



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 2014, real GDP at market prices, grew by 3.1 percent, compared to 2.8 percent in 2013. The Consumer Price Index, contracted by 1.0 percent in the first four months of 2015, against an increase of 3.3 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\$ 421.0 million (3.0 percent) at the end of the first quarter 2015, compared to their level at the end of 2014, standing at US\$ 13,657.8 million. This level of reserves covers around 7.2 months of Jordan's imports of goods and services, the decrease in the foreign currency reserves at the CBJ was due to the purchases of gold by US\$ 643.3 million.
- Domestic liquidity grew by JD 1,149.3 million (3.9 percent) at the end of the first quarter 2015 compared to its level at the end of 2014, to stand at JD 30,389.7 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 622.3 million (3.2 percent) at the end of the first quarter 2015 compared to its level at the end of 2014, to stand at JD 19,896.8 million.
- Total deposits at licensed banks increased by JD 1,232.9 million (4.1 percent) at the end of the first quarter 2015, compared to its level at the end of 2014, totaling JD 31,145.4 million. This increase was a result of the increase in JD deposits by JD 1,161.6 million (4.8 percent) and the increase in foreign currency deposits by JD 71.3 million (1.1 percent).
- The Share Price Index (SPI) weighted by the market capitalization of free float shares at the Amman Stock Exchange (ASE) reached 2,115.5 points at the end of the first quarter 2015, decreasing by 50.0 points, or 2.3 percent, compared to its level at the end of 2014.

- **Public Finance:** During the first quarter of 2015, the general budget, including foreign grants, recorded a fiscal surplus in the amount of JD 78.8 million compared to a fiscal deficit in the amount of JD 291.9 million during the same period of 2014. Net outstanding domestic debt (budgetary and own-budget) increased by JD 358.0 million at the end of March 2015, compared to its level at the end of 2014, to stand at JD 12,883.0 million (47.5 percent of GDP). Outstanding external public debt decreased by JD 67.0 million at the end of March 2015 compared to its level at the end of 2014 to reach JD 7,963.1 million, (29.3 percent of GDP). Accordingly, the net public debt (domestic and external) stood at 76.8 percent of GDP at the end of March 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 10.7 percent and 10.1 percent, to reach JD 1,300.2 million and JD 3,400.6 million, respectively, during the first quarter of 2015. As a result, the trade deficit decreased by 9.8 percent compared to its level in the first quarter of 2014 to reach JD 2,100.4 million. The preliminary data for the first four months of 2015 showed a decrease in travel receipts and travel payments by 14.8 percent and 0.5 percent; respectively. Moreover, total worker's remittances increased by 3.4 percent during first four months of 2015. The balance of payments for 2014 displayed a deficit in the current account amounting to JD 1,730.4 million, (6.8 percent of GDP) down from JD 2,458.0 million (10.3 percent of GDP) during 2013. Moreover, Net Direct Investment recorded an inflow of JD 1,190.7 million during the first three quarters of 2014 compared to a net inflow of JD 1,229.6 million during 2013. Furthermore, the International Investment Position (IIP) registered a net obligation to abroad in the amount of JD 23,063.9 million at the end of 2014 compared to JD 21,191.0 million at the end of 2013.

First: Monetary and Financial Sector

□ Summary

- The foreign currency reserves at the CBJ decreased by US\$ 421.0 million (3.0 percent) at the end of the first quarter 2015, compared to their level at the end of 2014, to stand at US\$ 13,657.8 million. This level of reserves covers around 7.2 months of the Kingdom's imports of goods and services, the decrease in the foreign currency reserves at the CBJ was due to the purchases of gold by US\$ 643.3 million.
- Domestic liquidity increased by JD 1,149.3 million (3.9 percent) at the end of the first quarter 2015, compared to its level at the end of 2014, to total JD 30,389.7 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 622.3 million (3.2 percent) at the end of the first quarter 2015, compared to its level at the end of 2014 to reach JD 19,896.8 million.
- Total deposits at licensed banks increased by JD 1,232.9 million (4.1 percent) at the end of the first quarter 2015, compared to its level at the end of 2014, to reach JD 31,493.9 million.
- The interest rates on all types of credit facilities and time deposits at licensed banks decreased at the end of the first quarter 2015, compared to their levels at the end of 2014, except the demand deposits which increased at the end of 2014. Meanwhile, the interest rates on saving deposits had remain unchanged.

- The Share Price Index (SPI) weighted by market capitalization of free float shares at the Amman Stock Exchange (ASE) reached 2,115.5 points at the end of the first quarter 2015, decreasing by 50 points (2.3 percent), compared to its level at the end of 2014. Moreover, the market capitalization decreased by JD 1.1 billion (6.1 percent), compared to its registered level of 2014, to stand at JD 16,985.1 million.

Main Monetary Indicators

JD Million, and Percentage Change Relative to the Previous Year

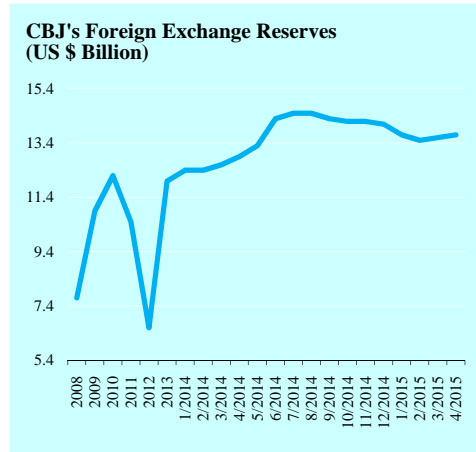
		End of April	
2014		2014	2015
US\$ 14,078.8	CBI's Foreign Currency Reserves*	US\$ 12,885.8	US\$ 13,657.8
17.3%		7.3%	-3.0%
29,240.4	Money Supply (M2)	28,143.9	30,389.7
6.9%		2.9%	3.9%
19,274.5	Credit Facilities, of which:	18,809.6	19,896.8
1.8%		-0.7%	3.2%
17,304.1	Private Sector (Resident)	16,860.8	17,198.3
4.4%		1.8%	-0.6%
30,261.0	Total Deposits, of which:	28,735.1	31,493.9
9.7%		4.1%	4.1%
24,013.1	In JD	22,396.7	25,174.7
14.3%		6.6%	4.8%
6,247.9	In Foreign Currencies	6,338.4	6,319.2
-5.2%		-3.8%	1.1%
23,976.9	Deposits of Private Sector (Resident), of which:	22,881.4	24,692.3
8.0%		3.1%	3.0%
19,574.9	In JD	18,463.6	20,281.5
10.9%		4.6%	3.6%
4,402.0	In Foreign Currencies	4,417.8	4,410.8
-3.2%		-2.9%	0.2%

* 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\$ 421.0 million (3.0 percent), at the end of the first quarter 2015, compared to their level at the end of 2014, to reach US\$ 13,657.8 million. This level of reserves covers around 7.2 months of the Kingdom's imports of goods and



services, the decrease in the foreign currency reserves at the CBJ was due to the purchases of gold by US\$ 643.3 million.

□ Domestic Liquidity (M2)

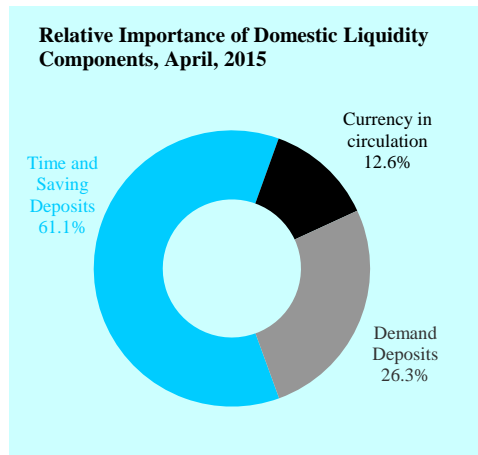
■ Domestic liquidity totaled JD 30,389.7 million at the end of the first quarter 2015, increasing by JD 1,149.3 million, or 3.9 percent, compared to an increase of JD 780.5 million, or 2.9 percent, during the same period in 2014.

