



Central Bank of Jordan

Recent Monetary & Economic Developments in Jordan

**Research Dept / Monthly Report
December, 2015**

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 three quarters of 2015, real GDP at market prices, grew by 2.3 percent, compared to 3.0 percent during the same period of 2014. The Consumer Price Index, contracted by 0.8 percent in the first eleven months of 2015, against an increase of 3.0 percent in the same period of 2014. Furthermore, the unemployment rate increased during the third quarter of 2015 to stand at 13.8 percent compared to 11.4 percent during the same quarter of 2014.

□ Monetary and Financial Sector

- The CBJ's foreign currency reserves at the end of November 2015 almost maintained the same level registered at the end of 2014, to stand at US \$ 14,077.3 million, compared to US\$ 14,078.8 million at the end of 2014. This level of reserves covers around 7.5 months of the kingdom's import of goods and services.
- Domestic liquidity grew by JD 2,126.2 million (7.3 percent) at the end of the first eleven months of 2015 compared to its level at the end of 2014, to stand at JD 31,366.6 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 1,773.5 million (9.2 percent) at the end of the first eleven months of 2015 compared to its level at the end of 2014, to stand at JD 21,048.0 million.
- Total deposits at licensed banks increased by JD 2,172.5 million (7.2 percent) at the end of the first eleven months of 2015, compared to its level at the end of 2014, totaling JD 32,433.5 million. This increase was a result of the increase in JD deposits by JD 1,959.6 million (8.2 percent) and the increase in foreign currency deposits by JD 212.9 million (3.4 percent).
- The Share Price Index (SPI) weighted by the market capitalization of free float shares at Amman Stock Exchange (ASE) reached 1,993.7 points at the end of November 2015, decreasing by 171.8 points, or 7.9 percent, compared to its level at the end of 2014.

- **Public Finance:** During the first ten months of 2015, the general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 835.6 million compared to a fiscal deficit in the amount of JD 696.0 million during the same period of 2014. Net outstanding domestic debt (budgetary and own-budget) increased by JD 489.0 million at the end of October 2015, compared to its level at the end of 2014, to stand at JD 13,014.0 million (48.0 percent of GDP). Outstanding external public debt increased by JD 1,541.6 million at the end of October 2015 compared to its level at the end of 2014 to reach JD 9,571.7 million, (35.3 percent of GDP). Accordingly, the net public debt (domestic and external) stood at 83.3 percent of GDP at the end of October 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 6.1 percent and 10.3 percent, to reach JD 4,650.6 million and JD 10,102.5 million, respectively, during the first ten months of 2015. As a result, the trade deficit decreased by 12.8 percent compared to its level in the first ten months of 2014 to reach JD 7,451.9 million. The preliminary data for the first eleven months of 2015 showed a decrease in travel receipts by 7.6 percent and an increase in travel payments by 1.1 percent; respectively. Moreover, total worker's remittances increased by 1.9 percent during the first eleven months of 2015. The balance of payments for the first three quarter of 2015 displayed a deficit in the current account amounting to JD 1,904.3 million, (9.7 percent of GDP) up from JD 1,392.0 million (7.5 percent of GDP) during the first three quarter of 2014. Moreover, net direct investment recorded an inflow of JD 608.9 million during the first three quarter of 2015 compared to a net inflow of JD 1,061.9 million during the same period of 2014. furthermore, the international investment position (IIP) registered a net obligation to abroad in the amount of JD 24,466.4 million at the end of September of 2015 compared to JD 22,848.7 million at the end of 2014.

First: Monetary and Financial Sector

□ Summary

- The CBJ's foreign currency reserves at the end of the first eleven months of 2015 almost maintained the same level registered at the end of 2014, to stand at US \$ 14,077.3 million, compared to US\$ 14,078.8 million at the end of 2014. This level of reserves covers around 7.5 months of the kingdom's imports of goods and services.
- Domestic liquidity increased by JD 2,126.2 million (7.3 percent) at the end of the first eleven months of 2015, compared to its level at the end of 2014, to total JD 31,366.6 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 1,773.5 million (9.2 percent) at the end of the first eleven months of 2015, compared to its level at the end of 2014 to reach JD 21,048.0 million.
- Total deposits at licensed banks increased by JD 2,172.5 million (7.2 percent) at the end of the first eleven months of 2015, compared to its level at the end of 2014, to reach JD 32,433.5 million.
- The interest rates on all credit facilities and deposits at licensed banks had decreased at the end of November 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 1,993.7 points at the end of November 2015, decreasing by 171.8 points (7.9 percent), compared to its level at the end of 2014. Moreover, the market capitalization decreased by JD 1,202.7 million (6.7 percent), compared to its registered level in 2014, to stand at JD 16,879.9 million.

Main Monetary Indicators

JD Million, and Percentage Change Relative to the Previous Year

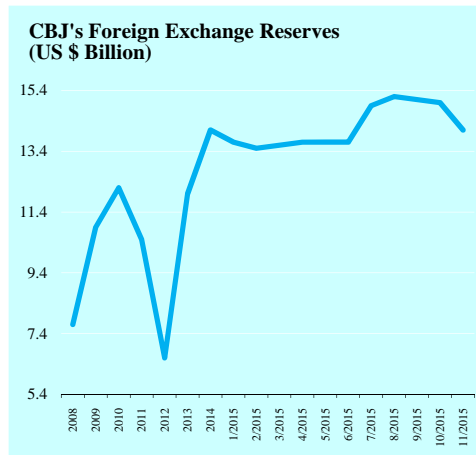
		End of November	
2014		2014	2015
US\$ 14,078.8	CBI's Foreign Currency Reserves*	US\$ 14,151.8	US\$ 14,077.3
17.3%		17.9%	0.0%
29,240.4	Money Supply (M2)	29,215.9	31,366.6
6.9%		6.8%	7.3%
19,274.5	Credit Facilities, of which:	19,491.0	21,048.0
1.8%		2.9%	9.2%
17,304.1	Private Sector (Resident)	17,572.0	17,994.2
4.4%		6.1%	4.0%
30,261.0	Total Deposits, of which:	30,233.9	32,433.5
9.7%		9.6%	7.2%
24,013.1	In JD	23,880.0	25,972.7
14.3%		13.7%	8.2%
6,247.9	In Foreign Currencies	6,353.9	6,460.8
-5.2%		-3.6%	3.4%
23,976.9	Deposits of Private Sector (Resident), of which:	24,036.7	25,607.3
8.0%		8.3%	6.8%
19,574.9	In JD	19,552.8	21,049.1
10.9%		10.8%	7.5%
4,402.0	In Foreign Currencies	4,483.9	4,558.2
-3.2%		-1.4%	3.5%

* 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 at the end of November 2015 almost maintained the same level registered at the end of 2014, to stand at US\$ 14,077.3 million, compared to US\$ 14,078.8 million at the end of 2014. This level of reserves covers around 7.5 months of the Kingdom's imports of goods and services.



□ Domestic Liquidity (M2)

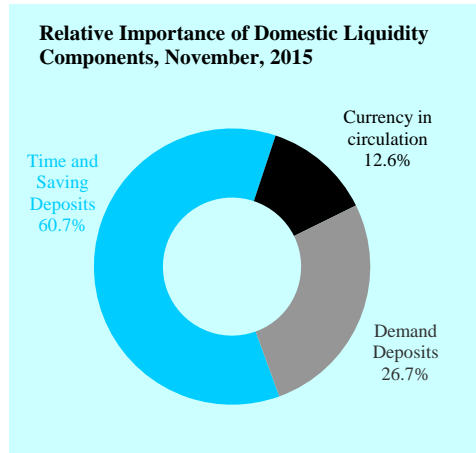
■ Domestic liquidity totaled JD 31,366.6 million at the end of November 2015, increasing by JD 2,126.2 million, or 7.3 percent, compared to an increase of JD 1,852.5 million, or 6.8 percent, during the same period in 2014.

◆ **Developments in the components and the factors affecting domestic liquidity at the end of the first eleven months of 2015 compared to their levels at the end of 2014, reveal the following:**

● Components of Domestic Liquidity

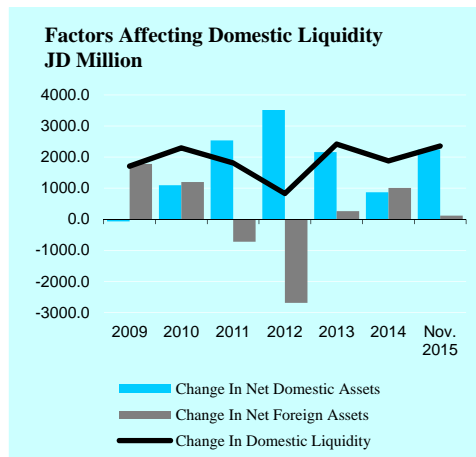
- Deposits increased by JD 1,978.7 million, or 7.8 percent, at the end of November 2015, compared to their level at the end of 2014, to total JD 27,414.7 million, against an increase amounting to JD 1,658.5 million, or 7.0 percent, during the same period in 2014.

