



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 quarter of 2015, real GDP at market prices, grew by 2.0 percent, compared to 3.2 percent during the same quarter of 2014. The Consumer Price Index, contracted by 0.6 percent in the first half of 2015, against an increase of 3.4 percent in the same period of 2014. Furthermore, the unemployment rate during the first quarter of 2015 increased to 13.0 percent compared to 11.8 percent during the same quarter of 2014.

□ Monetary and Financial Sector

- Foreign currency reserves at the Central Bank of Jordan (CBJ) decreased by US\$ 419.7 million (3.0 percent) at the end of the first half of 2015, compared to their level at the end of 2014, standing at US\$ 13,659.1 million. This level of reserves covers around 7.2 months of Jordan's imports of goods and services. The decrease in foreign currency reserves was due to the purchases of gold by US\$ 602.8 million.
- Domestic liquidity grew by JD 1,470.3 million (5.0 percent) at the end of the first half of 2015 compared to its level at the end of 2014, to stand at JD 30,710.7 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 978.6 million (5.1 percent) at the end of the first half of 2015 compared to its level at the end of 2014, to stand at JD 20,253.1 million.
- Total deposits at licensed banks increased by JD 1,522.8 million (5.0 percent) at the end of the first half of 2015, compared to its level at the end of 2014, totaling JD 31,783.8 million. This increase was a result of the increase in JD deposits by JD 1,304.0 million (5.4 percent) and the increase in foreign currency deposits by JD 218.8 million (3.5 percent).
- The Share Price Index (SPI) weighted by the market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,115.6 points at the end of June in 2015, increasing by 49.9 points, or 2.3 percent, compared to its level at the end of 2014.

- **Public Finance:** During the first half of 2015, the general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 223.5 million compared to a fiscal deficit in the amount of JD 354.1 million during the same period of 2014. Net outstanding domestic debt (budgetary and own-budget) decreased by JD 228.0 million at the end of June 2015, compared to its level at the end of 2014, to stand at JD 12,297.0 million (45.3 percent of GDP). Outstanding external public debt increased by JD 1,060.0 million at the end of June 2015 compared to its level at the end of 2014 to reach JD 9,090.1 million, (33.5 percent of GDP). Accordingly, the net public debt (domestic and external) stood at 78.8 percent of GDP at the end of June 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 10.9 percent and 13.4 percent, to reach JD 2,172.4 million and JD 5,817.0 million, respectively, during the first five months of 2015. As a result, the trade deficit decreased by 14.8 percent compared to its level in the first five months of 2014 to reach JD 3,644.6 million. The preliminary data for the first half of 2015 showed a decrease in travel receipts and travel payments by 15.7 percent and 4.0 percent; respectively. Moreover, total worker's remittances increased by 1.5 percent during first half of 2015. The balance of payments for first quarter of 2015 displayed a deficit in the current account amounting to JD 453.2 million, (7.5 percent of GDP) down from JD 240.2 million (4.2 percent of GDP) during first quarter of 2014. Moreover, Net Direct Investment recorded an inflow of JD 179.4 million during the first quarter of 2015 compared to a net inflow of JD 189.9 million during the same period of 2014. Furthermore, the International Investment Position (IIP) registered a net obligation to abroad in the amount of JD 22,621.4 million at the first 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 decreased by US\$ 419.7 million (3.0 percent) at the end of the first half of 2015, compared to their level at the end of 2014, to stand at US\$ 13,659.1 million. This level of reserves covers around 7.2 months of the Kingdom's imports of goods and services. The decline in foreign currency reserves is due to the purchases of gold by US\$ 602.8 million.
- Domestic liquidity increased by JD 1,470.3 million (5.0 percent) during the first half of 2015, compared to its level at the end of 2014, to total JD 30,710.7 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 978.6 million (5.1 percent) at the end of the first half of 2015, compared to its level at the end of 2014 to reach JD 20,253.1 million.
- Total deposits at licensed banks increased by JD 1,522.8 million (5.0 percent) at the end of the first half of 2015, compared to its level at the end of 2014, to reach JD 31,783.8 million.
- The interest rates on all credit facilities and deposits at licensed banks had decreased at the end of the first half 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 2,115.6 points at the end of the first half of 2015, decreasing by 49.9 points (2.3 percent), compared to its level at the end of 2014. Moreover, the market capitalization decreased by JD 387 million (2.1 percent), compared to its registered level in 2014, to stand at JD 17,695.6 million.

Main Monetary Indicators

JD Million, and Percentage Change Relative to the Previous Year

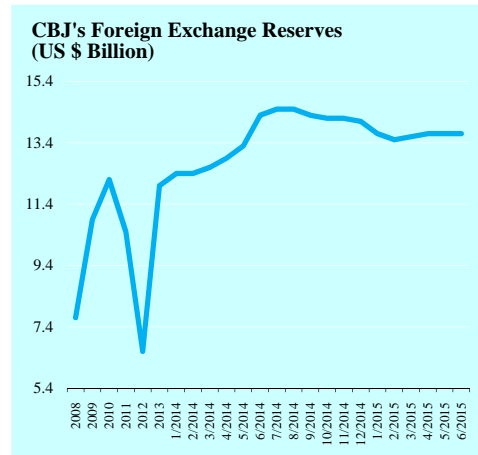
		End of June	
2014		2014	2015
US\$ 14,078.8	CBJ's Foreign Currency Reserves*	US\$ 14,315.4	US\$ 13,659.1
17.3%		19.2%	-3.0%
29,240.4	Money Supply (M2)	28,782.7	30,710.7
6.9%		5.2%	5.0%
19,274.5	Credit Facilities, of which:	19,048.4	20,253.1
1.8%		0.6%	5.1%
17,304.1	Private Sector (Resident)	17,123.0	17,469.2
4.4%		3.3%	1.0%
30,261.0	Total Deposits, of which:	29,388.0	31,783.8
9.7%		6.5%	5.0%
24,013.1	In JD	23,033.3	25,317.1
14.3%		9.7%	5.4%
6,247.9	In Foreign Currencies	6,354.7	6,466.7
-5.2%		-3.6%	3.5%
23,976.9	Deposits of Private Sector (Resident), of which:	23,378.7	24,900.8
8.0%		5.3%	3.9%
19,574.9	In JD	18,891.0	20,354.7
10.9%		7.1%	4.0%
4,402.0	In Foreign Currencies	4,487.7	4,546.1
-3.2%		-1.4%	3.3%

* 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 decreased by US\$ 419.7 million (3.0 percent), at the end of the first half of 2015, compared to their level at the end of 2014, to reach US\$ 13,659.1 million. This level of reserves covers around 7.2 months of the Kingdom's imports of goods and



services. The decrease in foreign currency reserves is attributed to the purchases of gold by US\$ 602.8 million.

□ Domestic Liquidity (M2)

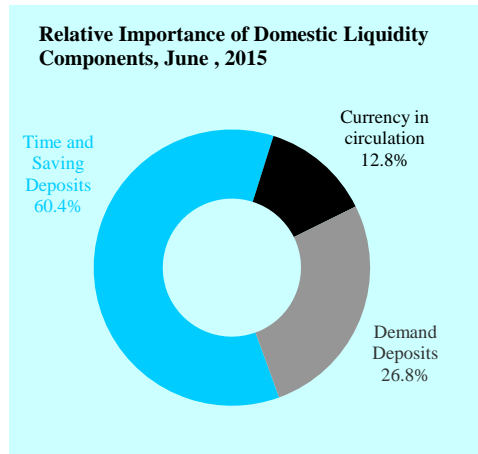
- Domestic liquidity totaled JD 30,710.7 million at the end of the first half of 2015, increasing by JD 1,470.3 million, or 5.0 percent, compared to an increase of JD 1,419.3 million, or 5.2 percent, during the same period in 2014.