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

● Components of Domestic Liquidity

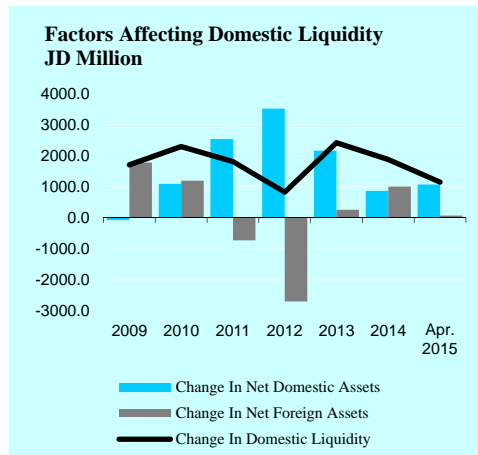
- Deposits increased by JD 1,117.1 million, or 4.4 percent, at the end of the first quarter 2015, compared to their level at the end of 2014, to total JD 26,553.1 million, compared with an increase amounting to JD 654.1 million, or 2.8 percent, during the same period in 2014.

- Currency in circulation increased by JD 32.2 million, or 0.8 percent, at the end of the first quarter 2015, compared to its level at the end of 2014, to reach JD 3,836.6 million, against an increase in the amount of JD 126.4 million, or 3.5 percent, during the same period in 2014.



• **Factors Affecting Domestic Liquidity**

- Net domestic assets of the banking system increased by JD 1,075.3 million, or 5.0 percent, at the end of the first quarter 2015, compared to its level at the end of 2014, against an increase of



JD 421.3 million, or 2.1 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 1,145.3 million, or 4.2 percent, and its decrease at the CBJ by JD 70.0 million, or 1.2 percent, respectively.

- Net foreign assets of the banking system increased by JD 74.0 million, or 0.9 percent, at the end of the first quarter 2015, compared to their level at the end of 2014, against an increase in the amount of JD 359.2 million, or 5.2 percent, during the same period in 2014. This increase was an outcome of the increase in net foreign assets at the CBJ by JD 96.1 million or 1.0 percent, and the decrease of net foreign assets at the licensed banks by JD 22.1 million, or 1.1 percent.

Factors Affecting Domestic Liquidity (M2)

JD Million

		End of April	
2014		2014	2015
7,932.3	Foreign Assets (Net)	7,282.6	8,006.2
9,939.5	CBJ	8,990.8	10,035.5
-2,007.2	Licensed Banks	-1,708.2	-2,029.3
21,308.1	Domestic Assets (Net)	20,861.3	22,383.5
-5,753.9	CBJ, of which:	-4,897.8	-5,823.9
1,219.0	Claims on Public Sector (Net)	1,528.4	1,402.1
-6,995.3	Other Items (Net*)	-6,447.8	-7,249.3
27,062.1	Licensed Banks	25,759.1	28,207.4
9,635.3	Claims on Public Sector (Net)	9,575.2	10,232.1
17,830.4	Claims on Private Sector	17,399.4	17,720.3
-403.6	Other Items (Net)	-1,215.5	255.0
29,240.4	Money Supply (M2)	28,143.9	30,389.7
3,804.4	Currency in Circulation	3,733.0	3,836.6
25,436.0	Total Deposits, of which:	24,410.9	26,553.1
4,463.5	In Foreign Currencies	4,350.7	4,477.6

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

□ Interest Rate Structure

■ Interest Rates on Monetary Instruments

◆ On February 3rd, 2015, the CBJ updated its monetary policy operations framework and modified the interest rates structure on monetary policy tools, to become as follows:

- CBJ main interest Rate: 2.75 percent.
- Re-Discount Rate: 4.00 percent.
- Interest Rate on Overnight Repurchase Agreements: 3.75 percent.
- Overnight Deposit Window Rate: 1.75 percent.
- Weekly/ Monthly Repurchase Agreements: 2.75 percent.

◆ The updated monetary policy operating framework involves issuing certificates of deposit with different volumes and maturities, and adopting a new interest rate to be accredited as the reference rate for administrating the monetary policy, which is called "CBJ main interest rate" (is currently expressed as the interest rate on weekly repo).

◆ This decision attempts to help banks enhance their abilities to maintain their liquidities to meet their operational requirements and respond to the growing financing needs of different economic sectors.

■ Interest Rates in the Banking Sector

◆ Interest Rates on Deposits

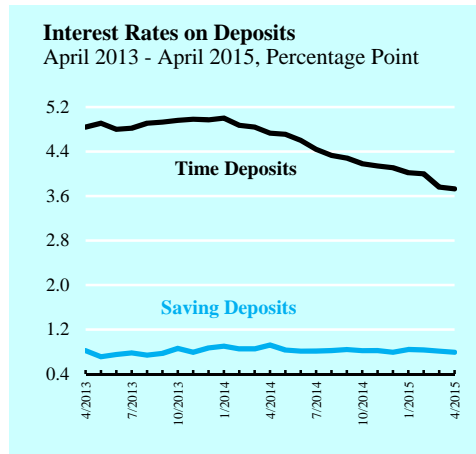
- Time Deposits: The weighted average interest rate on time deposits at the end of the first quarter 2015 decreased by 3 basis points, compared to its level of the previous month to stand at 3.73 percent. This rate is lower by 38 basis points than its level at the end of 2014.

Interest Rates on Monetary Policy Instruments, percentage points

2014		April	
		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	3.25	1.75
3.00	Repurchase Agreements rate (one week)	3.50	2.75
3.00	Repurchase Agreements rate (one month)	3.50	2.75

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

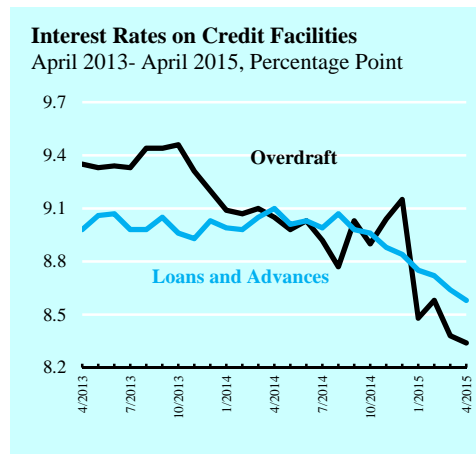
- **Saving Deposits:** The weighted average interest rate on saving deposits at the end of April 2015 decreased by 2 basis points compared to its level of the previous month to stand at 0.79 percent. By this rate it is remain unchanged compared to its level at the end of 2014.



- **Demand Deposits:** The weighted average interest rate on demand deposits at the end of April 2015 increased by 3 basis points than its level registered in the previous month to stand at 0.45 percent. This rate is higher by 2 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 April 2015 decreased by 4 basis points compared to its level of the previous month to stand at 8.34 percent. This rate is lower by 81 basis points compared to 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 April 2015, increased by 8 basis points compared with its level recorded in the previous month to reach 9.83 percent. This rate is lower by 12 basis points compared to its level at the end of 2014.

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

	April		Change Relative to the Preceding Year Basis Points
	2014	2015	
Deposits			
0.43 Demand	0.52	0.45	2
0.79 Saving	0.92	0.79	0
4.11 Time	4.73	3.73	-38
Credit Facilities			
9.95 Discounted Bills and Bonds	9.53	9.83	-12
8.84 Loans and Advances	9.10	8.58	-26
9.15 Overdraft	9.05	8.34	-81
8.72 Prime Lending Rate	8.76	8.49	-23

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- Loans and Advances: The weighted average interest rate on “loans and advances” decreased by 6 basis points at the end of April 2015, compared to its level of the previous month to stand at 8.58 percent. This rate is lower by 26 basis points than its level at the end of 2014.
- The Prime lending rate stood at 8.49 percent at the end of April 2015, which is lower by 23 basis points than its level at the end of 2014.
- As a result, the interest rate margin, which is the difference between interest rates on loans and advances and those on time deposits, reached 485 basis points, at the end of April 2015, which is higher by 12 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 622.3 million (3.2%) at the end of April 2015, compared to its level at the end of 2014, against a decrease in the amount of JD 130.1 million, or 0.7 percent during the same period in 2014.

