



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 be one of the most capable central banks regionally and internationally in maintaining monetary stability and ensuring the soundness of the financial system thereby contributing to sustained economic growth in the Kingdom.

❑ **OUR MISSION**

Ensuring monetary and financial stability by maintaining price stability, protecting the value of the Jordanian Dinar and through an interest rate structure consistent with the level of economic activity thereby contributing toward an attractive investment environment and a sound macroeconomic environment. Furthermore, the Central Bank of Jordan strives to ensure the safety and soundness of the banking system and the resilience of the national payments system. To this end, the Central Bank of Jordan adopts and implements effective monetary and financial policies and employs its human, technological, and financial resources in an optimal manner in order to effectively achieve its objectives.

❑ **OUR VALUES**

- | | | |
|----------------------------|---|---|
| Loyalty | : | Commitment and dedication to the institution, its staff and clients. |
| Integrity | : | Seeking to achieve our organizational goals honestly and objectively. |
| Excellence | : | Seeking to continuously improve our performance and deliver our services in accordance with international standards. |
| Continuous Learning | : | Aspiring to continuously improve practical and academic skills to maintain a level of excellence in accordance with international best practices. |
| Teamwork | : | Working together, on all levels of management, to achieve our national and organizational goals with a collective spirit of commitment. |
| Transparency | : | Dissemination of information and knowledge, and the simplification of procedures and regulations in a comprehensible and professional manner. |

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Executive Summary

□ Output, Prices and Employment

During the first half of 2015, real GDP at market prices, grew by 2.2 percent, compared to 3.0 percent during the same half of 2014. The Consumer Price Index, contracted by 0.6 percent in the first eight months of 2015, against an increase of 3.3 percent in the same period of 2014. Furthermore, the unemployment rate during the second quarter of 2015 decreased slightly to reach 11.9 percent compared to 12.0 percent during the same quarter of 2014.

□ Monetary and Financial Sector

- Foreign currency reserves at the Central Bank of Jordan (CBJ) increased by US\$ 1,161.5 million (8.2 percent) at the end of the first eight months of 2015, compared to their level at the end of 2014, standing at US\$ 15,240.3 million. This level of reserves covers around 8.0 months of Jordan's imports of goods and services.
- Domestic liquidity grew by JD 1,923.6 million (6.6 percent) at the end of the first eight months of 2015 compared to its level at the end of 2014, to stand at JD 31,164.0 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 1,335.0 million (6.9 percent) at the end of the first eight months of 2015 compared to its level at the end of 2014, to stand at JD 20,609.5 million.
- Total deposits at licensed banks increased by JD 1,862.5 million (6.2 percent) at the end of the first eight months of 2015, compared to its level at the end of 2014, totaling JD 32,123.5 million. This increase was a result of the increase in JD deposits by JD 1,681.1 million (7 percent) and the increase in foreign currency deposits by JD 181.4 million (2.9 percent).
- The Share Price Index (SPI) weighted by the market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,097.6 points at the end of August 2015, decreasing by 67.9 points, or 3.1 percent, compared to its level at the end of 2014.

- **Public Finance:** During the first seven months of 2015, the general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 374.0 million compared to a fiscal deficit in the amount of JD 461.5 million during the same period of 2014. Net outstanding domestic debt (budgetary and own-budget) decreased by JD 11.0 million at the end of July 2015, compared to its level at the end of 2014, to stand at JD 12,514.0 million (46.1 percent of GDP). Outstanding external public debt increased by JD 1,107.9 million at the end of July 2015 compared to its level at the end of 2014 to reach JD 9,138.0 million, (33.7 percent of GDP). Accordingly, the net public debt (domestic and external) stood at 79.8 percent of GDP at the end of July 2015 compared to 80.8 percent of GDP at the end of 2014.
- **External Sector:** Total merchandize exports (domestic exports *plus* re-exports) and imports decreased by 7.0 percent and 12.5 percent, to reach JD 3,179.4 million and JD 8,186.1 million, respectively, during the first seven months of 2015. As a result, the trade deficit decreased by 15.7 percent compared to its level in the first seven months of 2014 to reach JD 5,006.7 million. The preliminary data for the first eight months of 2015 showed a decrease in travel receipts by 8.8 percent and an increase in travel payments by 1.5 percent; respectively. Moreover, total worker's remittances increased by 1.5 percent during first eight months of 2015. The balance of payments for first half of 2015 displayed a deficit in the current account amounting to JD 1,135.3 million, (9.2 percent of GDP) down from JD 1,171.0 million (9.9 percent of GDP) during first half of 2014. Moreover, Net Direct Investment recorded an inflow of JD 400.0 million during the first half of 2015 compared to a net inflow of JD 707.6 million during the same period of 2014. Furthermore, the International Investment Position (IIP) registered a net obligation to abroad in the amount of JD 23,158.4 million at the end of second quarter of 2015 compared to JD 22,773.5 million at the end of 2014.

First: Monetary and Financial Sector

□ Summary

- Foreign currency reserves at the CBJ increased by US\$ 1,161.5 million (8.2 percent) at the end of the first eight months of 2015, compared to their level at the end of 2014, to stand at US\$ 15,240.3 million. This level of reserves covers around 8.0 months of the Kingdom's imports of goods and services.
- Domestic liquidity increased by JD 1,923.6 million (6.6 percent) during the first eight months of 2015, compared to its level at the end of 2014, to total JD 31,164.0 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 1,335.0 million (6.9 percent) at the end of the first eight months of 2015, compared to its level at the end of 2014 to reach JD 20,609.5 million.
- Total deposits at licensed banks increased by JD 1,862.5 million (6.2 percent) at the end of the first eight months of 2015, compared to its level at the end of 2014, to reach JD 32,123.5 million.
- The interest rates on all credit facilities and deposits at licensed banks had decreased at the end of the first eight months of 2015, compared to their levels at the end of 2014.

- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,097.6 points at the end of the first eight months of 2015, decreasing by 67.9 points (3.1 percent), compared to its level at the end of 2014. Moreover, the market capitalization decreased by JD 106 million (0.6 percent), compared to its registered level in 2014, to stand at JD 17,976.6 million.

Main Monetary Indicators

JD Million, and Percentage Change Relative to the Previous Year

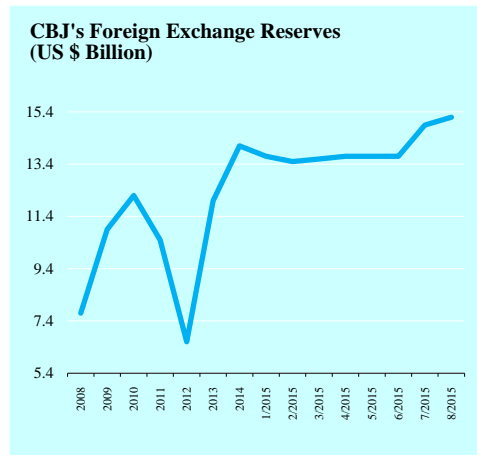
		End of August	
2014		2014	2015
US\$ 14,078.8	CBJ's Foreign Currency Reserves*	US\$ 14,537.8	US\$ 15,240.3
17.3%		21.1%	8.2%
29,240.4	Money Supply (M2)	29,105.7	31,164.0
6.9%		6.4%	6.6%
19,274.5	Credit Facilities, of which:	19,194.4	20,609.5
1.8%		1.3%	6.9%
17,304.1	Private Sector (Resident)	17,250.0	17,682.5
4.4%		4.1%	2.2%
30,261.0	Total Deposits, of which:	29,624.5	32,123.5
9.7%		7.4%	6.2%
24,013.1	In JD	23,173.1	25,694.2
14.3%		10.3%	7.0%
6,247.9	In Foreign Currencies	6,451.4	6,429.3
-5.2%		-2.1%	2.9%
23,976.9	Deposits of Private Sector (Resident), of which:	23,592.6	25,144.9
8.0%		6.3%	4.9%
19,574.9	In JD	19,018.2	20,607.5
10.9%		7.8%	5.3%
4,402.0	In Foreign Currencies	4,574.4	4,537.4
-3.2%		0.5%	3.1%

* Except gold reserves and special drawing rights.

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

□ CBJ's Foreign Currency Reserves

The CBJ's foreign currency reserves increased by US\$ 1,161.5 million (8.2 percent), at the end of the first eight months of 2015, compared to their level at the end of 2014, to reach US\$ 15,240.3 million. This level of reserves covers around 8.0 months of the Kingdom's imports of goods and services.



□ Domestic Liquidity (M2)

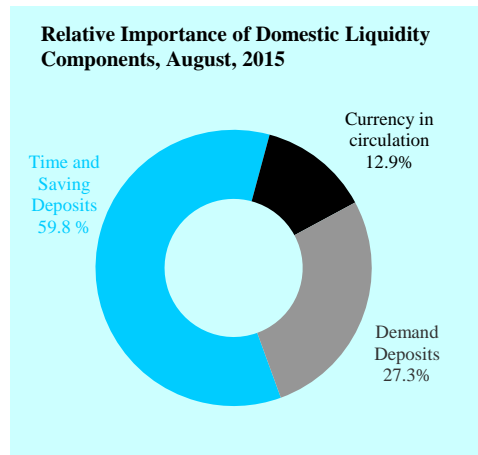
■ Domestic liquidity totaled JD 31,164.0 million at the end of the first eight months of 2015, increasing by JD 1,923.6 million, or 6.6 percent, compared to an increase of JD 1,742.3 million, or 6.4 percent, during the same period in 2014.

