



## Press Release

### **The Central Bank of Jordan (CBJ) maintains interest rates on the monetary policy instruments unchanged**

The Open Market Operations Committee at the CBJ, during its second meeting within this year, decided to maintain interest rates on the monetary policy instruments unchanged at their current level. During the meeting, the economic and monetary developments in the Kingdom were discussed, which reflected the strength of the national economy and its ability to continue the momentum of positive performance, despite the prevailing conditions in the region. Foreign reserves of the CBJ, currently reaches USD 18.2 billion, sufficient to cover the Kingdom's imports of goods and services for 7.9 months. Deposits with banks increased by JD 2.0 billion at the end of January 2024, with a growth of 4.6 percent on an annual basis to reach JD 44 billion. Credit facilities in Jordanian dinars extended by banks also increased by JD 727.4 million, with a growth of 2.5 percent on an annual basis. The latest financial soundness indicators, as they are at the end of 2023, confirm the soundness and resilience of the Jordanian banking system.

The balanced economic policies implemented by the government and the CBJ have contributed to containing the inflationary pressures in the Kingdom, as inflation rate reached 2.1 percent during the year 2023, down from 4.2 percent in 2022. Moreover, inflation rate continued declining during the first two months of the current year to reach 1.8 percent. CBJ's expectations indicate that the national economy will achieve a real economic growth rate of no less than 2.6 percent for the year 2023, increasing by 0.2 percentage point from its level recorded last year.

Furthermore, preliminary data indicate a significant decline in the current account deficit in the balance of payments to about 3.7 percent of GDP in 2023, compared to 7.8 percent in 2022. This comes in light of the drop in the trade balance deficit by 11 percent, and the increase in the services account surplus by 62.8 percent, driven by an increase in tourism income by 27.4 percent in 2023. Noting that tourism income achieved remarkable positive results during the first two months of 2024, as it recorded a growth by 4.5 percent to reach USD 1.1 billion, exceeding all previous expectations. Remittances from workers abroad also increased by 1.4 percent during 2023 to reach USD 3.5 billion, and by 0.7 percent in January 2024 to reach USD 316.4 million.

The committee affirms that the CBJ will continue to thoroughly monitor the developments related to the performance of the national economy, the international economic developments, and the directions of central banks regarding interest rates regionally and internationally.

The Central Bank of Jordan