- The classification of extended credit facilities, according to economic activity, at the end of the first quarter of 2015 demonstrates an increase in the public services and utilities sector by JD 600.0 million, or 27.6 percent, the "others" item which generally represents facilities extended to individuals by JD 353.3 million, or 7.9 percent, and the general trade sector by JD 116.6, or 3.2 percent. Meanwhile, the credit facilities extended to the "industry" and "construction" sectors decreased by JD 389.4 million, or 15.4 percent, and JD 40.4 million, or 0.9 percent, respectively, compared to their levels at the end of 2014.
- The classification of extended credit facilities, according to the borrower, at the end of the first quarter of 2015 shows an increase in credit facilities extended to the central government by JD 696.5 million, or 61.5 percent, the private sector (non-resident) by JD 31.1 million, or 6.5 percent, and the financial institutions by JD 1.8 million or 27.3 percent. Meanwhile, the credit facilities extended to the private sector (resident) and public institutions declined by JD 105.8 million, or 0.6 percent, and JD 1.3 million, or 0.4 percent, respectively.

□ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 31,493.9 million at the end of the first quarter of 2015, increasing by JD 1,232.9 million, or 4.1 percent, compared to its level at the end of 2014, against an increase of JD 1,141.9 million, or 4.1 percent, at the same period in 2014.
- The increase in total deposits at licensed banks at the end of the first quarter 2015 was a result of the increase in the deposits of the private sector (resident) by JD 715.4 million, or 3.0 percent, the public sector (central government plus public institutions) by JD

353.7 million, or 14.3 percent, the private sector (non-resident) by JD 119.5 million, or 3.5 percent, and the non-banking financial institutions by JD 44.3 million, or 12.3 percent, compared to their levels at the end of 2014.

- The developments in the currency structure of deposits at the end of the first quarter of 2015 reveal that JD deposits increased by JD 1,161.6 million, or 4.8 percent, while “deposits in the foreign currency” increased by JD 71.3 million, or 1.1 percent, compared to their levels at the end of 2014.

□ Amman Stock Exchange (ASE)

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

■ Trading Volume

Trading volume at the ASE totaled JD 203.4 million in April 2015; down by JD 20.4 million, or 9.1 percent, compared to its level of the previous month, against a decrease of JD 15.5 million, or 7.1 percent, during the same month in 2014. As for the first quarter in 2015, the trading volume decreased by JD 117.4 million, or 12.1 percent compared to the same period in 2014 to reach JD 850.6 million.

■ Traded Shares

The number of traded shares in April 2015 totaled 194.0 million shares; down by 15.7 million shares, or 7.5 percent, compared to its level of the previous month, against a decrease amounting to 54.8 million shares, or 22 percent, during the same month in 2014. As for the first quarter months in 2015, the number of traded shares amounted to 856.6 million shares compared to 997.2 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 19.9 points, or 0.9 percent, at the end of April 2015 compared to its level at the end of the previous month, to stand at 2,115.5 points, against a

decrease in the amount of 24.7 points, or 1.1 percent, during the same month in 2014. Furthermore, in the first quarter in 2015 the SPI decreased by 50 points, or 2.3 percent compared to its level at the end of 2014, against a rise in the amount of 58.4 points, or 2.8 percent during the same period in 2014. The aforementioned decrease was an outcome of the decrease in the SPI for the financial sector by 75.2 points, or 2.6 percent, the industrial sector by 33.4 point, or 1.8 percent, and the services sector by 24.9 points, or 1.4 percent.

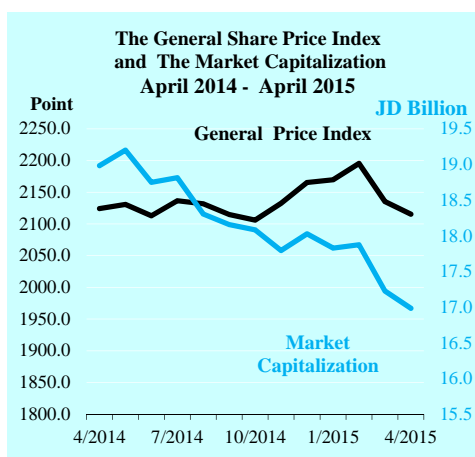
■ Market Capitalization

The ASE's market capitalization totaled JD 17.0 billion at the end of April 2015; down by JD 241.7 million, or 1.4 percent, compared to its level at the end of the previous month, against an increase of JD 45.6 million or 0.2 percent,

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

2014		April	
		2014	2015
2,165.5	General Index	2,124.2	2,115.5
2,920.9	Financial Sector	2,944.3	2,845.7
1,852.0	Industrial Sector	1,904.6	1,818.6
1,794.8	Services Sector	1,561.8	1,769.9

Source: Amman Stock Exchange.



during the same month in 2014. As for the first quarter in 2015, the market capitalization decreased by JD 1.1 billion, or 6.1 percent, compared to an increase of JD 0.8 billion or 4.1 percent during the same period in 2014.

■ Non - Jordanian Net Investment

Non-Jordanian net investment at the ASE recorded an outflow amounting to JD 4.4 million in April 2015, compared to an inflow of JD 2.6 million during the same month in 2014; the value of shares acquired by non-Jordanian in April 2015 amounted to JD 42.3 million, while the value of shares sold by the same group amounted to JD 46.7 million. As for the first quarter in 2015, non-

Main Amman Stock Exchange Trading Indicators, JD Million			
		April	
2014		2014	2015
2,263.4	Value Traded	204.3	203.4
9.1	Average Daily Trading	9.3	9.7
18,082.6	Market Capitalization	18,983.5	16,985.1
2,321.8	No. of Traded Shares (million)	194	194
-22.1	Net Investment of Non-Jordanian	-2.6	-4.4
362.7	Non-Jordanian Buying	25.4	42.3
384.8	Non-Jordanian Selling	28.0	46.7

Source: Amman Stock Exchange.

Jordanian net investment recorded an inflow amounted to JD 8.2 million compared to an outflow of JD 19.1 million, during the same period in 2014.

Second: Output, Prices and Employment

□ Summary

- Gross Domestic Product (GDP) at constant market prices, grew by 3.3 percent, during the fourth quarter of 2014, compared to 2.9 percent during the same quarter of 2013. Moreover, GDP at current market prices, grew by 7.2 percent during the fourth quarter of 2014, compared to 7.4 percent during the same quarter of 2013.
- Accordingly, GDP at constant market prices, grew by 3.1 percent, during 2014, compared to 2.8 percent during 2013. Moreover, GDP at current market prices, grew by 6.6 percent during 2014, compared to 8.6 percent during 2013.
- The Consumer Price Index (CPI) contracted by 1.0 percent in the first four months of 2015, against an increase of 3.3 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

Despite the reflection of the repercussions of the Arab Spring and the unrest in the region, that still have their effects on the Jordanian economy, and in various sectors, real GDP grew by 3.1 percent during 2014, compared to 2.8 percent during 2013. When excluding “net taxes on products”, which grew by 2.4 percent, GDP at constant basic prices grew by 3.2 percent during 2014, compared to 2.8 percent during 2013.

**Quarterly Growth Rates of GDP at Market Prices
2013 - 2014**

	Q 1	Q2	Q3	Q4	Percentages Year
2013					
GDP at Constant Market Prices	2.6	3.1	2.8	2.9	2.8
GDP at Current Market Prices	9.5	9.7	8.0	7.4	8.6
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

Source: Department of Statistics.

At current market prices, GDP grew by 6.6 percent during 2014, compared to 8.6 percent during 2013. 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 3.4 percent, compared to 5.6 percent during 2013, as a reflection of the fading impact of the government's decision of liberalizing the prices of petroleum products on the national economy, and the decline in oil prices in the international market during the last quarter of 2014. In addition to the contraction in the producer price index of both the "mining and quarrying" and manufacturing.

The main sectors contributed to the economic growth during 2014 are "finance, insurance, real estate and business services" (0.5 percentage point), "wholesale and retail trade" (0.3 percentage point), construction (0.3 percentage point), "mining and quarrying" (0.3 percentage point), manufacturing (0.3 percentage point), and agriculture (0.2 percentage point). These sectors collectively accounted for 61.3 percent of real GDP growth during the above-mentioned period.

The developments of economic sectors during 2014 showed that all sectors witnessed positive real growth at divergent rates; where some sectors witnessed accelerated improvements in their performance; mainly “wholesale and retail trade, restaurants and hotels” which grew by 3.7 percent, “mining and quarrying” (27.6 percent), “electricity and water” (3.3 percent), agriculture (7.6 percent) and “producers of private non-profit services to households” (7.0 percent). While other sectors exhibited slowdown in their performances.