- Currency in circulation increased by JD 147.5 million, or 3.9 percent, at the end of November 2015, compared to its level at the end of 2014, to reach JD 3,951.9 million, against an increase in the amount of JD 194.0 million, or 5.4 percent, during the same period in 2014.



• **Factors Affecting Domestic Liquidity**

- Net domestic assets of the banking system increased by JD 2,241.9 million, or 10.5 percent, at the end of November 2015, compared to its level at the end of 2014, against an increase of JD



1,037.6 million, or 5.1 percent, during the same period in 2014. This increase was a result of the increase in net domestic assets at the licensed banks by JD 2,182.6 million, or 8.1 percent, and its increase at the CBJ by JD 59.2 million, or 1.0 percent, respectively.

- Net foreign assets of the banking system decreased by JD 115.7 million, or 1.5 percent, at the end of November 2015, compared to their level at the end of 2014, against an increase in the amount of JD 814.9 million, or 11.8 percent, during the same period in 2014. This decrease was a result of the increase in net foreign assets at the CBJ by JD 118.2 million or 1.2 percent, and the decrease of net foreign assets at licensed banks by JD 233.9 million, or 11.7 percent.

Factors Affecting Domestic Liquidity (M2) JD Million

		End of November	
2014		2014	2015
7,932.3	Foreign Assets (Net)	7,738.3	7,816.6
9,939.5	CBJ	9,895.5	10,057.7
-2,007.2	Licensed Banks	-2,157.2	-2,241.1
21,308.1	Domestic Assets (Net)	21,477.6	23,550.0
-5,753.9	CBJ, of which:	-5,695.4	-5,694.7
1,219.0	Claims on Public Sector (Net)	1,578.6	1,827.1
-6,995.3	Other Items (Net*)	-7,296.6	-7,545.0
27,062.1	Licensed Banks	27,173.1	29,244.7
9,635.3	Claims on Public Sector (Net)	9,398.7	10,172.8
17,830.4	Claims on Private Sector	18,101.0	18,572.0
-403.6	Other Items (Net)	-326.6	499.9
29,240.4	Money Supply (M2)	29,215.9	31,366.6
3,804.4	Currency in Circulation	3,800.6	3,951.9
25,436.0	Total Deposits, of which:	25,415.3	27,414.7
4,463.5	In Foreign Currencies	4,557.4	4,622.9

* 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

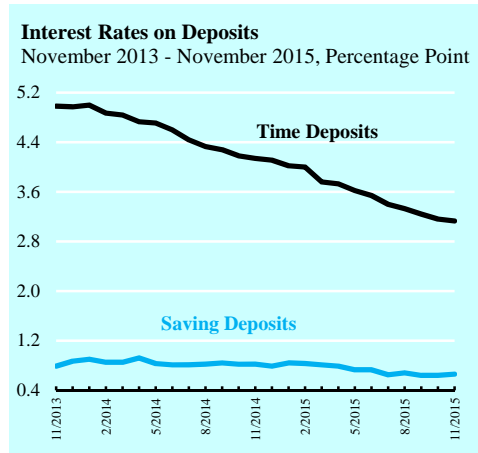
- Time Deposits: The weighted average interest rate on time deposits at the end of November 2015 decreased by 3 basis points, compared to its level in the previous month to stand at 3.13 percent. This rate is lower by 98 basis points than its level at the end of 2014.

Interest Rates on Monetary Policy Instruments, percentage points

2014		November	
		2014	2015
4.25	Re-discount Rate	4.25	3.75
4.00	Repurchase Agreements Rate (overnight)	4.00	3.50
2.75	Overnight Deposit Window Rate	2.75	1.50
3.00	Repurchase Agreements rate (one week)	3.00	2.50
3.00	Repurchase Agreements rate (one month)	3.00	2.50

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

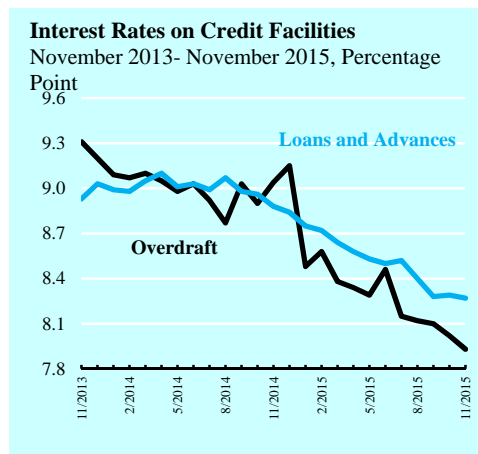
- **Saving Deposits:** The weighted average interest rate on saving deposits at the end of November 2015 increased by two basis points, compared to its level in the previous month to stand at 0.66 percent. This rate is lower by 13 basis points than its level at the end of 2014.



- **Demand Deposits:** The weighted average interest rate on demand deposits at the end of November 2015 maintained the same level registered in the previous month to stand at 0.33 percent. This rate is lower by 10 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 November 2015 decreased by 9 basis points compared to its level in the previous month to stand at 7.93 percent. This rate is lower by 122 basis points than 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 November 2015, decreased by 10 basis points compared to its level recorded in the previous month to reach 9.24 percent. This rate is lower by 71 basis points compared to its level at the end of 2014.

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

	November		Change Relative to the Preceding Year Basis Points
	2014	2015	
Deposits			
0.43 Demand	0.42	0.33	-10
0.79 Saving	0.82	0.66	-13
4.11 Time	4.14	3.13	-98
Credit Facilities			
9.95 Discounted Bills and Bonds	9.96	9.24	-71
8.84 Loans and Advances	8.88	8.27	-57
9.15 Overdraft	9.04	7.93	-122
8.72 Prime Lending Rate	8.72	8.37	-35

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- **Loans and Advances:** The weighted average interest rate on “loans and advances” decreased by two basis points at the end of November 2015, compared to its level in the previous month to stand at 8.27 percent. This rate is lower by 57 basis points than its level at the end of 2014.
- The prime lending rate stood at 8.37 percent at the end of November 2015, which is lower by 35 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 514 basis points, at the end of November 2015, which is higher by 41 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 1,773.5 million (9.2%) at the end of the first eleven months of 2015, compared to its level at the end of 2014, against an increase of JD 551.3 million, or 2.9 percent during the same period in 2014.

- The classification of extended credit facilities, according to economic activity, at the end of the first eleven months of 2015 demonstrates an increase in credit to the public services and utilities sector by JD 1,048.5 million, or 48.3 percent, followed by "others" item which generally represents facilities extended to individuals by JD 593.3 million, or 13.2 percent and the credit facilities extended to the "construction" sector by JD 388.2 million, or 8.5 percent. Meanwhile the credit facilities extended to the "industry" and "transportation" sectors decreased by JD 309.3 million, or 12.2 percent and 29.1 million or 9.9 percent, respectively, compared to their levels at the end of 2014.
- In terms of borrowers, credit facilities at the end of November 2015 had shown an increase in credit extended to the central government by JD 1,076.4 million, or 95.0 percent, the private sector (resident) by JD 690.1 million, or 4.0 percent, the private sector (non-resident) by JD 10.6 million or 2.2 percent, and the financial institutions by JD 5.7 million. Meanwhile, credit facilities extended to public institutions decreased by 9.3 million or 2.7 percent compared to their levels at the end of 2014.

□ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 32,433.5 million at the end of the first eleven months of 2015, increasing by JD 2,172.5 million, or 7.2 percent, compared to its level at the end of 2014, against an increase of JD 2,640.7 million, or 9.6 percent, during the same period in 2014.
- This increase was a result of the increase in the deposits of the private sector (resident) by JD 1,630.4 million, or 6.8 percent, the private sector (non-resident) by JD 261.7 million, or 7.6 percent, the public sector (central government plus public institutions) by

JD 222.7 million, or 9.0 percent, and the non-banking financial institutions by JD 57.7 million, or 16.0 percent, compared to their levels at the end of 2014.

- The currency composition of deposits at the end of the first eleven months of 2015 reveal that JD deposits increased by JD 1,959.6 million, or 8.2 percent, while “foreign currency deposits” increased by JD 212.9 million, or 3.4 percent, compared to their levels at the end of 2014.

