



Central Bank of Jordan

Recent Monetary & Economic Developments in Jordan

**Research Dept / Monthly Report
February, 2016**

Central Bank of Jordan

Tel: (962 6) 4630301

Fax: (962 6) 4638889 / 4639730

P.O. Box 37Amman11118Jordan

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

E-mail redp@cbj.gov.jo



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. |

Contents

	Executive Summary	1
First	Monetary & Financial Sector	3
Second	Output, Prices and Employment	15
Third	Public Finance	23
Fourth	External Sector	37

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 1.0 percent in January 2016, against an increase of 0.2 percent during the same month of 2015. Furthermore, the unemployment rate increased during the year of 2015 to stand at 13.0 percent compared to 11.9 percent in 2014.

□ Monetary and Financial Sector

- The CBJ's foreign currency reserves decreased by US\$ 82.3 million (0.6 percent) at the end of January 2016, compared to their level at the end of 2015. Standing at US\$ 14,071.2 million this level of reserves covers around 7.7 months of the kingdom's import of goods and services.
- Domestic liquidity decreased by JD 40.5 million (0.1 percent) at the end of January 2016 compared to its level at the end of 2015, to stand at JD 31,565.2 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 52.6 million (0.2 percent) at the end of January 2016 compared to its level at the end of 2015, to stand at JD 21,156.1 million.
- Total deposits at licensed banks at the end of January 2016, almost maintained the same level registered at the end of 2015, to stand at JD 32,604.4 million.
- The Share Price Index (SPI) weighted by the market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,147.0 point at the January 2016, increasing by 10.7 points, or 0.5 percent, compared to its level at the end of 2015.

- **Public Finance:** During the first eleven months of 2015, the general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 1,026.5 million compared to a fiscal deficit in the amount of JD 899.9 million during the same period of 2014. Net outstanding domestic debt (budgetary and own-budget) increased by JD 1,474.9 million at the end of November 2015, compared to its level at the end of 2014, to stand at JD 13,573.0 million (50.0 percent of GDP). Outstanding external public debt increased by JD 1,213.5 million at the end of November 2015 compared to its level at the end of 2014 to reach JD 9,243.6 million, (34.1 percent of GDP). Accordingly, the net public debt (domestic and external) stood at 84.1 percent of GDP at the end of November 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 6.6 percent and 11.3 percent, to reach JD 5,558.4 million and JD 14,436.0 million, respectively, for the year 2015; as a result, the trade deficit decreased by 14.0 percent compared to 2014, to reach JD 8,877.6 million. The preliminary data in January 2016 shows a decrease in travel receipts by 4.6 percent and an increase in travel payments by 3.7 percent compared to the same month of 2015. Moreover, total worker's remittances receipts increased by 4.4 percent in January 2016. The balance of payments for the first three quarters 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 same period 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 decreased by US\$ 82.3 million (0.6 percent) at the end of January 2016, compared to their level at the end of 2015, to stand at US \$ 14,071.2 million. This level of reserves covers around 7.7 months of the kingdom's imports of goods and services.
- Domestic liquidity decreased by JD 40.5 million (0.1 percent) at the end of January 2016, compared to its level at the end of 2015, to total JD 31,565.2 million.
- The outstanding balance of credit facilities extended by licensed banks increased by JD 52.6 million (0.2 percent) at the end of January 2016, compared to its level at the end of 2015 to reach JD 21,156.1 million.
- Total deposits at licensed banks at the end of January 2016, almost maintained the same level registered at the end of 2015, to stand at JD 32,604.4 million.
- The interest rates on all types of credit facilities extended by licensed banks had decreased at the end of January 2016, compared to their levels at the end of 2015, except the overdraft accounts. While the interest rates on the deposits at licensed banks had increased, except the demand deposit.

- The Share Price Index (SPI) weighted by market capitalization of free float shares at Amman Stock Exchange (ASE) reached 2,147.0 point at the end of January 2016, increasing by 10.7 points (0.5 percent), compared to its level at the end of 2015. Moreover, the market capitalization decreased by JD 328.2 million (1.8 percent), compared to its registered level in 2015, to stand at JD 17,656.5 million.