Microeconomic Indicators

- Manufacturing production quantity index grew by 2.4 percent, compared to a decrease of 1.8 percent

Quarterly Growth Rates of GDP at Market Prices (2012- 2014), %



Growth Rate of GDP at Market Prices, Percentages

	2013	2014
Agriculture,Hunting,Forestry, And Fishing	-3.5	7.6
Mining And Quarrying	-10.9	27.6
Manufacturing	1.9	1.5
Electricity And Water	0.8	3.3
Construction	8.7	6.8
Wholesale & Retail Trade, Restuarants& Hotels	3.2	3.7
Transport,Storage & Communications	4.0	1.6
Finance,Insurance,Real Estate And Business Services	4.0	2.5
Community,Social And Personal Services	5.7	4.7
Producers Of Government Services	2.4	2.3
Producers Of Private Non-Profit Services To Households	6.3	7.0
Domestic Services Of Households	0.1	0.1
Gross Domestic Product At Market Prices	2.8	3.1

Source: Department of Statistics.

during the first four months of 2014. This came as a result of a growth in production of some of its components, mainly; “refined petroleum products” (41.6 percent), and “food products and beverages” (6.1 percent), on one hand, and a decline of some items, mainly; “cement, lime and plaster” (23.5 percent) and “Chemical Products” (9.5 percent), on the other.

- “Mining and quarrying” production quantity index grew by 9.4 percent, against an increase of 10.9 percent during the first four months of 2014. This growth was mainly attributed to the increase of production quantity index of phosphate by 12.7 percent and potash by 7.3 percent; owing to an increase in the demand of these materials in the wake of the conclusion of new agreements with some major importing countries; especially China and India.
- Quantities of exported and imported goods shipped through Aqaba port grew by 4.0 percent during the first four months of 2015, compared to an increase of 8.4 percent during the same period of 2014.
- Number of passengers through Royal Jordanian declined by 13.7 percent during the first four months of 2015, against a slight growth of 0.4 percent during the same period of 2014.
- Cargo through Royal Jordanian contracted by 4.4 percent during the first four period of 2015, compared to a decrease of 5.2 percent during the same period of 2014.
- Licensed areas for buildings declined by 26.9 percent during the first quarter of 2015, compared to a growth of 27.7 percent during the same period of 2014.
- Number of departures decrease of 10.7 percent during the first four months of 2015, against a growth of 1.9 percent during the same period of 2014.

Main Sectoral Indicators*

Percentage Points

2014	Item	2014	A vailable data	2015
7.2	Licensed areas for buildings	27.7	January - March	-26.9
-0.2	Manufacturing production quantity index	-1.8	January-April	2.4
-1.5	Food products and beverages	-5.4		6.1
5.3	Tobacco products	12.1		-5.4
-2.9	Refined petroleum products	-6.8		41.6
10.2	Cement, lime and plaster	16.5		-23.5
0.6	Iron and steel	0.3		-7.0
-6.5	Chemical products	2.2		-9.5
28.3	“Mining and quarrying” production quantity index	10.9		9.4
38.6	Phosphate	14.1		12.7
20.3	Potash	9.6		7.3
16.7	Quantities of exported and imported goods shipped through Aqaba port	8.4		4.0
-0.5	Number of departures	1.9		-10.7
-2.8	Number of passengers through Royal Jordanian	0.4		-13.7
-1.7	Cargo through Royal Jordanian	-5.2		-4.4

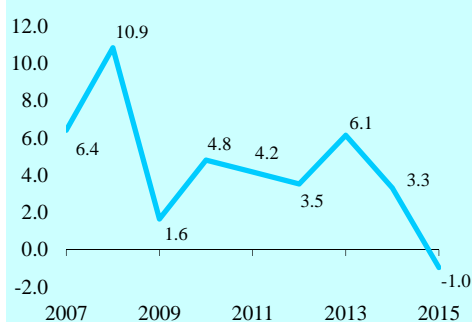
* : Sources:
- Department of Statistics.
- Monthly Statistical Bulletin / Central Bank of Jordan.
- Royal Jordanian.

Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI), contracted by 1.0 percent during the first four months of 2015, against an increase of 3.3 percent during the same period of 2014. This came as a result of the fall in the prices of oil and related goods and services in the global markets and its impact on domestic prices, compared with the same period of 2014. The main groups and items that witnessed decline in their prices are; transportation (15.7 percent), “fuels and lighting” (11.7 percent), and “vegetables and legumes dry and canned” (7.9 percent). They collectively contributed in reducing the overall inflation rate by 3.3 percentage points, compared to a

Annual Bases Inflation Rate

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



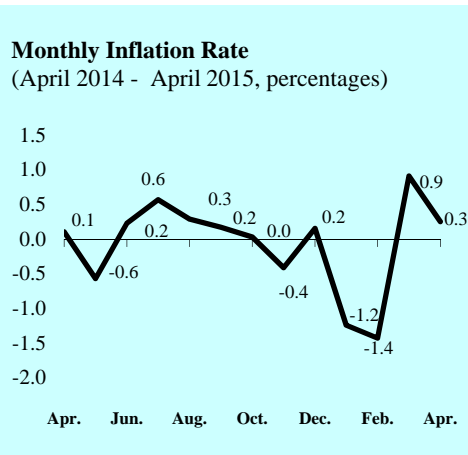
Inflation Rate during the first four months of years 2014 - 2015

Expenditure Groups	Relative Imp.	Relative change		Contribution	
		January-April		2014	2015
All Items	100	3.3	-1.0	3.3	-1.0
1) Food and non-Alcoholic Beverages, of which:	33.4	1.7	0.3	0.6	0.1
Meat and Poultry	8.2	-0.3	-0.3	0.0	0.0
Dairy Products and Eggs	4.2	2.6	-0.3	0.1	0.0
Vegetables and Legumes Dry and Canned	3.9	7.8	-7.9	0.3	-0.3
Fruits and Nuts	2.7	4.5	9.5	0.1	0.3
Non-alcoholic beverages	2.9	1.6	0.2	0.0	0.0
2) Alcohol and Tobacco and Cigarettes	4.4	12.8	5.2	0.5	0.2
3) Clothing and footwear	3.5	7.5	6.8	0.3	0.2
4) housing, of which:	21.9	5.2	1.5	1.1	0.3
Rents	15.6	7.5	5.8	1.1	0.9
Fuels and Lighting	4.8	0.0	-11.7	0.0	-6.0
5) Household Furnishings and Equipment	4.2	1.9	2.5	0.1	0.1
6) health	2.2	4.5	4.5	0.1	0.1
7) Transportation	13.6	2.8	-15.7	0.4	-2.4
8) Communication	3.5	-0.2	0.2	0.0	0.0
9) Culture and Recreation	2.3	1.9	2.6	0.0	0.1
10) Education	5.4	4.0	3.7	0.2	0.2
11) Restaurants and Hotels	1.8	2.5	2.0	0.0	0.0
12) Other Goods and Services	3.7	0.0	1.7	0.0	0.1

Source: Department of Statistics.

positive contribution amounted to 0.7 percentage point during the first four months of 2014. In contrast, prices of other items showed varied increases; mainly “Fruits and Nuts” (9.5 percent) and “Oils and Fats” (3.3 percent); influenced by supply and demand factors in the domestic market.

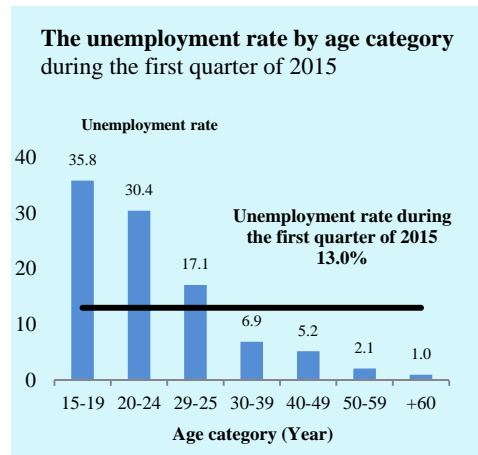
In April 2015, the CPI grew by 0.3 percent compared with March 2015. This was due to the increase in prices of many groups and items; mainly transportation group; due to the government's decision of increasing the prices of petroleum products for April ranged between 0.5 percent and 3.3 percent compared with the prices in March 2015. In addition, an increase prices of “clothing and footwear” group and “Fruits and Nuts” item.