□ **Amman Stock Exchange (ASE)**

Indicators of ASE displayed a mixed performance during the first eleven months of 2015 compared to 2014. This can be demonstrated as follows:

■ **Trading Volume**

Trading volume at ASE totaled JD 153.1 million in November 2015; decreasing by JD 69.5 million or 31.2 percent, compared to its level in the previous month, against an increase of JD 22.6 million, or 17.1 percent, during the same month in 2014. As for the first eleven months of 2015, the trading volume increased by JD 789.2 million, or 39.6 percent compared to the same period in 2014 to reach JD 2,781.9 million.

■ **Traded Shares**

The number of traded shares in November 2015 totaled 130.4 million shares; decreasing by 50 million shares, or 27.7 percent, compared to its level in the previous month, against an increase amounting to 14.3 million shares, or 9.1 percent, during the same month in 2014. As for the first eleven months of 2015, the number of traded shares amounted to 2,354.9 million shares compared to 2,016.0 million shares traded during the same period in 2014, up by 338.9 million shares, or 16.8 percent.

■ **Share Price Index (SPI)**

The SPI weighted by market capitalization of free float shares at ASE decreased by 40.7 points, or 2.0 percent, at the end of November 2015 compared to its level in the previous

month, to stand at 1,993.7 points, against an increase of 26.4 points, or 1.3 percent, during the same month in 2014. Furthermore, at the end of the first eleven months of 2015 the SPI decreased by 171.8 points, or 7.9 percent compared to its level at the end of 2014, against a rise in the amount of 66.7 points, or 3.2 percent during the same period in 2014. The aforementioned decrease was an outcome of the decrease in the SPI for the services sector by 211.9 points, or 11.8 percent, the financial sector by 190.7 points, or 6.5 percent, and the industrial sector by 80.1 points, or 4.3 percent, compared to their levels at the end of 2014.

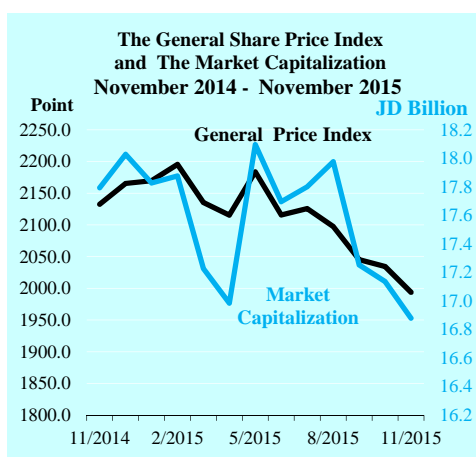
Share Price Index Weighted by Market Capitalization of Free Float Shares, by Sector

		November	
2014		2014	2015
2,165.5	General Index	2,132.5	1,993.7
2,920.9	Financial Sector	2,901.2	2,730.2
1,852.0	Industrial Sector	1,785.6	1,771.9
1,794.8	Services Sector	1,744.3	1,582.9

Source: Amman Stock Exchange.

■ **Market Capitalization**

The ASE's market capitalization totaled JD 16.9 billion at the end of November 2015; decreasing by JD 256.7 million, or 1.5 percent, compared to its level in the previous month, against a decrease of JD



291.1 million or 1.6 percent, during the same month in 2014. As for the first eleven months of 2015, the market capitalization decreased by JD 1.2 billion, or 6.7 percent, compared to a decrease of JD 439.7 million, or 2.4 percent, during the same period in 2014.

■ Non - Jordanian Net Investment

Non-Jordanian net investment at ASE recorded an inflow amounting to JD 7.5 million in November 2015, compared to an inflow of JD 1.6 million during the same month in 2014; the value of shares acquired by non-Jordanian in November 2015 amounted to JD 32.5 million, while their selling amounted to JD 25.1 million. As for the first eleven months of 2015, non-Jordanian net

Main Amman Stock Exchange Trading Indicators, JD Million			
		November	
2014		2014	2015
2,263.4	Value Traded	154.4	153.1
9.1	Average Daily Trading	7.4	7.3
18,082.6	Market Capitalization	17,793.8	16,879.9
2,321.8	No. of Traded Shares (million)	171.3	130.4
-22.1	Net Investment of Non-Jordanian	1.6	7.5
362.7	Non-Jordanian Buying	25.7	32.5
384.8	Non-Jordanian Selling	24.1	25.1

Source: Amman Stock Exchange.

investment recorded an outflow amounted to JD 1.5 million compared to an outflow of JD 25.7 million, during the same period in 2014.

Second: Output, Prices and Employment

□ Summary

- Gross Domestic Product (GDP), at constant market prices, grew by 2.6 percent during the third quarter of 2015, compared to 3.1 percent during the same quarter of 2014. At current market prices, GDP grew by 4.7 percent during the third quarter of 2015, compared to 6.2 percent during the same quarter of 2014.
- Accordingly, the real GDP grew by 2.3 percent during the first three quarters of 2015, compared to 3.0 percent during the same period of 2014. At current market prices, GDP grew by 4.8 percent during the first three quarters of 2015, compared to 6.5 percent during the same period of 2014.
- The Consumer Price Index (CPI) contracted by 0.8 percent during the first eleven months of 2015, against an increase of 3.0 percent in the same period of 2014.
- The unemployment rate increased during the third quarter of 2015 to stand at 13.8 percent (11.1 percent for males and 25.1 percent for females), compared to 11.4 percent (9.2 percent for males and 22.0 percent for females) during the same quarter of 2014. The unemployment rate among academic degree holders (Bachelor Degree and higher) reached 21.2 percent.

□ Developments of GDP

The national economy experienced a marked slowdown during the first three quarters 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. The real GDP grew by 2.3 percent compared to 3.0 percent during the first three quarters of 2014. When excluding “net taxes on products”, which grew by 1.3 percent, GDP at constant basic prices grew by 2.5 percent during the first three quarters of 2015, compared to 3.1 percent during the same period 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	2.4	2.6	-	-
GDP at Current Market Prices	5.1	4.5	4.7	-	-

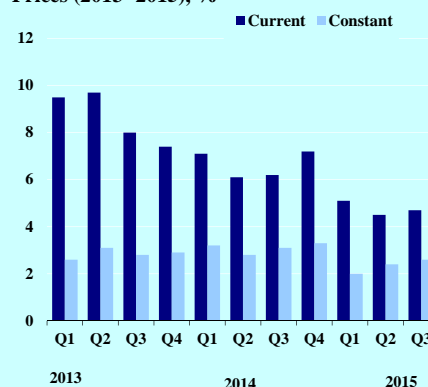
Source: Department of Statistics.

At current market prices, GDP grew by 4.8 percent during the first three quarters of 2015, compared to 6.5 percent during the same period of 2014. This decline in nominal growth is mainly attributed to the slowdown in the general price level, measured by the GDP deflator, which grew by 2.4 percent compared to 3.3 percent during the first three quarters 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 three quarters of 2015 were; “finance and insurance services” (0.5 percentage point), “transports, storage and communications” (0.4 percentage point), “producers of government services” (0.3 percentage point) “mining and quarrying” (0.2 percentage point), and manufacturing (0.2 percentage point). These sectors collectively accounted for 69.6 percent of real GDP growth during the above-mentioned period.

The economic sectors displayed a wide variation in their performance during the first three quarters of 2015. Some sectors recorded accelerated growth, such as “mining and quarrying”, “electricity and water”, “finance and insurance services”, “transport, storage and communications”, and “producers of government services”. In contrast, “restaurant and hotels”, and construction, experienced a contraction. On the other hand, “real state” and “domestic services of households” sectors maintained their performance.

Quarterly Growth Rates of GDP at Market Prices (2013- 2015), %



Gross Domestic Product At Market Prices, Percentages

Sectors	Relative change		Contribution	
	First three quarters			
	2014	2015	2014	2015
GDP At Market Prices	3.0	2.3	3.0	2.3
Agriculture, Hunting, Forestry, And Fishing	3.0	0.7	0.1	-
Mining And Quarrying	14.2	16.8	0.2	0.2
Manufacturing	1.5	1.4	0.3	0.2
Electricity And Water	4.3	8.6	0.1	0.2
Construction	7.8	-2.7	0.4	-0.1
Wholesale And Retail Trade	4.3	1.4	0.4	0.1
Restaurant And Hotels	4.0	-3.4	-	-
Transport, Storage & Communications	1.8	3.0	0.3	0.4
Finance And Insurance Services	3.3	5.5	0.3	0.5
Real Estate	2.2	2.2	0.2	0.2
Community, Social And Personal Services	5.0	4.1	0.2	0.2
Producers Of Government Services	1.9	2.4	0.2	0.3
Producers Of Private Non-Profit Services To	6.7	6.2	-	-
Domestic Services Of Households	0.1	0.1	-	-

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

□ Microeconomic Indicators

The microeconomic indicators displayed divergent performance during the available period of 2015. Some indicators recorded a notable growth, such as “mining and quarrying” production quantity index (15.4 percent). However, other indicators showed a contraction, particularly; licensed areas for building (-15.5 percent) and number of passengers through the Royal Jordanian (-8.5 percent). The following table displays the performance of the main sectoral indicators.

