



Central Bank of Jordan

Recent Monetary & Economic Developments in Jordan

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

Classification level: Public

Central Bank of Jordan

Tel: (962 6) 4630301

Fax: (962 6) 4638889 / 4639730

P.O. Box 37 Amman 11118 Jordan

Website: <http://www.cbj.gov.jo>

E-mail redp@cbj.gov.jo



OUR VISION

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

OUR MISSION

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

OUR VALUES

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

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Executive Summary

□ Output, Prices and Employment

Real GDP at market prices grew by 2.5 percent during the first quarter of 2022, compared to a growth of 0.3 percent during the same quarter of 2021. The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first five months of 2022 by 3.0 percent, compared to an increase of 0.6 percent during the same period of 2021. The unemployment rate during the first quarter of 2022 reached 22.8 percent, compared to 25.0 percent during the same quarter of 2021.

□ Monetary and Financial Sector

- The CBJ's gross foreign reserves amounted to US\$ 17,668.3 million at the end of May 2022. This level of reserves covers around 9.2 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 40,555.3 million at the end of May 2022, compared to JD 39,509.2 million at the end of 2021.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 31,494.2 million at the end of May 2022, compared to JD 30,028.5 million at the end of 2021.
- Total deposits at licensed banks amounted to JD 40,483.5 million at the end of May 2022, compared to JD 39,522.3 million at the end of 2021.
- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,472.5 points at the end of May 2022, compared to 2,118.6 points at the end of 2021.

- **Public Finance:** The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 345.8 million (4.2 percent of GDP) during the first quarter of 2022, comparing to a fiscal deficit of JD 274.2 million (3.5 percent of GDP) during the same period of 2021. Government domestic debt (budgetary and guaranteed) increased by JD 237.9 million at the end of March 2022, compared to its level at the end of 2021, to reach JD 20,497.4 million (63.0 percent of GDP). Moreover, outstanding external debt (budget and guaranteed) went down by JD 141.0 million, to reach JD 15,366.2 million (47.2 percent of GDP). Accordingly, outstanding government debt (domestic and external) rose up to reach JD 35,863.6 million at the end of March 2022 (110.2 percent of GDP), compared to JD 35,766.7 million (111.3 percent of GDP) at the end of 2021. When excluding the debt holding by the Social Security Investment Fund, the government domestic debt (budgetary and guaranteed) stand at JD 13,741.3 million (42.2 percent of GDP). While the outstanding external debt (budget and guaranteed) stand at JD 14,945.6 million (45.9 percent of GDP). As a result, the outstanding government debt (domestic and external) stand at JD 28,686.9 million (88.1 percent of GDP compared to 89.5 percent of GDP at the end of 2021).
- **External Sector:** Total merchandize exports (domestic exports *plus* re-exports) increased by 39.6 percent during the first quarter of 2022 to reach JD 1992.8 million. Meanwhile, merchandize imports increased by 28.6 percent to reach JD 4,276.5 million. As a result, the trade balance deficit increased by 20.3 percent, compared to the same period of 2021, to reach JD 2,283.7 million. The preliminary data during the five months of 2022 showed an increase in travel receipts by 269.6 percent, to reach JD 1,203.9 million, and an increase in travel payments by 151.0 percent, to reach JD 333.3 million, compared to the same period of 2021. Moreover, total workers' remittances receipts increased by 2.9 percent during the first five months of 2022, to reach JD 1,008.0 million, compared to the same period of 2021. The preliminary data for the balance of payments during the first quarter of 2022 displayed a deficit in the current account amounted to JD 945.8 million (12.2 percent of GDP) compared to a deficit of JD 848.8 million (11.4 percent of GDP) during the same period of 2021. Meanwhile, the current account deficit excluding grants increased to reach 13.1 percent of GDP, compared with 12.9 percent of GDP during the same period of 2021. Moreover, direct investment recorded an inflow of JD 266.9 million during the first quarter of 2022, compared to an inflow of JD 72.2 million during the same period of 2021. Furthermore, the international investment position (IIP) registered a net obligation to abroad in the amount of JD 35,550.5 million at the end of the first quarter of 2022 up from JD 35,015.7 million at the end of 2021.

First: Monetary and Financial Sector

□ Summary

- The CBJ's gross foreign reserves amounted to US\$ 17,668.3 million at the end of May 2022. This level of reserves covers around 9.2 months of the Kingdom's imports of goods and services.
- Domestic liquidity amounted to JD 40,555.3 million at the end of May 2022, compared to JD 39,509.2 million at the end of 2021.
- The outstanding balance of credit facilities extended by licensed banks amounted to JD 31,494.2 million at the end of May 2022, compared to JD 30,028.5 million at the end of 2021.
- Total deposits at licensed banks amounted to JD 40,483.5 million at the end of May 2022, compared to JD 39,522.3 million at the end of 2021.
- The interest rates on all types of deposits held by licensed banks had increased at the end of May 2022, except interest rate on demand deposits which had maintained at the same level registered of the end of 2021. In contrast, the interest rates on all types of credit facilities had increased at the end of May 2022, except the interest on discount bills and bonds which had decreased compared to their levels registered at the end of 2021.

- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,472.5 points at the end of May 2022, compared to 2,118.6 points at the end of 2021. Moreover, the market capitalization reached JD 18,660.9 million at the end of May 2022, compared to JD 15,495.7 million at the end of 2021.

Main Monetary Indicators

JD Million, and Percentage Change Relative to the Previous Year

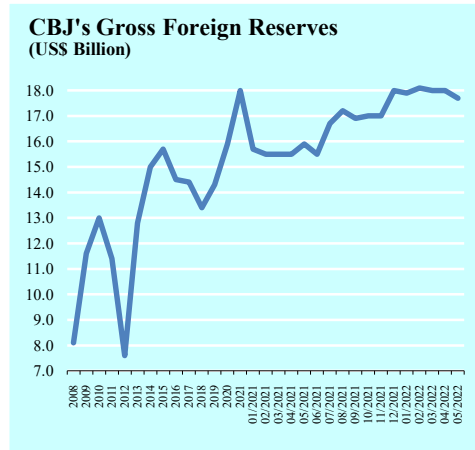
	2021	End of May	
		2021	2022
US\$ 18,043.2	CBJ's Foreign Reserves*	US\$ 15,852.2	US\$ 17,668.3
13.3%		-0.4%	-2.1%
9.5	Coverage in months	8.5	9.2
39,509.2	Money Supply (M2)	37,695.5	40,555.3
6.7%		1.8%	2.6%
30,028.5	Credit Facilities, of which:	29,565.9	31,494.2
4.9%		3.2%	4.9%
26,708.8	Private Sector (Resident)	26,293.7	27,949.9
4.6%		3.0%	4.6%
39,522.3	Total Deposits, of which:	37,196.1	40,483.5
7.4%		1.1%	2.4%
30,684.6	In JD	28,650.1	31,503.2
8.7%		1.5%	2.7%
8,837.7	In Foreign Currencies	8,546.0	8,980.3
3.3%		-0.1%	1.6%
30,988.2	Deposits of Private Sector (Resident), of which:	29,374.1	31,636.5
7.4%		1.8%	2.1%
24,723.7	In JD	23,271.4	25,188.4
8.9%		2.5%	1.9%
6,264.5	In Foreign Currencies	6,102.7	6,448.1
2.0%		-0.6%	2.9%

* Including gold reserves and special drawing rights.

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

□ CBJ's Foreign Reserves

The CBJ's gross foreign reserves amounted to US\$ 17,668.3 million at the end of May 2022. This level of reserves covers around 9.2 months of the Kingdom's imports of goods and services.



□ Domestic Liquidity (M2)

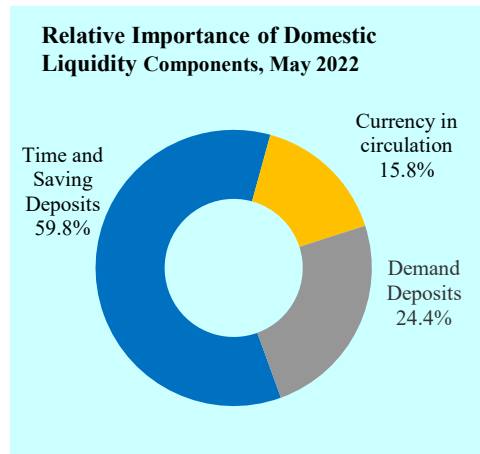
■ Domestic liquidity amounted to JD 40.6 billion at the end of May 2022, compared to JD 39.5 billion at the end of 2021.

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

● Components of Domestic Liquidity

- Total liquidity deposits amounted to JD 34.2 billion at the end of May 2022, compared to JD 33.3 billion at end of 2021.

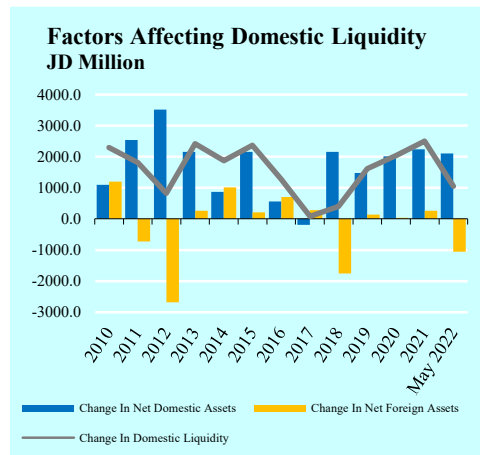
- Currency in circulation amounted to JD 6.4 billion at the end of May 2022, compared to JD 6.2



billion at the end of 2021.