□ 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 elevated 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), compared to 35.9 percent (58.9 percent for males and 12.4 percent for females) 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 surplus in the amount of JD 78.8 million during the first quarter of 2015, comparing to a fiscal deficit in the amount of JD 291.9 million, during the same period in 2014. When excluding foreign grants (JD 204.6 million), the general budget deficit reaches JD 125.8 million compared to a deficit in the amount of JD 494.5 million during the same period in 2014.
- Net outstanding domestic public debt increased by JD 358.0 million at the end of March 2015 compared to its level at the end of 2014, to reach JD 12,883.0 million (47.5 percent of GDP).
- Outstanding external public debt (budgetary and guaranteed) decreased by JD 67.0 million at the end of March 2015, compared to its level at the end of 2014, to stand at JD 7,963.1 million (29.3 percent of GDP).
- As a result, net outstanding public debt (domestic and external) reached JD 20,846.1 million (76.8 percent of GDP) at the end of March 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 quarter of 2015 compared to the same period in the preceding year:

■ Public Revenues

Public revenues (including foreign grants) increased by JD 193.2 million, or 39.3 percent, in March 2015 comparing to the same month of 2014 to reach JD 684.6 million. As for the first quarter of 2015, these revenues were up by JD 216.0 million, or 14.9 percent, compared to the same period in 2014 to stand at JD 1,668.8 million. This rise came as a result of the increase in domestic revenues by JD 214.0 million, as well as foreign grants by JD 2.0 million.

Main Government Budget Indicators during the first quarter of 2015:

(JD Million and Percentages)

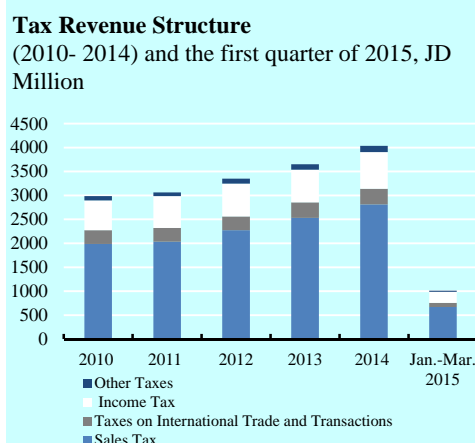
	Mar.		Growth Rate	Jan. – Mar.		Growth Rate
	2014	2015		2014	2015	
Total Revenues and Grants	491.4	684.6	39.3	1,452.8	1,668.8	14.9
Domestic Revenues, of which:	462.9	591.4	27.8	1,250.2	1,464.2	17.1
Tax Revenues, of which:	333.6	379.1	13.6	937.3	1,011.7	7.9
General Sales Tax	245.0	248.0	1.2	636.7	669.5	5.2
Other Revenues	127.3	210.7	65.5	307.9	448.3	45.6
Foreign Grants	28.5	93.2	-	202.6	204.6	1.0
Total Expenditures, of which:	754.1	528.6	-29.9	1,744.7	1,590.0	-8.9
Capital Expenditures	105.8	25.0	-76.4	168.8	83.1	-50.8
Overall Deficit/ Surplus	-262.7	156.0	-	-291.9	78.8	-

Source: Ministry of Finance/ General Government Finance Bulletin.

◆ Domestic Revenues

Domestic revenues increased by JD 214.0 million, or 17.1 percent, during the first quarter of 2015 compared to the same period in 2014, to reach JD 1,464.2 million. This increase was an outcome of the rise in the proceeds of “tax revenues” and “other revenues” by

JD 74.4 million, and JD 140.4 million, respectively, and the drop in “pension contributions” by JD 0.8 million.



- **Tax Revenues**

Tax revenues increased by JD 74.4 million, or 7.9 percent, during the first quarter of 2015 compared to the same period in 2014, to reach JD 1,011.7 million (69.1 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 32.8 million, or 5.2 percent, which reached JD 669.5 million (accounting for 66.2 percent of total tax revenues). This result was driven by the increase in the proceeds of “sales tax on domestic goods”, “sales tax on commercial sector” and “sales tax on services” by JD 23.3 million, JD 10.9 million and JD 3.4 million, respectively. However, the proceeds of “sales tax on imported goods” has decreased by JD 4.8 million.
- An increase in the proceeds of “income and profit taxes” by JD 44.5 million, or 24.0 percent, which reached JD 229.7 million (accounting for 22.7 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 25.0 million, and the rise in the proceeds of “income tax from individuals” by JD 19.5 million. Accordingly, income tax from companies accounted for 75.4 percent of total taxes on income and profits to reach JD 173.3 million.

- A decrease in the proceeds of “taxes on international trade and transactions” (including customs duties and fees) by JD 3.2 million or 3.8 percent, to reach JD 86.9 million (accounting for 8.6 percent of total tax revenues).
- A decrease in real-estates tax (taxes on financial transactions) by JD 6.1 million, or 19.2 percent, to reach JD 25.6 million (accounting for 2.5 percent of total tax revenues).

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

“Other revenues” increased by JD 140.4 million, or 45.6 percent, during the first quarter of 2015 to reach JD 448.3 million. This increase was chiefly due to:

- An increase in property income by JD 95.1 million to stand at JD 137.8 million (of which financial surplus of independent government units amounted to JD 119.8 million, including the transfers received from the Telecommunication Regulatory Commission in the amount of JD 71 million, representing the Fourth Generation (4G) services license fees obtained by Orange Mobile Company).
- A rise in miscellaneous revenues by JD 53.5 million to stand at JD 108.9 million.
- A decrease in “revenues from selling goods and services” by JD 8.2 million to reach JD 201.6 million.

- **Pension Contributions**

Pension contributions were down by JD 0.8 million during the first quarter of 2015, standing at JD 4.2 million.

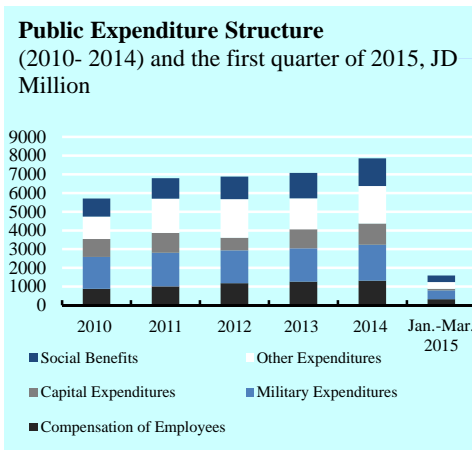
- ◆ **Foreign Grants**

Foreign grants increased by JD 2.0 million during the first quarter of 2015, standing at JD 204.6 million.

Public Expenditures

Public expenditures witnessed a decrease by JD 225.5 million, or 29.9 percent, in March 2015 compared to the same month in 2014 to stand at JD 528.6 million. Moreover, public expenditures declined by JD 154.7 million, or 8.9 percent during the first quarter of 2015, to stand at JD 1,590.0 million. This decline was a

result of the drop in current expenditures by JD 69.0 million, and the decrease in capital expenditures by JD 85.7 million.



Current Expenditures

Current expenditures decreased by JD 69.0 million, or 4.4 percent, during the first quarter of 2015, to reach JD 1,506.9 million. This result was driven by the decline in most current expenditures items. More specifically:

- A decrease in social benefit expenditures by JD 21.4 million to stand at JD 346.2 million, accounting for 23.0 percent of total current expenditures.
- A decrease in “purchases of goods and services” by JD 13.5 million to stand at JD 52.6 million, accounting for 3.5 percent of total current expenditures.
- A decrease in goods subsidies by JD 17.3 million to stand at JD 34.2 million, accounting for 2.3 percent of total current expenditures. It is worth mentioning that this item includes only food subsidies starting from 2013.