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

- **Components of Domestic Liquidity**

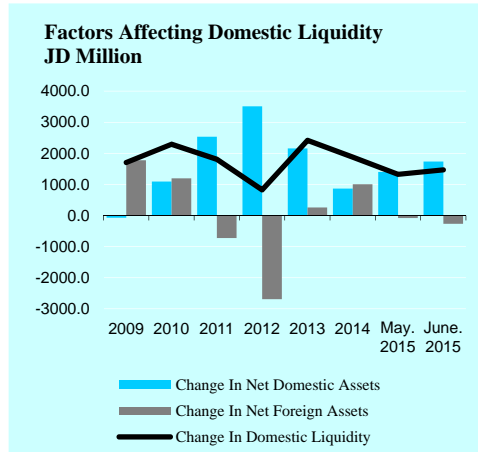
- Deposits increased by JD 1,340.1 million, or 5.3 percent, at the end of June 2015, compared to their level at the end of 2014, to total JD 26,776.1 million, against an increase amounting to JD 1,248.8 million, or 5.3 percent, during the same period in 2014.

- Currency in circulation increased by JD 130.2 million, or 3.4 percent, at the end of June 2015, compared to its level at the end of 2014, to reach JD 3,934.6 million, against an increase in the amount of JD 170.5 million, or 4.7 percent, during the same period in 2014.



• **Factors Affecting Domestic Liquidity**

- Net domestic assets of the banking system increased by JD 1,737.2 million, or 8.2 percent, at the end of June 2015, compared to its level at the end of 2014, against an increase of JD 122.9 million, or



0.6 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 1,797.0 million, or 6.6 percent, and its decrease at the CBJ by JD 59.8 million, or 1.0 percent, respectively.

- Net foreign assets of the banking system decreased by JD 266.9 million, or 3.4 percent, at the end of the first half of 2015, compared to their level at the end of 2014, compared with an increase in the amount of JD 1,296.2 million, or 18.7 percent, during the same period in 2014. This increase was an outcome of the increase in net foreign assets at the CBJ by JD 220.3 million or 2.2 percent, and the decrease of net foreign assets at licensed banks by JD 487.2 million, or 24.3 percent.

Factors Affecting Domestic Liquidity (M2) JD Million

		End of June	
2014		2014	2015
7,932.3	Foreign Assets (Net)	8,219.6	7,665.4
9,939.5	CBJ	9,995.8	10,159.8
-2,007.2	Licensed Banks	-1,776.2	-2,494.4
21,308.1	Domestic Assets (Net)	20,562.9	23,045.3
-5,753.9	CBJ, of which:	-5,827.7	-5,813.7
1,219.0	Claims on Public Sector (Net)	1,061.0	1,589.2
-6,995.3	Other Items (Net*)	-6,910.8	-7,426.3
27,062.1	Licensed Banks	26,390.8	28,859.1
9,635.3	Claims on Public Sector (Net)	9,304.3	10,356.9
17,830.4	Claims on Private Sector	17,657.8	18,040.9
-403.6	Other Items (Net)	-571.3	461.3
29,240.4	Money Supply (M2)	28,782.5	30,710.7
3,804.4	Currency in Circulation	3,777.6	3,934.6
25,436.0	Total Deposits, of which:	25,005.4	26,776.1
4,463.5	In Foreign Currencies	4,579.7	4,606.0

* 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

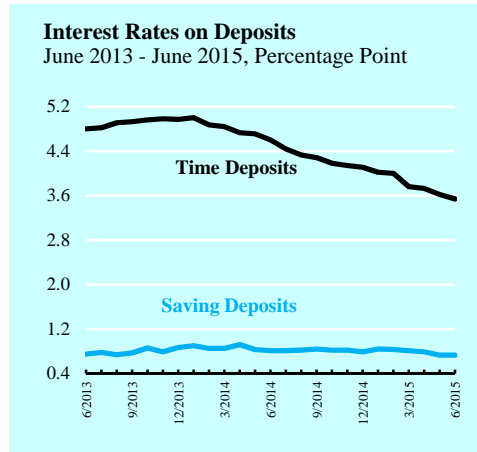
- Time Deposits: The weighted average interest rate on time deposits at the end of June 2015 decreased by 8 basis points, compared to its level in the previous month to stand at 3.54 percent. This rate is lower by 57 basis points than its level at the end of 2014.

Interest Rates on Monetary Policy Instruments, percentage points

2014		June	
		2014	2015
4.25	Re-discount Rate	4.25	4.00
4.00	Repurchase Agreements Rate (overnight)	4.00	3.75
2.75	Overnight Deposit Window Rate	2.75	1.75
3.00	Repurchase Agreements rate (one week)	3.00	2.75
3.00	Repurchase Agreements rate (one month)	3.00	2.75

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

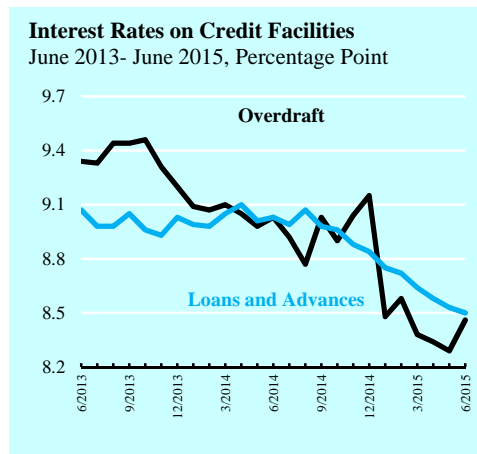
- **Saving Deposits:** The weighted average interest rate on saving deposits at the end of June 2015 decreased by 6 basis points compared to its level in the previous month to stand at 0.73 percent. By this rate it is still at the same level as at the end of previous month.



- **Demand Deposits:** The weighted average interest rate on demand deposits at the end of June 2015 decreased by 3 basis points than its level registered in the previous month to stand at 0.38 percent. This rate is lower by 5 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 June 2015 increased by 17 basis points compared to its level in the previous month to stand at 8.46 percent. This rate is 69 basis points below its level at the end of 2014.



- Discounted Bills and Bonds: The weighted average interest rate on “discounted bills and bonds” at the end of June 2015, decreased by 3.0 basis points compared with its level recorded in the previous month to reach 9.52 percent. This rate is lower by 43 basis points compared to its level at the end of 2014.

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

	June		Change Relative to the Preceding Year Basis Points
	2014	2015	
Deposits			
0.43 Demand	0.60	0.38	-5
0.79 Saving	0.81	0.73	-6
4.11 Time	4.60	3.54	-57
Credit Facilities			
9.95 Discounted Bills and Bonds	9.91	9.52	-43
8.84 Loans and Advances	9.03	8.50	-34
9.15 Overdraft	9.03	8.46	-69
8.72 Prime Lending Rate	8.74	8.46	-26

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- Loans and Advances: The weighted average interest rate on “loans and advances” decreased by 3.0 basis points at the end of June 2015, compared to its level in the previous month to stand at 8.50 percent. This rate is lower by 34 basis points than its level at the end of 2014.
- The Prime lending rate stood at 8.46 percent at the end of June 2015, which is lower by 26 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 496 basis points, at the end of June 2015, which is higher by 23 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 978.6 million (5.1%) at the end of June 2015, compared to its level at the end of 2014, against an increase of JD 108.7 million, or 0.6 percent during the same period in 2014.

- The classification of extended credit facilities, according to economic activity, at the end of June 2015 demonstrates an increase in credit to the public services and utilities sector by JD 828.4 million, or 38.2 percent, followed by "others" item which generally represents facilities extended to individuals by JD 443.3 million, or 9.9 percent. Meanwhile, the credit facilities extended to the "industry" and "transportation" sectors decreased by JD 388.2 million, or 15.3 percent, and JD 34.4 million, or 11.8 percent, respectively. The financial services sector also declined by JD 25.3 million or 4.7 percent, compared to their levels at the end of 2014.
- In terms of borrowers, credit facilities at the end of June 2015 had shown an increase in credit extended to the central government by JD 815.3 million, or 71.9 percent, the private sector (resident) by JD 165.1 million, or 1.0 percent, the public institutions by JD 4.1 million or 1.2 percent, and the financial institutions by JD 1.5 million or 22.7 percent. Meanwhile, credit facilities extended to the private sector (non-resident) decreased by JD 7.4 million, or 1.5 percent, compared to their levels at the end of 2014.

□ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 31,783.8 million at the end of June 2015, increasing by JD 1,522.8 million, or 5.0 percent, compared to its level at the end of 2014, against an increase of JD 1,794.7 million, or 6.5 percent, during the same period in 2014.
- The increase in total deposits at licensed banks at the end of the first half of 2015 was a result of the increase in the deposits of the private sector (resident) by JD 923.9 million, or 3.9 percent, followed by the public sector (central government plus public institutions) by JD 380.3 million, or 15.4 percent, the private

sector (non-resident) by JD 195.4 million, or 5.7 percent, and the non-banking financial institutions by JD 23.2 million, or 6.4 percent, compared to their levels at the end of 2014.

- The currency composition of deposits at the end of the first half of 2015 reveal that JD deposits increased by JD 1,304.0 million, or 5.4 percent, while “foreign currency deposits” increased by JD 218.8 million, or 3.5 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 half of 2015 compared to 2014. This can be demonstrated as follows:

■ Trading Volume

Trading volume at ASE totaled JD 271.7 million in June 2015; up by JD 85.1 million, or 45.6 percent, compared to its level in the previous month, against an increase of JD 66.4 million, or 47.0 percent, during the same month in 2014. As for the first half of 2015, the trading volume decreased by JD 8.2 million, or 0.6 percent compared to the same period in 2014 to reach JD 1,309.0 million.

■ Traded Shares

The number of traded shares in June 2015 totaled 226.7 million shares; increasing by 21.7 million shares, or 10.6 percent, compared to its level in the previous month, against an increase amounting to 50.5 million shares, or 37.7 percent, during the same month in 2014. As for the first half of 2015, the number of traded shares amounted to 1,288.4 million shares compared to 1,315.3 million shares traded during the same period in 2014.

■ **Share Price Index (SPI)**

The SPI weighted by market capitalization of free float shares at ASE decreased by 68 points, or 3.2 percent, at the end of June 2015 compared to its level in the previous month,

to stand at 2,115.6 points, against a decrease of 17.9 points, or 0.8 percent, during the same month in 2014. Furthermore, in the first half of 2015 the SPI decreased by 49.9 points, or 2.3 percent compared to its level at the end of 2014, against a rise in the amount of 47.2 points, or 2.3 percent during the same period in 2014. The aforementioned decrease was an outcome of the decrease in the SPI for the financial sector by 109.1 points, or 3.7 percent, the services sector by 4.5 points, or 0.3 percent, and the increase in the industrial sector by 3.5 points, or 0.2 percent, compared to their levels at the end of 2014.

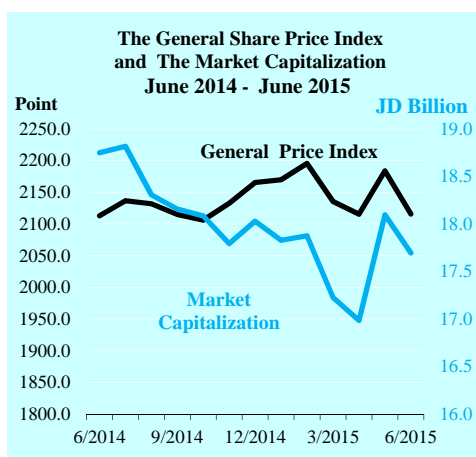
Share Price Index Weighted by Market Capitalization of Free Float Shares, by Sector

		June	
2014		2014	2015
2,165.5	General Index	2,113.0	2,115.6
2,920.9	Financial Sector	2,891.7	2,811.8
1,852.0	Industrial Sector	1,837.4	1,855.5
1,794.8	Services Sector	1,635.2	1,790.3

Source: Amman Stock Exchange.

■ **Market Capitalization**

The ASE's market capitalization totaled JD 17.7 billion at the end of June 2015; down by JD 0.4 billion, or 2.2 percent, compared to its level in the previous month, against a decrease by JD 0.4 billion or



2.1 percent, during the same month in 2014. As for the first half of 2015, the market capitalization decreased by JD 0.4 billion, or 2.1 percent, compared to an increase of JD 0.5 billion, or 2.8 percent, during the same period in 2014.

■ **Non - Jordanian Net Investment**

Non-Jordanian net investment at ASE recorded an outflow amounting to JD 6.9 million in June 2015, compared to an outflow of JD 16.1 million during the same month in 2014; the value of shares acquired by non-Jordanian in June 2015 amounted to JD 56.9 million, while their selling amounted to JD 63.8 million. As for the first half of 2015, non-Jordanian net investment recorded an inflow amounted to JD 8.5 million compared to an outflow of JD 28.6 million, during the same period in 2014.

Main Amman Stock Exchange Trading Indicators, JD Million			
		June	
2014		2014	2015
2,263.4	Value Traded	207.8	271.7
9.1	Average Daily Trading	9.4	12.4
18,082.6	Market Capitalization	18,749.2	17,695.6
2,321.8	No. of Traded Shares (million)	184.3	226.7
-22.1	Net Investment of Non-Jordanian	-16.0	-6.9
362.7	Non-Jordanian Buying	35.8	56.9
384.8	Non-Jordanian Selling	51.8	63.8

Source: Amman Stock Exchange.

Second: Output, Prices and Employment

□ Summary

- Gross Domestic Product (GDP), at constant market prices, grew by 2.0 percent during the first quarter of 2015, compared to 3.2 percent during the same quarter of 2014. At current market prices, GDP grew by 5.1 percent during the first quarter of 2015, compared to 7.1 percent during the same quarter of 2014.
- The Consumer Price Index (CPI) contracted by 0.6 percent in the first half of 2015, against an increase of 3.4 percent in the same period of 2014.
- The unemployment rate increased during the first quarter of 2015, to stand at 13.0 percent (11.0 percent for males and 22.1 percent for females), compared to 11.8 percent (9.7 percent for males and 21.8 percent for females) during the same quarter of 2014. The unemployment rate among academic degree holders (Bachelor Degree and higher) reached 18.7 percent.

□ Developments of GDP

The national economy experienced a marked slowdown during the first quarter 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, especially tourism and transportation. The real GDP grew by 2.0 percent compared to 3.2 percent during the first quarter of 2014, which is considered to be the lowest quarterly growth has been achieved since the second quarter of 2010. When excluding “net taxes on products”, which grew by 1.5 percent, GDP at constant basic prices also grew by 2.0 percent during the first quarter of 2015, compared to 3.2 percent during the same quarter 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	-	-	-	-
GDP at Current Market Prices	5.1	-	-	-	-

Source: Department of Statistics.

At current market prices, GDP grew by 5.1 percent during the first quarter of 2015, compared to 7.1 percent during the same quarter of 2014. This decline in nominal growth is mainly attributed to a decelerated growth in the general price level, measured by the GDP deflator, which grew by 3.1 percent compared to 3.9 percent during the first quarter 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.

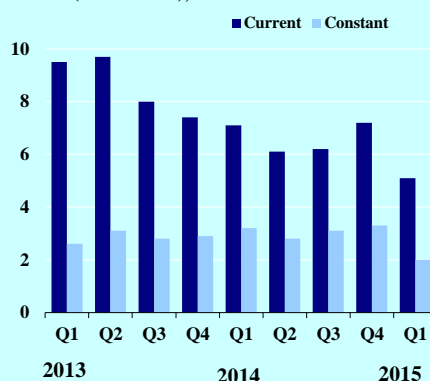
The main sectors contributed to the economic growth during the first quarter of 2015 are; “finance and insurance services” (0.5 percentage point), agriculture (0.3 percentage point), “Transports, storage and communications” (0.3 percentage point), “mining and quarrying” (0.2 percentage point), manufacturing (0.2 percentage point). These sectors collectively accounted for 75 percent of real GDP growth during the above-mentioned period.