Main Sectoral Indicators*

Percentage Points

2014	Item	2014	Available period	2015
7.2	Licensed areas for buildings	9.0	January – October	-15.5
-0.2	Manufacturing production quantity index	-0.4		-1.1
-1.5	Food products and beverages	-3.1		3.0
5.3	Tobacco products	7.1		-4.2
-2.9	Refined petroleum products	-5.5		10.1
10.2	Cement, lime and plaster	10.2		-17.1
0.6	Iron and steel	-4.0		-1.4
-6.5	Chemical products	-4.0		-3.0
28.3	“Mining and quarrying” production quantity index	22.6		15.4
38.6	Phosphate	29.0		18.3
20.3	Potash	18.4		13.3
-2.8	Number of passengers through Royal Jordanian	-2.8	January – November	-8.5
-1.7	Cargo through Royal Jordanian	-2.2		-0.9
16.7	Quantities of exported and imported goods shipped through Aqaba port	15.0		-1.8
-0.5	Number of departures	-0.7		-7.7
22.4	Value traded at the real estate market	22.4	The whole year	-2.0

*: Sources:

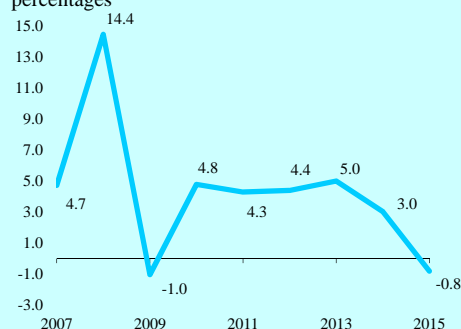
- Department of Statistics.
- Monthly Statistical Bulletin / Central Bank of Jordan.
- Royal Jordanian.

Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI), contracted by 0.8 percent during the first eleven months of 2015, against an increase of 3.0 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 (-14.3 percent) and “fuels and lighting” (-13.1 percent). They collectively contributed in reducing the overall inflation rate by 2.9 percentage points, compared to a positive contribution amounted to 0.4 percentage point during the first eleven months of 2014.

Annual Bases Inflation Rate

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



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

Expenditure Groups	Relative Imp.	Relative change		Contribution	
		2014	2015	2014	2015
All Items	100.0	3.0	-0.8	3.0	-0.8
1) Food and non-Alcoholic Beverages, of which:	33.36	0.3	1.3	0.1	0.4
Meat and Poultry	8.24	-0.5	0.9	0.0	0.1
Dairy Products and Eggs	4.23	-0.2	0.4	0.0	0.0
Vegetables and Legumes Dry and Canned	3.89	-1.1	0.7	0.0	0.0
Fruits and Nuts	2.73	1.5	6.5	0.0	0.2
Oils and Fats	1.92	-0.2	3.7	0.0	0.1
2) Alcohol and Tobacco and Cigarettes	4.43	15.0	3.6	0.5	0.1
3) Clothing and footwear	3.55	9.4	5.1	0.3	0.2
4) Housing, of which:	21.92	4.9	0.7	1.1	0.2
Rents	15.57	6.8	5.1	1.1	0.8
Fuels and Lighting	4.85	0.0	-13.1	0.0	-0.7
5) Household Furnishings and Equipment	4.19	2.2	2.0	0.1	0.1
6) Health	2.21	6.4	2.8	0.1	0.1
7) Transportation	13.58	2.8	-14.3	0.4	-2.2
8) Communication	3.5	-0.1	0.1	0.0	0.0
9) Culture and Recreation	2.27	2.6	5.3	0.1	0.1
10) Education	5.41	3.5	3.2	0.2	0.2
11) Restaurants and Hotels	1.83	2.0	1.4	0.0	0.0
12) Other Goods and Services	3.75	1.2	0.9	0.0	0.0

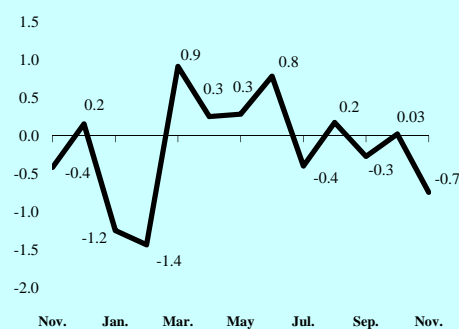
Source: Department of Statistics.

In contrast, prices of other groups and items showed varied increases, mainly; “culture and recreation” (5.3 percent), “fruits and nuts” (6.5 percent), and “oils and fats” (3.7 percent); influenced by supply and demand factors in the domestic market.

In November 2015, the CPI decreased by 0.7 percent compared with October 2015. This was due to the fall in the prices of some items, mainly; “vegetables and legumes dry and canned” (11.7 percent), and “meat and poultry” (3.4 percent).

Monthly Inflation Rate

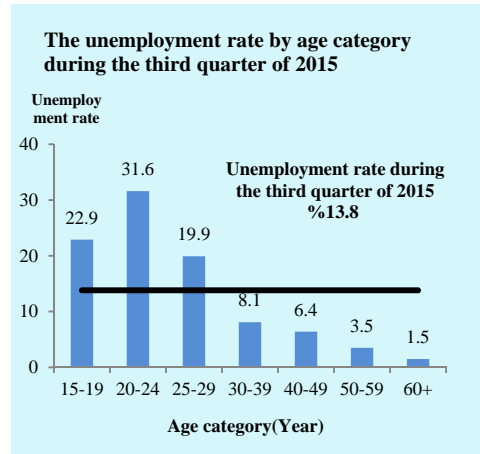
(Nov. 2014 - Nov. 2015, percentages)



□ Employment

- ◆ The unemployment rate (the ratio of unemployed people to the labor force) increased during the third quarter of 2015 to stand at 13.8 percent (11.1 percent for males and 25.1 percent for females), compared to 11.4 percent (9.2 percent for males and 22.0 percent for females) during the same quarter of 2014. Furthermore, the unemployment rate among academic degree holders (Bachelor Degree and higher) reached 21.2 percent.

- ◆ The unemployment among youth remains high at 22.9 percent for the categories of 15-19 years old, and 31.6 percent for those between 20-24 years.



- ◆ The refined economic participation rate (the ratio of the labor force to the population of 15 years and over) during the third quarter of 2015 reached 37.6 percent (60.5 percent for males and 14.5 percent for females), compared to 36.2 percent (59.6 percent for males and 12.5 percent for females) during the same quarter in 2014.
- ◆ The employment rate among population of 15 years and older reached 32.4 percent during the third quarter of 2015, compared to 32.1 percent during the same quarter of 2014. The employees in the sector of “public administration, defense, and social security” accounted for 25.8 percent of the total employed, followed by employees in the “wholesale and retail trade” (15.4 percent), education (12.6 percent), and manufacturing (10.1 percent).

Third : Public Finance

□ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 835.6 million during the first ten months of 2015, compared to a fiscal deficit in the amount of JD 696.0 million, during the same period in 2014. When excluding foreign grants (JD 409.1 million), the general budget deficit reaches JD 1,244.7 million compared to a deficit in the amount of JD 1,417.4 million during the same period in 2014.
- Net outstanding domestic public debt increased by JD 489.0 million at the end of October 2015 compared to its level at the end of 2014, to reach JD 13,014.0 million (48.0 percent of GDP).
- Outstanding external public debt (budgetary and guaranteed) increased by JD 1,541.6 million at the end of October 2015, compared to its level at the end of 2014, to stand at JD 9,571.7 million (35.3 percent of GDP).
- As a result, net outstanding public debt (domestic and external) reached JD 22,585.7 million (83.3 percent of GDP) at the end of October 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 ten months of 2015 compared to the same period in the preceding year:

■ Public Revenues

Public revenues (including foreign grants) decreased by JD 18.1 million, or 3.7 percent, in October 2015 comparing to the same month of 2014 to reach JD 465.1 million. As for the first ten months of 2015, these revenues were down by JD 306.9 million, or 5.5 percent, compared to the same period in 2014 to stand at JD 5,292.7 million. This came as an outcome of the increase in domestic revenues by JD 5.4 million and the decrease in foreign grants by JD 312.3 million.