◆ **Developments in the components and the factors affecting domestic liquidity at the end of the first eight months of 2015, reveal the following:**

● **Components of Domestic Liquidity**

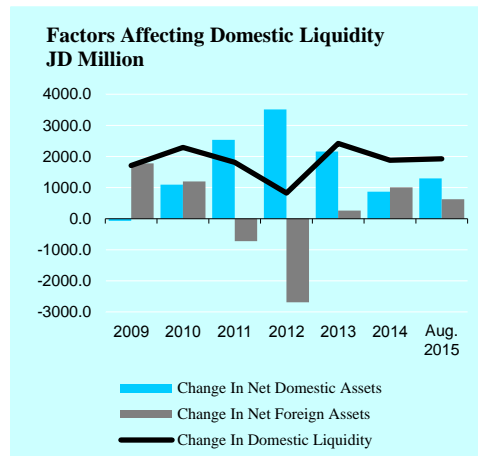
- Deposits increased by JD 1,696.2 million, or 6.7 percent, at the end of August 2015, compared to their level at the end of 2014, to total JD 27,132.3 million, against an increase amounting to JD 1,414.8 million, or 6.0 percent, during the same period in 2014.

- Currency in circulation increased by JD 227.3 million, or 6.0 percent, at the end of August 2015, compared to its level at the end of 2014, to reach JD 4,031.7 million, against an increase in the amount of JD 327.5 million, or 9.1 percent, during the same period in 2014.



• **Factors Affecting Domestic Liquidity**

- Net domestic assets of the banking system increased by JD 1,296.6 million, or 6.1 percent, at the end of August 2015, compared to its level at the end of 2014, against an increase of JD 464.1 million, or 2.3 percent, during the same period in 2014. This increase was an outcome of the increase in net domestic assets at the licensed banks by JD 2,076.3 million, or 7.7 percent, and its decrease at the CBJ by JD 779.7 million, or 13.6 percent, respectively.



- Net foreign assets of the banking system increased by JD 627.0 million, or 7.9 percent, at the end of the first eight months of 2015, compared to their level at the end of 2014, against an increase in the amount of JD 1,278.2 million, or 18.5 percent, during the same period in 2014. This increase was an outcome of the increase in net foreign assets at the CBJ by JD 1,028.8 million or 10.4 percent, and the decrease of net foreign assets at licensed banks by JD 401.8 million, or 20 percent.

Factors Affecting Domestic Liquidity (M2) JD Million

		End of August	
2014		2014	2015
7,932.3	Foreign Assets (Net)	8,201.6	8,559.2
9,939.5	CBJ	10,168.5	10,968.2
-2,007.2	Licensed Banks	-1,966.9	-2,409.0
21,308.1	Domestic Assets (Net)	20,904.1	22,604.8
-5,753.9	CBJ, of which:	-5,810.5	-6,533.6
1,219.0	Claims on Public Sector (Net)	1,251.4	1,282.1
-6,995.3	Other Items (Net*)	-7,084.1	-7,839.1
27,062.1	Licensed Banks	26,714.6	29,138.4
9,635.3	Claims on Public Sector (Net)	9,381.4	10,253.0
17,830.4	Claims on Private Sector	17,794.0	18,249.3
-403.6	Other Items (Net)	-460.8	636.1
29,240.4	Money Supply (M2)	29,105.7	31,164.0
3,804.4	Currency in Circulation	3,934.1	4,031.7
25,436.0	Total Deposits, of which:	25,171.6	27,132.3
4,463.5	In Foreign Currencies	4,667.1	4,601.0

* This item includes Certificates of Deposit in Jordanian Dinar.
Source: Central Bank of Jordan / Monthly Statistical Bulletin.

□ Interest Rate Structure

■ Interest Rates on Monetary Policy Instruments

◆ On July 9th, 2015, the CBJ lowered the interest rates on monetary policy tools by 25 basis points, to become as follows:

- CBJ main interest Rate: 2.5 percent.
- Re-Discount Rate: 3.75 percent.

- Interest Rate on Overnight Repurchase Agreements: 3.50 percent.
- Overnight Deposit Window Rate: 1.50 percent.
- Weekly/ Monthly Repurchase Agreements: 2.50 percent.

◆ The interest rate margin on CDs was brought down to 2.25 – 2.50 percent.

◆ This decision aims at stimulating credit and reducing its cost, in addition to encouraging consumption and investment, thus fostering economic growth. The decision came in light of the continuous monitoring of domestic and international developments, and backed with the slowdown in economic growth as well as declining inflation.

■ Interest Rates in the Banking Sector

◆ Interest Rates on Deposits

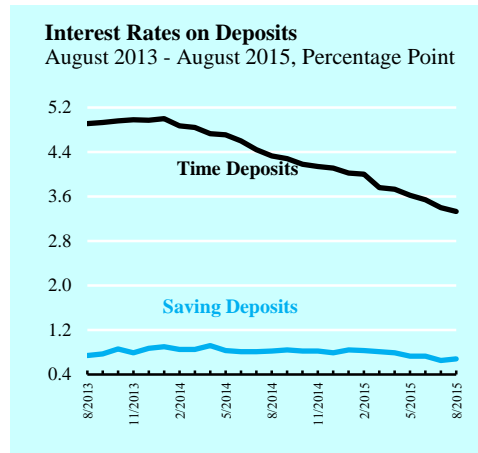
- Time Deposits: The weighted average interest rate on time deposits at the end of August 2015 decreased by 7 basis points, compared to its level in the previous month to stand at 3.33 percent. This rate is lower by 78 basis points than its level at the end of 2014.

Interest Rates on Monetary Policy Instruments, percentage points

2014		August	
		2014	2015
4.25	Re-discount Rate	4.25	3.75
4.00	Repurchase Agreements Rate (overnight)	4.00	3.50
2.75	Overnight Deposit Window Rate	2.75	1.50
3.00	Repurchase Agreements rate (one week)	3.00	2.50
3.00	Repurchase Agreements rate (one month)	3.00	2.50

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

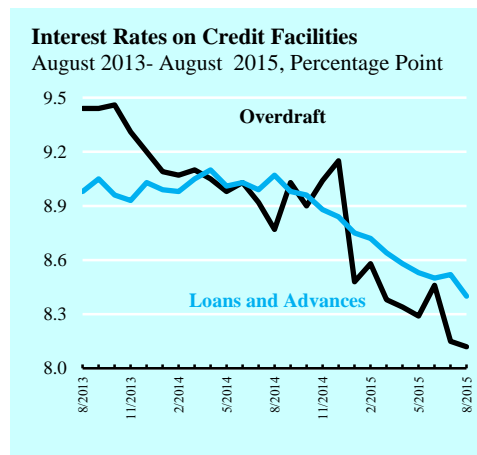
- **Saving Deposits:** The weighted average interest rate on saving deposits at the end of August 2015 increased by 3 basis points compared to its level in the previous month to stand at 0.68 percent. This rate is lower by 11 basis points than its level at the end of 2014.



- **Demand Deposits:** The weighted average interest rate on demand deposits at the end of August 2015 maintained the same level registered in the previous month to stand at 0.33 percent. This rate is lower by 10 basis points than its level at the end of 2014.

◆ **Interest Rates on Credit Facilities**

- **Overdraft Accounts:** The weighted average interest rate on overdraft accounts at the end of August 2015 decreased by 3 basis points compared to its level in the previous month to stand at 8.12 percent. This rate is below its level at the end of 2014 by 103 basis points.



- Discounted Bills and Bonds: The weighted average interest rate on “discounted bills and bonds” at the end of August 2015, decreased by 18 basis points compared with its level recorded in the previous month to reach 9.16 percent. This rate is lower by 79 basis points compared to its level at the end of 2014.

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

	August		Change Relative to the Preceding Year Basis Points
	2014	2015	
Deposits			
0.43 Demand	0.55	0.33	-10
0.79 Saving	0.82	0.68	-11
4.11 Time	4.33	3.33	-78
Credit Facilities			
9.95 Discounted Bills and Bonds	10.17	9.16	-79
8.84 Loans and Advances	9.07	8.40	-44
9.15 Overdraft	8.77	8.12	-103
8.72 Prime Lending Rate	8.74	8.37	-35

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- Loans and Advances: The weighted average interest rate on “loans and advances” decreased by 12 basis points at the end of August 2015, compared to its level in the previous month to stand at 8.40 percent. This rate is lower by 44 basis points than its level at the end of 2014.
- The Prime lending rate stood at 8.37 percent at the end of August 2015, which is lower by 35 basis points than its level at the end of 2014.
- As a result, the interest rate margin, which is the difference between the rates on loans and advances and the rates on time deposits, reached 507 basis points, at the end of August 2015, which is higher by 34 basis points than its level at the end of 2014.

□ Credit Facilities Extended by Licensed Banks

- Total credit facilities extended by licensed banks increased by JD 1,335.0 million (6.9%) at the end of August 2015, compared to its level at the end of 2014, against an increase of JD 254.7 million, or 1.3 percent during the same period in 2014.