The economic sectors displayed a wide variation in their performance during the first quarter of 2015. Some sectors recorded accelerated improvements, such as “mining and quarrying” and agriculture. In contrast, “restaurant and hotels” and construction experienced a notable 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 period of 2015. Some indicators recorded a

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	3.2	2.0	3.2	2.0
Agriculture, Hunting, Forestry, And Fishing	3.1	7.7	0.1	0.3
Mining And Quarrying	7.1	10.1	0.1	0.2
Manufacturing	1.9	1.0	0.3	0.2
Electricity And Water	4.1	1.8	0.1	-
Construction	6.5	-3.4	0.3	-0.1
Wholesale And Retail Trade	1.2	1.2	0.1	0.1
Restaurant And Hotels	5.5	-6.0	0.1	-0.1
Transport, Storage & Communications	3.3	1.8	0.5	0.3
Finance And Insurance Services	5.4	5.2	0.5	0.5
Real Estate	2.2	2.2	0.2	0.2
Community, Social And Personal Services	5.8	3.0	0.2	0.1
Producers Of Government Services	3.8	1.4	0.4	0.2
Producers Of Private Non-Profit Services To	6.7	6.3	-	-
Domestic Services Of Households	0.1	0.1	-	-

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

notable growth, such as “mining and quarrying” (12.4 percent) and manufacturing production index (1.8 percent). However, other indicators showed a contraction, particularly number of passengers through the Royal Jordanian (-13.7 percent), and number of departures from various border crossing points (-13.1 percent). **The following table displays the available performance of the main sectoral indicators.**

2014	Item	2014	Available period	2015
16.7	Quantities of exported and imported goods shipped through Aqaba port	8.4	January – April	4.0
-2.8	Number of passengers through Royal Jordanian	0.4		-13.7
-1.7	Cargo through Royal Jordanian	-5.2		-4.4
-0.2	Manufacturing production quantity index	-1.3	January – May	1.8
-1.5	Food products and beverages	-3.7		4.8
5.3	Tobacco products	12.2		-7.7
-2.9	Refined petroleum products	0.9		33.0
10.2	Cement, lime and plaster	20.8		-21.0
0.6	Iron and steel	-0.3		-2.7
-6.5	Chemical products	-6.8		-5.1
28.3	“Mining and quarrying” production quantity index	5.7		12.4
38.6	Phosphate	6.5		15.6
20.3	Potash	6.6		10.3
7.2	Licensed areas for buildings	16.1		-21.5
-0.5	Number of departures	2.7	January – June	-13.1

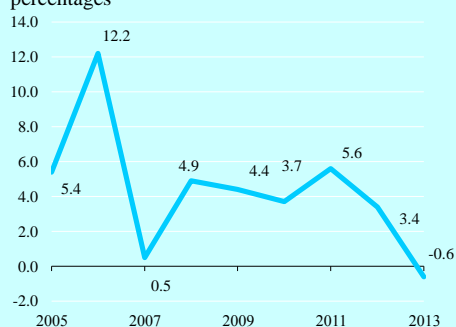
* : Sources:
 - Department of Statistics.
 - Monthly Statistical Bulletin / Central Bank of Jordan.
 - Royal Jordanian.

Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI), contracted by 0.6 percent during the first half of 2015, against an increase of 3.4 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 (14.5 percent), “fuels and lighting” (11.6 percent), and “vegetables and legumes dry and canned” (2.6 percent). They collectively contributed in reducing the overall inflation rate by 2.9 percentage points, compared to a positive contribution amounted to 0.8 percentage point during the first

Annual Bases Inflation Rate

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



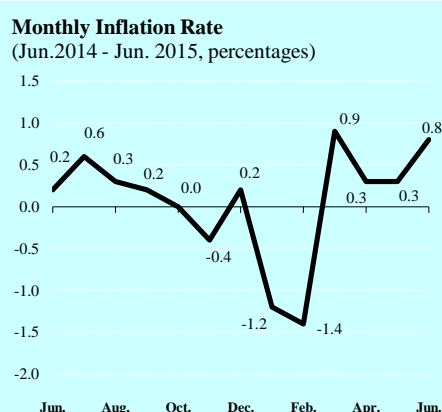
Inflation Rate during the first half of years 2014 - 2015

Expenditure Groups	Relative Imp.	Relative change		Contribution	
		2014	2015	2014	2015
All Items	100	3.4	-0.6	3.4	-0.6
1) Food and non-Alcoholic Beverages, of which:	33.4	0.9	1.1	0.3	0.4
Meat and Poultry	8.2	-0.8	0.8	-0.1	0.1
Dairy Products and Eggs	4.2	1.4	-0.3	0.1	0.0
Vegetables and Legumes Dry and Canned	3.9	4.4	-2.6	0.2	-0.1
Fruits and Nuts	2.7	2.7	8.3	0.1	0.2
Oils and Fats	1.9	-1.4	3.4	0.0	0.1
2) Alcohol and Tobacco and Cigarettes	4.4	14.2	4.3	0.5	0.2
3) Clothing and footwear	3.5	8.7	6.1	0.3	0.2
4) Housing, of which:	21.9	5.2	1.4	1.1	0.3
Rents	15.6	7.3	5.6	1.1	0.9
Fuels and Lighting	4.8	0.3	-11.6	0.0	-0.6
5) Household Furnishings and Equipment	4.2	1.9	2.3	0.1	0.1
6) Health	2.2	5.1	4.1	0.1	0.1
7) Transportation	13.6	4.0	-14.5	0.6	-2.2
8) Communication	3.5	-0.2	0.2	0.0	0.0
9) Culture and Recreation	2.3	2.0	3.8	0.0	0.1
10) Education	5.4	4.0	3.7	0.2	0.2
11) Restaurants and Hotels	1.8	2.0	1.9	0.0	0.0
12) Other Goods and Services	3.7	0.4	1.4	0.0	0.1

Source: Department of Statistics.

half of 2014. In contrast, prices of other items showed varied increases; mainly “fruits and nuts” (8.3 percent) and “oils and fats” (3.4 percent); influenced by supply and demand factors in the domestic market.

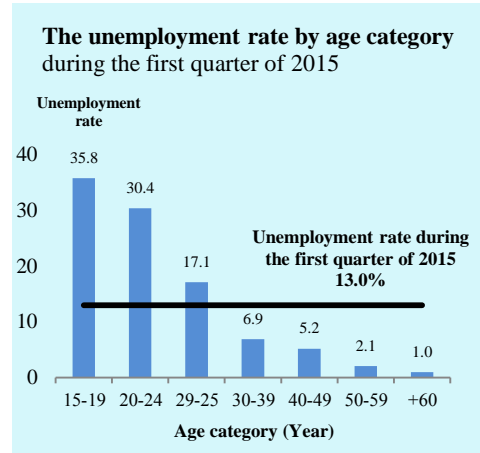
In June 2015, the CPI grew by 0.8 percent compared with May 2015. This was due to the increase in prices of many groups mainly; transportation (2.7 percent), “culture and recreation” (3.0 percent) and housing (1.5 percent).



□ Employment

- ◆ The unemployment rate (the ratio of unemployed people to the labor force) increased during the first quarter of 2015; to stand at 13.0 percent (11.0 percent for males and 22.1 percent for females), compared to 11.8 percent (9.7 percent for males and 21.8 percent for females) during the same quarter of 2014. Furthermore, the unemployment rate among academic degree holders (Bachelor Degree and higher) reached 18.7 percent.
- ◆ The unemployment among youth remains high at 35.8 percent for the 15-19 years old category, and 30.4 percent for those between 20-24 during the first quarter of 2015.

- ◆ The refined economic participation rate (the ratio of the labor force to the population of 15 years and over) during the first quarter of 2015 reached 36.0 percent (59.4 percent for males and 12.5 percent



for females), almost maintained its level during the same quarter of 2014.