• Factors Affecting Domestic Liquidity

- Net domestic assets of the banking system amounted to JD 33.8 billion at the end of May 2022, compared



to JD 31.7 billion at the end of 2021.

- Net foreign assets of the banking system amounted to JD 6.8 billion at the end of May 2022. The net foreign assets of the CBJ amounted to JD 11.8 billion at the end of May 2022.

Factors Affecting Domestic Liquidity (M2)

JD Million

		End of May	
2021		2021	2022
7,818.8	Foreign Assets (Net)	7,042.5	6,761.6
12,087.9	CBJ	10,915.0	11,847.4
-4,269.1	Licensed Banks	-3,872.5	-5,085.8
31,690.4	Domestic Assets (Net)	30,653.0	33,793.7
-5,239.4	CBJ, of which:	-3,924.9	-4,777.2
1,185.3	Claims on Public Sector (Net)	948.8	1,118.3
-6,447.2	Other Items (Net*)	-4,896.6	-5,917.0
36,929.8	Licensed Banks	34,578.0	38,570.9
13,316.6	Claims on Public Sector (Net)	12,404.5	13,744.3
27,536.5	Claims on Private Sector	27,031.9	28,814.5
-3,923.3	Other Items (Net)	-4,858.4	-3,987.9
39,509.2	Money Supply (M2)	37,695.5	40,555.3
6,225.4	Currency in Circulation	6,420.9	6,400.0
33,283.8	Total Deposits, of which:	31,274.6	34,155.3
6,328.7	In Foreign Currencies	6,187.5	6,516.5

* This item includes Certificates of Deposit in Jordanian Dinar.

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

□ Interest Rates Structure

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

◆ The CBJ decided to raise interest rates by 50 basis points on all monetary policy instruments and by 75 basis points on overnight deposit window rate in 19/6/2022, to become as follow:

- The CBJ main interest rate: 3.75 percent.
- Re-discount Rate: 4.75 percent.
- Interest Rate on Overnight Repurchase Agreements: 4.50 percent.
- Overnight Deposit Window Rate: 3.50 percent.
- Weekly/ Monthly Repurchase Agreements: 3.75 percent.
- The interest rate on weekly certificates of deposit: 3.75 percent.

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

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

Interest Rates on Monetary Policy Instruments, percentage points

2021		May	
		2021	2022
2.50	CBJ main rate	2.50	3.25
3.50	Re-discount Rate	3.50	4.25
3.25	Repurchase Agreements Rate (overnight)	3.25	4.00
2.00	Overnight Deposit Window Rate	2.00	2.75
2.50	Repurchase Agreements rate (one week and one month)	2.50	3.25
2.50	Certificates of Deposits (one week)	2.50	3.25

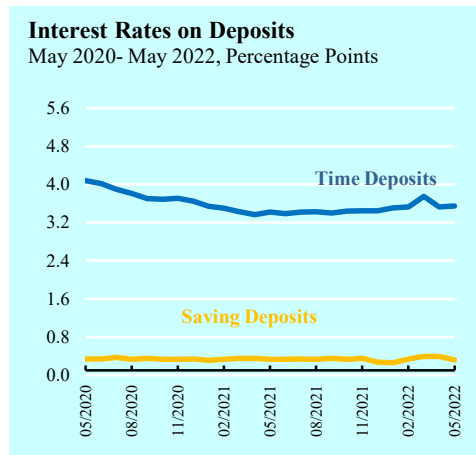
Source: Central Bank of Jordan / Monthly Statistical Bulletin.

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

■ Interest Rates in the Banking Sector

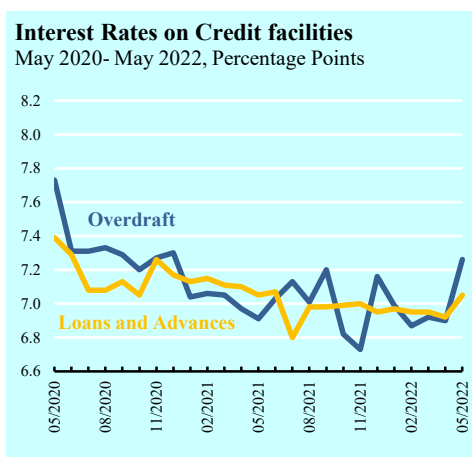
◆ Interest Rates on Deposits

- **Time Deposits:** The weighted average interest rate on time deposits increased by two basis points at the end of May 2022, compared to its level registered at the end of the previous month to stand at 3.55%. This rate is higher by 10 basis points than its level registered at the end of 2021.
- **Saving Deposits:** The weighted average interest rate on saving deposits decreased by 5 basis points at the end of May 2022, compared to its level registered at the end of the previous month to stand at 0.32%. This rate is higher by 5 basis points than its level registered at the end of 2021.
- **Demand Deposits:** The weighted average interest rate on demand deposits increased by one basis point at the end of May 2022, compared to its level registered at the end of the previous month, and maintained the same level registered at the end of 2021 to stand at 0.26%.



◆ Interest Rates on Credit Facilities

- Overdraft Accounts: The weighted average interest rate on overdraft accounts increased by 36 basis points at the end of May 2022, compared to its level registered at the end of the previous month to stand at 7.26%. This rate is higher by 10 basis points than its level registered at the end of 2021.



- Discounted Bills and Bonds: The weighted average interest rate on “discounted bills and bonds” decreased by 14 basis points at the end of May 2022, compared to its level registered at the end of the previous month to stand at 7.35%. This rate is lower by 64 basis points than its level registered at the end of 2021.

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

		May		Change Relative to the Preceding Year Basis Points
2021		2021	2022	
Deposits				
0.26	Demand	0.25	0.26	0
0.27	Saving	0.33	0.32	5
3.45	Time	3.42	3.55	10
Credit Facilities				
7.99	Discounted Bills and Bonds	8.32	7.35	-64
6.95	Loans and Advances	7.05	7.05	10
7.16	Overdraft	6.91	7.26	10
8.37	Prime Lending Rate	8.34	8.77	40

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- Loans and Advances: The weighted average interest rate on “loans and advances” increased by 13 basis point at the end of May 2022, compared to its level registered at the end of the previous month to stand at 7.05%. This rate is higher by 10 basis points than its level registered at the end of 2021.

- The prime lending rate stood at 8.77% at the end of May 2022, increasing by 25 basis points compared to its level registered at the end of the previous month and 40 basis points compared to the end of 2021.

□ Credit Facilities Extended by Licensed Banks

- Total credit facilities extended by licensed banks increased by JD 1,465.7 million, or 4.9 percent, at the end of May 2022, compared to its level registered at the end of 2021, against an increase by JD 926.8 million, or 3.2 percent during the same period in 2021.
- In terms of borrower sectors, the credit facilities at the end of May 2022 had shown an increase in credit extended to the private sector (resident) by JD 1,241.1 million, or 4.6 percent, the central government by JD 142.3 million, or 7.8 percent, the public institution by JD 104.6 million, or 15.2 percent. In contrast, the credit facilities extended to the non-banking financial institutions decreased by JD 16.5 million, or 12.8 percent, the private sector (non-resident) by 5.8 million, or 0.8 percent, compared to their levels at the end of 2021.

□ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 40.5 billion at the end of May 2022, compared to JD 37.2 billion at the end of May 2021, and to JD 39.5 billion at the end of 2021.

- The currency composition of deposits at the end of May 2022 revealed that the JD deposits amounted to JD 31.5 billion, and the deposits in foreign currencies amounted to JD 9.0 billion, compared to JD 28.7 billion of JD deposits, and JD 8.5 billion of deposits in foreign currencies at the same period in 2021, and against JD 30.7 billion of JD deposits, and JD 8.8 billion of deposits in foreign currencies at the end of 2021.

□ Amman Stock Exchange (ASE)

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

■ Trading Volume

Trading volume at ASE totaled JD 178.7 million in May 2022, increasing by JD 2.2 million, or 1.3 percent compared to its level registered at the end of the previous month, against an increase by JD 76.9 million, or 57.9 percent during the same month in the previous year. As for the first five months of 2022, the trading volume totaled JD 742.2 million.

■ Traded Shares

The number of traded shares in May 2022 totaled 87.0 million shares, increasing by 7.0 million shares, or 8.8 percent compared to its level registered at the end of the previous month, against an increase by 12.3 million shares, or 9.8 percent. As for the first five months of 2022, the number of traded shares amounted to 439.2 million shares.

■ Share Price Index (SPI)

The SPI weighted by market capitalization of free float shares at ASE increased by 64.4 points or 2.7 percent, at the end of May 2022 compared to its level in the

previous month, to stand at 2,472.5 points, against an increase by 257.5 points or 14.3 percent during the same month in 2021. Furthermore, the SPI increased by 353.9 points or 16.7 percent compared to its level at the end of 2021, against an increase by 395.7 points or 23.9 percent at the same period in 2021. The aforementioned increase was an outcome of the increase in the industrial sector by 2,128.2 points, or 58.1 percent, and the services sector by 243.7 points, or 18.4 percent, and the financial sector by 79.8 points, or 3.1 percent, compared to their levels at the end of 2021.

