We point out that the national contribution account item, which was included in the Amending Law of Income Tax Law, reached to amount by JD 18.0 million.

Relative importance of tax revenue items, for the first quarter of 2021



● Non-Tax Revenues

- “Other revenues” increased by JD 139.7 million, or 44.2 percent, during the first quarter of 2021 to reach JD 455.9 million. This increase was chiefly due to the following:

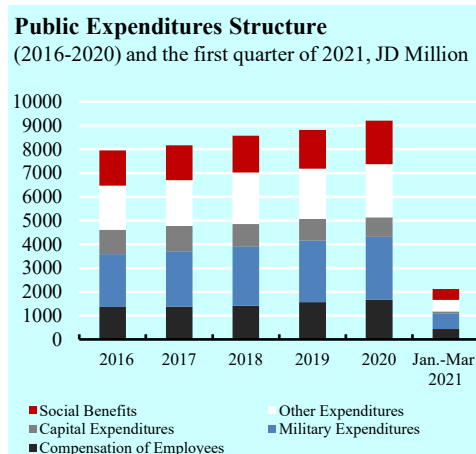
- An increase in the property income by JD 91.5 million to stand at JD 154.6 million (of which financial surplus of independent government units amounted to JD 150.2 million against JD 58.4 million during the same period of 2020).
- An increase in revenues from selling goods and services by JD 39.1 million to reach JD 198.7 million.
- An increase in miscellaneous revenues by JD 9.3 million to stand at JD 102.7 million.
- Pension contributions increased by JD 1.0 million, during the first quarter of 2021, standing at JD 2.7 million.

◆ **Foreign Grants**

Foreign grants decreased by JD 34.2 million, in the first quarter of 2021, standing at JD 54.5 million compared to JD 88.7 million during the same period of 2020.

■ **Public Expenditures**

Public expenditures increased by JD 77.0 million, or 10.8 percent, in March 2021 compared to the same month in 2020, to stand at JD 790.7 million. As for the first quarter of 2021, public expenditures increased by JD 107.4 million, or 5.3 percent, compared to the same period in 2020 to stand at JD 2,125.8 million. This increase was an outcome of the rise in current expenditures by 5.7 percent, and the drop in capital expenditures by 2.8 percent.

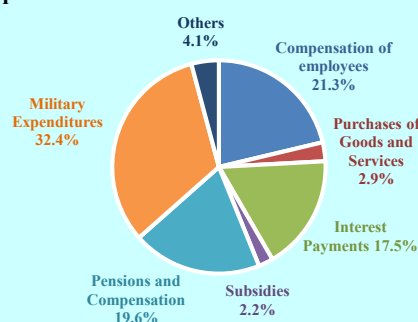


◆ Current Expenditures

Current expenditures went up by JD 109.8 million, or 5.7 percent, during the first quarter of 2021, to reach JD 2,043.3 million (96.1 percent of public expenditures). Because of the increase in domestic revenues at a higher rate than current expenditures, the coverage ratio (measured by the ratio of domestic revenues to current expenditures) increased by 11.3 percentage points, to reach to 88.0 percent compared to 76.7 percent during the first quarter of 2020. The increase in current expenditures is due to the evolution of its components, as follow:

- An increase in interest payments (commitment basis) by JD 44.4 million, to stand at JD 357.5 million.
- An increase in military expenditures by JD 22.6 million, to total JD 661.4 million.
- An increase in the compensation of civil sector's employees (wages, salaries and social security contributions) by JD 13.0 million, to reach JD 434.8 million.
- An increase in the purchases of goods and services by JD 10.6 million, to reach JD 58.5 million.
- An increase in pensions and compensation by JD 8.3 million, to stand at JD 400.5 million.
- An increase in subsidies by JD 3.5 million, to stand at JD 45.6 million.