- The classification of extended credit facilities, according to economic activity, at the end of August 2015 demonstrates an increase in credit to the public services and utilities sector by JD 968.9 million, or 44.6 percent, followed by "others" item which generally represents facilities extended to individuals by JD 420.4 million, or 9.4 percent and the credit facilities extended to the "construction" sector by JD 262.7 million, or 5.8 percent. Meanwhile the credit facilities extended to the "industry" and "transportation" sectors decreased by JD 266.7 million, or 10.5 percent and 24.8 million or 8.5 percent, respectively, compared to their levels at the end of 2014.
- In terms of borrowers, credit facilities at the end of August 2015 had shown an increase in credit extended to the central government by JD 949.2 million, or 83.8 percent, the private sector (resident) by JD 378.4 million, or 2.2 percent, and the financial institutions by JD 2.1 million or 31.8 percent. Meanwhile, credit facilities extended to the private sector (non-resident) decreased by JD 8.4 million, or 1.7 percent, as well as credit to public institutions which decreased by 3.0 million or 0.9 percent compared to their levels at the end of 2014.

□ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 32,123.5 million at the end of August 2015, increasing by JD 1,862.5 million, or 6.2 percent, compared to its level at the end of 2014, against an increase of JD 2,031.3 million, or 7.4 percent, during the same period in 2014.
- The increase in total deposits at licensed banks at the end of the first eight months of 2015 was a result of the increase in the deposits of the private sector (resident) by JD 1,168.0 million, or 4.9 percent, the public sector (central government plus public institutions) by JD 423.5 million, or 17.1 percent, the private

sector (non-resident) by JD 220.8 million, or 6.4 percent, and the non-banking financial institutions by JD 50.2 million, or 13.9 percent, compared to their levels at the end of 2014.

- The currency composition of deposits at the end of the first eight months of 2015 reveal that JD deposits increased by JD 1,681.1 million, or 7.0 percent, while “foreign currency deposits” increased by JD 181.4 million, or 2.9 percent, compared to their levels at the end of 2014.

□ Amman Stock Exchange (ASE)

Indicators of ASE displayed a mixed performance at the end of the first eight months of 2015 compared to 2014. This can be demonstrated as follows:

■ Trading Volume

Trading volume at ASE totaled JD 303.7 million in August 2015; down by JD 287.9 million or 48.7 percent, compared to its level in the previous month, against an increase of JD 18.7 million, or 18.0 percent, during the same month in 2014. As for the first eight months of 2015, the trading volume increased by JD 661.2 million, or 42.9 percent compared to the same period in 2014 to reach JD 2,204.2 million.

■ Traded Shares

The number of traded shares in August 2015 totaled 207.9 million shares; decreasing by 175.5 million shares, or 45.8 percent, compared to its level in the previous month, against an increase amounting to 20 million shares, or 21.1 percent, during the same month in 2014. As for the first eight months of 2015, the number of traded shares amounted to 1,879.7 million shares compared to 1,526.1 million shares traded during the same period in 2014, up by 353.6 million shares, or 23.2 percent.

■ **Share Price Index (SPI)**

The SPI weighted by market capitalization of free float shares at ASE decreased by 28.1 points, or 1.3 percent, at the end of August 2015 compared to its level in the previous month,

to stand at 2,097.6 points, against a decrease of 4.7 points, or 0.2 percent, during the same month in 2014. Furthermore, in the first eight months of 2015 the SPI decreased by 67.9 points, or 3.1 percent compared to its level at the end of 2014, against a rise in the amount of 66.1 points, or 3.2 percent during the same period in 2014. The aforementioned decrease was an outcome of the decrease in the SPI for the services sector by 130.6 points, or 7.3 percent, the financial sector by 60.5 points, or 2.1 percent, and the industrial sector by 3.3 points, or 0.2 percent, compared to their levels at the end of 2014.

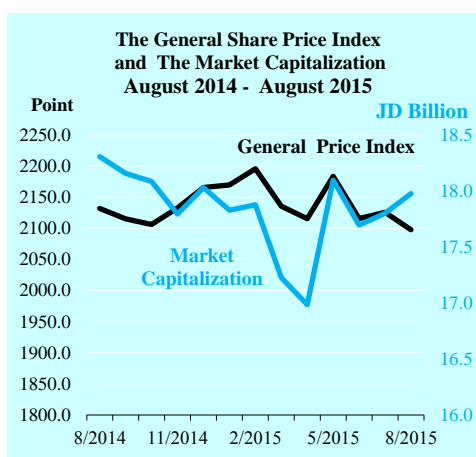
Share Price Index Weighted by Market Capitalization of Free Float Shares, by Sector

		August	
2014		2014	2015
2,165.5	General Index	2,131.9	2,097.6
2,920.9	Financial Sector	2,907.0	2,860.4
1,852.0	Industrial Sector	1,902.1	1,848.8
1,794.8	Services Sector	1,635.5	1,664.2

Source: Amman Stock Exchange.

■ **Market Capitalization**

The ASE's market capitalization totaled JD 18.0 billion at the end of August 2015; increasing by JD 0.2 billion, or 0.9 percent, compared to its level in the previous month, against a decrease of JD 509.2 million



or 2.7 percent, during the same month in 2014. As for the first eight months of 2015, the market capitalization decreased by JD 106.0 million, or 0.6 percent, compared to an increase of JD 72.5 million, or 0.4 percent, during the same period in 2014.

■ **Non - Jordanian Net Investment**

Non-Jordanian net investment at ASE recorded an outflow amounting to JD 4.2 million in August 2015, compared to an inflow of JD 5.4 million during the same month in 2014; the value of shares acquired by non-Jordanian in August 2015 amounted to JD 59.9 million, while their selling amounted to JD 64.1 million. As for the first eight months of 2015, non-Jordanian net investment

Main Amman Stock Exchange Trading Indicators, JD Million			
		August	
2014		2014	2015
2,263.4	Value Traded	122.2	303.7
9.1	Average Daily Trading	5.8	13.8
18,082.6	Market Capitalization	18,306.1	17,976.6
2,321.8	No. of Traded Shares (million)	115.4	207.9
-22.1	Net Investment of Non-Jordanian	5.4	-4.2
362.7	Non-Jordanian Buying	22.2	59.9
384.8	Non-Jordanian Selling	16.8	64.1

Source: Amman Stock Exchange.

recorded an inflow amounted to JD 3.0 million compared to an outflow of JD 28.2 million, during the same period in 2014.

Second: Output, Prices and Employment

□ Summary

- Gross Domestic Product (GDP), at constant market prices, grew by 2.4 percent during the second quarter of 2015, compared to 2.8 percent during the same quarter of 2014. At current market prices, GDP grew by 4.5 percent during the second quarter of 2015, compared to 6.1 percent during the same quarter of 2014.
- Accordingly, the real GDP grew by 2.2 percent during the first half of 2015, compared to 3.0 percent during the same half of 2014. At current market prices, GDP grew by 4.8 percent during the first half of 2015, compared to 6.6 percent during the same half of 2014.
- The Consumer Price Index (CPI) contracted by 0.6 percent during the first eight months of 2015, against an increase of 3.3 percent in the same period of 2014.
- The unemployment rate decreased slightly during the second quarter of 2015 to reach 11.9 percent (10.1 percent for males and 20.0 percent for females), compared to 12.0 percent (10.4 percent for males and 20.1 percent for females) during the same quarter of 2014. The unemployment rate among academic degree holders (Bachelor Degree and higher) reached 16.7 percent.

□ Developments of GDP

The national economy experienced a marked slowdown during the first half of 2015; affected by deepening of the political and social unrest in the region; particularly in Syria and Iraq, that strongly influenced the performance of many economic sectors. The real GDP grew by 2.2 percent (the slowest growth rate since first half of 2010) compared to 3.0 percent during the first half of 2014. When excluding “net taxes on products”, which grew by 1.5 percent, GDP at constant basic prices grew by 2.3 percent during the first half of 2015, compared to 2.9 percent during the same period of 2014.

**Quarterly Growth Rates of GDP at Market Prices
2014 - 2015**

	Q 1	Q2	Q3	Q4	Percentages Year
2014					
GDP at Constant Market Prices	3.2	2.8	3.1	3.3	3.1
GDP at Current Market Prices	7.1	6.1	6.2	7.2	6.6
2015					
GDP at Constant Market Prices	2.0	2.4	-	-	-
GDP at Current Market Prices	5.1	4.5	-	-	-

Source: Department of Statistics.

At current market prices, GDP grew by 4.8 percent during the first half of 2015, compared to 6.6 percent during the same half of 2014. This decline in nominal growth is mainly attributed to the slowdown in the general price level, measured by the GDP deflator, which grew by 2.6 percent compared to 3.5 percent during the first half of 2014, as a reflection of the decline in oil prices in the international market since the last quarter of 2014 which contributed in reducing the production costs.

The main sectors contributed to the economic growth during the first half of 2015 were; “finance and insurance services” (0.6 percentage point), “transports, storage and communications” (0.4 percentage point), “mining and quarrying” (0.2 percentage point), and manufacturing (0.2 percentage point). These sectors collectively accounted for 63.6 percent of real GDP growth during the above-mentioned period.