■ Market Capitalization

The ASE's market capitalization totaled JD 18.7 billion at the end of May 2022, increasing by JD 826.7 million, or 4.6 percent, compared to its level registered at the end of the previous month, against an increase by JD 2,352.5

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

2021		May	
		2021	2022
2,118.6	General Index	2,052.9	2,472.5
2,604.5	Financial Sector	2,541.1	2,684.3
3,665.9	Industrial Sector	3,321.9	5,794.1
1,327.4	Services Sector	1,330.5	1,571.2

Source: Amman Stock Exchange.



million or 17.1 percent during the same month in 2021. Furthermore, the ASE's market capitalization increased by JD 3,165.3 million or 20.4 percent compared to its level at the end of 2021.

■ Non - Jordanian Net Investment

Non-Jordanian net investment at ASE recorded an outflow amounted of JD 8.6 million in May 2022. The value of shares buying by non-Jordanian in May 2022 amounted to JD 19.7 million, while their selling amounted to JD 28.3 million. The Non-Jordanian net investment as the first five months of 2022, recorded an outflow amounting to JD 31.4 million.

Main Amman Stock Exchange Trading Indicators, JD Million

		May	
2021		2021	2022
1,963.6	Value Traded	209.7	178.7
7.9	Average Daily Trading	11.7	10.5
15,495.7	Market Capitalization	16,087.7	18,660.9
1,538.2	No. of Traded Shares (million)	137.9	87
-60.9	Net Investment of Non-Jordanian	-2.6	-8.6
220.2	Non-Jordanian Buying	33.2	19.7
281.1	Non-Jordanian Selling	35.8	28.3

Source: Amman Stock Exchange.

Second: Output, Prices and Employment

□ Summary

- Gross Domestic Product (GDP), at constant market prices, grew by 2.5 percent during the first quarter of 2022, compared to a growth of 0.3 percent during the same quarter of 2021. At current market prices, GDP grew by 4.6 percent during the first quarter of 2022, compared to a growth of 0.5 percent in the same quarter of 2021.
- The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first five months of 2022 by 3.0 percent, compared to an increase of 0.6 percent during the same period of 2021.
- The unemployment rate during the first quarter of 2022 reached 22.8 percent (20.5 percent for males and 31.5 percent for females), compared to 25.0 percent (24.2 percent for males and 28.5 percent for females) during the first quarter of 2021. The highest unemployment rate was among youth, which reached 55.2 percent for the (15-19) years old category and 46.5 percent for the (20-24) years old category.

□ Developments of GDP

Gross domestic product (GDP), at constant market prices, grew by 2.5 percent during the first quarter of 2022 compared to a growth of 0.3 percent during the same quarter of 2021. When excluding “net taxes on products” (which grew by 2.3 percent during the first quarter of 2022 compared to a growth of 0.7 percent during the same quarter of 2021), GDP at constant basic prices, grew by 2.5 percent during the first quarter of 2022, compared to a growth of 0.2 percent during the same quarter of 2021.

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

Percentages

	Q1	Q2	Q3	Q4	Year
2020					
GDP at Constant Prices	1.3	-3.6	-2.2	-1.6	-1.6
GDP at Current Prices	3.0	-4.7	-3.1	-1.9	-1.8
2021					
GDP at Constant Prices	0.3	3.2	2.7	2.6	2.2
GDP at Current Prices	0.5	4.7	4.2	4.7	3.5
2022					
GDP at Constant Prices	2.5	-	-	-	-
GDP at Current Prices	4.6	-	-	-	-

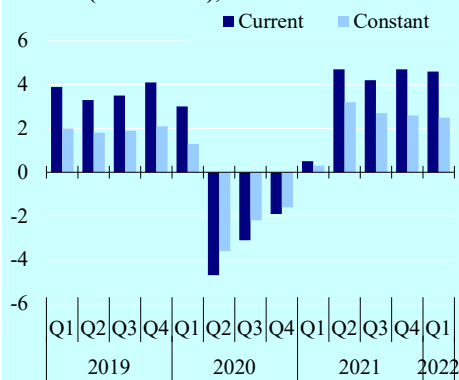
Source: Department of Statistics.

At current market prices, GDP grew by 4.6 percent during the first quarter of 2022 compared to growth of 0.5 percent during the same quarter of 2021. This was in light of the increase of the general price level, measured by the GDP deflator, by 2.1 percent during the first quarter of 2022 compared to a growth of 0.2 percent during the same quarter of 2021.

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

As for the economic sectors contribution to growth rate during the first quarter of 2022, all sectors contributed positively to the growth rate. Most notably; Manufacturing contributed by (0.5 percentage point), “transport, storage and communications” (0.4 percentage point), “finance and insurance services” (0.3 percentage point), “real estate” (0.2 percentage point), and “producers of government services” (0.1 percentage point). These sectors accounted for 60.0 percent of the real growth recorded during the first quarter of 2022.

Quarterly Growth Rates of GDP at Market Prices (2019- 2022), %



Main Sectors Contributed to Economic Growth at Constant Market Prices

Sectors	Relative change		Contribution Percentage Point	
	2021 Q1	2022 Q1	2021 Q1	2022 Q1
GDP at Constant Market Prices	0.3	2.5	0.3	2.5
Agriculture	2.9	0.7	0.2	0.04
Mining And Quarrying	15.3	5.1	0.3	0.1
Manufacturing	-1.0	3.3	-0.2	0.5
Electricity And Water	-0.9	2.7	0.0	0.0
Construction	-1.8	5.3	-0.04	0.1
Wholesale And Retail Trade	0.5	2.4	0.04	0.2
Restaurant And Hotels	-7.3	6.8	-0.1	0.1
Transport, Storage And Communications	-2.3	4.2	-0.2	0.4
Finance And Insurance Services	3.9	4.3	0.3	0.3
Real Estate	0.9	1.3	0.1	0.2
Social And Personal Services	-3.0	2.0	-0.3	0.2
Producers of Government Services	1.0	0.8	0.1	0.1
Producers of Private Non-Profit	-1.5	2.6	0.0	0.0
Domestic Services of Households	0.1	0.1	0.0	0.0

Source : Department of Statistics.

Microeconomic Indicators

Most of the microeconomic indicators witnessed an improvement in their performance during the available period of 2022. Most notably; “Manufacturing production quantity index” (8.3 percent), “Mining and quarrying production quantity index” (4.7 percent), and “Number of passengers through Royal Jordanian” (337.1 percent), while “Licensed areas for buildings” showed decline of (5.9 percent). The following table displays the performance of the main available microeconomic indicators:

Main Sectoral Indicators*				
Percentage Points				
2021	Item	2021	Available period	2022
13.6	Manufacturing production quantity index	29.0	Jan – Apr	4.7
-10.2	Food products and beverages	-1.7		-3.1
-3.6	Tobacco products	25.3		-1.9
106.5	Refined petroleum products	10.6		95.8
-6.3	Wearing apparel	-3.2		-15.5
0.7	Pharmaceuticals, medical products	16.7		0.3
2.5	Chemical products	37.3		-5.3
6.6	Mining and quarrying production quantity index	11.9		8.3
25.0	Extraction of crude petroleum and natural gas	7.8		10.8
6.4	Other mining and quarrying	13.9		8.2
52.9	Licensed areas for buildings	92.8	-5.9	
20.4	Cargo through Royal Jordanian	-41.0	Jan - May	64.7
108.7	Number of passengers through Royal Jordanian	-58.8		337.1
89.8	Number of departures	-58.4		247.7
4.3	Production of potash	2.2		5.7
14.2	Production of phosphate	22.1		16.9
46.8	Value traded at the real estate market	100.1	Jan – June	17.2

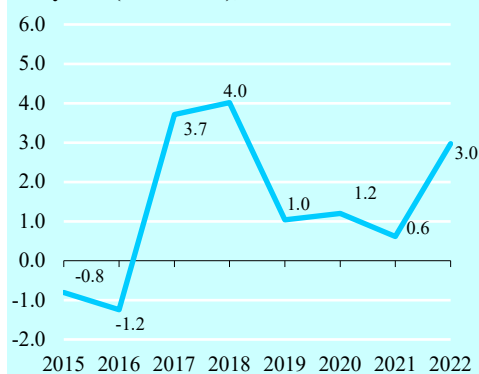
*: Computed based on the data from Department of Statistics, Department of Land and Survey, and Royal Jordanian.

Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI) increased during the first five months of 2022 by 3.0 percent, compared to an increase of 0.6 percent during the same period of 2021. This was an outcome of the following:

- An increase in the prices of some items and groups, most notably:
 - “vegetables and legumes dry and canned” prices increased by 16.9 percent, compared to a decline by 18.4 percent during the first five months of 2021, affected in part by the demand and supply factors in domestic market.
 - transportation prices increased by 5.4 percent compared to an increase by 1.9 percent, in addition to the item of fuel and lighting, the prices of which increased by 15.0 percent, compared to a decline by 4.4 percent during the first five months of 2021. and this comes in light of the rise in oil prices in global markets.