Main Monetary Indicators

JD Million, and Percentage Change Relative to the Previous Year

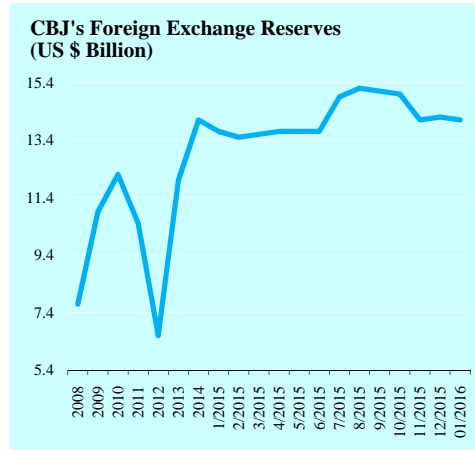
		End of January	
2015		2015	2016
US\$ 14,153.5	CBJ's Foreign Currency Reserves*	US\$ 13,697.9	US\$ 14,071.2
0.5%		-2.7%	-0.6%
31,605.5	Money Supply (M2)	29,720.9	31,565.2
8.1%		1.6%	-0.1%
21,103.5	Credit Facilities, of which:	19,323.1	21,156.1
9.5%		0.3%	0.2%
18,098.1	Private Sector (Resident)	17,352.8	18,190.2
4.6%		0.3%	0.5%
32,598.5	Total Deposits, of which:	30,846.0	32,604.4
7.7%		1.9%	0.0%
26,014.5	In JD	24,550.9	26,035.6
8.3%		2.2%	0.1%
6,584.0	In Foreign Currencies	6,295.1	6,568.8
5.4%		0.8%	-0.2%
25,799.7	Deposits of Private Sector (Resident), of which:	24,389.0	25,827.0
7.6%		1.7%	0.1%
21,163.1	In JD	19,977.6	21,215.9
8.1%		2.1%	0.2%
4,636.7	In Foreign Currencies	4,427.0	4,611.2
5.3%		0.6%	-0.5%

* 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 decreased by US\$ 82.3 million (0.6 percent), at the end of January 2016, compared to their level at the end of 2015 to reach US\$ 14,071.2 million. This level of reserves covers around 7.7



months of the Kingdom's imports of goods and services.

□ Domestic Liquidity (M2)

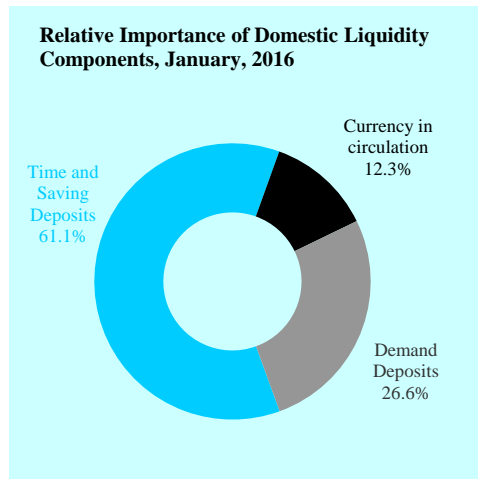
- Domestic liquidity totaled JD 31,565.2 million at the end of January 2016, decreasing by JD 40.5 million, or 0.1 percent, compared to an increase of JD 480.5 million, or 1.6 percent, during the same month of 2015.

◆ **Developments in the components and the factors affecting domestic liquidity at the end of January 2016 compared to their levels at the end of 2015, reveal the following:**

- **Components of Domestic Liquidity**

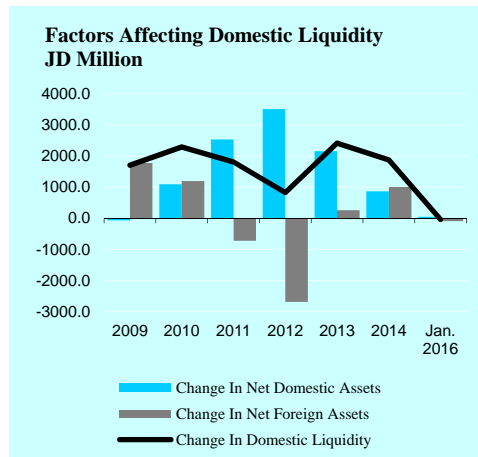
- Deposits increased by JD 10.6 million, at the end January 2016, compared to their level at the end of 2015, to total JD 27,683.0 million, compared with an increase amounting to JD 502.1 million, or 2.0 percent, during the same month of 2015.