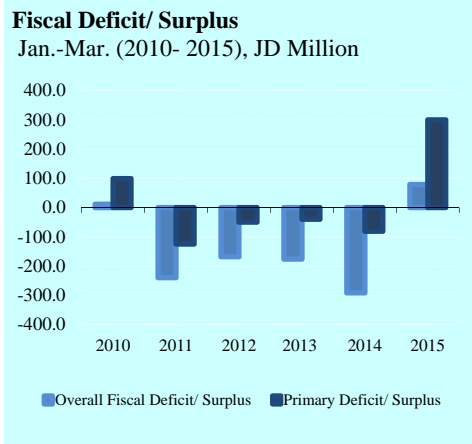
- An increase in military expenditures by JD 0.8 million to total JD 472.3 million, accounting for 31.3 percent of total current expenditures.
- A rise in the “compensation of civil sector's employees” (wages, salaries and social security contributions) by JD 1.5 million to reach JD 326.8 million, accounting for 21.1 percent of total current expenditures.
- An increase in interest payments, on internal and external public debt, by JD 10.2 million to stand at JD 221.2 million, accounting for 14.7 percent of total current expenditures.

◆ Capital Expenditures

Capital expenditures decreased by JD 85.7 million, or 50.8 percent during the first quarter of 2015 compared to the same period in 2014, to reach JD 83.1 million.

■ General Budget Deficit/ Surplus

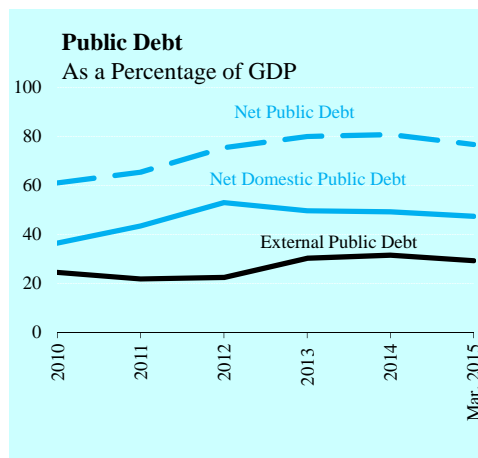
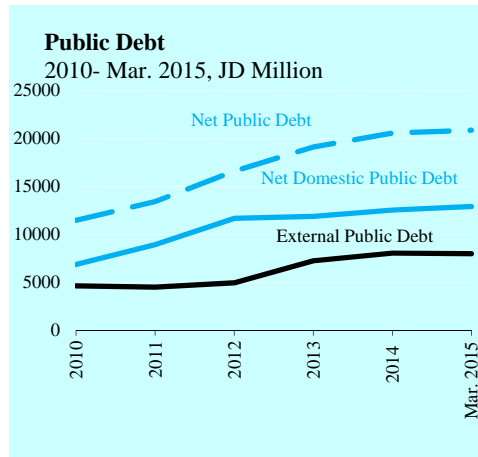
- ◆ The general budget, including grants, displayed a fiscal surplus amounted to JD 78.8 million during the first quarter of 2015, against a fiscal deficit in the amount of JD 291.9 million during the same period in 2014.



- ◆ The general budget showed a primary surplus (after excluding interest payments on public debt from total expenditures) amounted to JD 300.0 million during the first quarter of 2015, against a primary deficit of JD 80.9 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) increased by JD 358.0 million at the end of March 2015 comparing to its level at the end of 2014 to total JD 12,883.0 million, or 47.5 percent of GDP. This result was an outcome of the rise in gross outstanding domestic public debt by JD 497.0 million to reach JD 15,118.0 million, and the increase in the government deposits at the banking system by JD 139.0 million to reach JD 2,235.0 million. In details, “Treasury bills and bonds” maintained their level at the end of March 2015, compared to their level at the end of 2014 standing at JD 12,471.0 million, while the outstanding balance of “loans and advances” extended by CBJ to the budgetary central government declined by JD 40.0 million. Furthermore, own-budget agencies bonds maintained their level at the end of March 2015 standing at JD 609.0 million. While loans and advances extended to these agencies increased by JD 538.0 million to stand at JD 1,477.0 million.



- Outstanding balance of external public debt (budgetary and guaranteed) declined by JD 67.0 million at the end of March 2015 compared to its level at the end of 2014, amounting to JD 7,963.1 million (29.3 percent of GDP). The currency debt structure shows that external debt in US dollars accounted for 59.2 percent, while debt in Euros accounted for 6.2 percent. Furthermore, external debt in Japanese Yen and Kuwaiti Dinars accounted for 7.3 percent and 10.3 percent of the outstanding external public debt, respectively, while external debt in SDRs accounted for 13.6 percent.
- Net public debt (domestic and external) increased by JD 291.0 million at the end of March 2015 compared to its level at the end of 2014 to stand at JD 20,846.1 million, (76.8 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 91.9 million during the first quarter of 2015 (of which interest payments amounting to JD 41.8 million) compared to JD 112.2 million (of which interest payments amounting to JD 40.3 million) during the same period in 2014.

□ Fiscal and Price Measures

- Raising the prices of all types of oil derivatives, while maintaining the price of liquid gas cylinder, as follows:

Development of Oil Derivatives Price

	Unit	2015		Percentage Change
		April	May	
Unleaded Gasoline 90	Fils/Liter	610	625	2.5
Unleaded Gasoline 95	Fils/Liter	775	795	2.6
Gas Oil (Diesel)	Fils/Liter	455	470	3.3
Kerosene	Fils/Liter	455	470	3.3
Liquid Gas (12.5kg)	JD/Unit	8.00	8.00	0.0
Fuel oil for industry	JD/Ton	310.3	312.6	0.7
Fuel for airplanes (local companies)	Fils/Liter	406	408	0.5
Fuel for airplanes (foreign companies)	Fils/Liter	411	413	0.5
Fuel for unplanned flights	Fils/Liter	426	428	0.5
Asphalt	JD/Ton	331.8	337.2	1.6

Source: Jordan Petroleum Refinery Company (1/5/2015).

- The cabinet approved the by-law and conditions exempting renewable energy sources and equipment, as well as rationalization of energy consumption systems and its production inputs from customs duties, and subjecting them to zero rate general sales tax, to be effective starting from 10th November 2014 (March 2015).

- the cabinet decided to approve amending electricity tariffs, pursuant to the provisions of Article (18/ electricity prices) of the concession agreement granted to the Jordanian Electric Power company (JEPCO), to become as follows (March 2015):
 - Raising electricity tariffs by rates ranging from 0% - 7.5% starting from 16th February 2015 and until 31th December 2015.
 - Raising electricity tariffs by rates ranging from 0% - 15% starting from the beginning of each following year 2016 and 2017.
- 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 (April 2015).

□ Grants, Loans and Other Agreements

- Signing three additional grant agreements between the Jordanian government and the Japanese government, in the total amount of Japanese Yen 2.1 billion (equivalent to US\$ 17.5 million). These grants are allocated as follows (March 2015):
 - A grant in the amount of Japanese Yen 1.0 billion (equivalent to US\$ 8.4 million) extended for the provision of medical equipment for the ministry of health, under the framework of Japan's non-project grant aid (NPGA).
 - A grant in the amount of Japanese Yen 1.0 billion (equivalent to US\$ 8.4 million) extended for the provision of medical equipment for the ministry of health and Prince

Hamzah Hospital, under the framework of Japan's new program for economic and social development assistance.

- A grant in the amount of Japanese Yen 97.6 million (equivalent to US\$ 820 thousand) extended by the Japanese international cooperation agency (JICA) to cover the Construction expenses of the Petra Museum, under the Cultural Grant Aid program.
- Signing a soft loan agreement between the Jordanian government and the Arab Fund for Economic and Social Development (AFESD), in the amount of US\$ 100 million in order to finance a program to support small and medium size projects (April 2015).
- Signing a soft loan agreement between the Jordanian government and the world Bank in the amount of US\$ 50 million, in order to support the comprehensive program for small and medium size projects development (April 2015).
- Signing a grant agreement with the German government in the amount of EUR 10 million (equivalent to JD 9.5 million) to improve water supply for Syrian refugees and host communities in the northern region (April 2015).
- 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.