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



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

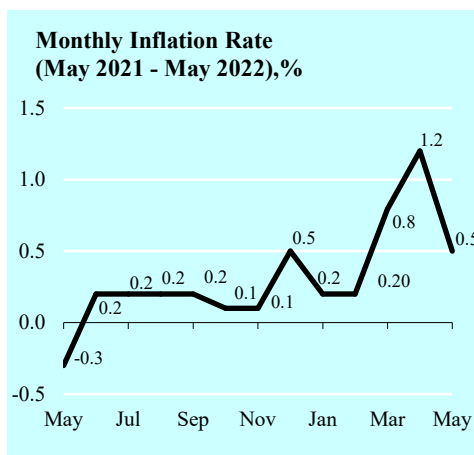
Expenditure Groups	Relative Imp.	Relative change		Contribution	
		Jan – May 2021	2022	2021	Jan – May 2022
All Items	100.00	0.60	3.03	0.6	3.03
1) Food and non-Alcoholic Beverages	26.52	-0.91	3.87	-0.3	1.05
Food	23.80	-1.08	4.19	-0.3	1.02
Cereals and Products	4.17	1.75	2.37	0.1	0.11
Meat and Poultry	4.69	2.77	3.84	0.1	0.19
Fish and Sea Product	0.41	1.70	2.42	0.0	0.01
Dairy Products and Eggs	3.72	0.66	1.97	0.0	0.07
Oil and Fats	1.70	5.85	7.43	0.1	0.13
Fruits and Nuts	2.57	-0.64	0.20	0.0	0.01
Vegetables and Legumes Dry and Canned	2.96	-18.37	16.85	-0.6	0.44
2) Alcohol and Tobacco and Cigarettes	4.37	6.2	-0.04	0.3	0.00
Alcohol	0.01	21.23	0.55	0.0	0.00
Tobacco and Cigarettes	4.37	6.15	-0.04	0.3	0.00
3) Clothing and footwear	4.12	-1.8	0.5	-0.1	0.02
Clothing	3.41	-1.66	0.48	-0.1	0.02
Footwear	0.71	-2.56	0.53	0.0	0.00
4) Housing	23.78	0.54	2.67	0.1	0.64
Rents	17.54	1.67	-0.13	0.3	-0.02
Fuels and Lighting	4.69	-4.36	14.96	-0.2	0.63
5) Household Furnishings and Equipment	4.94	-0.06	1.69	0.0	0.08
6) Health	4.00	3.25	-0.45	0.1	-0.02
7) Transportation	15.98	1.90	5.43	0.3	0.88
8) Communication	2.83	2.27	0.50	0.1	0.01
9) Culture and Recreation	2.55	-1.45	5.60	0.0	0.14
10) Education	4.35	-0.23	1.28	0.0	0.06
11) Restaurants and Hotels	1.79	2.75	4.26	0.1	0.08
12) Other Goods and Services	4.77	0.72	1.40	0.0	0.07

Source: Department of Statistics.

The above groups and items collectively contributed to raising the inflation rate during the first five months of 2022 by 2.0 percentage points, compared to a negative contribution of 0.5 percentage point during the same period of 2021.

- A decline in the prices of some items and groups, notably, “drinks and refreshments” (1.7 percent), and health (0.5 percent), and rents (0.1 percent). These groups and items contributed to a contraction of the inflation rate during the first five months of 2022 by 0.1 percentage point, compared to a positive contribution of 0.5 percentage point, during the same period of 2021.

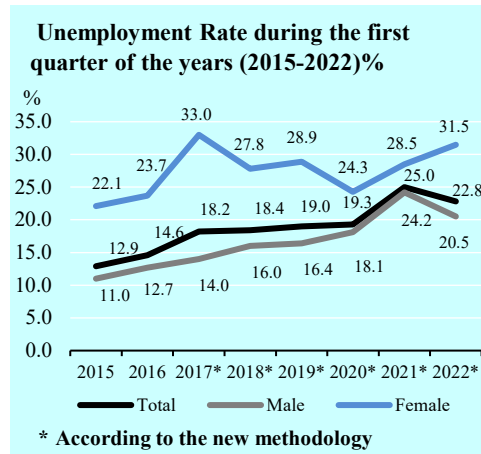
In May 2022, the CPI witnessed an increase compared to the previous month (April 2022) by 0.5 percent. This was an outcome of the increase of the prices of some items and groups, mainly “restaurant and hotels”



(8.1 percent), “meat and poultry” (5.2 percent), and “fuel and lighting” (1.2 percent) on the one hand, and the decrease of the prices of a number of other groups and items, most notably; “vegetables and legumes” (7.1 percent), and “Clothing and footwear” (0.1 percent) on the other hand.

□ Labor Market

■ The unemployment rate reached 22.8 percent (20.5 percent for males, and 31.5 percent for females) during the first quarter of 2022, compared to 25.0 percent (24.2 percent for males and 28.5 percent for females), during the same quarter of 2021.



- The unemployment rate among youth, during the first quarter of 2022, remains high reaching 55.2 percent for the category (15-19) years old, and 46.5 percent for the category (20-24) years old.
- The unemployment rate among academic degree holders (Bachelor and higher) reached 26.6 percent during the first quarter of 2022, as the unemployment rate among (less than secondary) reached 21.8 percent.
- The refined economic participation rate (the ratio of the labor force to the population of 15 years and over), was 33.2 percent (53.2 percent for males, and 13.7 percent for females), compared to 34.5 percent (54.8 percent for males and 14.0 percent for females) during the first quarter of 2021.
- The employment rate among population (15 years and older) reached 25.7 percent during the first quarter of 2022.

Third: Public Finance

□ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 345.8 million (4.2 percent of GDP) during the first quarter of 2022, comparing to a fiscal deficit of JD 274.2 million (3.5 percent of GDP) during the same period of 2021. When excluding foreign grants (JD 29.4 million), the general budget deficit increases to JD 375.2 million (4.6 percent of GDP), compared to a deficit of JD 328.7 million (4.2 percent of GDP) in the same period of 2021.
- Government domestic debt (budgetary and guaranteed) increased by JD 237.9 million at the end of March 2022, compared to its level at the end of 2021, to reach JD 20,497.4 million (63.0 percent of GDP). When excluding the domestic debt holding by the Social Security Investment Fund, the government domestic debt (budgetary and guaranteed) stand at JD 13,741.3 million (42.2 percent of GDP).
- Outstanding external debt (budget and guaranteed) went down by JD 141.0 million at the end of March 2022, compared to its level at the end of 2021, to reach JD 15,366.2 million (47.2 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 14,945.6 million (45.9 percent of GDP).
- As a result, outstanding government debt (domestic and external) rose by JD 96.9 million at the end of March 2022, to reach JD 35,863.6 million (110.2 percent of GDP), compared to JD 35,766.7 million (111.3 percent of GDP) at the end of 2021. When excluding the government debt holding by the Social Security Investment Fund, the outstanding government debt (domestic and external) stand at JD 28,686.9 million (88.1 percent of GDP), compared to JD 28,763.1 million (89.5 percent of GDP) at the end of 2021.

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

■ Public Revenues

Public revenues (domestic revenues *plus* foreign grants) increased by JD 39.6 million, or 6.8 percent, in March 2022 compared to the same month in 2021, to stand at JD 620.2 million. As for the first Quarter of 2022, public revenues went up by JD 6.8 million, or 0.4 percent, compared to same period of 2021, to stand at JD 1,858.5 million. This came as an outcome of the increase in domestic revenues by JD 32.0 million, and decrease in foreign grants by JD 25.1 million.

Main Government Budget Indicators During the First Quarter of 2022

(JD Million and Percentages)

	March		Growth Rate	Jan.-Mar.		Growth Rate
	2021	2022		2021	2022	
Public Revenues	580.6	620.2	6.8	1,851.7	1,858.5	0.4
Domestic Revenues, of which:	544.3	616.9	13.3	1,797.2	1,829.2	1.8
Tax Revenues, of which:	423.1	443.1	4.7	1,338.5	1,413.2	5.6
General Sales Tax	322.2	342.0	6.1	969.0	990.9	2.3
Other Revenues	120.6	173.4	43.8	456.0	415.0	-9.0
Foreign Grants	36.4	3.3	-90.9	54.5	29.4	-46.1
Total Expenditures	790.7	797.6	0.9	2,125.9	2,204.4	3.7
Current Expenditures	739.5	752.3	1.7	2,043.4	2,123.9	3.9
Capital Expenditures	51.3	45.3	-11.7	82.5	80.5	-2.4
Overall Deficit/ Surplus (Including Grants)	-210.1	-177.4	-	-274.2	-345.8	-
Overall Deficit/ Surplus (Including Grants) as a Percent of GDP	-	-	-	-3.5	-4.2	-

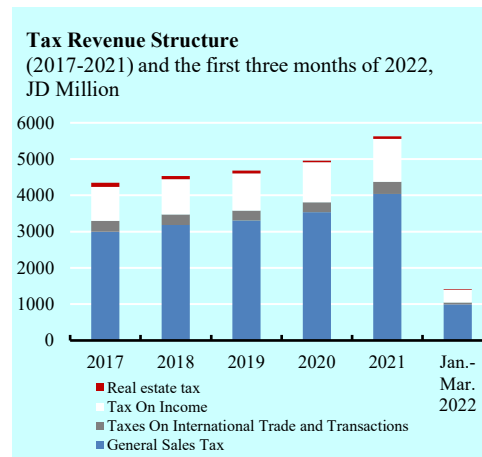
Source: Ministry of Finance/ General Government Finance Bulletin.