The economic sectors displayed a wide variation in their performance during the first half of 2015. Some sectors recorded accelerated improvements, such as “mining and quarrying”, “finance and insurance services”, “transport, storage and communications”. In contrast, “restaurant and hotels”, construction, and agriculture experienced a contraction. On the other hand, real state and trade sectors maintained their performance, while the other sectors registered decelerated growth.

□ Microeconomic Indicators

The microeconomic indicators displayed divergent performance during the available

Quarterly Growth Rates of GDP at Market Prices (2013- 2015), %



Gross Domestic Product At Market Prices, Percentages

Sectors	Relative change		Contribution	
	2014	2015	2014	2015
GDP At Market Prices	3.0	2.2	3.0	2.2
Agriculture, Hunting, Forestry, And Fishing	0.8	-0.8	-	-
Mining And Quarrying	4.3	16.5	0.1	0.2
Manufacturing	1.6	1.4	0.3	0.2
Electricity And Water	8.1	3.3	0.2	0.1
Construction	4.6	-1.0	0.2	-
Wholesale And Retail Trade	4.1	1.8	0.4	0.2
Restaurant And Hotels	5.5	-4.3	0.1	-
Transport, Storage & Communications	2.2	2.5	0.3	0.4
Finance And Insurance Services	4.6	5.8	0.4	0.6
Real Estate	2.2	2.2	0.2	0.2
Community, Social And Personal Services	5.3	3.0	0.2	0.1
Producers Of Government Services	2.2	1.5	0.2	0.2
Producers Of Private Non-Profit Services To	6.6	6.3	-	-
Domestic Services Of Households	0.1	0.1	-	-

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

period of 2015. Some indicators recorded a notable growth, such as “mining and quarrying” (16.3 percent) and manufacturing production index (1.2 percent). However, other indicators showed a contraction, particularly number of passengers through the Royal Jordanian (-9.4 percent), and number of departures from various borders crossing points (-6.7 percent). **The following table displays the performance of the main sectoral indicators.**

Main Sectoral Indicators*

Percentage Points

2014	Item	2014	Available period	2015	
-0.2	Manufacturing production quantity index	-1.5	January – July	1.2	
-1.5	Food products and beverages	-3.3		3.5	
5.3	Tobacco products	8.9		-6.2	
-2.9	Refined petroleum products	-3.6		28.8	
10.2	Cement, lime and plaster	6.4		-15.5	
0.6	Iron and steel	-4.4		-3.1	
-6.5	Chemical products	-6.4		-1.5	
28.3	“Mining and quarrying” production quantity index	5.7		16.3	
38.6	Phosphate	9.5		22.3	
20.3	Potash	3.3		11.4	
7.2	Licensed areas for buildings	7.3		-18.3	
16.7	Quantities of exported and imported goods shipped through Aqaba port	9.8		January – August	6.2
-2.8	Number of passengers through Royal Jordanian	-1.5			-9.4
-1.7	Cargo through Royal Jordanian	-5.1	0.1		
-0.5	Number of departures	0.9	January – September	-6.7	
22.4	Value traded at the real estate market	21.8		-6.6	

*: Sources:

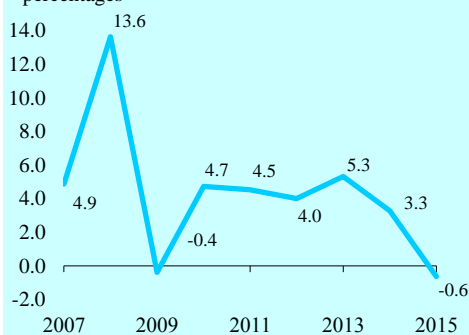
- Department of Statistics.
- Monthly Statistical Bulletin / Central Bank of Jordan.
- Royal Jordanian.

Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI), contracted by 0.6 percent during the first eight months of 2015, against an increase of 3.3 percent during the same period of 2014. This came as a result of the fall in the prices of oil and related goods and services in the global markets and its impact on domestic prices. The main groups and items that witnessed decline in their prices are transportation (14.0 percent) and “fuels and lighting” (12.0 percent). They collectively contributed in reducing the overall inflation rate by 2.8 percentage points, compared to a positive contribution amounted to 0.6 percentage point during the first eight months of 2014.

Annual Bases Inflation Rate

For the first eight months of years (2007-2015), percentages



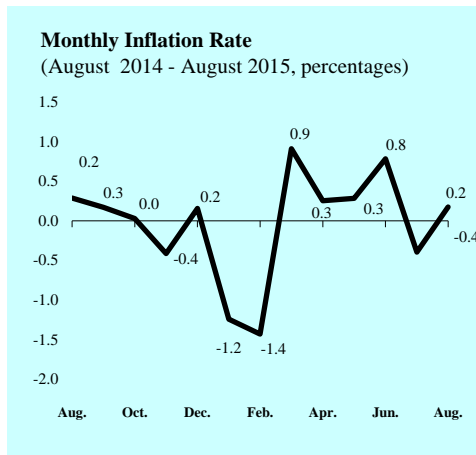
Inflation Rate during the first eight months of years 2014 - 2015

Expenditure Groups	Relative Imp.	Relative change		Contribution	
		2014	2015	2014	2015
All Items	100.0	3.3	-0.6	3.3	-0.6
1) Food and non-Alcoholic Beverages, of which:	33.4	0.4	1.2	0.1	0.4
Meat and Poultry	8.2	-1.0	1.2	-0.1	0.1
Dairy Products and Eggs	4.2	0.4	-0.2	0.0	0.0
Vegetables and Legumes Dry and Canned	3.9	0.5	-1.0	0.0	0.0
Fruits and Nuts	2.7	2.1	6.9	0.1	0.2
Oils and Fats	1.9	-0.9	3.5	0.0	0.1
2) Alcohol and Tobacco and Cigarettes	4.4	14.8	3.9	0.5	0.2
3) Clothing and footwear	3.5	9.4	5.8	0.3	0.2
4) Housing, of which:	21.9	5.1	1.1	1.1	0.2
Rents	15.6	7.1	5.3	1.1	0.8
Fuels and Lighting	4.8	0.4	-12.0	0.0	-0.6
5) Household Furnishings and Equipment	4.2	2.0	2.2	0.1	0.1
6) Health	2.2	5.8	3.7	0.1	0.1
7) Transportation	13.6	4.2	-14.0	0.6	-2.2
8) Communication	3.5	-0.2	0.2	0.0	0.0
9) Culture and Recreation	2.3	2.5	4.5	0.1	0.1
10) Education	5.4	4.0	3.7	0.2	0.2
11) Restaurants and Hotels	1.8	1.8	1.8	0.0	0.0
12) Other Goods and Services	3.7	0.9	1.1	0.0	0.0

Source: Department of Statistics.

In contrast, prices of other items showed varied increases; mainly “culture and recreation” (4.5 percent), “fruits and nuts” (6.9 percent), and “oils and fats” (3.5 percent); influenced by supply and demand factors in the domestic market.

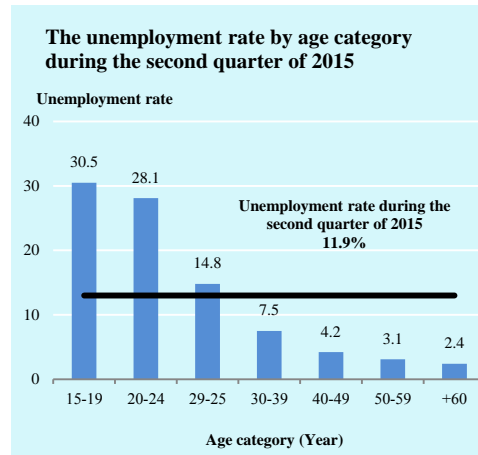
In August 2015, the CPI grew by 0.2 percent compared with July 2015. This was due to the increase in prices of many items mainly; “vegetables and legumes dry and canned” (11.0 percent) and “meat and poultry” (2.6 percent); influenced by adverse weather conditions during the mentioned period above.



□ Employment

- ◆ The unemployment rate (the ratio of unemployed people to the labor force) decreased slightly during the second quarter of 2015 to stand at 11.9 percent (10.1 percent for males and 20.0 percent for females), compared to 12.0 percent (10.4 percent for males and 20.1 percent for females) during the same quarter of 2014. Furthermore, the unemployment rate among academic degree holders (Bachelor Degree and higher) reached 16.7 percent.

- ◆ The unemployment among youth remains high at 30.5 percent for the categories of 15-19 years old, and 28.1 percent for those between 20-24 years.



- ◆ The refined economic participation rate (the ratio of the labor force to the population of 15 years and over) during the second quarter of 2015 reached 37.6 percent (61.3 percent for males and 13.7 percent for females), compared to 36.6 percent (60.1 percent for males and 12.7 percent for females) during the same quarter in 2014.
- ◆ The employment rate among population of 15 years and older reached 33.1 percent during the second quarter of 2015, compared to 32.2 percent during the same quarter of 2014. The employees in the sector of “public administration, defense, and social security” accounted for 26.5 percent of the total employed, followed by employees in the “wholesale and retail trade” (14.9 percent), education (13.0 percent), and manufacturing (10.2 percent).