- ◆ The employment rate among population of 15 years and older reached 31.3 percent during the first quarter of 2015, compared to 31.7 percent during the same quarter of 2014. The employees in the sector of “public administration, defense, and social security” accounted for 27.0 percent of the total employed, followed by employees in the “wholesale and retail trade” (15.1 percent), education (11.7 percent), and manufacturing (10.0 percent).

Third : Public Finance

□ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 223.5 million during the first half of 2015, comparing to a fiscal deficit in the amount of JD 354.1 million, during the same period in 2014. When excluding foreign grants (JD 294.6 million), the general budget deficit reaches JD 518.1 million compared to a deficit in the amount of JD 645.3 million during the same period in 2014.
- Net outstanding domestic public debt decreased by JD 228.0 million at the end of June 2015 compared to its level at the end of 2014, to reach JD 12,297.0 million (45.3 percent of GDP).
- Outstanding external public debt (budgetary and guaranteed) increased by JD 1,060.0 million at the end of June 2015, compared to its level at the end of 2014, to stand at JD 9,090.1 million (33.5 percent of GDP).
- As a result, net outstanding public debt (domestic and external) reached JD 21,387.1 million (78.8 percent of GDP) at the end of June 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 half of 2015 compared to the same period in the preceding year:

■ Public Revenues

Public revenues (including foreign grants) increased by JD 61.1 million, or 14.3 percent, in June 2015 comparing to the same month of 2014 to reach JD 487.6 million. As for the first half of 2015, these revenues were up by JD 56.1 million, or 1.7 percent, compared to the same period in 2014 to stand at JD 3,349.9 million. This rise came as a result of the increase in domestic revenues by JD 52.7 million, as well as foreign grants by JD 3.4 million.

Main Government Budget Indicators during the first half of 2015:

(JD Million and Percentages)

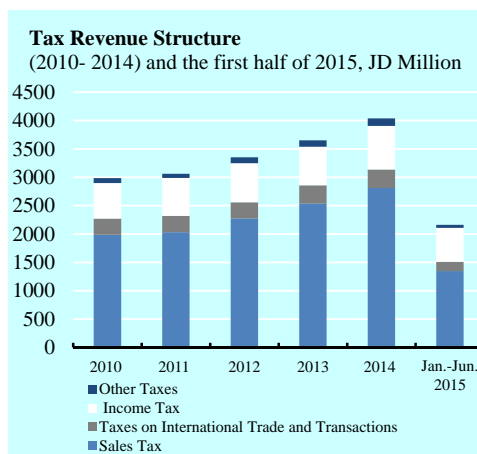
	Jun.		Growth Rate	Jan. – June		Growth Rate
	2014	2015		2014	2015	
Total Revenues and Grants	426.5	487.6	14.3	3,293.8	3,349.9	1.7
Domestic Revenues, of which:	410.6	461.5	12.4	3,002.6	3,055.3	1.8
Tax Revenues, of which:	291.4	308.5	5.9	2,048.7	2,162.8	5.6
General Sales Tax	228.0	229.8	0.8	1,306.4	1,346.9	3.1
Other Revenues	117.6	151.4	28.7	943.9	883.9	-6.4
Foreign Grants	15.9	26.1	64.2	291.2	294.6	1.2
Total Expenditures, of which:	574.9	616.3	7.2	3,647.9	3,573.4	-2.0
Capital Expenditures	78.0	83.3	6.8	387.3	384.0	-0.9
Overall Deficit/ Surplus	-148.4	-128.7	-	-354.1	-223.5	

Source: Ministry of Finance/ General Government Finance Bulletin.

◆ Domestic Revenues

Domestic revenues increased by JD 52.7 million, or 1.8 percent, during the first half of 2015 compared to the same period in 2014, to reach JD 3,055.3 million. This increase was an outcome of the rise in the proceeds of “tax revenues” by JD 114.1 million, and

the drop in “other revenues” and “pension contributions” by JD 60.0 million, and JD 1.4 million, respectively.



● Tax Revenues

Tax revenues increased by JD 114.1 million, or 5.6 percent, during the first half of 2015 compared to the same period in 2014, to reach JD 2,162.8 million (70.8 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 40.5 million, or 3.1 percent, which reached JD 1,346.9 million (accounting for 62.3 percent of total tax revenues). This result was driven by the increase in the proceeds of most general sales tax items. More specifically, the proceeds of “sales tax on domestic goods”, “sales tax on imported goods”, and “sales tax on services” have increased by JD 29.4 million, JD 11.1 million, and JD 5.0 million, respectively. While “sales tax on commercial sector” declined by 4.9 million.
- An increase in the proceeds of “income and profit taxes” by JD 83.5 million, or 16.3 percent, which reached JD 596.2 million (accounting for 27.6 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 47.1 million, and the rise in the proceeds of “income tax from individuals” by JD 36.4 million. Accordingly, income tax from companies accounted for 79.6 percent of total taxes on income and profits to reach JD 474.7 million.

- A slight increase in the proceeds of “taxes on international trade and transactions” (including customs duties and fees) by JD 0.2 million or 0.1 percent, to reach JD 164.1 million (accounting for 7.6 percent of total tax revenues).
- A decrease in real-estates tax (taxes on financial transactions) by JD 10.2 million, or 15.5 percent, to reach JD 55.5 million (accounting for 2.6 percent of total tax revenues).

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

“Other revenues” decreased by JD 60.0 million, or 6.4 percent, during the first half of 2015 to reach JD 883.9 million. This decrease was chiefly due to:

- A decrease in property income by JD 162.5 million to stand at JD 210.6 million (of which financial surplus of independent government units amounted to JD 185.6 million).
- A rise in miscellaneous revenues by JD 97.7 million to stand at JD 228.9 million.
- An increase in “revenues from selling goods and services” by JD 4.8 million to reach JD 444.4 million.

- **Pension Contributions**

Pension contributions were down by JD 1.4 million during the first half of 2015, standing at JD 8.6 million.

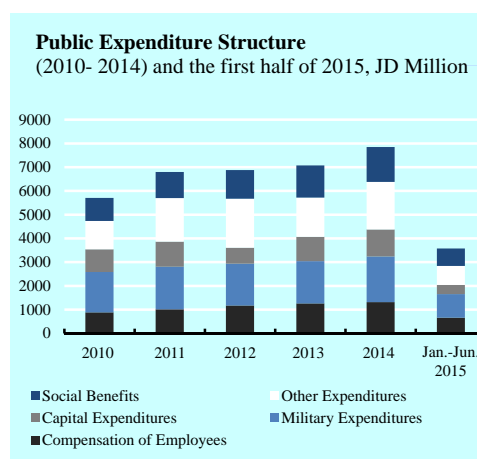
- ◆ **Foreign Grants**

Foreign grants increased by JD 3.4 million during the first half of 2015, standing at JD 294.6 million.

Public Expenditures

Public expenditures witnessed an increase by JD 41.4 million, or 7.2 percent, in June 2015 compared to the same month in 2014 to stand at JD 616.3 million. However, public expenditures declined by JD 74.5 million, or 2.0 percent during the first half of 2015, to stand at JD 3,573.4 million. This decline was a

result of the drop in current expenditures by JD 71.2 million, and the decrease in capital expenditures by JD 3.3 million.



Current Expenditures

Current expenditures decreased by JD 71.2 million, or 2.2 percent, during the first half of 2015, to reach JD 3,189.4 million. This result was driven by the decline in most current expenditures items. More specifically:

- A decrease in goods subsidies by JD 57.3 million to stand at JD 71.6 million, accounting for 2.2 percent of total current expenditures. It is worth mentioning that this item includes only food subsidies starting from 2013.
- A decrease in “purchases of goods and services” by JD 17.2 million to stand at JD 136.3 million, accounting for 4.3 percent of total current expenditures.
- A decrease in interest payments, by JD 5.5 million to stand at JD 447.7 million, accounting for 14.0 percent of total current expenditures.