◆ Domestic Revenues

Domestic revenues witnessed an increase of JD 32.0 million, or 1.8 percent, in the first quarter of 2022, compared to the same period of 2021, to reach JD 1,829.2 million. This increase was a result of the rise in the proceeds of “tax revenues” by JD 74.7 million, the drop in “other revenues”, and “Pension contributions” by JD 41.0 million, JD 1.8 million, respectively.

● Tax Revenues

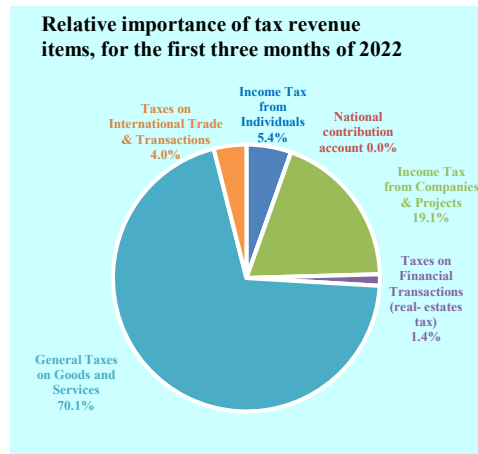
Tax revenues increased by JD 74.7 million, or 5.6 percent, during the first quarter of 2022, compared to the same period of 2021, to reach JD 1,413.2 million (77.3 percent of domestic revenues).



Following are the main developments in tax revenue items:

- An increase in the proceeds of **general sales tax on goods and services** by JD 21.9 million, or 2.3 percent, to reach JD 990.9 million, accounting for 70.1 percent of total tax revenues. This result was driven by the increase in the proceeds of sales tax on services by JD 29.5 million, and on imported goods by JD 25.8 million, and decrease in the proceeds of sales tax on domestic goods by JD 28.9 million, and on commercial sector by JD 7.4 million.

- An increase in the proceeds of **income and profit taxes** by JD 69.7 million, or 25.1 percent, to reach JD 347.0 million, accounting for 24.6 percent of total tax revenues. This increase came mainly as a result of the increase in the proceeds of “income taxes from companies and projects” by JD 84.2 million, or 45.3 percent, to account for 77.9 percent of total proceeds of income and profits taxes, amounting to JD 270.2 million, and increase the proceeds of “income taxes from individuals” by JD 3.3 million, or 4.5 percent, to reach JD 76.7 million, and decrease the proceeds of national contribution account item by JD 18.0 million, or 100 percent,
- An increase in the proceeds of **taxes on financial transactions (real-estates tax)** by JD 5.9 million, or 43.1 percent, to reach JD 19.6 million.
- A decrease in the proceeds of **taxes on international trade and transactions** (including customs duties and fees) by JD 22.6 million, or 28.8 percent, to reach JD 55.8 million.



● Non-Tax Revenues

- “Other revenues” decreased by JD 41.0 million, or 9.0 percent, during the first quarter of 2022 to reach JD 415.0 million. This decrease was chiefly due to the following:
 - A decrease in the **property income** by JD 111.3 million to stand at JD 43.3 million (of which financial surplus of independent government units amounted to JD 35.9 million against JD 150.2 million during the same period of 2021).
 - An increase in **miscellaneous revenues** by JD 63.2 million to stand at JD 165.9 million.
 - An increase in revenues from **selling goods and services** by JD 7.2 million to reach JD 205.9 million.
- Pension contributions decreased by JD 1.8 million, or 66.7 percent, during the first quarter of 2022, compared to the same period of 2021, to reach JD 0.9 million.

◆ Foreign Grants

Foreign grants decreased by JD 25.1 million, or 46.1 percent, during the first quarter of 2022, standing at JD 29.4 million, compared to JD 54.5 million during the same period of 2021.

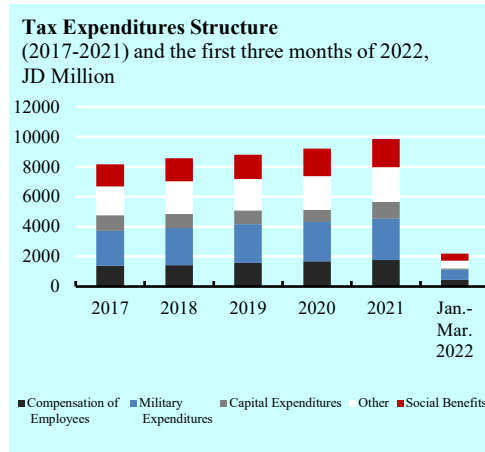
Public Expenditures

Public expenditures increased by JD 6.9 million, or 0.9 percent, in March 2022 compared to the same month in 2021, to stand at JD 797.6 million. As for the first quarter of 2022, public expenditures increased by JD 78.5 million,

or 3.7 percent, compared to the same period of 2021 to stand at JD 2,204.4 million. This increase was a result of the rise in current expenditures by 3.9 percent, and decrease in capital expenditures by 2.4 percent.

Current Expenditures

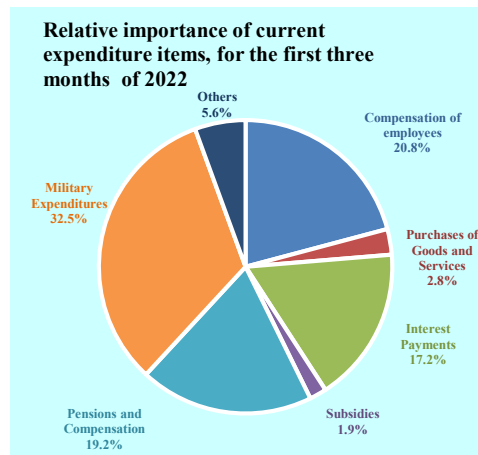
Current expenditures went up by JD 80.5 million, or 3.9 percent, during the first quarter of 2022, to reach JD 2,123.9 million (96.3 percent of public expenditures). Because of the growth rate of current expenditure is higher than that of domestic revenues, the coverage ratio (measured by the ratio of domestic revenues to current expenditures) decreased by 1.9 percentage point, to reach 86.1 percent compared to 88.0 percent during the same period of 2021. The increase in current expenditures is due to the evolution of its components, as follow:



- An increase in **military expenditures** by JD 29.6 million, to total JD 691.0 million.
- An increase in the **compensation of civil sector's employees (wages, salaries and social security contributions)** by JD 8.2 million, to reach JD 443.0 million.
- An increase in **interest payments** (commitment basis) by JD 6.9 million, to stand at JD 364.4 million.

- An increase in **pensions and compensation** by JD 6.4 million, to stand at JD 406.9 million.

- An increase in the **purchases of goods and services** by JD 1.5 million, to reach JD 60.0 million.



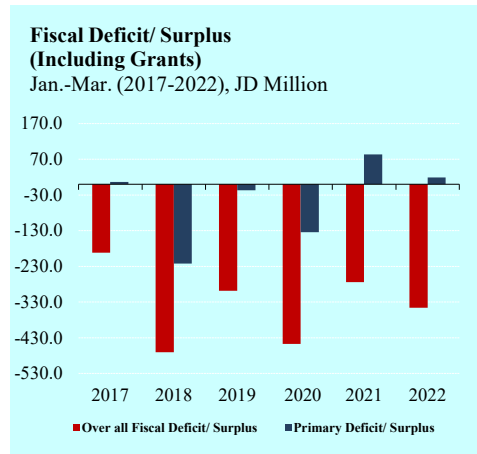
- A decrease in **subsidies** by JD 5.7 million, to stand at JD 39.9 million.

◆ Capital Expenditures

Capital expenditures decreased by JD 2.0 million, or 2.4 percent, during the first quarter of 2022 compared to the same period of 2021, to reach JD 80.5 million.

■ General Budget Deficit/ Surplus

- ◆ The overall fiscal deficit, including foreign grants, increased by JD 71.6 million, during the first quarter of 2022, to reach JD 345.8 million (4.2 percent of GDP), compared to a fiscal deficit

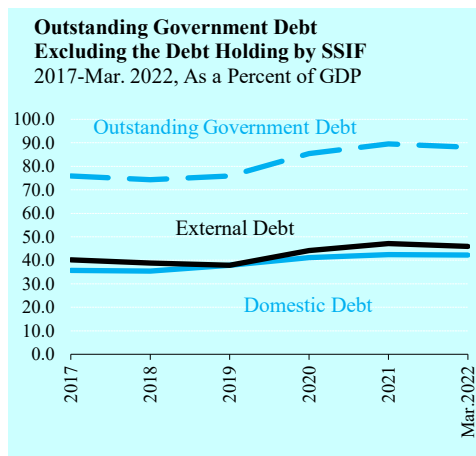
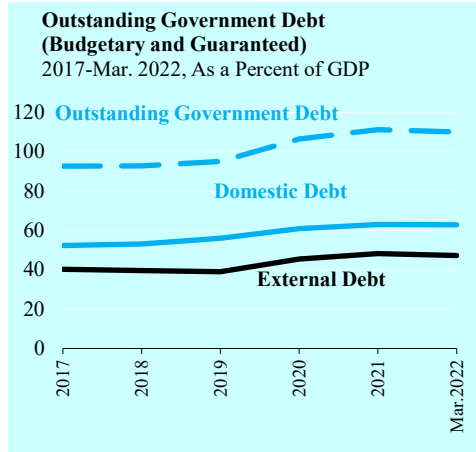


of JD 274.2 million (3.5 percent of GDP), in the same period of 2021. When foreign grants are excluded, the general budget deficit increases to reach JD 375.2 million (4.6 percent of GDP), compared to a fiscal deficit of JD 328.7 million (4.2 percent of GDP) in the same period of 2021.