Third : Public Finance

□ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 374.0 million during the first seven months of 2015, comparing to a fiscal deficit in the amount of JD 461.5 million, during the same period in 2014. When excluding foreign grants (JD 307.6 million), the general budget deficit reaches JD 681.6 million compared to a deficit in the amount of JD 791.4 million during the same period in 2014.
- Net outstanding domestic public debt decreased by JD 11.0 million at the end of July 2015 compared to its level at the end of 2014, to reach JD 12,514.0 million (46.1 percent of GDP).
- Outstanding external public debt (budgetary and guaranteed) increased by JD 1,107.9 million at the end of July 2015, compared to its level at the end of 2014, to stand at JD 9,138.0 million (33.7 percent of GDP).
- As a result, net outstanding public debt (domestic and external) reached JD 21,652.0 million (79.8 percent of GDP) at the end of July 2015 compared to JD 20,555.1 million (80.8 percent of GDP) at the end of 2014.

□ The performance of the general budget during the first seven months of 2015 compared to the same period in the preceding year:

■ Public Revenues

Public revenues (including foreign grants) decreased by JD 27.7 million, or 5.3 percent, in July 2015 comparing to the same month of 2014 to reach JD 491.6 million. As for the first seven months of 2015, these revenues were up by JD 28.4 million, or 0.7 percent, compared to the same period in 2014 to stand at JD 3,841.5 million. This came as an outcome of the increase in domestic revenues by JD 50.7 million, on one hand, and the drop in foreign grants by JD 22.3 million, on the other.

Main Government Budget Indicators during the first seven months of 2015:

(JD Million and Percentages)

	July		Growth Rate	Jan. – Jul.		Growth Rate
	2014	2015		2014	2015	
Total Revenues and Grants	519.3	491.6	-5.3	3,813.1	3,841.5	0.7
Domestic Revenues, of which:	480.6	478.6	-0.4	3,483.2	3,533.9	1.5
Tax Revenues, of which:	383.7	379.1	-1.2	2,432.4	2,541.8	4.5
General Sales Tax	248.3	225.4	-9.2	1,554.7	1,572.3	1.1
Other Revenues	95.0	97.9	3.1	1,038.9	981.8	-5.5
Foreign Grants	38.7	13.0	-66.4	329.9	307.6	-6.8
Total Expenditures, of which:	626.7	642.1	2.5	4,274.6	4,215.4	-1.4
Capital Expenditures	73.6	88.2	19.8	460.9	472.2	2.5
Overall Deficit/ Surplus	-107.4	-150.5	-	-461.5	-374.0	-

Source: Ministry of Finance/ General Government Finance Bulletin.

◆ Domestic Revenues

Domestic revenues increased by JD 50.7 million, or 1.5 percent, during the first seven months of 2015 compared to the same period in 2014, to reach JD 3,533.9 million. This increase was an outcome of the rise in the proceeds of “tax revenues” by JD 109.4 million, and the drop in “other revenues” and “pension contributions” by JD 57.1 million, and JD 1.6 million, respectively.

Tax Revenue Structure (2010- 2014) and the first seven months of 2015, JD Million



● Tax Revenues

Tax revenues increased by JD 109.4 million, or 4.5 percent, during the first seven months of 2015 compared to the same period in 2014, to reach JD 2,541.8 million (71.9 percent of domestic revenues). Following are the main developments in tax revenues items:

- An increase in the proceeds of “general sales tax on goods and services” by JD 17.6 million, or 1.1 percent, which reached JD 1,572.3 million (accounting for 61.9 percent of total tax revenues). This result was driven by the increase in the proceeds of “sales tax on imported goods” and “sales tax on domestic goods” by JD 17.0 million, and JD 16.3 million, respectively. While “sales tax on commercial sector” and “sales tax on services” have declined by 15.1 million, and JD 0.5 million, respectively.
- An increase in the proceeds of “income and profit taxes” by JD 100.6 million, or 16.3 percent, which reached JD 716.6 million (accounting for 28.2 percent of total tax revenues). This rise was a result of the increase in the proceeds of “income tax from companies and other projects” by JD 61.9 million, and the rise in the proceeds of “income tax from individuals” by JD 38.7 million. Accordingly, income tax from companies accounted for 81.1 percent of total taxes on income and profits to reach JD 581.3 million.

- A slight increase in the proceeds of “taxes on international trade and transactions” (including customs duties and fees) by JD 0.9 million or 0.5 percent, to reach JD 190.0 million (accounting for 7.5 percent of total tax revenues).
- A decrease in real-estates tax (taxes on financial transactions) by JD 9.7 million, or 13.4 percent, to reach JD 62.9 million (accounting for 2.5 percent of total tax revenues).

- **Other Revenues (Non-Tax Revenues)**

“Other revenues” decreased by JD 57.1 million, or 5.5 percent, during the first seven months of 2015 to reach JD 981.8 million. This decrease was chiefly due to:

- A decrease in property income by JD 156.6 million to stand at JD 230.8 million (of which financial surplus of independent government units amounted to JD 204.1 million).
- A rise in miscellaneous revenues by JD 99.0 million to stand at JD 246.1 million.
- A slight increase in “revenues from selling goods and services” by JD 0.5 million to reach JD 504.9 million.

- **Pension Contributions**

Pension contributions were down by JD 1.6 million during the first seven months of 2015, standing at JD 10.3 million.

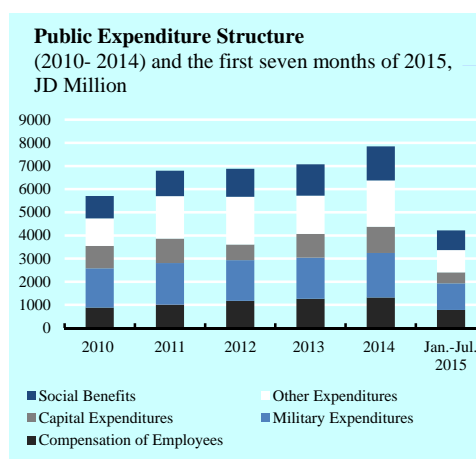
- ◆ **Foreign Grants**

Foreign grants decreased by JD 22.3 million during the first seven months of 2015, standing at JD 307.6 million.

Public Expenditures

Public expenditures witnessed an increase by JD 15.4 million, or 2.5 percent, in July 2015 compared to the same month in 2014 to stand at JD 642.1 million. However, public expenditures declined by JD 59.2 million, or 1.4 percent during the first seven months of 2015, to stand at JD 4,215.4 million. This

decrease was an outcome of the drop in current expenditures by JD 70.5 million, and the increase in capital expenditures by JD 11.3 million.



Current Expenditures

Current expenditures decreased by JD 70.5 million, or 1.8 percent, during the first seven months of 2015, to reach JD 3,743.2 million. This decrease was chiefly due to:

- A decrease in interest payments, by JD 6.5 million to stand at JD 507.5 million, accounting for 13.6 percent of total current expenditures.
- A drop in “purchases of goods and services” by JD 2.8 million to stand at JD 185.3 million, accounting for 5.0 percent of total current expenditures.
- A decrease in goods subsidies by JD 53.1 million to stand at JD 91.0 million, accounting for 2.4 percent of total current expenditures. It is worth mentioning that this item includes only food subsidies starting from 2013.

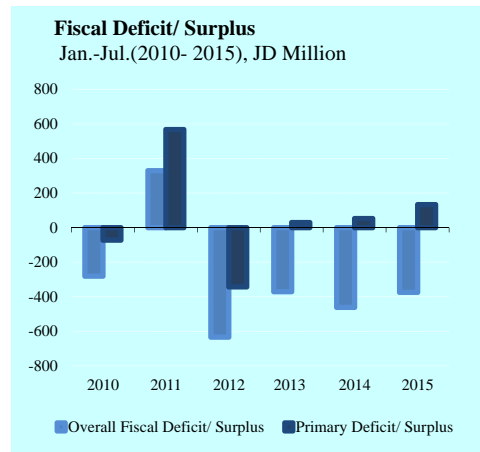
- An increase in military expenditures by JD 23.8 million to total JD 1,151.5 million, accounting for 30.8 percent of total current expenditures.
- An Increase in social benefit expenditures by JD 0.3 million to stand at JD 849.8 million, accounting for 22.7 percent of total current expenditures.
- A rise in the “compensation of civil sector's employees” (wages, salaries and social security contributions) by JD 14.3 million to reach JD 781.0 million, accounting for 20.9 percent of total current expenditures.

◆ Capital Expenditures

Capital expenditures increased by JD 11.3 million, or 2.5 percent during the first seven months of 2015 compared to the same period in 2014, to reach JD 472.2 million.