Relative importance of current expenditure items, for the first quarter of 2021

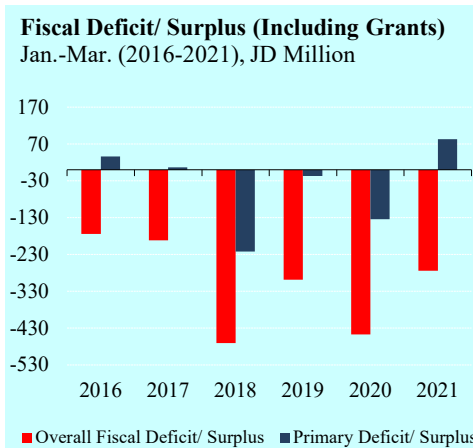


◆ Capital Expenditures

Capital expenditures decreased by JD 2.4 million, or 2.8 percent, during the first quarter of 2021 compared to same period of 2020, to reach JD 82.5 million.

■ General Budget Deficit/ Surplus

- ◆ The overall fiscal deficit, including foreign grants, decreased by JD 172.9 million, during the first quarter of 2021, to reach JD 274.2 million (3.5 percent of GDP), compared to a fiscal deficit of JD 447.1 million (5.8 percent of GDP), in



the same period of 2020. When foreign grants are excluded, the general budget deficit increases to reach JD 328.7 million (4.2 percent of GDP), compared to a fiscal deficit of JD 535.7 million (6.9 percent of GDP) in the same period of 2020.

- ◆ The primary surplus, excluding foreign grants, (domestic revenues *minus* total public expenditures excluding interest payments on public debt) reach by JD 28.8 million (0.4 percent of GDP) in the first quarter of 2021, against a primary deficit of JD 222.6 million (2.9 percent of GDP) in the same period of 2020. When foreign grants are including, the primary surplus of the general budget increased to reach JD 83.3 million (1.1 percent of GDP), compared to a primary deficit of JD 134.0 million (1.7 percent of GDP) in the same period of 2020.

□ Outstanding Government Debt

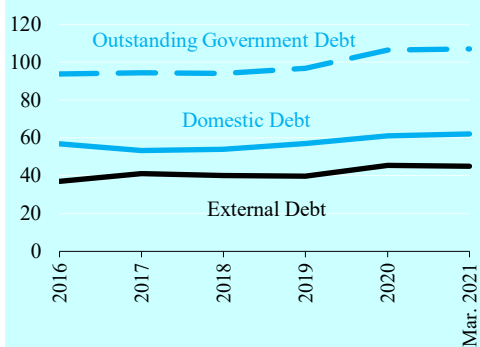
- Government domestic debt (budgetary and guaranteed) increased by JD 493.3 million, at the end of March 2021 compared to its level at the end of 2020, to stand at JD 19,427.0 million (62.1 percent of GDP compared to 61.0 percent of GDP at the end of 2020).

This increase was a result of the rise in the domestic debt of the budget by JD 491.3 million, and the increase in the domestic debt of guaranteed by JD 1.8 million, compared to their levels at the end of 2020, standing at JD 16,986.0 million and JD 2,440.9 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 339.3 million, at the end of March 2021 compared to its level at the end of 2020, to stand at JD 13,123.3 million (41.9 percent of GDP).

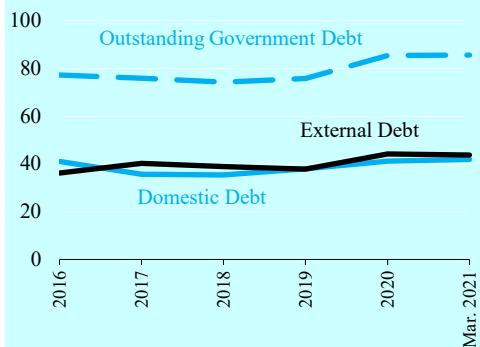
■ Outstanding Government Debt (Budgetary and Guaranteed)