- Currency in circulation decreased by JD 51.1 million, or 1.3 percent, at the end of January 2016, compared to its level at the end of 2015, to reach JD 3,882.2 million, against a decrease in the amount of JD 21.6 million, or 0.6 percent, during the same month of 2015.



• **Factors Affecting Domestic Liquidity**

- Net domestic assets of the banking system increased by JD 47.6 million, or 0.2 percent, at the end of January 2016, compared to its level at the end of 2015, against an increase of JD 540.4 million, or 2.5 percent, at the same month of 2015.



This increase was a result of the increase in net domestic assets at the licensed banks by JD 84.5 million, or 0.3 percent, and its decrease at the CBJ by JD 36.9 million, or 0.6 percent, respectively.

- Net foreign assets of the banking system decreased by JD 88.0 million, or 1.1 percent, at the end of January 2016, compared to their level at the end of 2015, against a decrease in the amount of JD 60.0 million, or 0.8 percent, during the same month of 2015. This decrease was a result of the decrease in net foreign assets at licensed banks by JD 115.5 million, or 5.8 percent, and the increase of net foreign assets at the CBJ by JD 27.4 million or 0.3 percent.

Factors Affecting Domestic Liquidity (M2) JD Million

2015		End of January	
		2015	2016
8,137.3	Foreign Assets (Net)	7,872.2	8,049.2
10,124.2	CBJ	9,833.6	10,151.7
-1,986.9	Licensed Banks	-1,961.4	-2,102.4
23,468.2	Domestic Assets (Net)	21,848.6	23,516.1
-5,781.8	CBJ, of which:	-5,666.9	-5,818.7
1,519.1	Claims on Public Sector (Net)	1,418.1	1,549.1
-7,324.1	Other Items (Net*)	-7,107.3	-7,390.9
29,250.2	Licensed Banks	27,515.5	29,334.7
10,220.9	Claims on Public Sector (Net)	9,656.9	10,178.8
18,681.3	Claims on Private Sector	17,884.2	18,762.6
348.0	Other Items (Net)	-25.6	393.3
31,605.5	Money Supply (M2)	29,720.9	31,565.4
3,933.2	Currency in Circulation	3,782.7	3,882.2
27,672.3	Total Deposits, of which:	25,938.0	27,683.0
4,709.6	In Foreign Currencies	4,476.5	4,676.3

* 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

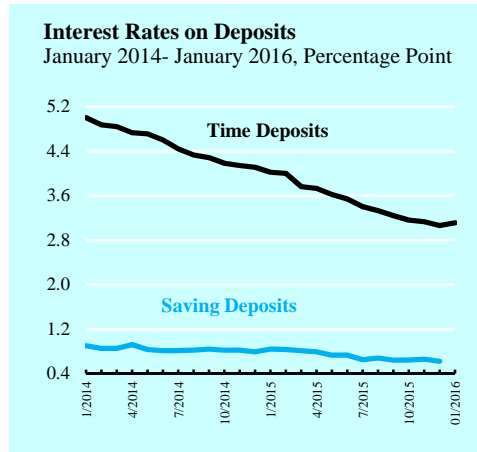
- Time Deposits: The weighted average interest rate on time deposits at the end of January 2016 increased by 5 basis points, compared to its level at the end of 2015 to stand at 3.11 percent.

Interest Rates on Monetary Policy Instruments, percentage points

2015		January	
		2015	2016
3.75	Re-discount Rate	4.25	3.75
3.50	Repurchase Agreements Rate (overnight)	4.00	3.50
1.50	Overnight Deposit Window Rate	2.75	1.50
2.50	Repurchase Agreements rate (one week)	3.00	2.50
2.50	Repurchase Agreements rate (one month)	3.00	2.50

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

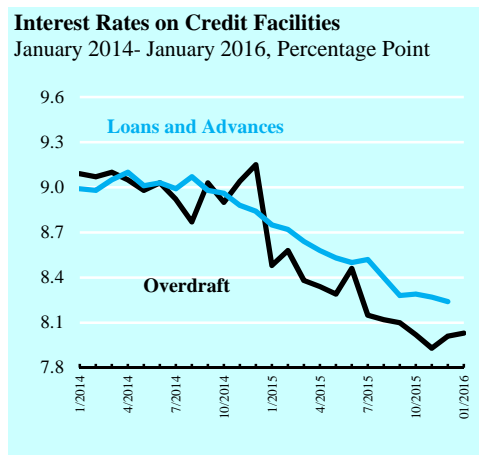
- **Saving Deposits:** The weighted average interest rate on saving deposits at the end of January 2016 increased by 2 basis points, compared to its level at the end of 2015 to stand at 0.64 percent.