Main Government Budget Indicators during the first ten months of 2015:

(JD Million and Percentages)

	October		Growth Rate	Jan. – Oct.		Growth Rate
	2014	2015		2014	2015	
Total Revenues and Grants	483.2	465.1	-3.7	5,599.6	5,292.7	-5.5
Domestic Revenues, of which:	395.9	426.3	7.7	4,878.2	4,883.6	0.1
Tax Revenues, of which:	289.6	314.7	8.7	3,427.9	3,492.9	1.9
General Sales Tax	229.7	245.8	7.0	2,342.6	2,308.0	-1.5
Other Revenues	104.7	109.7	4.8	1,433.4	1,375.6	-4.0
Foreign Grants	87.3	38.7	-55.7	721.4	409.1	-43.3
Total Expenditures, of which:	618.1	645.0	4.4	6,295.6	6,128.4	-2.7
Capital Expenditures	77.5	72.3	-6.7	761.9	737.4	-3.2
Overall Deficit/ Surplus	-134.9	-179.9	-	-696.0	-835.6	-

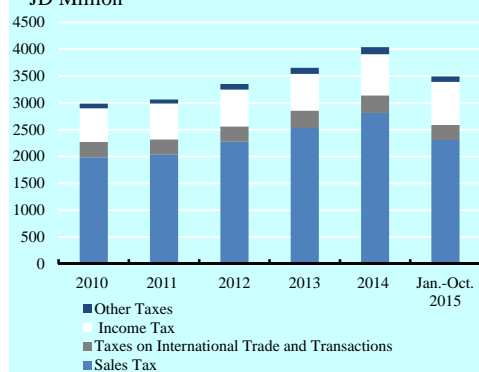
Source: Ministry of Finance/ General Government Finance Bulletin.

◆ **Domestic Revenues**

Domestic revenues increased by JD 5.4 million, or 0.1 percent, during the first ten months of 2015 compared to the same period in 2014, to reach JD 4,883.6 million. This increase was an outcome of the rise in the proceeds of “tax revenues” by JD 65.0 million, and the

drop in “other revenues” and “pension contributions” by JD 57.8 million, and JD 1.8 million, respectively.

Tax Revenue Structure
(2010- 2014) and the first ten months of 2015,
JD Million



- **Tax Revenues**

Tax revenues increased by JD 65.0 million, or 1.9 percent, during the first ten months of 2015 compared to the same period in 2014, to reach JD 3,492.9 million (71.5 percent of domestic revenues). Following are the main developments in tax revenues items:

- A decrease in the proceeds of “general sales tax on goods and services” by JD 34.6 million, or 1.5 percent, which reached JD 2,308.0 million (accounting for 66.1 percent of total tax revenues). This result was driven by the decrease in the proceeds of “sales tax on imported goods” and “sales tax on commercial sector” by 37.5 million, and JD 22.0 million, respectively. While “sales tax on services” and “sales tax on domestic goods” have increased by JD 13.1 million, and JD 11.9 million, respectively.
- An increase in the proceeds of “income and profit taxes” by JD 102.3 million, or 14.6 percent, which reached JD 804.1 million (accounting for 23.0 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 53.1 million, and the rise in the proceeds of “income tax from individuals” by JD 49.2 million. Accordingly, income tax from companies accounted for 77.6 percent of total taxes on income and profits to reach JD 624.1 million.

- An increase in the proceeds of “taxes on international trade and transactions” (including customs duties and fees) by JD 3.8 million or 1.4 percent, to reach JD 279.2 million (accounting for 8.0 percent of total tax revenues).
- A decrease in real-estates tax (taxes on financial transactions) by JD 6.5 million, or 6.0 percent, to reach JD 101.6 million (accounting for 2.9 percent of total tax revenues).

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

“Other revenues” decreased by JD 57.8 million, or 4.0 percent, during the first ten months of 2015 to reach JD 1,375.6 million. This decrease was chiefly due to:

- A decrease in property income by JD 172.8 million to stand at JD 316.6 million (of which financial surplus of independent government units amounted to JD 281.6 million).
- A decrease in “revenues from selling goods and services” by JD 18.2 million to reach JD 712.9 million.
- A rise in miscellaneous revenues by JD 133.2 million to stand at JD 346.1 million.

- **Pension Contributions**

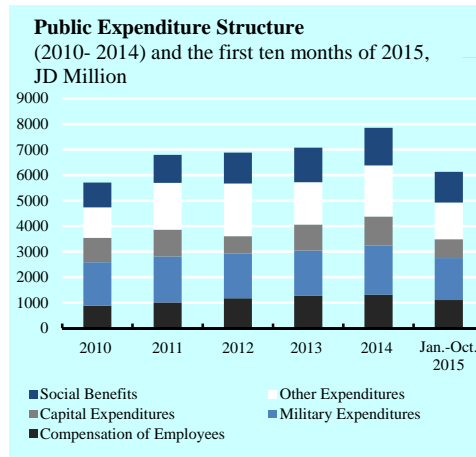
Pension contributions were down by JD 1.8 million during the first ten months of 2015, standing at JD 15.1 million.

- ◆ **Foreign Grants**

Foreign grants decreased by JD 312.3 million during the first ten months of 2015, standing at JD 409.1 million.

Public Expenditures

Public expenditures witnessed an increase by JD 26.9 million, or 4.4 percent, in October 2015 compared to the same month in 2014 to stand at JD 645.0 million. However, public expenditures declined by JD 167.2 million, or 2.7 percent during the first ten months of 2015, to stand at JD 6,128.4 million. This decrease was a result of the drop in current expenditures by JD 142.7 million, and capital expenditures by JD 24.5 million.



Current Expenditures

Current expenditures decreased by JD 142.7 million, or 2.6 percent, during the first ten months of 2015, to reach JD 5,391.0 million. This decrease was chiefly due to:

- A decrease in social benefit expenditures by JD 50.2 million to stand at JD 1,203.5 million, accounting for 22.3 percent of total current expenditures.
- A drop in interest payments by JD 38.1 million to stand at JD 743.9 million, accounting for 13.8 percent of total current expenditures.
- A decrease in goods subsidies by JD 67.2 million to stand at JD 134.6 million, accounting for 2.5 percent of total current expenditures. It is worth mentioning that this item includes only food subsidies starting from 2013.

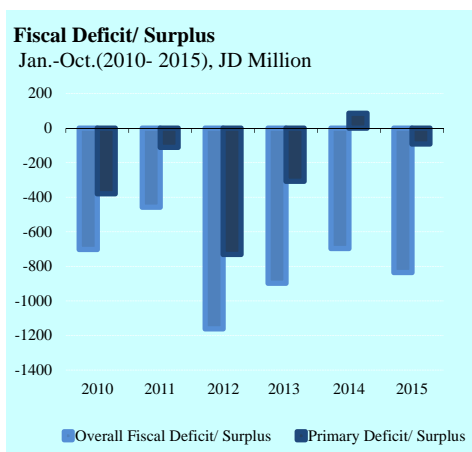
- An increase in military expenditures by JD 31.5 million to total JD 1,645.8 million, accounting for 30.5 percent of total current expenditures.
- A rise in the “compensation of civil sector's employees” (wages, salaries and social security contributions) by JD 17.3 million to reach JD 1,106.0 million, accounting for 20.5 percent of total current expenditures.
- An increase in “purchases of goods and services” by JD 2.4 million to stand at JD 278.8 million, accounting for 5.2 percent of total current expenditures.

◆ Capital Expenditures

Capital expenditures decreased by JD 24.5 million, or 3.2 percent during the first ten months of 2015 compared to the same period in 2014, to reach JD 737.4 million.

■ General Budget Deficit/ Surplus

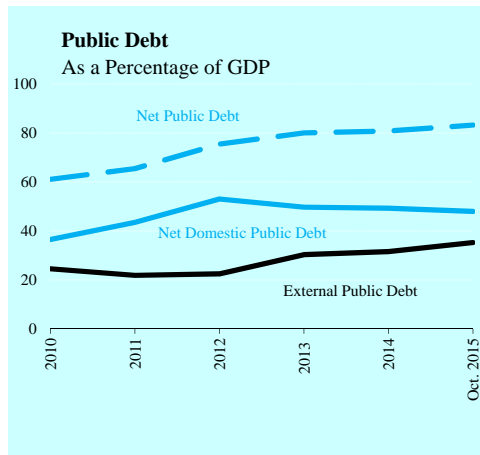
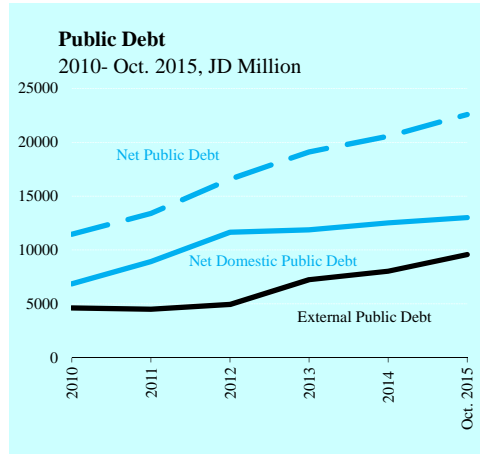
- ◆ The general budget, including grants, displayed a fiscal deficit amounted to JD 835.6 million during the first ten months of 2015, against a fiscal deficit in the amount of JD 696.0 million during the same period in 2014.