2016-Mar. 2021, As a Percent of GDP



■ Outstanding Government Debt Excluding the Debt Holding by SSIF

2016-Mar. 2021, As a Percent of GDP



- Outstanding external debt (budget and guaranteed) went down by JD 31.2 million at the end of March 2021, compared to its level at the end of 2020, to reach JD 14,067.1 million (44.9 percent of GDP compared to 45.5 percent of GDP at the end of 2020). It is worth mentioning that the external debt denominated in the U.S. Dollar accounted for 71.1 percent of the total external debt, and the debt in Euro accounted for 11.9 percent. However, the SDR accounted for 6.2 percent, Kuwaiti Dinar (4.4 percent), Japanese Yen (4.2 percent).
- When excluding the external debt holding by the Social Security Investment Fund, the outstanding external debt (budget and guaranteed) decreased by JD 31.9 million, at the end of March 2021 compared to its level at the end of 2020, to stand at JD 13,683.3 million (43.7 percent of GDP).
- In light of the above-mentioned developments, outstanding government debt (domestic and external) increased by JD 462.1 million at the end of March 2021 to reach JD 33,494.1 million (107.0 percent of GDP), compared to JD 33,032.0 million (106.5 percent of GDP) at the end of 2020. When excluding the debt holding by the Social Security Investment Fund, the outstanding government debt (budget and guaranteed) stand at JD 26,806.6 million (85.6 percent of GDP), compared to JD 26,499.3 million at the end of 2020 (85.4 percent of GDP).
- External debt service (budget and guaranteed) increased by JD 345.3 million during the first quarter of 2021 compared to the same period of 2020, to reach JD 521.9 million (including principal payments of JD 414.2 million and interest of JD 107.7 million).

□ Fiscal and Price Measures of 2021

◆ June

- 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	2021		Percentage Change
		May	June	
Unleaded Gasoline 90	Fils/ Liter	760	790	3.9
Unleaded Gasoline 95	Fils/ Liter	980	1,010	3.1
Unleaded Gasoline 98	Fils/ Liter	1,130	1,160	2.7
Gas Oil (Diesel)	Fils/ Liter	555	580	4.5
Kerosene	Fils/ Liter	460	580	26.1
Liquid Gas (12.5kg)	JD/ Cylinder	7.0	7.0	0.0
Fuel oil (1%)	JD/ Ton	386.4	389.4	0.8
Fuel for airplanes (local companies)	Fils/ Liter	401	423	5.5
Fuel for airplanes (foreign companies)	Fils/ Liter	406	428	5.4
Fuel for unplanned flights	Fils/ Liter	421	443	5.2
Asphalt	JD/ Ton	381.3	384.3	0.8

Source: Jordan Petroleum Refinery Company (1/6/2021).

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for June 2021.

◆ May

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for May 2021.

◆ April

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for April 2021.

◆ March

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for March 2021.
- Launching a stimulus and mitigating package for various economic sectors and citizens, until the end of this year, to confront the repercussions of the Covid-19 pandemic, in the amount of JD 448 million (1.4 percent of GDP), distributed by JD 423 million from the Ministry of Finance, and JD 25 million from the Social Security Institution.

◆ February

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for February 2021.

◆ January

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for January 2021.
- Based on the Cabinet decision in July 2018, concerning raising the special tax on hybrid vehicles annually by, the rate was raised by 5 percentage points to become 45 percent, starting from 1/1/2021.
- The Cabinet decided to reduce fees for work permits for non-Jordanian workers working in the agricultural and bakery sectors by JD 200 out of JD 400 for three months from the date of the decision.

□ Grants, Loans and Other Agreements for 2021**◆ May**

- Signing an assistance agreement (grants and loans) provided by the Italy governments, in the amount of EUR 235.0 million, this agreement within the Indicative Country Program to Jordan for the period (2021-2023), as follows:
 - EUR 30 million grant to finance development projects for local communities hosting Syrian refugees.
 - EUR 20 million arrangements for a debt- for-development swap to finance projects that promote inclusive and sustainable development.
 - EUR 185 million soft loans, of which EUR 50 million were allocated for the national water conveyance project, EUR 85 million to support the health sector, and EUR 50 million to support the agricultural sector.

◆ April

- Signing a grant agreement provided by the Japanese governments, in the amount of USD 4.8 million, to support and implement the third phase of a project to enhance security protection at border areas.

◆ February

- Signing five financing agreements in the form of grants, technical cooperation and support for project implementation, provided by the European Union (EU), in the amount of EUR 159 million, to

support economic reforms, the education sector, integrity and public accountability, participation with youth, and implement the priorities of the partnership between the European Union and Jordan.