- **Demand Deposits:** The weighted average interest rate on demand deposits at the end of January 2016 decreased by one basis point compared to its level at the end of 2015 to stand at 0.31 percent.

◆ **Interest Rates on Credit Facilities**

- **Overdraft Accounts:** The weighted average interest rate on overdraft accounts at the end of January 2016 increased by 2 basis points compared to its level at the end of 2015 to stand at 8.03 percent.



- Discounted Bills and Bonds: The weighted average interest rate on “discounted bills and bonds” at the end of January 2016, decreased by 11 basis points compared to its level at the end of 2015 to reach 8.59 percent.

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

	January		Change Relative to the Preceding Year Basis Points
	2015	2016	
Deposits			
0.32 Demand	0.46	0.31	-1
0.62 Saving	0.84	0.64	2
3.06 Time	4.02	3.11	5
Credit Facilities			
8.70 Discounted Bills and Bonds	9.45	8.59	-11
8.24 Loans and Advances	8.75	8.19	-5
8.01 Overdraft	8.48	8.03	2
8.37 Prime Lending Rate	8.72	8.37	-

Source: Central Bank of Jordan / Monthly Statistical Bulletin.

- Loans and Advances: The weighted average interest rate on “loans and advances” decreased by 5 basis

points at the end of January 2016, compared to its level at the end of 2015, to stand at 8.19 percent.

- The prime lending rate stood at 8.37 percent at the end of January 2016, to maintain its level at the end of 2015.
- 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 508 basis points, at the end of January 2016, which is lower by 10 basis points than its level at the end of 2015.

□ Credit Facilities Extended by Licensed Banks

- Total credit facilities extended by licensed banks increased by JD 52.6 million (0.2%) at the end of January 2016, compared to its level at the end of 2015, against an increase of JD 48.6 million, or 0.3 percent during the same month of 2015.

- The extended credit facilities, according to economic activity, at the end of January 2016 demonstrates an increase in credit to "others" item which generally represents facilities extended to individuals by JD 75.0 million, or 1.4 percent, the "construction" sector by JD 67.9 million, or 1.4 percent, and the "Industrial" sector by 44.9 million or (2.1 percent). Meanwhile the credit facilities extended to the public services and utilities and general trade sectors decreased by JD 93.5 million, or 2.9 percent and 49.6 million or 1.3 percent, respectively, compared to their levels at the end of 2015.
- In terms of borrowers, credit facilities at the end of January 2016 had shown an increase in credit extended to the private sector (resident) by 92.0 million, or 0.5 percent, and the private sector (nonresident) by 12.3 million, or (2.6) percent. Meanwhile, the credit facilities extended to the central government and public institutions declined by 47.5 million, or 2.2 percent and 0.8 million or 0.3 percent; respectively, compared to their levels at the end of 2015.

□ Deposits at Licensed Banks

- Total deposits at licensed banks stood at JD 32,604.4 million at the end of January 2016, increasing by JD 5.9 million, compared to its level at the end of 2015, against an increase of JD 585.0 million, or 1.9 percent, at the end of 2015.
- This increase was a result of the increase in the deposits of the private sector (resident) by JD 27.2 million, or 0.1 percent, and the private sector (non-resident) by JD 13.4 million, or 0.4 percent, and a decrease in the non-banking financial institutions by JD 28.6 million, or 6.5 percent, and the public sector (central government plus public institutions) by JD 6.2 million, or 0.2 percent, compared to their levels at the end of 2015.

- The currency composition of deposits at the end of January 2016 revealed that JD deposits increased by JD 21.1 million, or 0.1 percent, while “deposits in the foreign currency” decreased by JD 15.2 million, or 0.2 percent, compared to their levels at the end of 2015.

□ **Amman Stock Exchange (ASE)**

Indicators of ASE displayed a mixed performance at the end of January 2016 compared to 2015. This can be demonstrated as follows:

■ **Trading Volume**

Trading volume at ASE totaled JD 185.2 million in January 2016; down by JD 450.0 million compared to its level at the end of 2015, against a decrease of JD 85.1 million, or 31.4 percent, during the same month in 2015.