- ◆ The general budget showed a primary deficit (after excluding interest payments on public debt from total expenditures) amounted to JD 91.7 million during the first ten months of 2015, against a primary surplus of JD 86.0 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 489.0 million at the end of October 2015 comparing to its level at the end of 2014 to total JD 13,014.0 million, or 48.0 percent of GDP. This result was an outcome of the rise in gross outstanding domestic public debt by JD 485.0 million to reach JD 15,106.0 million, and the decrease in the government deposits at the banking system by JD 5.0 million to reach JD 2,091.0 million. This rise in gross outstanding domestic public debt was an outcome of the decline in gross budgetary government debt, on one hand, as “Treasury bills and bonds” decreased by JD 312.0 million at the end of October 2015, compared to their level at the end of 2014 standing at JD 12,159.0 million, moreover, the outstanding balance of “loans and advances” extended by CBJ to the budgetary central government declined by JD 80.0 million to stand at JD 512.0 million, and the increase in the domestic debt of own-budget agencies by JD 842.0 million to stand at JD 2,390.0 million, on the other. In this



regard, loans and advances extended to these agencies increased by JD 889.0 million to stand at JD 1,828.0 million. While, own-budget agencies' bonds decreased by JD 46.0 million at the end of October 2015 comparing to its level at the end of 2014 to stand at JD 563.0 million.

- Outstanding balance of external public debt (budgetary and guaranteed) increased by JD 1,541.6 million at the end of October 2015 compared to its level at the end of 2014, amounting to JD 9,571.7 million (35.3 percent of GDP). This increase was driven by the issuance of sovereign Eurobonds in international markets in the amount of US\$ 1.5 billion in June, 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, as well as the eighth and final tranche of the loan in the amount of JD 281.4 million (equivalent to US\$ 396.3 million) which was received in August of this year. The currency debt structure shows that external debt in US dollars accounted for 60.9 percent, while debt in Euros accounted for 6.0 percent. Furthermore, external debt in Japanese Yen and Kuwaiti Dinars accounted for 6.3 percent and 8.2 percent of the outstanding external public debt, respectively, while external debt in SDRs accounted for 15.7 percent.
- Net public debt (domestic and external) increased by JD 2,030.6 million at the end of October 2015 compared to its level at the end of 2014 to stand at JD 22,585.7 million, (83.3 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 487.4 million during the first ten months of 2015 (of which interest payments amounting to JD 162.4 million) compared to JD 725.8 million (of which interest payments amounting to JD 163.3 million) during the same period in 2014.

□ Fiscal and Price Measures

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

	Unit	2015	2016	Percentage Change
		December	January	
Unleaded Gasoline 90	Fils/Liter	535.0	520.0	-2.8
Unleaded Gasoline 95	Fils/Liter	700.0	680.0	-2.9
Gas Oil (Diesel)	Fils/Liter	400.0	360.0	-10.0
Kerosene	Fils/Liter	400.0	360.0	-10.0
Liquid Gas (12.5kg)	JD/Unit	7.0	7.0	0.0
Fuel oil for industry	JD/Ton	234.3	200.0	-14.6
Fuel for airplanes (local companies)	Fils/Liter	336.0	300.0	-10.7
Fuel for airplanes (foreign companies)	Fils/Liter	341.0	305.0	-10.6
Fuel for unplanned flights	Fils/Liter	356.0	320.0	-10.1
Asphalt	JD/Ton	253.7	220.0	-13.3

Source: Jordan Petroleum Refinery Company (1/1/2016).

- 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 (July 2015).

- Approving the 2015 law on the transfer of the revenues of government departments and units, aiming at resolving the distortions and imbalances accompanied by off-budget spending, as well as curbing public finances in general. The law will be effective starting 1st Jan. 2016 (September 2015).
- Amending the fixed charges on the water bill, to be effective starting 1st Oct. 2015, as follows (September 2015):
 - 0 - 18 cubic meter per cycle/ three months; an increase of 2.0 JDs on the quarterly bill.
 - 19 – 72 cubic meter per cycle/ three months; an increase of 4.0 JDs on the quarterly bill.
 - 73 and higher cubic meter per cycle/ three months; an increase of 6.0 JDs on the quarterly bill.
- Reducing the general sales tax from 16% to 8% on the following items; clothes, leather clothes and bags, watches, shoes, perfumes, cosmetics, jewelry and toys, in addition to reducing the special tax from 25% to 8% on perfumes, cosmetics and natural leather clothing (October 2015).
- Completion of the issuance of non-guaranteed sovereign Eurobonds in the international markets, in the amount of US\$ 500 million. These bonds due after ten years and carry an annual interest rate 6.125 percent (November 2015).
- The Cabinet decided to extend the exemptions granted to economic activities that benefit from tariff or tax incentives or exemptions for three years (December 2015)

□ Grants, Loans and Other Agreements

- Signing two soft loan agreements with the European Investment Bank (EIB) in the amount of US\$ 126 million, distributed as follows (November 2015):
 - US\$ 72 million loan agreement to finance the National Electric Power Company's Green Corridor project.
 - US\$ 54 million loan agreement related to the Wadi Arab Water System II project.
- Signing a grant agreement extended by European Union in the amount of EUR 52 million, to support the implementation of the skills for employment and social inclusion program (November 2015).
- Signing two grant agreements in the total amount of US\$165 million and a soft loan agreement in the amount of US\$53.3 million, provided by the Saudi Fund for Development (SFD), distributed as follows (November 2015):
 - US\$ 65 million grant agreement to finance the reconstruction and rehabilitation of the desert road project (R15).
 - US\$ 100 million a frame grant agreement to support priority development projects in Syrian refugee hosting communities.
 - US\$ 53.3 million soft loan agreement guaranteed by the government of Jordan, to finance the project of fourth

steam unit (combined cycle) of the Samra Power Generating Plant.

- Signing two soft loan and a grant agreements with the Arab Fund for Economic and Social Development, in the amount of US\$ 70.69 million, to finance priority development projects determined in the executive development program of 2016 – 2018, distributed as follows (December 2015):
 - A grant agreement in the amount of KWD 300 thousand (equivalent to US\$ one million), to purchase a weather radar and its accessories for the Jordan Meteorological Department.
 - A soft loan agreement in the amount of KWD 6 million (equivalent to US\$ 19.7 million), to develop the infrastructure of Petra Region.
 - A soft loan agreement in the amount of US\$ 50 million, to finance the program for support small and medium size private sector project and enterprises in Jordan through SME's funding and guarantee.
- Signing two grant agreements extended by German government in the amount of EUR 18.5 million, distributed as follows (December 2015):
 - A grant agreement in the amount of EUR 15 million, to finance solar power plant to produce electricity in zaatari refugee camp and Syrian refugees hosting communities.

- A grant agreement in the amount of EUR 3.5 million, to finance the project of conversion of solid waste into energy.
- Signing a concessional loan and a grant agreements with the European Bank for Reconstruction and Development (EBRD), in the amount of US\$ 19.5 million, distributed as follows (January 2016):
 - US\$ 14 million concessional loan agreement to finance the implementation of the East Zarqa Waterwaste Project.
 - US\$ 5.5 million grant agreement for the same project, to finance work, services and related procurement for the construction of a new wastewater pipeline, as well as the rehabilitation of an existing wastewater pipeline, from East Zarqa station to Samara Wastewater Treatment Plant.