- ◆ The primary deficit, excluding foreign grants, (domestic revenues *minus* total public expenditures excluding interest payments on public debt) reached JD 10.8 million (0.1 percent of GDP) in the first quarter of 2022, against a primary surplus of JD 28.8 million (0.4 percent of GDP) in the same period of 2021. When foreign grants are including, the primary surplus of the general budget reached JD 18.6 million (0.2 percent of GDP), compared to a primary surplus of JD 83.3 million (1.0 percent of GDP) in the same period of 2021.

□ Outstanding Government Debt

■ Government domestic debt (budgetary and guaranteed) increased by JD 237.9 million, at the end of March 2022 compared to its level at the end of 2021, to stand at JD 20,497.4 million (63.0 percent of GDP compared to 63.1 percent of GDP at the end of 2021). This increase was an outcome of the rise in the domestic debt of the budget by JD 363.8 million, and the decrease in the domestic debt of guaranteed by JD 125.9 million, compared to their levels at the end of 2021, standing at JD 18,247.2 million and JD 2,250.2 million, respectively.



■ When excluding the domestic debt holding by the Social Security Investment Fund (SSIF), the government domestic debt (budgetary and guaranteed) increased by JD 115.7 million, at the end of March 2022 compared to its level at the end of 2021, to stand at JD 13,741.3 million (42.2 percent of GDP).

- Outstanding external debt (budget and guaranteed) went down by JD 141.0 million at the end of March 2022, compared to its level at the end of 2021, to reach JD 15,366.2 million (47.2 percent of GDP compared to 48.3 percent of GDP at the end of 2021). It is worth mentioning that the external debt denominated in the U.S. Dollar accounted for 70.3 percent of the total external debt, and the debt in Euro accounted for 12.2 percent. However, the SDR accounted for 8.1 percent, Kuwaiti Dinar (3.8 percent), Japanese Yen (3.6 percent).
- When excluding the external debt holding by the Social Security Investment Fund, the outstanding external debt (budget and guaranteed) decreased by JD 191.9 million, at the end of March 2022 compared to its level at the end of 2021, to stand at JD 14,945.6 million (45.9 percent of GDP).
- In light of the above-mentioned developments, outstanding government debt (domestic and external) increased by JD 96.9 million at the end of March 2022 to reach JD 35,863.6 million (110.2 percent of GDP), compared to JD 35,766.7 million (111.3 percent of GDP) at the end of 2021. When excluding the debt holding by the Social Security Investment Fund, the outstanding government debt (budget and guaranteed) stand at JD 28,686.9 million (88.1 percent of GDP), compared to JD 28,763.1 million at the end of 2021 (89.5 percent of GDP).
- External debt service (budget and guaranteed) increased by JD 57.5 million during the first quarter of 2022 compared to the same period of 2021, to reach JD 579.4 million (including principal payments of JD 462.2 million and interest of JD 117.2 million).

□ Fiscal and Price Measures of 2022

◆ July

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

Development of Oil Derivatives Prices

	Unit	2022		Percentage Change
		June	July	
Unleaded Gasoline 90	Fils/ Liter	920	955	3.8
Unleaded Gasoline 95	Fils/ Liter	1,180	1,240	5.1
Unleaded Gasoline 98	Fils/ Liter	1,330	1,390	4.5
Gas Oil (Diesel)	Fils/ Liter	685	720	5.1
Kerosene	Fils/ Liter	685	720	5.1
Liquid Gas (12.5kg)	JD/ Cylinder	7.0	7.0	0.0
Fuel oil (1%)	JD/ Ton	572.5	548.2	-4.2
Fuel for airplanes (local companies)	Fils/ Liter	815	909	11.5
Fuel for airplanes (foreign companies)	Fils/ Liter	820	914	11.5
Fuel for unplanned flights	Fils/ Liter	835	929	11.3
Asphalt	JD/ Ton	567.4	543.1	-4.3

Source: Jordan Petroleum Refinery Company (1/7/2022).

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for July 2022.

◆ June

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for June 2022.

◆ May

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for May 2022.

◆ April

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for April 2022.

◆ March

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for March 2022.
- The Cabinet decided to reduce the sales tax on vegetable oils from 4 percent to 0 percent, until 31/5/2022.

◆ February

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for February 2022.

◆ January

- The Energy and Minerals Regulatory Commission decided to maintain fuel price bands item at 0 fils, for January 2022.
- Reduce and unify customs tariffs on goods, excludes imported goods such as cars, alcoholic beverages, and tobacco, to become

4 categories (exempt, 5%, 15%, 25%) instead of 11 categories (between 0% to 40%), as follows:

- Reduce customs tariffs on goods subject on 1 percent to become exempt.
- Reduce customs tariffs on goods subject on 6.5 percent and 10 percent to become subject 5 percent.
- Reduce customs tariffs on goods subject on 25 percent and 30 percent 35 percent 40 percent to become subject 5 percent, except for those produced by Jordanian engineering, construction, furniture and food industries, will be subject to:
 - 25 percent to 31/12/2024.
 - 20 percent starting from 1/1/2025.
 - 15 percent starting from 1/1/2027.
- Reduce the sales tax on cakes, wafers and biscuits from 16 percent to 5 percent.
- The expiry of the Cabinet decides taken in July 2018, according to which the special tax imposed on cars that partially operate on electricity (hybrid) was reduced and raised gradually during the period (2018-2021), to become the special tax imposed on it 55 percent, as of 1/1/2022.
- Issuing the amending by-law for the year 2022 for the work permit fees to non-Jordanian workers, in which a fee for issuing or renewing a work permit for one year or part of the year shall be collected from the employer JD 350, for every worker in all sectors and economic activities, except the following:

- Collect JD 225 for each worker with institutions and companies operating in the clothing and textile industry sector registered in the Investment Commission in development zones.
- Collect JD 800 for each worker from Day laborers for a free permit in the agricultural sector, or construction sector, or loading and unloading sector, or whoever the Minister of Labor decides to consider them in this category.
- Collect a fee for issuing or renewing a work permit for each worker with specialized skills in excess of the numbers or percentages of expatriate workers allowed, as following:
 - o JD 2,150 for issuance of a work permit for a period of one year.
 - o JD 1,250 for issuance of a work permit for a period of six months.
 - o JD 645 for issuance of a work permit for a period of three months.

□ Grants, Loans and Other Agreements for 2022

◆ June

- Signing a grant agreement in the amount £ 50.2 million, provided by the UK government, to help the government expand the social security network.
- Signing a loan agreement in the amount USD 38.3 million, provided by the Kuwait Fund for Arab Economic Development, to support the public education infrastructure project in Jordan.

◆ April

- Signing a grant agreement in the amount USD 33 million, provided by the UN Food and Agriculture Organisation (FAO), to support Cope with Climate Change in Jordan.
- Signing a loan agreement in the amount EUR 150 million, provided by the French Development Agency (AFD), to support the implementation of gender-responsive budgeting in Jordan.

◆ February

- Signing a grant agreement in the amount of EUR 4.13 million, provided by the Netherlands government, to contribute to the countryside economic development and employment project implemented by Jordan Enterprise Development Corporation (JEDCO) and funded by IFAD.

Fourth: External Sector

□ Summary

- **Total merchandize exports** (domestic exports *plus* re-exports) increased by 47.5 percent in march 2022, compared to the same month of 2021, to reach JD 775.9 million. As for the first quarter of 2022, total export increased by 39.6 percent, compared to the same period of 2021, to reach JD 1,992.8 million.
- **Merchandize imports** increased by 21.4 percent in March 2022, compared to the same month of 2021, to reach JD 1,515.9 million. As for the first quarter of 2022, imports increased by 28.6 percent, compared to the same period of 2021, to reach JD 4,276.5 million.
- **Consequently**, the trade balance deficit (total exports minus imports) increased by 2.4 percent in march 2022, compared to the same month of 2021; standing at JD 740.0 million. As for the first quarter of 2022, trade balance deficits increased by 20.3 percent, compared to the same period of 2021, to reach JD 2,283.7 million.
- **Travel receipts** increased by 269.6 percent during the first five months of 2022, to register JD 1,203.9 million, compared to the same period of 2021. While **travel payments** increased by 151.0 percent, to register JD 333.3 million, compared to the same period of 2021.
- **Total workers' remittances receipts** increased by 2.9 percent during the first five months of 2022, compared to the same period of 2021, to reach JD 1,008.0 million.
- **The current account of the balance of payments** (including grants) registered a deficit amounted to JD 945.8 million (12.2 percent of GDP) during the first quarter of 2022, compared to a deficit of JD 848.8 million (11.4 percent of GDP) during the same period of 2021. Meanwhile, the current account deficit excluding grants increased to reach 13.1 percent of GDP, compared with 12.9 percent of GDP during the same period of 2021.
- **Direct investment** recorded an inflow of JD 266.9 million during the first quarter of 2022, compared to an inflow of JD 72.2 million during the same period of 2021.