Fourth: External Sector

□ Summary

- **Total merchandize exports** (domestic exports *plus* re-exports) decreased by 6.4 percent in March 2015 compared to the same month of 2014, to record JD 494.8 million. As for the first quarter of 2015, total merchandize exports decreased by 10.7 percent to reach JD 1,300.2 million.
- **Merchandize imports** increased by 0.4 percent in March 2015 compared to the same month of 2014, to reach JD 1,289.1 million. As for the first quarter of 2015, total merchandize imports decreased by 10.1 percent to reach JD 3,400.6 million.
- **Consequently**, the trade balance deficit (total exports minus imports) increased by 5.1 percent in March 2015 compared to the same month in 2014; standing at JD 794.3 million. As for the first quarter of 2015, the trade balance deficit declined by 9.8 percent to reach JD 2,100.4 million.
- **Travel receipts** decreased in April 2015 compared to April 2014 by 21.5 percent, to reach JD 237.9 million, and travel payments decreased by 7.4 percent compared to the same month of 2014 to reach JD 67.9 million. As for the first four months of 2015; travel receipts decreased by 14.8 percent to record JD 879.9 million, on the other hand, travel payments decreased slightly by 0.5 percent to reach JD 274.2 million.
- **Total workers' remittances receipts** increased by 3.8 percent in April 2015 compared to April 2014 to reach JD 229.6 million. As for the first four months of 2015; total workers, remittances receipts increased by 3.4 percent to reach JD 859.8 million.
- **The current account of the balance of payments** registered a deficit of JD 1,730.4 million (6.8 percent of GDP) during 2014 compared to a deficit of JD 2,458.0 million (10.6 percent of GDP) during 2013.
- **Net direct investment** recorded an inflow of JD 1,190.7 million during the 2014, down from JD 1,229.6 million of 2013.

- **International Investment Position (IIP)** displayed a net obligation to abroad of JD 23,063.9 million at the end of 2014; an increase of JD 1,872.9 million compared to its level at the end of 2013.

□ External Trade

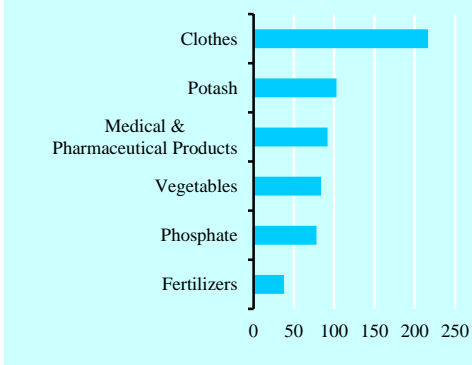
- As a result of the decrease in domestic exports and imports by JD 167.7 million and JD 383.2 million, respectively, during the first quarter of 2015 compared to the same period in 2014, the volume of external trade (domestic exports *plus* imports) decreased by JD 550.9 million to stand at JD 4,494.4 million.

Jordan's Major Trading Partners JD Million				Main External Trade Indicators JD Million			
January - March				January - March			
	2014	2015	Percentage Change		2014	2015	Percentage Change
					2014/2013	2015/2014	
Exports				External Trade	5,045.3	4,494.4	-10.9
USA	206.4	220.1	6.6	Total Exports	1,456.3	1,300.4	-10.7
Iraq	223.7	169.0	-24.5	Domestic Exports	1,261.5	1,093.8	-13.3
Saudi Arabia	160.3	161.8	1.0	Re-exports	194.8	206.4	6.0
India	110.3	105.6	-4.3	Imports	3,783.8	3,400.6	-10.1
UAE	33.8	44.8	32.6	Trade Balance	-2,327.5	-2,100.4	-9.8
Syria	58.1	44.3	-23.8	Source: Department of Statistics.			
Lebanon	26.2	24.1	-8.0				
Imports							
Saudi Arabia	645.1	650.3	0.8				
China	404.9	465.3	14.9				
USA	227.3	208.5	-8.3				
Germany	170.8	169.0	-1.0				
India	334.4	140.5	-58.0				
Italy	109.9	112.2	2.1				
UAE	177.3	109.2	-38.4				
South Korea	98.9	102.5	3.6				
Source: Department of Statistics.							

■ Merchandize Exports:

Total merchandize exports decreased by 10.7 percent during the first quarter of 2015, compared to an increase of 8.5 percent during the same

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



period in 2014, to record JD 1,300.2 million. This decrease resulted from a decline in domestic exports by JD 167.7 million, or 13.3 percent, to reach JD 1,093.8 million, and an increase in re-exports by 6.0 percent, to reach JD 206.4 million.

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

- Exports of **vegetables** decreased by JD 25.4 million, or 23.3 percent, to total JD 83.6 million. The Syrian, Iraqi, and the UAE markets were the main destinations of these exports, accounting for 54.9 percent.

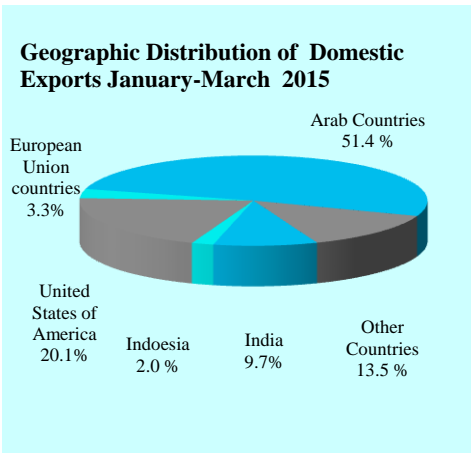
- Exports of **Fertilizers** decreased by JD 50.8 million, or 57.3 percent, to reach JD 37.8 million. The Indian, Iraqi and Bulgarian markets accounted for 71.7 percent of these exports.
- Exports of **phosphates** decreased by JD 8.0 million, or 9.3 percent, to register JD 78.0 million. This decrease was mainly due to a decrease in exported quantities by 19.7 percent and an increase in the prices of phosphate by 12.9 percent. It is worth noting that the Indian market was the main destination for these exports, accounting for 73.1 percent of phosphate exports.

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

	2014	2015	Percentage Change
Domestic Exports	1,261.5	1,093.8	-13.3
Clothes	198.1	216.6	9.3
USA	178.9	196.4	9.8
Potash	112.1	102.9	-8.2
India	29.6	26.5	-10.5
Malaysia	8.1	19.3	138.3
Egypt	35.6	16.0	-55.1
Medical & Pharmaceutical Products	108.5	91.8	-15.4
Saudi Arabia	31.6	29.1	-7.9
Iraq	9.5	10.4	9.5
Sudan	6.4	8.7	29.9
UAE	4.6	8.4	82.6
Vegetables	109.0	83.6	-23.3
Syria	37.5	26.9	-28.3
Iraq	23.5	11.9	-49.4
UAE	7.7	7.1	-7.8
Phosphate	86.0	78.0	-9.3
India	62.0	57.0	-8.1
Fertilizers	88.6	37.8	-57.3
India	8.5	16.7	96.5
Iraq	8.2	6.1	-25.6
Bulgaria	6.3	4.3	-31.7

Source: Department of Statistics.

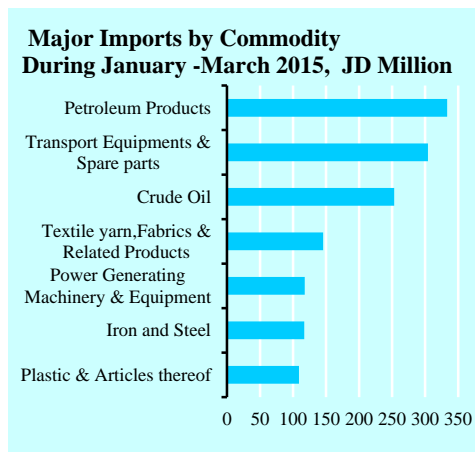
- Exports of **potash** decreased by JD 9.2 million, or 8.2 percent, to stand at JD 102.9 million. The Indian, Malaysian and Chinese markets accounted for 60.0 percent of these exports.



- Consequently, the commodity breakdown of domestic exports indicates that exports of clothes, potash, “medical and pharmaceutical products”, vegetables, phosphates, and fertilizers topped the list of domestic exports during the first quarter of 2015; accounting for 55.8 percent of domestic exports, up from 55.7 percent during the same period in 2014. Meanwhile, the geographical distribution of domestic exports indicates that the USA, Iraq, Saudi Arabia, India, the UAE, Syria and Lebanon were the main destination markets for domestic exports during the first quarter of 2015; accounting for 70.4 percent of domestic exports, up from 64.9 percent during the same period in 2014.

■ Merchandize Imports:

Merchandize imports decreased by 10.1 percent to reach JD 3,400.6 million during the first quarter of 2015, while it remained at the same level during the same period in 2014 to the reach JD 3,783.3 million.