■ General Budget Deficit/ Surplus

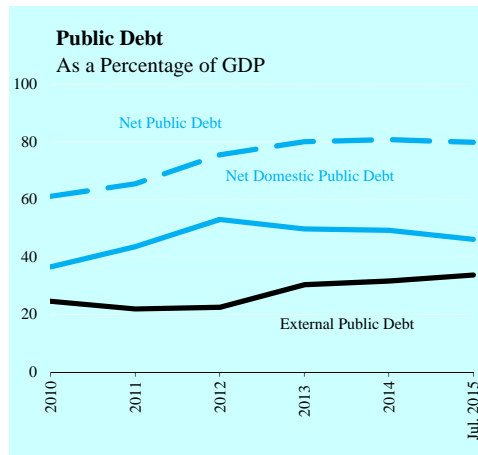
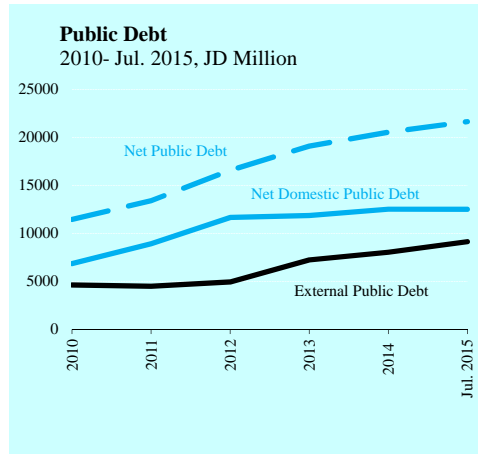
- ◆ The general budget, including grants, displayed a fiscal deficit amounted to JD 374.0 million during the first seven months of 2015, against a fiscal deficit in the amount of JD 461.5 million during the same period in 2014.



- ◆ The general budget showed a primary surplus (after excluding interest payments on public debt from total expenditures) amounted to JD 133.5 million during the first seven months of 2015, against a primary surplus of JD 52.5 million during the same period in 2014.

Public Debt

Net outstanding domestic public debt (gross outstanding domestic public debt minus government deposits at the banking system) decreased by JD 11.0 million at the end of July 2015 comparing to its level at the end of 2014 to total JD 12,514.0 million, or 46.1 percent of GDP. This result was an outcome of the rise in gross outstanding domestic public debt by JD 222.0 million to reach JD 14,843.0 million, and the increase in the government deposits at the banking system by JD 233.0 million to reach JD 2,329.0 million. This rise in gross outstanding domestic public debt was an outcome of the decline in gross budgetary government debt, on one hand, as “Treasury bills and bonds” decreased by JD 450.0 million at the end of July 2015, compared to their level at the end of 2014 standing at JD 12,021.0 million, moreover, the outstanding balance of “loans and advances” extended by CBJ to the budgetary central government declined by JD 40.0 million to stand at JD 552.0 million, and the increase in the guaranteed domestic public debt on the other. In this regard, loans and advances extended to



these agencies increased by JD 706.0 million to stand at JD 1,645.0 million. While, own-budget agencies' bonds decreased by JD 20.0 million at the end of July 2015 comparing to its level at the end of 2014 to stand at JD 589.0 million.

- Outstanding balance of external public debt (budgetary and guaranteed) increased by JD 1,107.9 million at the end of July 2015 compared to its level at the end of 2014, amounting to JD 9,138.0 million (33.7 percent of GDP). This increase was driven by the issuance of sovereign Eurobonds in international markets in the amount of US\$ 1.5 billion in June, in addition to receiving the seventh tranche of the IMF loan under the stand-by arrangement (SBA) in the amount of JD 142.0 million (equivalent to US\$ 200 million) in April. The currency debt structure shows that external debt in US dollars accounted for 62.6 percent, while debt in Euros accounted for 5.6 percent. Furthermore, external debt in Japanese Yen and Kuwaiti Dinars accounted for 6.6 percent and 8.7 percent of the outstanding external public debt, respectively, while external debt in SDRs accounted for 13.6 percent.
- Net public debt (domestic and external) increased by JD 1,096.9 million at the end of July 2015 compared to its level at the end of 2014 to stand at JD 21,652.0 million, (79.8 percent of GDP), against JD 20,555.1 million (80.8 percent of GDP) at the end of 2014.
- External debt service (budgetary and guaranteed) amounted to JD 325.9 million during the first seven months of 2015 (of which interest payments amounting to JD 105.5 million) compared to JD 313.4 million (of which interest payments amounting to JD 97.1 million) during the same period in 2014.

□ Fiscal and Price Measures

- Adjusting the prices of all types of oil derivatives, as follows:

Development of Oil Derivatives Price

	Unit	2015		Percentage Change
		September	October	
Unleaded Gasoline 90	Fils/Liter	560.0	555.0	-0.9
Unleaded Gasoline 95	Fils/Liter	725.0	720.0	-0.7
Gas Oil (Diesel)	Fils/Liter	405.0	410.0	1.2
Kerosene	Fils/Liter	405.0	410.0	1.2
Liquid Gas (12.5kg)	JD/Unit	7.25	7.00	-3.4
Fuel oil for industry	JD/Ton	250.0	241.7	-3.3
Fuel for airplanes (local companies)	Fils/Liter	340.0	346.0	1.8
Fuel for airplanes (foreign companies)	Fils/Liter	345.0	351.0	1.7
Fuel for unplanned flights	Fils/Liter	360.0	366.0	1.7
Asphalt	JD/Ton	265.5	261.5	-1.5

Source: Jordan Petroleum Refinery Company (1/10/2015).

- Reducing electricity tariff for Hotels in the kingdom by 50% to be charged the same tariff as medium industrial sector starting from 1st may 2015 and until end 2016 (April 2015).
- In order to stimulate the real estate sector in Jordan, the cabinet decided to exempt homebuyers from registration fees for the first 150 square metres (sq.m.) of apartments sized 180sq.m. or less, regardless of the character of the seller. Meanwhile, apartments that exceed 180sq.m. are subject to the registration

fees on the whole area without exemptions. This decision will be valid until the end of the year 2015.

□ Grants, Loans and Other Agreements

- Signing two grant agreements with Saudi Arabia in the amount of US\$ 80 million. These agreements came within the second phase of GCC grant, and were distributed as follows (May 2015):
 - An agreement for financing the fiber optics project in the amount of US\$ 50 million.
 - An agreement for financing the infrastructure project in Industrial Cities in Tafila, Madaba, Jarash and Salt Governorates in the amount of US\$ 30 Million.
- Signing an agreement and memorandum of understanding between the Jordanian government and the Japanese government, under which the Japanese government will provide a soft loan in the amount of Yen 24 billion (equivalent to US\$196 million). The loan will be offered through the Japan International cooperation Agency (JICA) to support Jordan's fiscal consolidation and development policy (May 2015).
- Signing three protocols with UNICEF to provide grants in several sectors to minimize the impact of the Syrian crisis, as follows (June 2015):
 - A grant to the Ministry of Education to help it bear the burden of accepting Syrian refugee students, in the amount of JD 1.35 million.
 - Supporting the Ministry of Health to reduce child mortality rates, with emphasis on neonatal health, in the amount of JD 1.062 million.

- Supporting the security sector to be child- and gender-friendly through the management of family protection and juvenile police, in the amount of JD 531.8 thousand.
- Signing a loan agreement with the Arab monetary fund (AMF), in the amount of Arab Accounting Dinar (AAD) 13.3 million (equivalent to US\$ 58 million), within the framework of structural reforms facilities provided by the fund (July 2015).
- Signing a grant agreement presented from the Canadian and Swedish governments to a credit fund run by the World Bank in the amount of US\$ 14.8 million. The funds will be directed to support a project for "Syrian refugee host communities response to emergency services and enhance capability to adapt with social changes" (July 2015).
- Additional Support provided by the United Kingdom in the amount of US\$ 110 million, to support the Jordanian response plan of the Syrian crisis. Accordingly, the total contribution of the UK to this plan since the beginning of the crisis reaches US\$ 340 million (July 2015).
- Signing two grant agreements with the European Union (EU) in the amount of EUR 60.5 million, as follows (August 2015):
 - A grant to the ministry of education to help Jordan deal with the influx of Syrian refugees in the education sector, in the amount of EUR 55 million.
 - A grant in the amount of EUR 5.5 million to enhance the Kingdom's participation in the EU's ERASMUS+ Program for higher education.

- Signing a grant agreement with the European Union (EU), in the amount of EUR 4.7 million, to support the Department of Statistics with the 2015 national population and housing census (August 2015).
- Signing a framework agreement with International Islamic Trade Finance Corporation (ITFC) in the amount of US\$ 3.0 billion, in order to finance basic commodity imports. The agreement provides financing alternatives for the ministries and the institutions involved, to be available upon request and will not entail any financial liabilities in case they are not used (September 2015).
- Signing a soft loan agreement with the German Development Bank (KfW) in the amount of EUR 30 million, to finance the second segment of the water resources management program/ third phase (September 2015).
- Signing four grant agreements extended by the United States Agency for International Development (USAID) in the amount of US\$ 429.7 million, under the U.S. regular and additional economic assistance program for Jordan. These funds are distributed as follows (September 2015):
 - An agreement to support prioritized development projects listed within the General Budget law for the year 2015, in the amount of US\$ 231.4 million.
 - The development of the social sector quality agreement in the amount of US\$ 133.4 million, for the implementation of several projects and programs in the fields of health sector, mother and child care, reproductive health, family

planning, education, water, environment, population policy, and gender policies.