Fourth: External Sector

□ Summary

- **Total merchandize exports** (domestic exports *plus* re-exports) increased by 4.8 percent in October 2015 compared to the same month of 2014, to record JD 488.2 million. As for the first ten months of 2015, total merchandize exports decreased by 6.1 percent to reach JD 4,650.6 million.
- **Merchandize imports** decreased by 5.4 percent in October 2015 compared to the same month of 2014, to reach JD 1,251.0 million. As for the first ten months of 2015, total merchandize imports decreased by 10.3 percent to reach JD 10,102.5 million.
- **Consequently**, the trade balance deficit (total exports minus imports) decreased by 11.0 percent in October 2015 compared to the same month in 2014; standing at JD 762.8 million. As for the first ten months of 2015, the trade balance deficit declined by 12.8 percent to reach JD 7,451.9 million.
- **Travel receipts and payments** decreased in November 2015 compared to November 2014 by 9.1 percent and 2.6 percent, to reach JD 198.3 million, and JD 44.4 million; respectively. as for the first eleven months of 2015; travel receipts decreased by 7.6 percent to record JD 2,671.7 million, on the other hand, travel payments increased by 1.1 percent to reach JD 766.0 million.
- **Total workers' remittances receipts** increased by 1.1 percent in November 2015 compared to November 2014 to reach JD 202.6 million. As for the first eleven months of 2015; total workers' remittances receipts increased by 1.9 percent to reach JD 2,478.2 million.
- **The current account of the balance of payments** registered a deficit of JD 1,904.3 million (9.7 percent of GDP) during the first three quarter of 2015 compared to a deficit of JD 1,392.0 million (7.5 percent of GDP) during the first three quarter of 2014.
- **Net direct investment** recorded an inflow of JD 608.9 million during the first three quarter of 2015, down from JD 1,061.9 million during the first three quarter of 2014.

- **International investment position (IIP)** displayed a net obligation to abroad of JD 24,466.4 million at the end of September of 2015; compared to JD 22,848.7 million at the end of 2014.

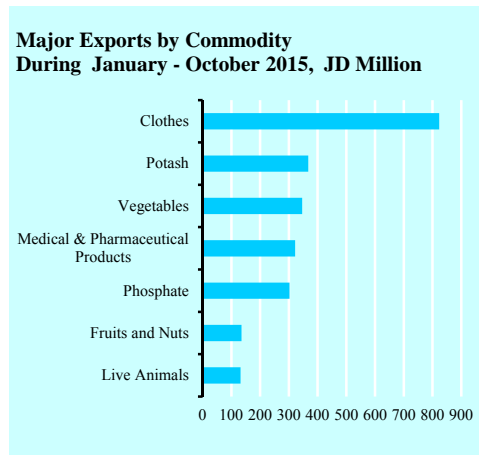
□ External Trade

- As a result of the decrease in domestic exports and imports by JD 275.2 million and JD 1,394.5 million, respectively, during the first ten months of 2015 compared to the same period in 2014, the volume of external trade (domestic exports *plus* imports) decreased by JD 1,669.7 million to stand at JD 16,128.0 million.

Jordan's Major Trading Partners JD Million				Main External Trade Indicators JD Million				
January - October				January - October				
	2014	2015	Percentage Change		Percentage Change 2014/2013	2015	Percentage Change 2015/2014	
Exports				External Trade	17,797.7	4.5	16,128.0	-9.4
USA	779.1	845.8	8.6	Total Exports	4,952.8	6.1	4,650.6	-6.1
Saudi Arabia	592.3	677.8	14.4	Domestic Exports	4,300.7	8.0	4,025.5	-6.4
Iraq	704.4	414.9	-41.1	Re-exports	652.1	-5.0	625.1	-4.1
India	383.9	361.3	-5.9	Imports	13,497.0	3.4	12,102.5	-10.3
UAE	163.5	191.9	17.4	Trade Balance	-8,544.2	1.9	-7,451.9	-12.8
Kuwait	103.9	171.3	64.9	Source: Department of Statistics.				
China	115.6	124.6	7.8					
Imports								
Saudi Arabia	2,586.3	1,916.0	-25.9					
China	1,405.1	1,532.2	9.0					
USA	775.1	742.3	-4.2					
Germany	522.9	566.1	8.3					
UAE	699.5	487.8	-30.3					
Turkey	521.2	462.9	-11.2					
Italy	405.3	429.6	6.0					
South Korea	464.2	419.2	-9.7					
Source: Department of Statistics.								

■ Merchandize Exports:

Total merchandize exports decreased by 6.1 percent during the first ten months of 2015, compared to an increase of 6.1 percent during the same



period in 2014, to record JD 4,650.6 million. This decrease resulted from a decline in domestic exports by JD 275.2 million, or 6.4 percent, to reach JD 4,025.5 million, and in re-exports by 4.1 percent, to reach JD 625.1 million.

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

- Exports of **vegetables** decreased by JD 33.8 million, or 8.9 percent, to reach JD 346.2 million. The Saudi markets, UAE and Kuwait were the main destinations of these exports, accounting for 54.4 percent.

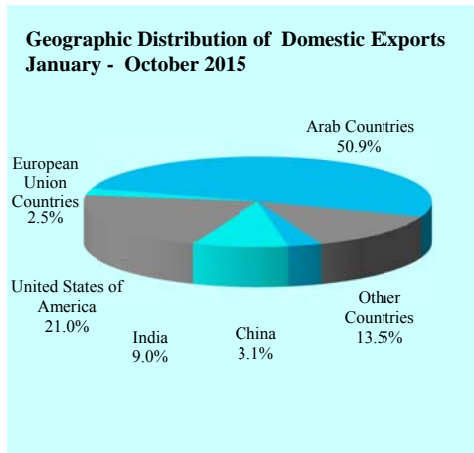
- Exports of **Medical & Pharmaceutical products** decreased by JD 16.7 million, or 4.9 percent, to reach JD 321.9 million. The Saudi, Algerian, Sudanese and UAE markets accounted for 55.5 percent of these exports.
- Exports of **phosphates** increased by JD 30.0 million, or 11.0 percent, to register JD 302.5 million. This increase was mainly due to an increase in exported quantities by 2.5 percent and in the prices of phosphates by 8.3 percent. It is worth noting that the Indian market was the main destination for these exports, accounting for 68.8 percent of phosphates exports.

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

	2014	2015	Percentage Change
Domestic Exports	4,300.7	4,025.5	-6.4
Clothes	757.0	823.4	8.8
USA	688.3	745.8	8.4
Potash	361.8	367.4	1.5
China	110.6	122.1	10.4
India	96.2	94.7	-1.6
Malaysia	35.7	43.9	23.0
Vegetables	380.0	346.2	-8.9
Saudi Arabia	56.1	70.3	25.3
UAE	67.1	64.1	-4.5
Kuwait	51.8	54.0	4.2
Medical & Pharmaceutical Products	338.6	321.9	-4.9
Saudi Arabia	86.5	78.2	-9.6
Algeria	53.4	36.8	-31.1
Sudan	27.8	36.1	29.9
UAE	18.8	27.4	45.7
Phosphates	272.5	302.5	11.0
India	184.8	208.2	12.7
Indonesia	44.9	46.2	2.9
Fruit & Nuts	100.6	135.3	34.5
Saudi Arabia	18.1	40.7	124.8
Kuwait	5.9	41.0	-
Iraq	46.0	17.5	-62.0
Live Animals	127.8	131.8	3.1
Saudi Arabia	101.4	126.7	25.0

Source: Department of Statistics.

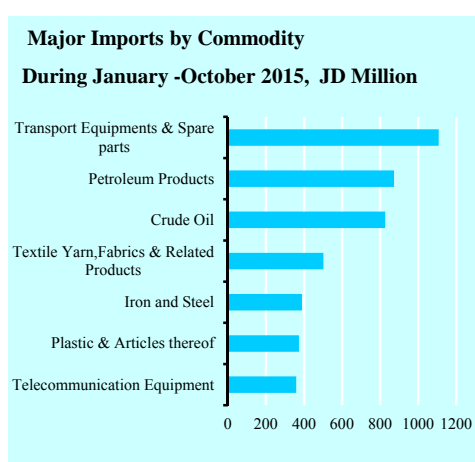
- Exports of **potash** increased by JD 5.6 million, or 1.5 percent, to stand at JD 367.4 million. The Chinese, Indian and Malaysian, markets accounted for 71.0 percent of these exports.



- Consequently, the commodity breakdown of domestic exports indicates that exports of clothes, potash, vegetables, “medical and pharmaceutical products”, phosphates, fruits & nuts and Live Animals topped the list of domestic exports during the first ten months of 2015; accounting for 60.3 percent of domestic exports, up from 54.4 percent during the same period in 2014. Meanwhile, the geographical distribution of domestic exports indicates that the USA, Saudi Arabia, Iraq, India, the UAE, Kuwait and China were the main destination markets for domestic exports during the first ten months of 2015; accounting for 69.2 percent of domestic exports, up from 66.1 percent during the same period in 2014.