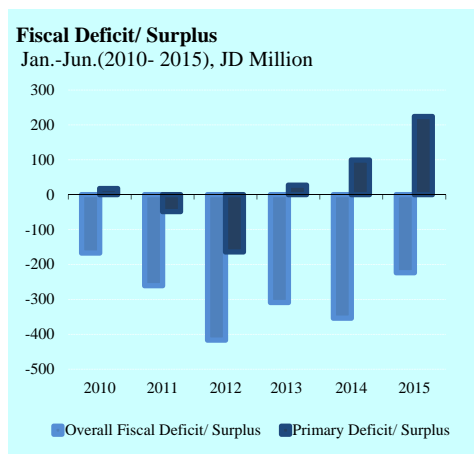
- A decrease in social benefit expenditures by JD 0.2 million to stand at JD 730.0 million, accounting for 22.9 percent of total current expenditures.
- An increase in military expenditures by JD 30.1 million to total JD 988.3 million, accounting for 31.0 percent of total current expenditures.
- A rise in the “compensation of civil sector's employees” (wages, salaries and social security contributions) by JD 7.8 million to reach JD 664.7 million, accounting for 20.8 percent of total current expenditures.

◆ Capital Expenditures

Capital expenditures decreased by JD 3.3 million, or 0.9 percent during the first half of 2015 compared to the same period in 2014, to reach JD 384.0 million.

■ General Budget Deficit/ Surplus

- ◆ The general budget, including grants, displayed a fiscal deficit amounted to JD 223.5 million during the first half of 2015, against a fiscal deficit in the amount of JD 354.1 million during the same period in 2014.

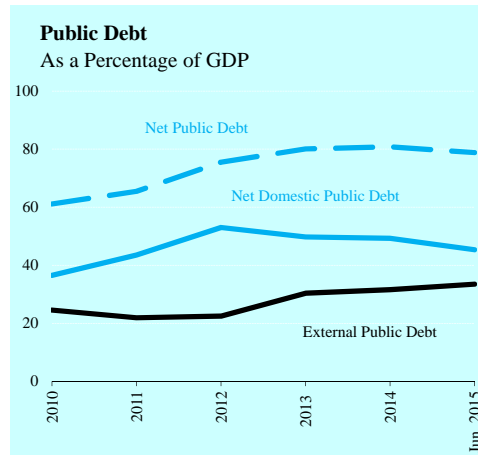
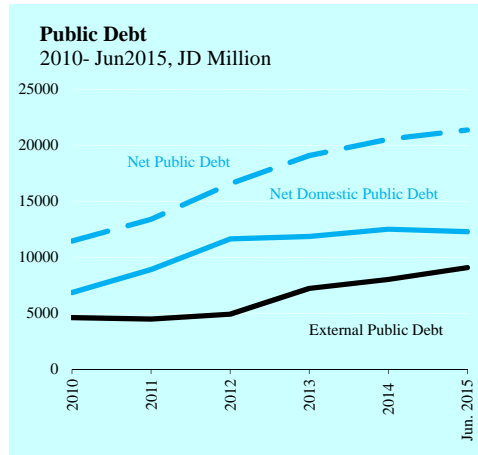


- ◆ The general budget showed a primary surplus (after excluding interest payments on public debt from total expenditures) amounted to JD 224.2 million during the first half of 2015, against a primary surplus of JD 99.1 million during the same period in 2014.

Public Debt

Net outstanding domestic public debt (gross outstanding domestic public debt minus government deposits at the banking system) decreased by JD 228.0 million at the end of June 2015 comparing to its level at the end of 2014 to total JD 12,297.0 million, or 45.3 percent of GDP. This result was an outcome of the rise in gross outstanding domestic public debt by JD 550.0 million to reach JD 15,171.0 million, and the increase in the government deposits at the banking system by JD 778.0 million to reach JD 2,874.0 million. This rise in gross

outstanding domestic public debt was an outcome of the decline in gross budgetary government debt, as “Treasury bills and bonds” decreased by JD 200.0 million at the end of June 2015, compared to their level at the end of 2014 standing at JD 12,271.0 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, on one hand, and the increase in the guaranteed domestic public debt on the other. In this regard, loans and



advances extended to own-budget agencies increased by JD 782.0 million to stand at JD 1,721.0 million. While, these agencies' bonds maintained their level at the end of June 2015 standing at JD 609.0 million.

- Outstanding balance of external public debt (budgetary and guaranteed) increased by JD 1,060.0 million at the end of June 2015 compared to its level at the end of 2014, amounting to JD 9,090.1 million (33.5 percent of GDP). This increase is attributed to the issuance of U.S. guaranteed Eurobonds, in the amount of US\$ 1.5 billion in June 2015, 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 63.0 percent, while debt in Euros accounted for 5.7 percent. Furthermore, external debt in Japanese Yen and Kuwaiti Dinars accounted for 6.0 percent and 8.8 percent of the outstanding external public debt, respectively, while external debt in SDRs accounted for 13.5 percent.
- Net public debt (domestic and external) increased by JD 832.0 million at the end of June 2015 compared to its level at the end of 2014 to stand at JD 21,387.1 million, (78.8 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 306.3 million during the first half of 2015 (of which interest payments amounting to JD 99.4 million) compared to JD 295.0 million (of which interest payments amounting to JD 91.4 million) during the same period in 2014.

□ Fiscal and Price Measures

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

Development of Oil Derivatives Price

	Unit	2015		Percentage Change
		July	August	
Unleaded Gasoline 90	Fils/Liter	655.0	620.0	-5.3
Unleaded Gasoline 95	Fils/Liter	840.0	800.0	-4.8
Gas Oil (Diesel)	Fils/Liter	485.0	455.0	-6.2
Kerosene	Fils/Liter	485.0	455.0	-6.2
Liquid Gas (12.5kg)	JD/Unit	7.75	7.50	-3.2
Fuel oil for industry	JD/Ton	331.0	310.8	-6.1
Fuel for airplanes (local companies)	Fils/Liter	416.0	390.0	-6.3
Fuel for airplanes (foreign companies)	Fils/Liter	421.0	395.0	-6.2
Fuel for unplanned flights	Fils/Liter	436.0	410.0	-6.0
Asphalt	JD/Ton	357.0	335.2	-6.1

Source: Jordan Petroleum Refinery Company (1/8/2015).

- 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).

Fourth: External Sector

□ Summary

- **Total merchandize exports** (domestic exports *plus* re-exports) decreased by 6.1 percent in May 2015 compared to the same month of 2014, to record JD 453.7 million. As for the first five months of 2015, total merchandize exports decreased by 10.9 percent to reach JD 2,172.4 million.
- **Merchandize imports** decreased by 8.7 percent in May 2015 compared to the same month of 2014, to reach JD 1,263.5 million. As for the first five months of 2015, total merchandize imports decreased by 13.4 percent to reach JD 5,817.0 million.
- **Consequently**, the trade balance deficit (total exports minus imports) decreased by 10.2 percent in May 2015 compared to the same month in 2014; standing at JD 809.8 million. As for the first five months of 2015, the trade balance deficit declined by 14.8 percent to reach JD 3,644.6 million.
- **Travel receipts** decreased in June 2015 compared to June 2014 by 19.5 percent, to reach JD 240.6 million, and travel payments decreased by 17.5 percent compared to the same month of 2014 to reach JD 67.4 million. As for the first half of 2015; travel receipts decreased by 15.7 percent to record JD 1,348.6 million, on the other hand, travel payments decreased by 4.0 percent to reach JD 408.7 million.
- **Total workers' remittances receipts** decreased by 2.5 percent in June 2015 compared to June 2014 to reach JD 248.1 million. As for the first half 2015; total workers, remittances receipts increased by 1.5 percent to reach JD 1,330.9 million.
- **The current account of the balance of payments** registered a deficit of JD 453.2 million (7.5 percent of GDP) during first quarter of 2015 compared to a deficit of JD 240.2 million (4.2 percent of GDP) first quarter of 2014.
- **Net direct investment** recorded an inflow of JD 179.4 million during the first quarter of 2015, down from JD 189.9 million during the first quarter of 2014.

