



## Press Release

28<sup>th</sup> July 2022

The Open Market Operations Committee of the CBJ decided to raise the interest rates on all monetary policy instruments by 75 basis points, as of Sunday, July 31<sup>st</sup>, 2022. This decision comes in light of the rising external inflationary pressures and the resulted increase in interest rates in the international financial markets, and in line with the CBJ's commitment to enhance the monetary stability foundations, and to maintain the attractiveness of the Jordanian dinar as a savings tool.

Within the framework of CBJ's keenness to provide soft financing for vital sectors in the economy, the committee decided to keep the refinancing JD 1.3 billion CBJ program's interest rates unchanged to stand at 1.0 percent for projects located in Amman and 0.5 percent for projects located in other governorates, with a loan term of 10 years.

Moreover, the committee decided to keep the interest rate at its current level without change for borrowers from the CBJ's program to support small and medium-sized enterprises, professionals and craftsmen, and basic commodities wholesale importers, amounting to JD 700 million, so that the interest rate does not exceed 2 percent for a period of 54 months, including a grace period of up to 12 months from the date of granting the funding.

The latest available monetary, economic and banking data indicate that the volume of foreign reserves of the CBJ amounted to USD 16.7 billion, which is enough to cover Jordan's imports of goods and services for a period of 8.7 months. Deposits with banks continued hiking until last May by 7.5 percent on an annual basis, while credit facilities extended by banks showed an annual growth of 5.8 percent until May 2022.

As for external sector indicators, tourism income during the first half of 2022 went up by 242.7 percent compared to the same period of 2021. Domestic exports grew during the first five months of this year by 43.4 percent. Remittances of Jordanians working abroad increased by 2.9 percent during the first five months of 2022. Meanwhile, the average inflation rate reached 3.3 percent during the first half of the year.

The CBJ will continue to closely monitor all economic, financial and monetary developments, locally, regionally and globally, and take the necessary measures to maintain macroeconomic stability, and achieve its objective, as stated in its law, which is to maintain monetary stability and contribute to achieving financial and banking stability in the Kingdom.

**The Central Bank of Jordan**