◆ January

- Signing a grant agreement provided by the Japan government in the amount of USD 22.9 million, to support and implement a renovation project to the Zay station that provides drinking water to Amman and Balqa.
- Signing a soft loan agreement provided by the European Investment Bank (EIB), in the amount of USD 59 million, to support the public health sector in responding to the repercussions of the COVID-19 pandemic.

Fourth: External Sector

□ Summary

- **Total merchandize exports** (domestic exports *plus* re-exports) increased by 34.5 percent in March 2021, compared to the same month of 2020 to reach JD 526.2 million. As for the first quarter of 2021, total exports increased by 3.4 percent, compared to the same period of 2020 to reach JD 1,427.6 million.
- **Merchandize imports** increased by 57.1 percent in March 2021, compared to the same month of 2020 to reach JD 1,249.0 million. As for the first quarter of 2021, imports increased by 13.7 percent, compared to the same period of 2020 to reach JD 3,326.6 million.
- **Consequently**, the trade balance deficit (total exports minus imports) increased by 78.9 percent in March 2021 compared to the same month of 2020; standing at JD 722.8 million. As for the first quarter of 2021, the trade balance increased by 22.9 percent, compared to the same period of 2020 to reach JD 1,899.0 million.
- **Travel receipts** decreased by 69.7 percent during the first four months of 2021, to register JD 237.3 million, compared to the same period of 2020. While, travel payments decreased by 53.7 percent during the first four months of 2021, to register JD 88.4 million, compared to the same period of 2020.
- **Total workers' remittances receipts** decreased by 4.4 percent in April 2021 to reach JD 191.3 million, compared to the same month of 2020. As for the first four months of 2021, workers' remittances decreased by JD 10.0 million, or 1.2 percent, compared to the same period of 2020 to reach JD 790.7 million.
- **The current account of the balance of payments** (including grants) registered a deficit amounted to JD 2,473.0 million (8.0 percent of GDP) during 2020, compared to a deficit of JD 672.0 million (2.1 percent of GDP) during 2019. Meanwhile, the current account deficit excluding grants increased to reach 10.9 percent of GDP during 2020, compared with 5.1 percent of GDP during 2019.
- **Net direct investment** recorded a net inflow of JD 496.7 million during 2020, compared to a net inflow of JD 487.3 million during 2019.

- **International investment position (IIP)** displayed a net obligation to abroad of JD 33,951.2 million at the end of 2020, compared to JD 32,372.6 million at the end of 2019.

□ External Trade

- As a result of the increase in domestic exports by JD 66.5 million and the increase in imports by JD 401.2 million during the first quarter of 2021, the volume of external trade (domestic exports *plus* imports) increased by JD 467.7 million to stand at JD 4,594.7 million compared to the same period of 2020.

Jordan's Major Trading Partners			
JD Million			
January - March			
	2020	2021	Percentage Change
Exports			
USA	343.6	344.3	0.2
India	127.7	162.4	27.2
Saudi Arabia	124.2	130.6	5.2
Iraq	86.2	84.6	-1.9
UAE	69.6	38.0	-45.4
China	33.9	33.6	-0.9
Palestine	23.3	26.9	15.5
Imports			
Saudi Arabia	524.5	499.4	-4.8
China	407.6	496.1	21.7
USA	247.0	245.0	-0.8
Germany	113.7	141.8	24.7
UAE	109.3	141.3	29.3
Egypt	116.5	124.3	6.7
Italy	92.8	112.5	21.2
Source: Department of Statistics.			

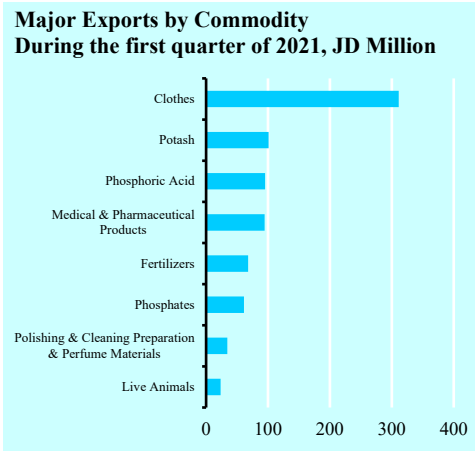
Main External Trade Indicators				
JD Million				
January - March				
	2020	Percentage Change (%)	2021	Percentage Change (%)
External Trade	4,127.0	-5.2	4,594.7	11.3
Total Exports	1,380.5	3.8	1,427.6	3.4
Domestic Exports	1,201.6	9.4	1,268.1	5.5
Re-exports	178.9	-22.8	159.5	-10.8
Imports	2,925.4	-10.1	3,326.6	13.7
Trade Balance	-1,544.9	-19.7	-1,899.0	22.9
Source: Department of Statistics.				