- **International Investment Position (IIP)** displayed a net obligation to abroad of JD 22,621.4 million at the end of first quarter of 2015; a decrease of JD 152.1 million compared to its level at the end of 2014.

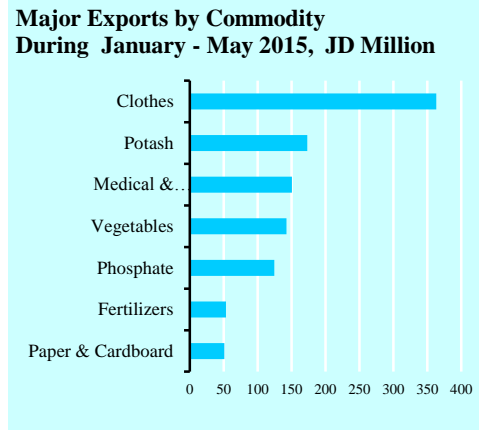
□ External Trade

- As a result of the decrease in domestic exports and imports by JD 257.2 million and JD 898.7 million, respectively, during the first five months of 2015 compared to the same period in 2014, the volume of external trade (domestic exports *plus* imports) decreased by JD 1,155.9 million to stand at JD 7,671.7 million.

Jordan's Major Trading Partners JD Million				Main External Trade Indicators JD Million			
January - May				January - May			
	2014	2015	Percentage Change		2014	2015	Percentage Change
					2014/2013	2015/2014	
Exports				External Trade	8,827.6	7,671.7	-13.1
USA	340.8	376.3	10.4	Total Exports	2,437.5	2,172.4	-10.9
Iraq	281.8	287.7	2.1	Domestic Exports	2,111.9	1,854.7	-12.2
Saudi Arabia	386.0	264.3	-31.5	Re-exports	325.6	317.7	-2.4
India	164.8	174.4	5.8	Imports	6,715.7	5,817.0	-13.4
UAE	64.0	87.1	36.1	Trade Balance	-4,278.2	-3,644.6	-14.8
Syria	84.0	52.3	-37.7	Source: Department of Statistics.			
Lebanon	43.9	38.0	-13.4				
Imports							
Saudi Arabia	1,284.0	1,097.5	-14.5				
China	655.0	732.3	11.8				
USA	419.9	354.9	-15.5				
Germany	277.3	311.3	12.3				
South Korea	233.5	213.5	-8.6				
UAE	309.5	202.9	-34.4				
Italy	183.9	187.5	2.0				
India	411.2	187.1	-54.5				
Source: Department of Statistics.							

■ Merchandize Exports:

Total merchandize exports decreased by 10.9 percent during the first five months of 2015, compared to an increase of 6.8 percent during the same



period in 2014, to record JD 2,172.4 million. This decrease resulted from a decline in domestic exports by JD 257.2 million, or 12.2 percent, to reach JD 1,854.7 million, and an decrease in re-exports by 2.4 percent, to reach JD 317.7 million.

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

- Exports of **vegetables** decreased by JD 39.3 million, or 21.6 percent, to total JD 142.5 million. The Syrian, UAE and Saudi markets were the main destinations of these exports, accounting for 46.5 percent.

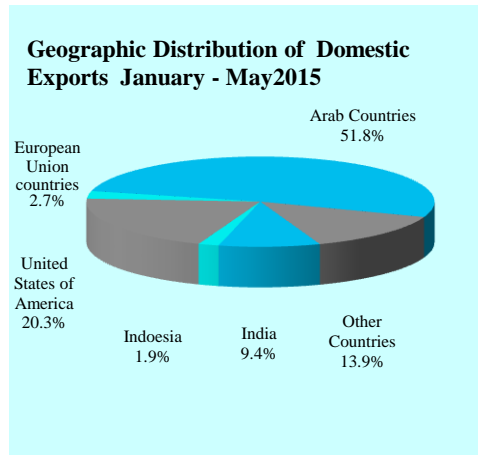
- Exports of **Fertilizers** decreased by JD 63.9 million, or 54.4 percent, to reach JD 53.6 million. The Indian, Iraqi and Bulgarian markets accounted for 71.3 percent of these exports.
- Exports of **phosphates** decreased by JD 7.3 million, or 5.5 percent, to register JD 124.6 million. This decrease was mainly due to a decrease in exported quantities by 16.1 percent and an increase in the prices of phosphate by 12.6 percent. It is worth noting that the Indian market was the main destination for these exports, accounting for 72.8 percent of phosphate exports.

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

	2014	2015	Percentage Change
Domestic Exports	2,111.9	1,854.7	-12.2
Clothes	325.9	363.4	11.5
USA	291.7	326.5	11.9
Potash	196.9	173.0	-12.1
India	43.0	48.1	11.9
Malaysia	23.0	34.5	50.0
China	72.0	33.2	-53.9
Medical & Pharmaceutical Products	178.5	150.5	-15.7
Saudi Arabia	44.1	36.5	-17.2
Iraq	20.8	17.1	-17.8
Sudan	11.4	16.1	41.2
UAE	8.0	15.5	93.8
Vegetables	181.8	142.5	-21.6
Syria	44.7	26.9	-39.8
UAE	19.2	20.1	4.7
Saudi Arabia	14.1	19.3	36.9
Phosphate	131.9	124.6	-5.5
India	87.6	90.7	3.5
Indonesia	22.5	17.7	-21.3
Fertilizers	117.5	53.6	-54.4
India	16.0	26.9	68.1
Iraq	8.6	7.0	-18.6
Bulgaria	13.8	4.3	-68.8
Paper and cardboard	59.3	51.1	-13.8
Saudi Arabia	22.0	18.7	-15.0
Iraq	18.1	16.9	-6.6
UAE	3.6	3.4	-5.6

Source: Department of Statistics.

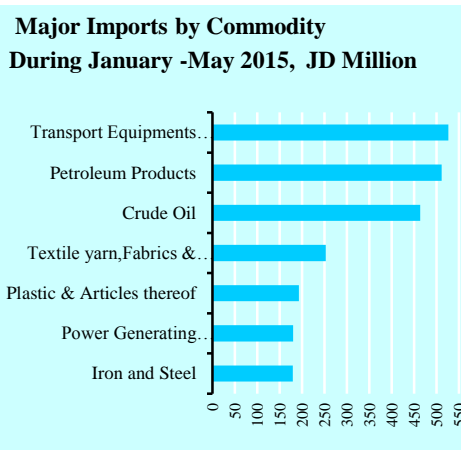
- Exports of **potash** decreased by JD 23.9 million, or 12.1 percent, to stand at JD 173.0 million. The Indian, Malaysian and Chinese, markets accounted for 66.9 percent of these exports.



- Consequently, the commodity breakdown of domestic exports indicates that exports of clothes, potash, “medical and pharmaceutical products”, vegetables, phosphates, fertilizers and “paper & card board” topped the list of domestic exports during the first five months of 2015; accounting for 57.1 percent of domestic exports, up from 56.4 percent during the same period in 2014. Meanwhile, the geographical distribution of domestic exports indicates that the USA, Saudi Arabia, Iraq, India, the UAE, Syria and Lebanon were the main destination markets for domestic exports during the first five months of 2015; accounting for 69.0 percent of domestic exports, up from 64.6 percent during the same period in 2014.

■ Merchandize Imports:

Merchandize imports decreased by 13.4 percent to reach JD 5,817.0 million during the first five months of 2015, while it compared to an increase by 6.6 percent during same period in 2014 to the reach JD 6,715.7 million.



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

- **Petroleum products** imports decreased by JD 549.3 million, or 51.8 percent, to total JD 511.5 million. The main source markets of these imports were Saudi Arabia, Belgium and India.
- **Crude oil** imports decreased by JD 217.0 million, or 31.9 percent, to reach JD 463.4 million. This decrease was mainly attributed to the decline in prices by 48.8 percent, while imported quantities increased by 33.1 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 24.2 million, or 4.8 percent, to reach JD 526.1 million. Japan, South Korea and Germany were the main markets for these imports; accounting for 57.2 percent.