■ Merchandize Imports:

Merchandize imports decreased by 10.3 percent to reach JD 12,102.5 million during the first ten months of 2015, compared to an increase by 3.4 percent during same period in 2014.



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

- **Petroleum products** imports decreased by JD 1,305.2 million, or 59.9 percent, to reach JD 872.6 million. The main source markets of these imports were Saudi Arabia, Turkey and Belgium.
- **Crude oil** imports decreased by JD 567.6 million, or 40.7 percent, to reach JD 826.7 million. This decrease was mainly attributed to the decline in prices by 48.8 percent, while imported quantities increased by 15.8 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 111.2 million, or 11.2 percent, to reach JD 1,107.3 million. Japan, South Korea and USA were the main markets for these imports; accounting for 58.3 percent.

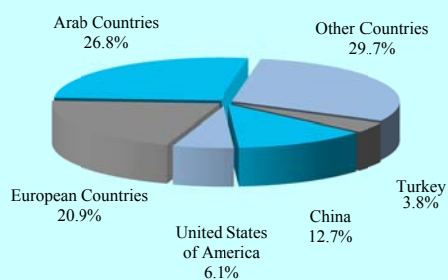
- Consequently, the commodity composition of imports indicates that “transport equipment's and spare parts”, petroleum products, crude oil,

Major Imports by Commodity, JD Million During first ten months 2014-2015			
	2014	2015	Percentage Change
Total Imports	13,497.0	12,102.5	-10.3
Transport Equipment's & Spare Parts	996.2	1,107.3	11.2
Japan	208.6	235.5	12.9
South Korea	196.6	233.6	18.8
USA	223.2	176.5	-20.9
Petroleum Products	2,177.8	872.6	-59.9
Saudi Arabia	257.2	309.8	20.5
Turkey	201.8	129.9	-35.6
Belgium	64.5	128.2	98.8
Crude oil	1,394.3	826.7	-40.7
Saudi Arabia	1,394.3	826.7	-40.7
Textile Yarn, Fabrics & Related Products	490.3	501.7	2.3
China	204.1	192.0	-5.9
Taiwan	132.8	166.6	25.5
Turkey	32.3	32.5	0.6
Iron & steel	447.2	388.9	-13.0
China	109.2	138.5	26.8
Iran	4.5	80.8	-
Saudi Arabia	40.1	31.2	-22.2
Plastic & Articles thereof	427.8	373.4	-12.7
Saudi Arabia	215.7	179.9	-16.6
UAE	26.5	32.2	21.5
China	27.2	25.4	-6.6
Electrical Machinery, Apparatus & Appliances	285.4	359.0	25.8
China	72.1	103.0	42.9
Turkey	18.4	32.7	77.7
Germany	17.8	25.1	41.0

Source: Department of Statistics.

“textile yarn, fabrics, made up articles and related products”, “iron and steel”, “plastic & articles thereof” and “electrical machinery, apparatus and appliances” topped the

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



list of imports during the first ten months 2015, accounting for 36.6 percent of total imports; down from 46.1 percent during the same period in 2014. Meanwhile, the geographical distribution of imports indicates that the markets of Saudi Arabia, China, the USA, Germany, the UAE, Turkey and Italy were the main sources of imports during the first ten months 2015; accounting for 50.7 percent of total imports, compared to 51.2 percent during the same period in 2014.

■ Re-Exports

A decrease of JD 27.0 million, or 4.1 percent, was registered in the value of re-exported goods during the first ten months of 2015 compared to the same period in 2014, to reach JD 625.1 million.

■ Trade Balance

The trade balance deficit during the first ten months of 2015 decreased by JD 1,092.3 million, or 12.8 percent, to register JD 7,451.9 million, compared to the same period in 2014.

□ Total Workers' Remittances Receipts

Total workers' remittances receipts increased by 1.1 percent in November 2015, compared to November 2014 to register JD 202.6 million. As for the first eleven months of 2015, total workers' remittances receipts increased by 1.9 percent compared to the same period of 2014 to reach JD 2,478.2 million.

□ Travel

■ Receipts

Travel receipts decreased by JD 19.8 million, or 9.1 percent, in November 2015, compared to November 2014 to register JD 198.3 million. As for the first eleven months of 2015, travel receipts decreased by 7.6 percent compared to the same period of 2014 to reach JD 2,671.7 million.

■ Payments

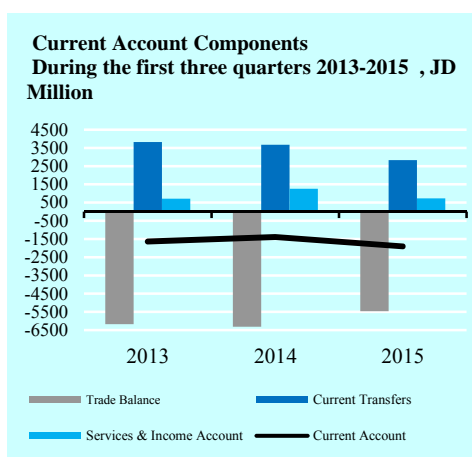
Travel payments decreased by JD 1.2 million, or 2.6 percent, in November 2015, compared to November 2014 to stand at JD 44.4 million. As for the first eleven months of 2015, travel payments increased by 1.1 percent compared to the same period of 2014 to reach JD 766.0 million.

□ Balance of Payments

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

- The current account recorded a deficit of JD 1,904.3 million (9.7 percent of GDP) compared to a deficit of JD 1,392.0 million (7.5 percent of GDP) during the first three quarters of 2014. This was an outcome of the following developments:

- ◆ A decrease in the trade balance deficit during the first three quarters of 2015 by JD 850.5 million, 13.5 percent, to reach JD 5,465.2 million compared to JD 6,315.7 million during the first three quarters of 2014.



- ◆ A decrease in the surplus of the services account by JD 495.5 million to reach JD 944.0 million.
- ◆ Income account recorded a deficit of JD 209.5 million compared to a deficit of JD 186.0 million during the first three quarters of 2014. This was an outcome of the increase in the deficit recorded in investment income (net) by JD 27.1 million and the increase in the surplus recorded in compensation of employees (net) by JD 3.6 million.
- ◆ A decrease in the surplus of net current transfers by JD 843.8 million; to reach JD 2,826.4 million, as a result of the decrease in net transfers of public sector (foreign grants) by JD 505.0 million, to reach JD 341.4 million, and the decrease of the transfers of other sectors by 338.3 million to reach JD 2,485.0 million. It's worth mentioning that the workers' remittances receipts increased by 1.8 percent, during the first three quarters of 2015 to stand at JD 1,841.3 million.

- The capital and financial account during the first three quarters of 2015 registered a net inflow of JD 1,240.3 million, compared to a net inflow of JD 479.6 million during the first three quarters of 2014. This can be attributed to the following:
 - ◆ Direct investment recorded a net inflow of JD 608.9 million compared to an inflow of JD 1,061.9 million during the first three quarters of 2014.
 - ◆ Portfolio investments recorded a net inflow of JD 966.8 million compared to an inflow of JD 935.5 million during the first three quarters of 2014.
 - ◆ Other investments registered a net inflow of JD 905.3 million compared to an inflow of JD 191.7 million during the first three quarters of 2014.
 - ◆ An increase in the reserve assets of CBJ by JD 1,244.5 million, compared to an increase of JD 1,712.1 million during first three quarters of 2014.

□ International Investment Position (IIP)

The IIP, which represents the Kingdom's net position (stock) of external financial assets and liabilities, displayed an obligation to abroad of JD 24,466.4 million at the end of September of 2015 compared to JD 22,848.7 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 734.8 million to reach JD 19,271.7 million at the end of September of 2015 compared to the end of 2014. The CBJ's reserve assets increased by JD 1,127.5 million, while the currency and deposits of the banking sector decreased by JD 466.4 million.
- 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 2,352.5 million at the end of September of 2015 compared to the end of 2014; standing at JD 43,738.1 million due to the following developments:
 - ◆ An increase in the stock of direct investment in Jordan by JD 829.1 million to stand at JD 21,336.4 million.
 - ◆ An increase in the stock of portfolio investments by JD 1,012.4 million to reach JD 6,933.1 million. Due to the issuance of sovereign Eurobonds in the international markets in a total amount of JD 1,063.5 million.
 - ◆ An increase in the deposits of non-residents at licensed banks by JD 385.6 million, to reach JD 6,923.9 million.
 - ◆ An increase in the outstanding balance of the general government long-term loans by JD 25.8 million to reach JD 3,221.0 million.
 - ◆ A decrease in the stock of trade credits by JD 91.5 million to reach JD 596.1 million.