■ Merchandize Exports:

Total merchandize exports increased by 3.4 percent during the first quarter of 2021, to reach JD 1,427.6 million. This increase was an outcome of the increase in domestic exports by JD 66.5 million, or 5.5 percent to reach JD 1,268.1 million and a decrease in re-exports by JD 19.4 million, or 10.8 percent to reach JD 159.5 million.

◆ The developments of domestic exports during the first quarter of 2021 compared with the same period of 2020 reveals the following:

- Exports of “**Phosphoric Acid**” increased by JD 48.2 million, or 102.1 percent, to reach JD 95.4 million. The markets of India and Bangladesh accounted for 97.2 percent of these exports.
- Exports of **Fertilizers** increased by JD 16.8 million or 32.9 percent to stand at JD 67.9 million. The USA, Brazil, and Spain were the main destination markets for these exports, accounting for 82.2 percent.
- Exports of “**Medical & Pharmaceutical Products**” increased by JD 6.6 million or 7.5 percent, to stand at JD 94.6 million. It is worth noting that Saudi Arabia, Iraq, The UAE and Sudan accounted for 51.7 percent these exports.



- Exports of **Potash** increased by JD 3.7 million, or 3.8 percent, to stand at JD 101.1 million. The markets of China, India, and Egypt accounted for 56.3 percent of these exports.
- Exports of **clothes** increased by JD 1.2 million or 0.4 percent to reach JD 311.1 million. It is worth noting that the USA market accounted for 84.4 percent of these exports.
- Exports of “**Polishing & Cleaning Preparation & Perfume Materials**” increased by JD 0.7 million, or 2.1 percent, to reach JD 34.3 million. Iraq and Saudi Arabia were the main destination markets; accounting for 63.0 percent of these exports.

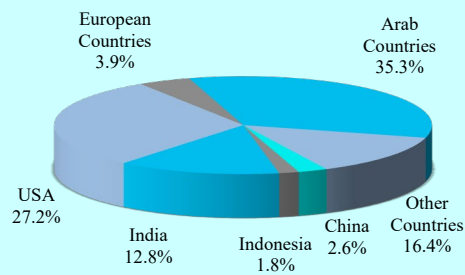
**Major Domestic Exports by Commodity, JD Million
January – March 2020-2021**

	2020	2021	Percentage Change
Domestic Exports	1,201.6	1,268.1	5.5
Clothes	309.9	311.1	0.4
USA	278.2	262.5	-5.6
Potash	97.4	101.1	3.8
China	31.3	28.2	-9.9
India	11.6	20.5	76.7
Egypt	5.3	8.2	54.7
Phosphoric Acid	47.2	95.4	102.1
India	38.3	90.4	136.0
Bangladesh	5.8	2.1	-63.8
Medical & Pharmaceutical Products	88.0	94.6	7.5
Saudi Arabia	21.9	17.0	-22.4
Iraq	10.6	15.3	44.3
UAE	8.2	8.9	8.5
Sudan	3.6	7.7	113.9
Fertilizers	51.1	67.9	32.9
USA	0.0	36.1	-
Brasil	0.0	16.4	-
Spain	4.0	3.3	-17.5
Phosphates	61.2	61.2	0.0
India	39.6	41.0	3.2
Indonesia	16.2	16.0	-1.2
Polishing & Cleaning Preparation & Perfume Materials	33.6	34.3	2.1
Iraq	17.8	14.8	-16.9
Saudi Arabia	6.1	6.8	11.5
Live Animals	27.6	23.3	-15.6
Saudi Arabia	11.7	15.8	35.0
Kuwait	13.0	6.8	-47.7

Source: Department of Statistics.