- Enhancing the democratic accountability agreement in the amount of US\$ 35.7 million, for the implementation of several projects and programs in the areas of the rule of law, governance, civil society, and supporting the political reform efforts.
- The economic development agreement in the amount of US\$ 29.2 million, for the implementation of several development projects in the fields of boosting economic growth, improving economic opportunities, trade and investment, infrastructure, enhancing the competitiveness of the private sector, promoting economic opportunities, and environment.
- Signing a grant agreement with the Arab Fund for Economic and Social Development (AFESD) in the amount of KWD 300 thousand (equivalent to US\$ 992 thousand), to finance an electronic tracking system for transit trucks development project in the kingdom (October 2015).

Fourth: External Sector

□ Summary

- **Total merchandize exports** (domestic exports *plus* re-exports) increased by 0.7 percent in July 2015 compared to the same month of 2014, to record JD 474.7 million. As for the first seven months of 2015, total merchandize exports decreased by 7.0 percent to reach JD 3,179.4 million.
- **Merchandize imports** increased by 4.0 percent in July 2015 compared to the same month of 2014, to reach JD 1,217.8 million. As for the seven months of 2015, total merchandize imports decreased by 12.5 percent to reach JD 8,186.1 million.
- **Consequently**, the trade balance deficit (total exports minus imports) increased by 6.2 percent in July 2015 compared to the same month in 2014; standing at JD 743.1 million. As for the first seven months of 2015, the trade balance deficit declined by 15.7 percent to reach JD 5,006.7 million.
- **Travel receipts** increased in August 2015 compared to August 2014 by 2.1 percent, to reach JD 366.4 million, and travel payments decreased by 0.3 percent compared to the same month of 2014 to reach JD 77.6 million. As for the first eight months of 2015; travel receipts decreased by 8.8 percent to record JD 1,965.6 million, on the other hand, travel payments increased by 1.5 percent to reach JD 595.3 million.
- **Total workers' remittances receipts** increased by 1.7 percent in August 2015 compared to August 2014 to reach JD 222.6 million. As for the first eight months 2015; total workers, remittances receipts increased by 1.5 percent to reach JD 1,798.3 million.
- **The current account of the balance of payments** registered a deficit of JD 1,135.5 million (9.2 percent of GDP) during first half of 2015 compared to a deficit of JD 1,171.0 million (9.9 percent of GDP) first half of 2014.
- **Net direct investment** recorded an inflow of JD 400.0 million during the first half of 2015, down from JD 707.6 million during the first half of 2014.

- **International Investment Position (IIP)** displayed a net obligation to abroad of JD 23,158.4 million at the end of second quarter of 2015; compared to JD 22,773.5 million at the end of 2014.

□ External Trade

- As a result of the decrease in domestic exports and imports by JD 226.4 million and JD 1,167.9 million, respectively, during the first seven months of 2015 compared to the same period in 2014, the volume of external trade (domestic exports *plus* imports) decreased by JD 1,394.3 million to stand at JD 10,911.3 million.

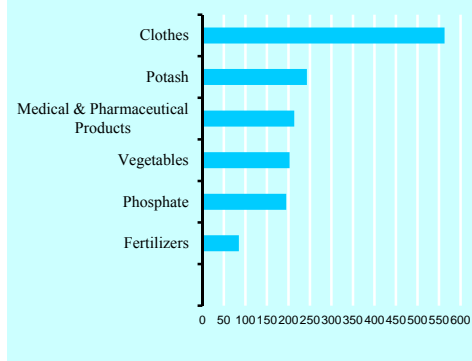
Jordan's Major Trading Partners JD Million				Main External Trade Indicators JD Million				
January - July				January - July				
	2014	2015	Percentage Change		2014	Percentage Change 2014/2013	2015	Percentage Change 2015/2014
Exports				External Trade	12,305.7	4.6	10,911.4	-11.3
USA	526.1	572.8	8.9	Total Exports	3,417.4	5.2	3,179.4	-7.0
Saudi Arabia	406.9	440.3	8.2	Domestic Exports	2,951.7	6.7	2,725.2	-7.7
Iraq	498.2	329.7	-33.8	Re-exports	465.8	-3.5	454.1	-2.5
India	260.3	248.7	-4.5	Imports	9,354.0	3.9	8,186.1	-12.5
UAE	96.9	128.7	33.2	Trade Balance	-5,936.6	3.2	-5,006.7	-15.7
Kuwait	59.9	80.8	34.9	Source: Department of Statistics.				
Syria	100.7	59.7	-40.7					
Imports								
Saudi Arabia	1,839.8	1,483.0	-19.4					
China	933.4	1,028.7	10.2					
USA	561.5	526.3	-6.3					
Germany	374.2	406.7	8.7					
UAE	583.8	312.0	-46.6					
Italy	294.4	293.4	-0.3					
South Korea	299.4	285.8	-4.5					
Turkey	377.1	267.6	-29.1					
Source: Department of Statistics.								

■ Merchandize Exports:

Total merchandize exports decreased by 7.0 percent during the first seven months of 2015, compared to an increase of 5.2 percent during the same period in

2014, to record JD 3,179.4 million. This decrease resulted from a decline in domestic exports by JD 226.4 million, or 7.7 percent, to reach JD 2,725.5 million, and an decrease in re-exports by 2.5 percent, to reach JD 454.1 million.

**Major Exports by Commodity
During January - July 2015, JD Million**



◆ The developments of domestic exports during the first seven months of 2015 compared to the same period in 2014 reveal the following:

- Exports of **vegetables** decreased by JD 32.3 million, or 13.8 percent, to total JD 202.9 million. The UAE, Saudi markets and Syrian were the main destinations of these exports, accounting for 46.5 percent.

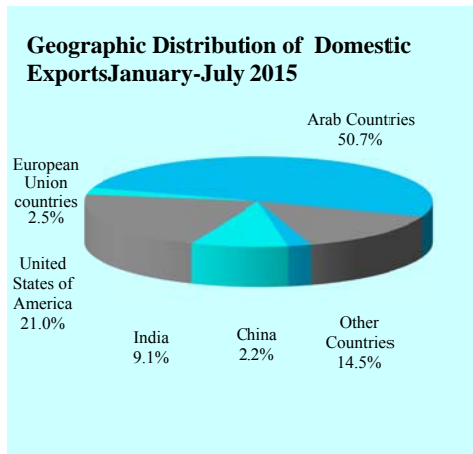
- Exports of **Fertilizers** decreased by JD 89.9 million, or 51.5 percent, to reach JD 84.9 million. This decrease was mainly due to a decrease in exported quantities by 58.3 percent and an increase in price by 16.4 percent the Indian, Turkey and Bulgarian markets accounted for 72.6 percent of these exports.
- Exports of **phosphates** increased by JD 7.6 million, or 4.0 percent, to register JD 195.0 million. This increase was mainly due to a decrease in exported quantities by 6.6 percent and an increase in the prices of phosphate by 11.4 percent. It is worth noting that the Indian market was the main destination for these exports, accounting for 66.9 percent of phosphate exports.

Major Domestic Exports by Commodity, JD Million
January – July 2014-2015

	2014	2015	Percentage Change
Domestic Exports	2,951.7	2,725.2	-7.7
Clothes	508.0	562.8	10.8
USA	457.9	507.4	10.8
Potash	251.2	242.9	-3.3
India	73.4	69.9	-4.8
China	74.2	57.7	-22.2
Malaysia	30.3	34.7	14.5
Medical & Pharmaceutical Products	245.4	213.4	-13.8
Saudi Arabia	66.7	53.4	-19.9
Iraq	25.2	22.7	-9.9
Sudan	21.0	21.9	4.3
Algeria	39.4	21.6	-45.2
Vegetables	235.2	202.9	-13.7
UAE	32.8	35.3	7.6
Saudi Arabia	23.3	32.1	37.8
Syria	46.8	26.9	-42.5
Phosphate	187.4	195.0	4.0
India	125.1	130.5	4.3
Indonesia	33.2	29.7	-10.5
Fertilizers	174.8	84.9	-51.5
India	38.1	38.0	-0.3
Turkey	24.0	14.3	-40.4
Bulgaria	13.8	9.3	-32.6

Source: Department of Statistics.

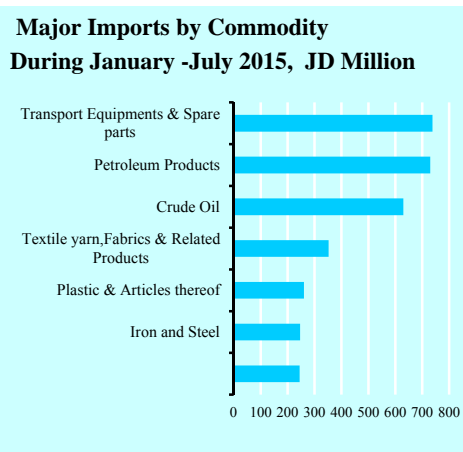
- Exports of **potash** decreased by JD 8.3 million, or 3.3 percent, to stand at JD 242.9 million. The Indian, Malaysian and Chinese, markets accounted for 66.8 percent of these exports.



- Consequently, the commodity breakdown of domestic exports indicates that exports of clothes, potash, “medical and pharmaceutical products”, vegetables, phosphates and fertilizers topped the list of domestic exports during the first seven months of 2015; accounting for 55.1 percent of domestic exports, up from 54.3 percent during the same period in 2014. Meanwhile, the geographical distribution of domestic exports indicates that the USA, Saudi Arabia, Iraq, India, the UAE, Kuwait and Syria were the main destination markets for domestic exports during the first seven months of 2015; accounting for 68.3 percent of domestic exports, up from 66.0 percent during the same period in 2014.