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

- **Petroleum products** imports decreased by JD 271.8 million, or 44.9 percent, to total JD 333.4 million. The main source markets of these imports were Saudi Arabia, India and Belgium.
- **Crude oil** imports decreased by JD 50.0 million, or 16.5 percent, to reach JD 253.3 million. This decrease was mainly attributed to the decline in prices by 52.3 percent, while imported quantities increased by 74.9 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 20.9 million, or 7.4 percent, to reach JD 304.2 million. Japan, South Korea and the USA were the main markets for these imports; accounting for 56.6 percent.

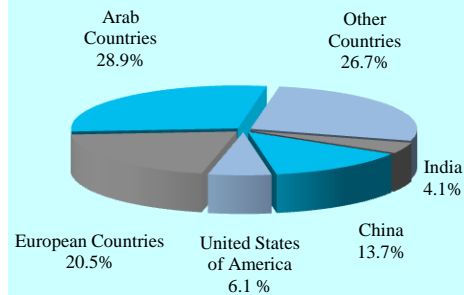
- Consequently, the commodity composition of imports indicates that petroleum products, “transport equipment's and spare parts”, crude

Major Imports by Commodity, JD Million During first two months 2014-2015			
	2014	2015	Percentage Change
Total Imports	3,783.8	3,400.6	-10.1
Petroleum Products	605.2	333.4	-44.9
Saudi Arabia	30.8	150.1	387.3
India	244.9	62.6	-74.4
Belgium	0.3	38.8	-
Transport Equipment's & Spare Parts	283.3	304.2	7.4
Japan	61.7	61.1	-1.0
South Korea	57.6	59.9	4.0
USA	63.1	51.2	-18.9
Crude oil	303.3	253.3	-16.5
Saudi Arabia	303.3	253.3	-16.5
Textile Yarn, Fabrics & Related Products	135.6	145.5	7.3
China	60.2	56.5	-6.1
Taiwan	30.1	46.2	53.5
Turkey	7.0	8.7	24.3
Power Generating Machinery & equipment	68.4	117.6	71.9
USA	13.9	38.2	174.8
Denmark	0.0	29.7	-
Germany	23.6	26.0	10.2
Iron & steel	132.1	117.1	-11.4
China	21.0	62.6	198.1
Russia	10.7	9.3	-13.1
Saudi Arabia	16.0	9.0	-43.8
Plastic & Articles thereof	122.5	109.1	-10.9
Saudi Arabia	61.3	54.9	-10.4
China	8.4	8.0	-4.8
UAE	8.0	7.9	-1.3

Source: Department of Statistics.

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

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



topped the list of imports during the first quarter 2015, accounting for 40.9 percent of total imports; down from 43.6 percent during the same period in 2014. Meanwhile, the geographical distribution of imports indicates that the markets of Saudi Arabia, China, the USA, Germany, India, Italy, UAE and South Korea were the main sources of imports during the first quarter 2015; accounting for 57.6 percent of total imports, compared to 57.3 percent during the same period in 2014.

■ Re-Exports

An increase of JD 11.6 million, or 6.0 percent, was registered in the value of re-exported goods during the first quarter of 2015 compared to the same period in 2014, to reach JD 206.4 million.

■ Trade Balance

The trade balance deficit during the first quarter of 2015 decreased by JD 227.1 million, or 9.8 percent, to register JD 2,100.4 million, compared to the same period in 2014.

□ Total Workers' Remittances Receipts

Total workers' remittances receipts increased by 3.8 percent in April 2015, compared to April 2014 to register JD 229.6 million. As for the first four months of 2015, total workers' remittances receipts increased by 3.4 percent to reach JD 859.8 million compared to the same period of 2014.

□ Travel

■ Receipts

Travel receipts decreased by JD 65.3 million, or 21.5 percent, in April 2015, compared to April 2014 to register JD 237.9 million. As for the first four months of 2015, travel receipts decreased by 14.8 percent to reach JD 879.9 million compared to the same period of 2014.

■ Payments

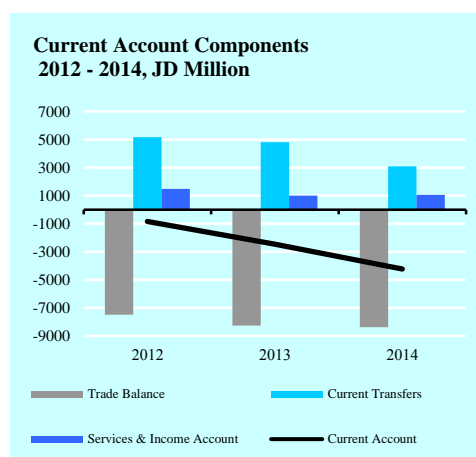
Travel payments decreased by JD 5.4 million, or 7.4 percent, in April 2015, compared to March 2014 to stand at JD 67.9 million. As for the first four months of 2015, travel payments decreased slightly by 0.5 percent to reach JD 274.2 million compared to the same period of 2014.

□ Balance of Payments

The preliminary data of the balance of payments for the **2014** compared to 2013, reveals the following developments:

- The current account recorded a deficit of JD 1,730.4 million (6.8 percent of GDP) compared to a deficit of JD 2,458.0 million (10.3 percent of GDP) during 2013. This was an outcome of the following developments:

- ◆ An increase in the trade balance deficit during 2014 by JD 106.1 million, 1.3 percent, to reach JD 8,376.2 million compared to JD 8,270.1 million during 2013.



- ◆ An increase in the surplus of the services account by JD 541.6 million to reach JD 1,780.8 million.
- ◆ Income account recorded a deficit of JD 295.9 million compared to a deficit of JD 240.4 million during 2013, as a result of a deficit of JD 519.5 million in investment income (net) and a surplus of JD 223.6 million in compensation of employees (net).
- ◆ An increase in the surplus of net current transfers by JD 347.6 million; to reach JD 5,160.9 million, as a result of the decrease in net transfers of public sector (foreign grants) by JD 278.6 million, to reach JD 1,341.4 million, and the increase of the transfers of other sectors by 626.2 million to reach JD 3,819.5 million. It's worth mentioning that the workers' remittances receipts increased by 2.6 percent, during 2014 to stand at JD 2,388.0 million.

- The capital and financial account in 2014 registered a net inflow of JD 1,157.3 million, compared to a net inflow of JD 1,688.0 million during 2013. This can be attributed to the following:
 - ◆ Direct investment recorded a net inflow of JD 1,190.7 million compared to a similar inflow of JD 1,229.6 million during 2013.
 - ◆ Portfolio investments recorded a net inflow of JD 784.5 million compared to an inflow of JD 1,268.4 million during 2013.
 - ◆ Other investments registered a net inflow of JD 857.1 million compared to an inflow of JD 2,901.8 million during 2013.
 - ◆ An increase in the reserve assets of CBJ by JD 1,678.1 million, compared to an increase of JD 3,713.5 million during 2013.

□ International Investment Position (IIP)

The IIP, which represents the Kingdom's net position (stock) of external assets and liabilities, displayed an obligation to abroad of JD 23,063.9 million at the end of 2014 compared to JD 21,191.0 million at the end of 2013. 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 867.0 million to reach JD 18,427.0 million at the end of 2014 compared to the end of 2013. This increase was a result of the rise in CBJ's reserves by 1,574.1 million, and the decrease in loans by banks to non-residents and banks' deposits abroad by JD 336.1 million and JD 239.4 million, respectively.
- An increase in the position of external liabilities (the stock of claims, obligations and financial assets) on all economic sectors residing in the Kingdom by JD 2,740.0 million at the end of 2014 compared to the end of 2013; standing at JD 41,491.0 million due to the following:
 - ◆ An increase in the stock of direct investment in Jordan by JD 1,419.5 million to stand at JD 20,400.7 million.
 - ◆ An increase in the stock of portfolio investments by JD 1,225.3 million to reach JD 5,920.7 million.
 - ◆ A decrease in the outstanding balance of loans on all economic sectors (resident) in the kingdom by JD 148.9 million to reach JD 3,195.2 million.
 - ◆ An increase in trade credits by JD 211.7 million, to stand at JD 917.6 million.
 - ◆ A decrease in the deposits of non-residents at the banking system by JD 138.8 million. (a decrease of JD 152.5 million at the CBJ, and an increase of JD 13.7 million at the licensed banks) to reach JD 8,089.4 million.