- Consequently, the commodity breakdown of domestic exports indicates that exports of Clothes, Potash, “Phosphoric Acid”, “Medical &

Geographic Distribution of Domestic Exports During the first quarter of 2021

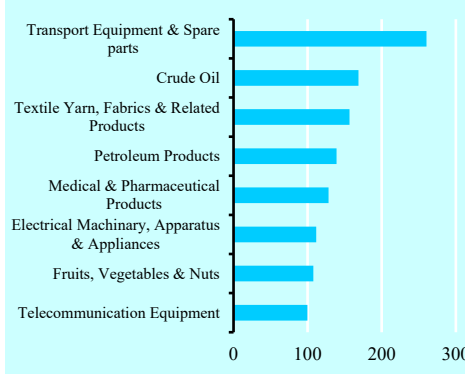


Pharmaceutical Products”, Fertilizers, Phosphates, “Polishing & Cleaning Preparation & Perfume Materials”, and “Live Animals”, topped the list of domestic exports during first quarter of 2021; accounting for 62.2 percent, compared with 59.6 percent during the same period of 2020. Meanwhile, the geographical distribution of domestic exports indicates that the USA, India, Saudi Arabia, Iraq, the UAE, China, and Palestine were the main destination markets during first quarter of 2021; accounting for 64.7 percent, compared with 67.3 percent during the same period of 2020.

■ **Merchandize Imports:**

Merchandize imports increased by 13.7 percent to reach JD 3,326.6 million during the first quarter of 2021, compared to a decrease by 10.1 percent during the same period of 2020.

Major Imports by Commodity
During the first quarter of 2021, JD Million



◆ **The developments of imports during the first quarter of 2021 compared with the same period of 2020 reveals the following:**

- **Transport equipment & spare parts** imports increased by JD 58.4 million or 28.9 percent to reach JD 260.3 million. the USA, South Korea, Germany, and Japan were the main origin markets, accounting for 70.1 percent of these imports.
- **Telecommunication equipment** imports increased by JD 19.2 million, or 23.9 percent, to reach JD 99.6 million. China, Vietnam, India and Egypt were the main markets accounting for 95.1 percent of these imports.
- **Electrical Machinery, Apparatus & Appliances** imports increased by JD 17.4 million or 18.5 percent to reach JD 111.6 million. China, Germany, the USA and Turkey were the main origin markets accounting for 59.2 percent of these imports.

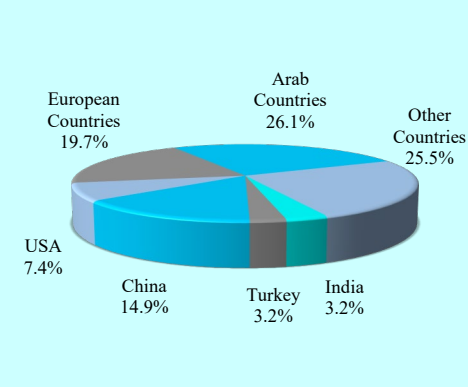
- **Petroleum products** imports decreased by JD 50.0 million or 26.4 percent to stand at JD 139.1 million. Saudi Arabia, India, and the UAE were the main markets, accounting for 97.1 percent of these imports.
- **Crude oil** imports decreased by JD 15.1 million, or 8.2 percent, to reach JD 168.5 million. Saudi Arabia was the main origin market accounting for 100.0 percent of these imports.
- **Fruits, Vegetables & Nuts** imports decreased by JD 12.8 million or 10.6 percent to reach JD 107.6 million. Egypt, the USA, Lebanon and Syria were the main markets, accounting for 41.7 percent of these imports.