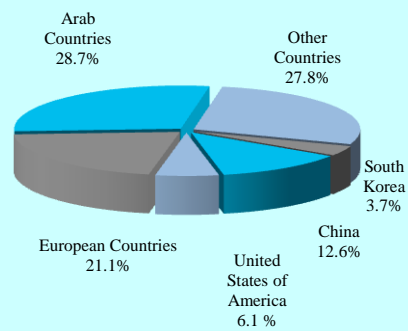
- Consequently, the commodity composition of imports indicates that “transport equipment's and spare parts”, petroleum products, crude oil,

Major Imports by Commodity, JD Million During first five months 2014-2015			
	2014	2015	Percentage Change
Total Imports	6,715.5	5,817.0	-13.4
Transport Equipment's & Spare Parts	501.9	526.1	4.8
Japan	100.0	111.4	-11.4
South Korea	96.7	106.2	9.8
Germany	119.6	83.2	-30.4
Petroleum Products	1,060.8	511.5	-51.8
Saudi Arabia	111.0	219.3	97.6
Belgium	42.4	78.8	85.8
India	244.9	62.7	-74.4
Crude oil	680.4	463.4	-31.9
Saudi Arabia	680.4	463.4	-31.9
Textile Yarn, Fabrics & Related Products	244.8	252.7	3.2
China	103.2	95.1	-7.8
Taiwan	59.3	84.3	42.2
Turkey	14.7	14.9	1.4
Plastic & Articles thereof	207.5	193.1	-6.9
Saudi Arabia	106.5	96.9	-9.1
UAE	12.6	16.2	28.6
China	12.6	11.4	-9.5
Power Generating Machinery & equipment	127.2	180.0	41.5
USA	41.8	57.6	37.8
Germany	36.8	48.8	32.6
Denmark	0.0	30.8	-
Iron & steel	229.9	179.2	-22.1
China	34.3	73.7	114.9
Iran	0.0	18.4	-
Saudi Arabia	24.7	17.9	-27.5

Source: Department of Statistics.

“textile yarn, fabrics, made up articles and related products”, “plastic & articles thereof” “power generating machinery & equipment”, and “iron and steel” topped the

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



list of imports during the first five months 2015, accounting for 39.6 percent of total imports; down from 45.5 percent during the same period in 2014. Meanwhile, the geographical distribution of imports indicates that the markets of Saudi Arabia, China, the USA, Germany, South Korea, the UAE, Italy and India, were the main sources of imports during the first five months 2015; accounting for 56.5 percent of total imports, compared to 56.2 percent during the same period in 2014.

■ Re-Exports

A decrease of JD 7.9 million, or 2.4 percent, was registered in the value of re-exported goods during the first five months of 2015 compared to the same period in 2014, to reach JD 317.7 million.

■ Trade Balance

The trade balance deficit during the first five months of 2015 decreased by JD 633.6 million, or 14.8 percent, to register JD 3,644.6 million, compared to the same period in 2014.

□ Total Workers' Remittances Receipts

Total worker's remittances receipts decreased by 2.5 percent in June 2015, compared to June 2014 to register JD 248.1 million. As for the first half of 2015, total workers' remittances receipts increased by 1.5 percent to reach JD 1,330.9 million compared to the same period of 2014.

□ Travel

■ Receipts

Travel receipts decreased by JD 58.1 million, or 19.5 percent, in June 2015, compared to June 2014 to register JD 240.6 million. As for the first half of 2015, travel receipts decreased by 15.7 percent to reach JD 1,348.6 million compared to the same period of 2014.

■ Payments

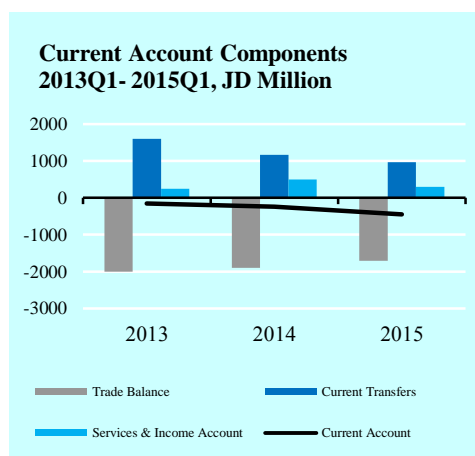
Travel payments decreased by JD 14.3 million, or 17.5 percent, in June 2015, compared to June 2014 to stand at JD 67.4 million. As for the first half of 2015, travel payments decreased by 4.0 percent to reach JD 408.7 million compared to the same period of 2014.

□ Balance of Payments

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

- The current account recorded a deficit of JD 453.2 million (7.5 percent of GDP) compared to a deficit of JD 240.2 million (4.2 percent of GDP) during first quarter of 2014. This was an outcome of the following developments:

- ◆ A decrease in the trade balance deficit during first quarter of 2015 by JD 185.8 million, 9.8 percent, to reach JD 1,710.8 million compared to JD 1,896.6 million during first quarter of 2014.



- ◆ A decrease in the surplus of the services account by JD 217.5 million to reach JD 229.1 million.
- ◆ Income account recorded a surplus of JD 63.9 million compared to a surplus of JD 48.9 million during first quarter of 2014, as a result of a surplus of JD 11.4 million in investment income (net) and a surplus of JD 1.2 million in compensation of employees (net).
- ◆ A decrease in the surplus of net current transfers by JD 169.3 million; to reach JD 964.6 million, as a result of the decrease in net transfers of public sector (foreign grants) by JD 105.7 million, to reach JD 129.3 million, and the decrease of the transfers of other sectors by 90.6 million to reach JD 835.3 million. It's worth mentioning that the workers' remittances receipts increased by 3.2 percent, during first quarter of 2015 to stand at JD 567.2 million.

- The capital and financial account in first quarter of 2015 registered a net inflow of JD 38.4 million, compared to a net inflow of JD 111.5 million during first quarter of 2014. This can be attributed to the following:
 - ◆ Direct investment recorded a net inflow of JD 179.4 million compared to a similar inflow of JD 189.9 million during first quarter of 2014.
 - ◆ Portfolio investments recorded a net inflow of JD 9.0 million compared to an inflow of JD 159.7 million during first quarter of 2014.
 - ◆ Other investments registered a net outflow of JD 80.0 million compared to an inflow of JD 184.6 million during first quarter of 2014.
 - ◆ An increase in the reserve assets of CBJ by JD 71.2 million, compared to an increase of JD 442.9 million during first quarter 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 22,621.4 million at the first quarter of 2015 compared to JD 22,773.5 million at the end of 2014. This increase was due to the following developments:

- An increase in the position of external assets (the stock of claims, obligations and financial assets) for all economic sectors (resident) in the Kingdom by JD 31.6 million to reach JD 18,526.8 million at the end of first quarter of 2015 compared to the end of 2014. This increase was a result of the rise in CBJ's reserves by 3.1 million, and the increase in loans by banks to non-residents and banks' deposits abroad by JD 17.7 million and JD 14.8 million, respectively.
- A decrease in the position of external liabilities (the stock of claims, obligations and financial assets) on all economic sectors residing in the Kingdom by JD 120.5 million at the first quarter of 2015 compared to the end of 2014; standing at JD 41,148.2 million due to the following:
 - ◆ An increase in the stock of direct investment in Jordan by JD 233.9 million to stand at JD 20,642.5 million.
 - ◆ An increase in the stock of portfolio investments by JD 126.7 million to reach JD 5,794.0 million.
 - ◆ A decrease in trade credits by JD 52.7 million, to stand at JD 634.6 million.
 - ◆ A decrease in the outstanding balance of loans on all economic sectors (resident) in the kingdom by JD 21.3 million to reach JD 1,416.3 million.
 - ◆ A decrease in the deposits of non-residents at the banking system by JD 79.5 million, (a decrease of JD 116.4 million at the CBJ, and an increase of JD 36.9 million at the licensed banks) to reach JD 8,010.0 million.