- **International investment position (IIP)** displayed a net obligation to abroad of JD 35,550.5 million at the first quarter 2022, compared to a net obligation of JD 35,015.7 million at the end of 2021.

□ External Trade

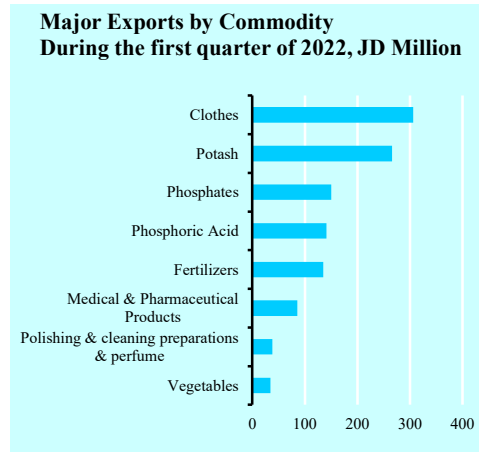
- As a result of the increase in domestic exports by JD 547.1 million and the increase in imports by JD 949.9 million during the first quarter of 2022, the volume of external trade (domestic exports *plus* imports) increased by JD 1,497.0 million to stand at JD 6,091.7 million, compared to the same period of 2021.

Jordan's Major Trading Partners			
JD Million			
January - March			
	2021	2022	Percentage Change
Exports			
USA	344.3	365.1	6.0
India	162.4	340.2	109.5
Saudi Arabia	130.6	181.3	38.8
Iraq	84.6	111.4	31.7
Brazil	20.7	68.7	231.9
Indonesia	22.8	50.1	119.7
China	33.6	47.0	39.9
Imports			
China	496.1	669.8	35.0
Saudi Arabia	499.4	636.0	27.4
UAE	141.3	310.1	119.5
USA	245.0	260.2	6.2
Turkey	107.1	152.5	42.4
Egypt	124.3	148.8	19.7
Germany	141.8	145.7	2.8
Source: Department of Statistics.			

Main External Trade Indicators				
JD Million				
January - March				
	2021	Percentage Change (%)	2022	Percentage Change (%)
External Trade	4,594.7	9.8	6,091.7	32.6
Total Exports	1,427.6	3.4	1,992.8	39.6
Domestic Exports	1,268.1	5.5	1,815.2	43.1
Re-exports	159.5	-10.8	177.6	11.3
Imports	3,326.6	11.5	4,276.5	28.6
Trade Balance	-1,899.0	18.4	-2,283.7	20.3
Source: Department of Statistics.				

■ Merchandize Exports:

Total merchandize exports increased by 39.6 percent during the first quarter of 2022, to reach JD 1,992.8 million. This increase was a result of the increase in domestic exports by JD 547.1 million, or 43.1 percent to reach JD 1,815.2 million and an increase in re-exports by JD 18.1 million, or 11.3 percent to reach JD 177.6 million.



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

- Exports of **Potash** increased by JD 165.0 million, or 163.2 percent, to stand at JD 266.1 million. It is worth noting that markets of India, Brazil, China and Egypt accounted for 65.7 percent of these exports.
- Exports of **Phosphates** increased by JD 88.8 million, or 145.1 percent, to stand at JD 150.0 million. The markets of India, Indonesia and Brazil accounted for 85.9 percent of these exports.
- Exports of **Fertilizers** increased by JD 66.9 million, or 98.5 percent, to stand at JD 134.8 million. India, Australia, Brazil and Japan were the main destination markets for these exports, accounting for 81.8 percent.

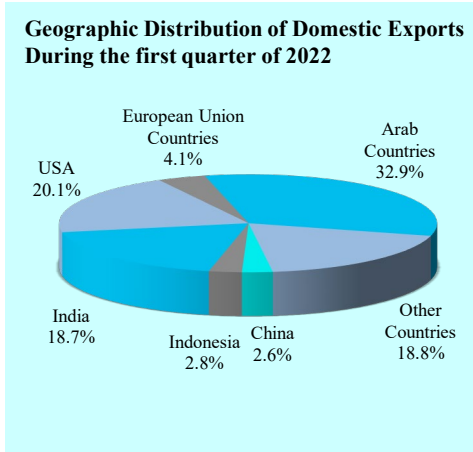
- Exports of **Phosphoric Acid** increased by JD 45.3 million, or 47.5 percent, to reach JD 140.7 million. The markets of India and Turkey accounted for 96.4 percent of these exports.
- Exports of **Vegetables** increased by JD 12.3 million, or 55.2 percent, to reach JD 34.6 million. Saudi Arabia, Kuwait and Bahrain were the main destination markets; accounting for 47.1 percent of these exports.
- Exports of **Clothes** decreased by JD 5.2 million or 1.7 percent to reach JD 305.9 million. It is worth noting that the USA market accounted for 87.0 percent of these exports.

**Major Domestic Exports by Commodity, JD Million
The First Quarter of 2021-2022**

	2021	2022	Percentage Change
Domestic Exports	1,268.1	1,815.2	43.1
Clothes	311.1	305.9	-1.7
USA	262.5	266.1	1.4
Potash	101.1	266.1	163.2
India	20.5	56.2	174.1
Brazil	0.0	48.5	-
China	28.2	42.6	51.1
Egypt	8.2	27.4	234.1
Phosphates	61.2	150.0	145.1
India	41.0	85.6	108.8
Indonesia	16.0	35.6	122.5
Brazil	4.1	7.6	85.4
Phosphoric Acid	95.4	140.7	47.5
India	90.4	121.3	34.2
Turky	0.0	14.4	-
Fertilizers	67.9	134.8	98.5
India	1.8	61.9	-
Australia	0.0	30	-
Brazil	16.4	12.3	-25.0
Japan	0.0	6.0	-
Medical & Pharmaceutical Products	94.6	85.5	-9.6
Saudi Arabia	17.0	20.5	20.6
Iraq	15.3	15.3	-
UAE	8.9	6.6	-25.8
Algeria	5.9	5.9	-
Polishing & Cleaning Preparations & Perfume Materials	34.3	38.3	11.7
Iraq	14.8	16.6	12.2
Saudi Arabia	6.8	8.5	25.0
Libya	3.5	4.6	31.4
Vegetables	22.3	34.6	55.2
Saudi Arabia	4.3	8.2	90.7
Kuwait	3.7	4.2	13.5
Bahrain	2.4	3.9	62.5

Source: Department of Statistics.

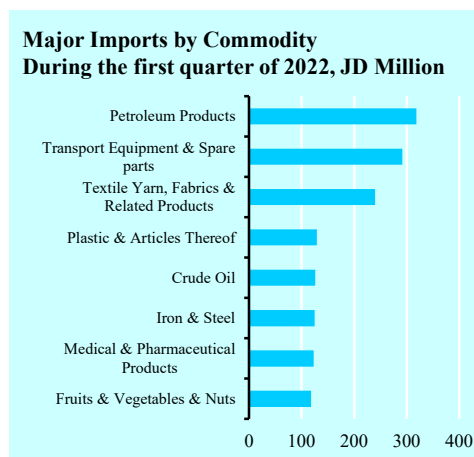
- Consequently, the commodity breakdown of domestic exports indicates that exports of Clothes, Potash, Phosphates,



“Phosphoric Acid”, Fertilizers, “Medical & Pharmaceutical Products”, “Polishing & Cleaning Preparations & Perfume Material” and Vegetables, topped the list of domestic exports during the first quarter of 2022; accounting for 63.7 percent, compared with 62.1 percent during the same period of 2021. Meanwhile, the geographical distribution of domestic exports indicates that the USA, India, Saudi Arabia, Iraq, Brazil, Indonesia and china were the main destination markets during the first quarter of 2022; accounting for 64.1 percent, compared with 63.0 percent during the same period of 2021.

■ **Merchandize Imports:**

Merchandize imports increased by 28.6 percent to reach JD 4,276.5 million during the first quarter of 2022, compared to an increase by 11.5 percent during the same period of 2021.



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

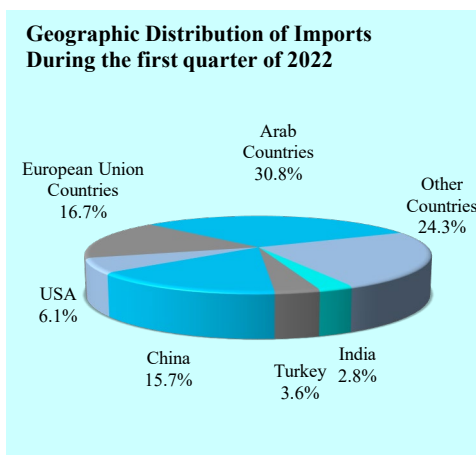
- **Petroleum Products** imports increased by JD 179.1 million, or 128.8 percent to stand at JD 318.2 million. Saudi Arabia, The UAE and Kuwait were the main markets, accounting for 94.1 percent of these imports.
- **Textile Yarn, Fabrics & Related Products** imports increased by JD 83.4 million, or 53.3 percent, to reach JD 239.8 million. China, Taiwan and Turkey were the main markets, accounting for 75.4 percent of these imports.
- **Iron and Steel** imports increased by JD 44.7 million, or 55.7 percent, to reach JD 125.0 million. Saudi Arabia, China, and India were the main origin markets, accounting for 59.9 percent of these imports.