Major Imports by Commodity, JD Million			
January - March 2020-2021			
	2020	2021	Percentage Change
Total Imports	2,925.4	3,326.6	13.7
Transport Equipment & Spare Parts	201.9	260.3	28.9
USA	29.7	54.4	83.2
South Korea	37.9	50.1	32.2
Germany	27.3	40.5	48.4
Japan	35.2	37.4	6.2
Crude Oil	183.6	168.5	-8.2
Saudi Arabia	161.7	168.5	4.2
Textile Yarn, Fabrics and Related Products	153.1	156.4	2.2
China	62.9	67.3	7.0
Taiwan	36.6	33.4	-8.7
Turkey	12.9	14.9	15.5
Petroleum Products	189.1	139.1	-26.4
Saudi Arabia	163.3	105.8	-35.2
India	2.9	27.0	831.0
UAE	13.4	2.3	-82.8
Medical & Pharmaceutical Products	122.2	128.1	4.8
Germany	20.8	18.6	-10.6
USA	11.7	11.6	-0.9
France	7.8	9.2	17.9
Electrical Machinery, Apparatus & Appliances	94.2	111.6	18.5
China	32.5	36.6	12.6
Germany	4.4	10.6	140.9
USA	5.9	9.5	61.0
Turkey	5.5	9.4	70.9
Fruits, Vegetables & Nuts	120.4	107.6	-10.6
Egypt	20.1	16.2	-19.4
USA	15.5	13.1	-15.5
Lebanon	5.3	9.2	73.6
Syria	3.2	6.4	100.0
Telecommunication equipment	80.4	99.6	23.9
China	56.3	73.5	30.6
Vietnam	3.9	13.3	241.0
India	7.6	4.5	-40.8
Egypt	2.5	3.4	36.0

Source: Department of Statistics.

- Consequently, the commodity composition of imports indicates that “Transport Equipment and Spare Part”, Crude Oil, “Textile Yarn, Fabrics and Related Products”, Petroleum Products, “Medical & Pharmaceutical Products”, “Electrical Machinery, Apparatus & Appliances”, “Fruits, Vegetables & Nuts”, “Telecommunication Equipment”, topped the list of imports during the first quarter of 2021, accounting for 35.1 percent, compared with 39.1 percent during the same period of 2020. Meanwhile, the geographical distribution of imports indicates that Saudi Arabia, China, the USA, Germany, the UAE, Egypt and Italy, were the main source markets during the first quarter months of 2021; accounting for 52.9 percent of imports, compared to 53.1 percent during the same period of 2020.

Geographic Distribution of Imports During the first quarter of 2021



■ Re-Exports

The value of re-exported goods in March 2021 increased by JD 13.7 million, or 29.7 percent, compared to the same month of 2020, to stand at JD 59.8 million. As for the first quarter of 2021, the re-exported goods decreased by JD 19.4 million, or 10.8 percent, compared to the same period of 2020, to stand at JD 159.5 million.

■ Trade Balance

The trade balance deficit increased by JD 319.0 million, or 78.9 percent in March 2021 compared to the same month of 2020, to reach at JD 722.8 million. As for the first quarter of 2021, trade balance deficit increased by JD 354.1 million, or 22.9 percent, compared to the same period of 2020, to stand at JD 1,899.0 million.

□ Total Workers' Remittances Receipts

Total workers' remittances receipts decreased by 4.4 percent during April 2021, compared to the same month of 2020, to register JD 191.3 million. As for the first four months of 2021 worker's remittances decreased by JD 10.0 million, or 1.2 percent to stand at 790.7 million, compared to the same period of 2020.

□ Travel

■ Receipts

Travel receipts decreased by 69.7 percent during the first four months of 2021, to register JD 237.3 million, compared to the same period of 2020.

■ Payments

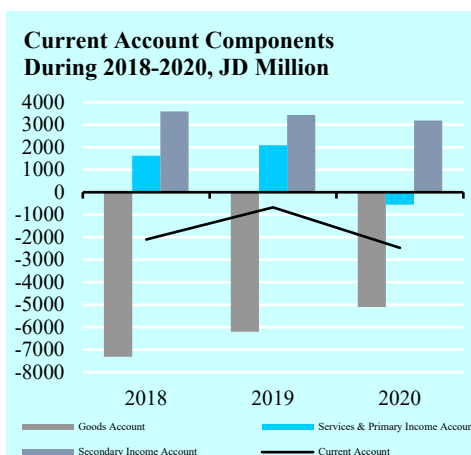
Travel payments decreased by 53.7 percent during the first four months of 2021, to register JD 88.4 million, compared to the same period of 2020.