■ Merchandize Imports:

Merchandize imports decreased by 12.5 percent to reach JD 8,186.1 million during the first seven months of 2015, compared to an increase by 3.9 percent during same period in 2014 to the reach JD 9,354.0 million.



◆ The developments of imports during the first seven months of 2015 compared with the same period in 2014 reveal the following:

- **Petroleum products** imports decreased by JD 797.2 million, or 52.2 percent, to total JD 730.0 million. The main source markets of these imports were Saudi Arabia, Belgium and India.
- **Crude oil** imports decreased by JD 356.3 million, or 36.1 percent, to reach JD 629.6 million. This decrease was mainly attributed to the decline in prices by 48.1 percent, while imported quantities increased by 23.0 percent. It's worth noting that crude oil imports came from the Saudi market.

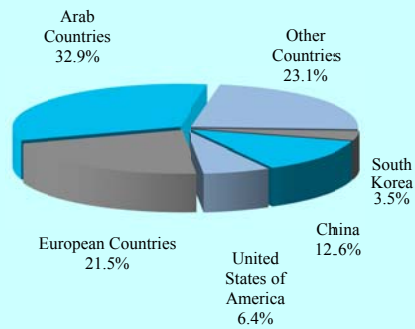
- Imports of **Transport equipment's and Spare Parts** increased by JD 48.6 million, or 7.1 percent, to reach JD 737.9 million. Japan, South Korea and USA were the main markets for these imports; accounting for 57.7 percent.
- Consequently, the commodity composition of imports indicates that “transport equipment's and spare parts”, petroleum products, crude oil, “textile yarn, fabrics,

Major Imports by Commodity, JD Million During first seven months 2014-2015			
	2014	2015	Percentage Change
Total Imports	9,354.0	8,186.1	-12.5
Transport Equipment's & Spare Parts	689.3	737.9	7.1
Japan	140.0	155.2	10.9
South Korea	134.2	152.2	13.4
USA	161.7	118.1	-27.0
Petroleum Products	1,527.2	730.0	-52.2
Saudi Arabia	173.0	295.1	70.6
Belgium	64.2	128.0	99.4
India	244.9	62.7	-74.4
Crude oil	985.9	629.6	-36.1
Saudi Arabia	985.9	629.6	-36.1
Textile Yarn, Fabrics & Related Products	341.9	352.0	3.0
China	142.4	135.3	-5.0
Taiwan	89.4	116.7	30.5
Turkey	21.4	20.9	-2.3
Plastic & Articles thereof	295.9	260.7	-11.9
Saudi Arabia	155.8	128.3	-17.7
UAE	17.6	21.8	23.9
China	18.7	15.4	-17.6
Iron & steel	303.9	246.5	-18.9
China	48.3	87.2	80.5
Iran	4.5	39.0	766.7
Saudi Arabia	31.8	21.3	-33.0
Meat and Fish preparations thereof	231.8	245.0	5.7
Brazil	57.5	56.6	-1.6
Australia	44.7	49.5	10.7
India	26.2	23.4	-10.7

Source: Department of Statistics.

made up articles and related products”, “plastic & articles thereof”, “iron and steel” and “Meat and Fish Preparations thereof” topped the list of imports during the first seven months

**Geographic Distribution of Imports
January-July 2015**



2015, accounting for 39.1 percent of total imports; down from 46.8 percent during the same period in 2014. Meanwhile, the geographical distribution of imports indicates that the markets of Saudi Arabia, China, the USA, Germany, the UAE, Italy and South Korea were the main sources of imports during the first seven months 2015; accounting for 56.2 percent of total imports, compared to 56.3 percent during the same period in 2014.

■ **Re-Exports**

A decrease of JD 11.6 million, or 2.5 percent, was registered in the value of re-exported goods during the first seven months of 2015 compared to the same period in 2014, to reach JD 454.1 million.

■ Trade Balance

The trade balance deficit during the first seven months of 2015 decreased by JD 929.9 million, or 15.7 percent, to register JD 5,006.7 million, compared to the same period in 2014.

□ Total Workers' Remittances Receipts

Total workers' remittances receipts increased by 1.7 percent in August 2015, compared to August 2014 to register JD 222.6 million. As for the first eight months of 2015, total workers' remittances receipts increased by 1.5 percent to reach JD 1,798.3 million compared to the same period of 2014.

□ Travel

■ Receipts

Travel receipts increased by JD 7.4 million, or 2.1 percent, in August 2015, compared to August 2014 to register JD 366.4 million. As for the first seven months of 2015, travel receipts decreased by 8.8 percent to reach JD 1,965.6 million compared to the same period of 2014.

■ Payments

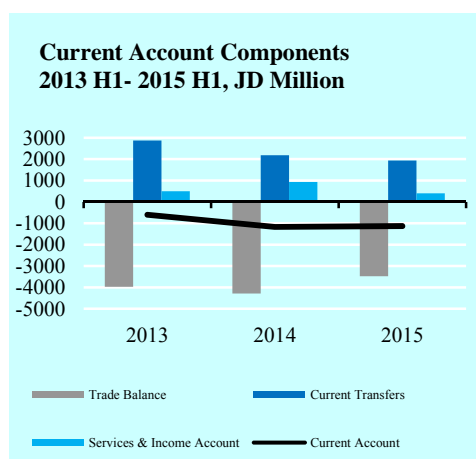
Travel payments decreased by JD 0.3 million, or 0.3 percent, in August 2015, compared to August 2014 to stand at JD 77.6 million. As for the first eight months of 2015, travel payments increased by 1.5 percent to reach JD 595.3 million compared to the same period of 2014.

□ Balance of Payments

The preliminary data of the balance of payments for first half of 2015 compared to first half of 2014, reveals the following developments:

- The current account recorded a deficit of JD 1,135.2 million (9.2 percent of GDP) compared to a deficit of JD 1,171.0 million (9.9 percent of GDP) during first half of 2014. This was an outcome of the following developments:

- ◆ A decrease in the trade balance deficit during first half of 2015 by JD 811.5 million, 18.9 percent, to reach JD 3,374.8 million compared to JD 4,286.3 million during first half of 2014.



- ◆ A decrease in the surplus of the services account by JD 495.3 million to reach JD 474.3 million.
- ◆ Income account recorded a deficit of JD 71.0 million compared to a deficit of JD 37.9 million during first half of 2014, as a result of the increase in the deficit recorded in investment income (net) by JD 35.1 million and the increase in the surplus recorded in compensation of employees (net) by JD 2.0 million.
- ◆ A decrease in the surplus of net current transfers by JD 247.6 million; to reach JD 1,936.0 million, as a result of the decrease in net transfers of public sector (foreign grants) by JD 200.0 million, to reach JD 204.8 million, and the decrease of the transfers of other sectors by 47.6 million to reach JD 1,731.6 million. It's worth mentioning that the workers' remittances receipts increased by 1.5 percent, during first half of 2015 to stand at JD 1,197.8 million.

- The capital and financial account in first half of 2015 registered a net inflow of JD 561.6 million, compared to a net inflow of JD 686.0 million during first half of 2014. This can be attributed to the following:
 - ◆ Direct investment recorded a net inflow of JD 400.0 million compared to a similar inflow of JD 707.6 million during first half of 2014.
 - ◆ Portfolio investments recorded a net inflow of JD 50.4 million compared to an inflow of JD 943.6 million during first half of 2014.
 - ◆ Other investments registered a net outflow of JD 526.4 million compared to an inflow of JD 650.7 million during first half of 2014.
 - ◆ An increase in the reserve assets of CBJ by JD 317.0 million, compared to an increase of JD 1,616.7 million during first half of 2014.

□ International Investment Position (IIP)

The IIP, which represents the Kingdom's net position (stock) of external assets and liabilities, displayed an obligation to abroad of JD 23,158.4 million at the end of the first half of 2015 compared to JD 22,773.5 million at the end of 2014. This increase was due to the following developments:

- A decrease in the position of external assets (the stock of claims, obligations and financial assets) for all economic sectors (resident) in the Kingdom by JD 15.3 million to reach JD 18,525.5 million at the end of first half of 2015 compared to the end of 2014. This increase was result of the decrease in currency and deposits of the banking sector by JD 213.5 million, and the increase of CBJ's reserve assets by JD 247.4 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 415.1 million at the end of first half of 2015 compared to the end of 2014; standing at JD 41,683.9 million due to the following:
 - ◆ An increase in the stock of direct investment in Jordan by JD 494.2 million to stand at JD 20,902.9 million.
 - ◆ An increase in the deposits of non-residents at licensed banks JD 342.3 million.
 - ◆ A decrease in the stock of portfolio investments by JD 76.9 million to reach JD 5,843.8 million.
 - ◆ A decrease in the outstanding balance of long-term loans on the general government by JD 52.7 million to reach JD 3,142.6 million.
 - ◆ A decrease in the stock of portfolio investments by JD 76.9 million to reach JD 5,843.8 million.
 - ◆ A decrease in the stock of trade credits liabilities by JD 45.2 million to reach JD 642.1 million.