- **Plastic and Articles Thereof** imports increased by JD 36.0 million or 38.7 percent, to reach JD 129.1 million. Saudi Arabia, China and the UAE were the main markets, accounting for 68.8 percent of these imports.
- **Transport Equipment & Spare Parts** imports increased by JD 31.4 million, or 12.1 percent, to reach JD 291.7 million. China, South Korea, the USA and Japan were the main origin markets, accounting for 64.5 percent of these imports.
- **Fruits and Vegetables and Nuts** imports increased by JD 10.2 million or 9.5 percent to reach JD 117.8 million. Egypt, the USA and Syria were the main origin markets accounting for 30.3 percent of these imports.

Major Imports by Commodity, JD Million The First Quarter of 2021-2022			
	2021	2022	Percentage Change
Total Imports	3,326.6	4,276.5	28.6
Petroleum Products	139.1	318.2	128.8
Saudi Arabia	105.8	184.1	74.0
UAE	2.3	91.9	-
Kuwait	0.5	23.5	-
Transport Equipment & Spare Parts	260.3	291.7	12.1
China	9.0	51.6	473.3
South Korea	50.1	49.9	-0.4
USA	54.4	49.1	-9.7
Japan	37.4	37.6	0.5
Textile Yarn, Fabrics and Related Products	156.4	239.8	53.3
China	67.3	122.1	81.4
Taiwan	33.4	35.4	6.0
Turkey	14.9	23.2	55.7
Plastic and Articles Thereof	93.1	129.1	38.7
Saudi Arabia	53.1	62.5	17.7
China	7.0	16.3	132.9
UAE	6.3	10.0	58.7
Crude oil	168.5	126.2	-25.1
Saudi Arabia	168.5	110.6	-34.4
Iraq	0.0	15.6	-
Iron and Steel	80.3	125.0	55.7
Saudi Arabia	10.6	32.2	203.8
China	7.1	29.5	315.5
India	0.8	13.2	-
Medical & Pharmaceutical Products	128.1	122.8	-4.1
Germany	18.6	15.4	-17.2
China	8.2	11.0	34.1
USA	11.6	9.9	-14.7
Fruits & Vegetables & Nuts	107.6	117.8	9.5
Egypt	16.2	15.6	-3.7
USA	13.1	10.6	-19.1
Syria	6.4	9.5	48.4

Source: Department of Statistics.

- Consequently, the commodity composition of imports indicates that Petroleum Products, “Transport Equipment and Spare Parts”, “Textile Yarn, Fabrics and Related Products”, “Plastic and Articles Thereof”, Crude oil, Iron and Steel, “Medical & Pharmaceutical Products” and “Fruits, Vegetables & Nuts”, topped the list of imports during the first quarter of 2022, accounting for 34.4 percent, compared with 34.1 percent during the same period of 2021. Meanwhile, the geographical distribution of imports indicates that China, Saudi Arabia, the UAE, the USA, Turkey, Egypt and Germany were the main source markets during the first quarter of 2022; accounting for 54.3 percent of imports, compared to 52.8 percent during the same period of 2021.



■ Re-Exports

The value of re-exported goods in March 2022 increased by JD 1.1 million, or 1.8 percent, compared to the same month of 2021, to stand at JD 60.9 million. As for the first quarter of 2022, the re-exported goods increased by JD 18.1 million, or 11.3 percent, compared to the same period of 2021, to stand at JD 177.6 million.

■ Trade Balance

The trade balance deficit increased by JD 17.3 million, or 2.4 percent in March 2022, compared to the same period of 2021, to reach JD 740.0 million. As for the first quarter of 2022, trade balance deficit increased by JD 384.7 million, or 20.3 percent, compared to the same period of 2021, to stand at JD 2,283.7 million.

□ Total Workers' Remittances Receipts

Total workers' remittances receipts increased during the first five months of 2022 by JD 28.6 million, or 2.9 percent, to stand at 1,008.0 million, compared to the same period of 2021.

□ Travel

■ Receipts

Travel receipts increased by 269.6 percent during the first five months of 2022, to register JD 1,203.9 million, compared to the same period of 2021.

■ Payments

Travel payments increased by 151.0 percent during the first five months of 2022, to register JD 333.3 million, compared to the same period of 2021.

□ Balance of Payments

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

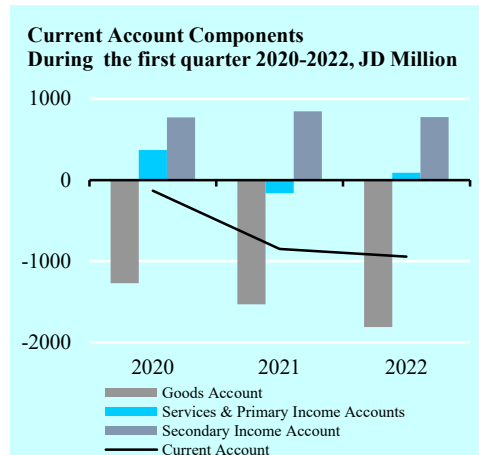
- **The current account** recorded a deficit of JD 945.8 million (12.2 percent of GDP), compared to a deficit of JD 848.8 million (11.4 percent of GDP) during the same period. Meanwhile, the current account deficit (excluding grants) increased to reach JD 1,020.3 million (13.1 percent of GDP), compared to a deficit of JD 963.0 million (12.9 percent of GDP) during the same period of 2021. This was an outcome of the following developments:

◆ An increase in the goods account deficit by JD 279.6 million, or 18.3 percent, to reach JD 1,811.5 million, compared to a deficit of JD 1,531.9 million.

◆ The services account recorded a surplus of JD 171.6 million, compared to a deficit of JD 167.1 million.

◆ The primary income account recorded a deficit of JD 83.6 million, compared to a surplus of JD 3.3 million. This was mainly due to the increase in the deficit of investment income (net) to reach JD 132.1 million, compared to deficit of JD 48.0 million, and the decrease of “compensation of employees (net)” surplus by JD 2.8 million to reach JD 48.5 million.

■ A decrease in the secondary income account net surplus by JD 69.2 million to reach JD 777.7 million, compared to a net surplus of JD 846.9 million. This was a result of the decrease in both net surplus of other sectors transfers (net) by JD 29.5 million to reach JD 703.2 million, and the net transfers of the public sector (foreign grants) by JD 39.7 million to reach JD 74.5 million.



- As for the capital and financial transactions during the first quarter of 2022, the capital account registered a net inflow of JD 8.8 million, compared to an identical net inflow of JD 2.7 million during the same period 2021. Meanwhile, the financial account registered a net inflow of JD 968.0 million during the first quarter of 2022, compared to a net inflow of JD 496.0 million during the same period 2021, this could be attributed to the following:
 - ◆ Direct investment recorded an inflow to Jordan of JD 266.9 million compared to an inflow of JD 72.2 million.
 - ◆ Portfolio investment recorded a net outflow of JD 83.0 million compared to a net outflow of JD 33.3 million.
 - ◆ Other investment registered a net inflow of JD 636.8 million, compared to a net inflow of JD 516.0 million.
 - ◆ Reserve assets of the CBJ registered a decrease by JD 151.4 million, compared to an increase by JD 52.2 million.

□ International Investment Position (IIP)

The IIP, which represents the Kingdom's net position (stock) of external financial assets and liabilities, displayed an obligation to abroad of JD 35,550.5 million at the end of the first quarter of 2022, compared to JD 35,015.7 million at the end of 2021. This was due to the following developments:

- A decrease in the position of external assets (the stock of claims, obligations and financial assets) for all residing economic sectors in the Kingdom by JD 516.5 million at the end of the first quarter of 2022 to reach JD 21,374.7 million compared to its level at the end of 2021. This was mainly due to the decrease of the banking sector currency and deposits abroad by JD 599.1 million and the decrease in the CBJ's reserve assets by JD 1.8 million, this despite

of the increase in trade credit of other sectors to abroad by JD 48.7 million, and the increase of licensed bank short-term loan's to abroad by JD 17.6 million.

- An increase in the position of external liabilities (the stock of claims, obligations and financial assets) on all residing economic sectors in the Kingdom by JD 18.3 million at the end of the first quarter of 2022, to reach JD 56.925.2 million compared to its level at the end of 2021. This was due to the following developments:
 - ◆ An increase of trade credits to non-residents in the kingdom by JD 322.5 million, to stand at JD 1,116.6 million.
 - ◆ An increase in the stock of direct investment in the kingdom by JD 314.6 million, to stand at JD 26,801.2 million.
 - ◆ An increase in outstanding balance of banks short-term loans by JD 23.0 million, to stand at JD 586.2 million.
 - ◆ A decrease in the deposits of non-residents at the banking sector by JD 467.2 million, to stand at JD 10,638.8 million (decrease by JD 456.5 million for the licensed banks, and a decrease by JD 10.7 million for the CBJ).
 - ◆ A decrease in outstanding balance of government long-term loans by JD 127.8 million, to stand at JD 6,291.2 million.
 - ◆ A decrease in the stock of portfolio investment in the kingdom by JD 97.3 million, to stand at JD 7,091.4 million.
 - ◆ A decrease in outstanding balance of the international monetary fund credit facilities by JD 17.6 million, to reach JD 1,067.4 million.