□ Balance of Payments

The preliminary data for the balance of payments during 2020 reveals the following:

- The current account recorded a deficit of JD 2,473.0 million (8.0 percent of GDP), compared to a deficit of JD 672.0 million (2.1 percent of GDP) during 2019. Meanwhile, the current account deficit (excluding grants) increased to reach JD 3,371.2 million (10.9 percent of GDP), compared to JD 1,616.0 million (5.1 percent of GDP) during 2019. This was an outcome of the following developments:

- ◆ A decrease in the goods account deficit by JD 1,098.2 million, or 17.7 percent, to reach JD 5,103.7 million, compared to JD 6,201.9 million during 2019.
- ◆ The services account recorded a deficit of JD 459.6 million, compared to a surplus of JD 2,088.6 million during 2019.
- ◆ The primary income account recorded a deficit of JD 92.6 million, compared to surplus of JD 5.3 million during 2019. This was mainly due to the increase in deficit of the investment income (net) to reach JD 298.7 million, compared to deficit of JD 212.2 million, and the downward in surplus of “compensation of employees (net)” by JD 11.4 million to reach JD 206.1 million.
- ◆ A decrease in the secondary income surplus by JD 253.1 million to reach JD 3,182.9 million compared to a surplus of JD 3,436.0 million during 2019, this was a result of the decrease in net transfers of the public sector (foreign grants) by JD 45.8 million to reach JD 898.2 million, and the decrease in net surplus of other sectors transfers (net) by JD 207.3 million to reach JD 2,284.7 million.



- As for the capital and financial transactions during 2020, the capital account registered a net inflow of JD 15.7 million, compared to a net inflow of JD 18.0 million during the same period of 2019. Meanwhile, the financial account registered a net inflow of JD 1,892.1 million during 2020, compared to a net inflow of JD 738.5 million during 2019, this could be attributed to the following:
 - ◆ Direct investment recorded a net inflow of JD 496.7 million compared to a net inflow of JD 487.3 million.
 - ◆ Portfolio investment recorded a net inflow of JD 301.6 million compared to a net outflow of JD 757.3 million.
 - ◆ Other investment registered a net inflow of JD 1,881.0 million, compared to a net inflow of JD 1,413.6 million.
 - ◆ An increase in the reserve assets of the CBJ by JD 787.2 million, compared to an increase of JD 405.1 million.

□ International Investment Position (IIP)

The IIP, which represents the Kingdom's net position (stock) of external financial assets and liabilities, displayed an obligation to abroad of JD 33,951.2 million at the end of 2020 compared, to JD 32,372.6 million at the end of 2019. 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 economic sectors (residing in the Kingdom by JD 1,735.9 million at the end of 2020 to reach JD 20,253.5 million. This was mainly due to increase in the currency and deposits of the licensed banks abroad by JD 753.9 million.

- An increase in the position of external liabilities (the stock of claims, obligations and financial assets) on all economic sectors residing in the Kingdom by JD 3,314.6 million at the end of 2020 to reach JD 54,204.8 million, this was due to the following developments:
 - ◆ An increase of government long term loans by JD 725.7 million or 13.8 percent, to stand at JD 5,976.9 million.
 - ◆ An increase in the balance of the international monetary fund credit facilities by JD 378.2 million or 105.5 percent, to reach JD 736.7 million.
 - ◆ An increase of banks short- term loans by JD 208.3 million or 99.8 percent, to stand at JD 417.1 million.
 - ◆ An increase in the deposits of non-residents at the banking sector by JD 1,195.5 million or 12.9 percent to stand at JD 10,456.6 million (increase by JD 1,256.3 million for the licensed banks and decrease by JD 60.8 million for the CBJ).
 - ◆ An increase in the stock of direct investment in the kingdom by JD 564.7 million or 2.2 percent, to stand at JD 25,954.5 million.
 - ◆ An increase in the stock of portfolio investment in the kingdom by JD 190.2 million or 2.7 percent, to stand at JD 7,202.6 million.
 - ◆ A decrease of trade credits to residents in the kingdom by JD 169.1 million or 21.3 percent, to stand at JD 626.2 million.