■ **Traded Shares**

The number of traded shares in January 2016 totaled 212.9 million shares; down by 18 million shares, or 7.8 percent, compared to its level in the previous month, against a decrease amounting to 100.8 million shares, or 33.0 percent, during the same month in 2015.

■ **Share Price Index (SPI)**

The SPI weighted by market capitalization of free float shares at ASE increased by 10.7 points, or 0.5 percent, at the end of January 2016 compared to

its level at the end of 2015 to stand at 2,147.0 point, against an increase of 4.1 points, or 0.2 percent, during the same month in 2015. The aforementioned increase was an outcome of the increase in the SPI for the financial sector by 37.7 points, or 1.3 percent, the industrial sector by 28.5 points, or 1.5 percent, and the services sector by 7.1 points, or 0.4 percent compared to their levels at the end of 2015.

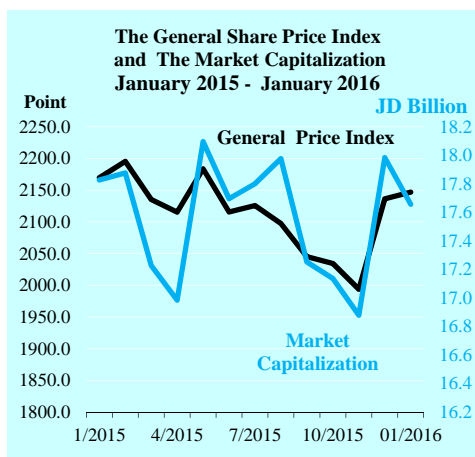
Share Price Index Weighted by Market Capitalization of Free Float Shares, by Sector

2015		January	
		2015	2016
2,136.3	General Index	2,169.6	2,147.0
2,906.2	Financial Sector	2,944.7	2,943.9
1,848.8	Industrial Sector	1,840.0	1,820.3
1,726.7	Services Sector	1,771.7	1,719.6

Source: Amman Stock Exchange.

■ **Market Capitalization**

The ASE's market capitalization totaled JD 17.7 billion at the end of January 2016; decreasing by JD 328.2 billion, or 1.8 percent, compared to its level at the end of 2015, against a decrease of JD 254.9 million or 1.4 percent, during the same month in 2015.



■ Non - Jordanian Net Investment

Non-Jordanian net investment at ASE recorded an outflow amounting to JD 4.3 million in January 2016, compared to an outflow of JD 0.6 million during the same month in 2015; the value of shares acquired by non-Jordanian in January 2016 amounted to JD 25.4 million, while their selling amounted to JD 29.8 million.

Main Amman Stock Exchange Trading Indicators, JD Million			
		January	
2015		2015	2016
635.2	Value Traded	185.6	185.2
28.9	Average Daily Trading	10.9	8.8
17,984.7	Market Capitalization	17,827.7	17,656.5
230.9	No. of Traded Shares (million)	205.0	212.9
12.1	Net Investment of Non-Jordanian	-0.6	-4.3
981.7	Non-Jordanian Buying	27.9	25.4
971.1	Non-Jordanian Selling	28.5	29.8

Source: Amman Stock Exchange.

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 1.0 percent during January 2016 against an increase of 0.2 percent during the same month of 2015.
- The unemployment rate increased during 2015 to stand at 13.0 percent (11.0 percent for males and 22.5 percent for females), compared to 11.9 percent (10.1 percent for males and 20.7 percent for females) 2014. The unemployment rate among academic degree holders (Bachelor Degree and higher) reached 18.6 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	-	-

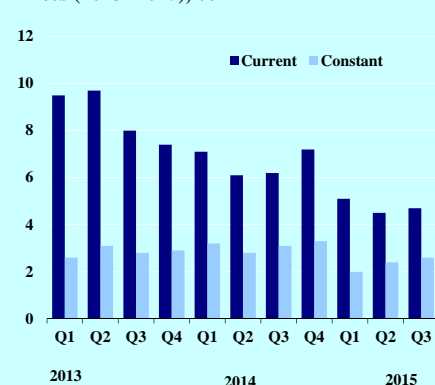
Source: Department of Statistics.

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 for the year 2015. Some indicators recorded a notable growth, such as “mining and quarrying” production quantity index (11.4 percent). However, other indicators showed a contraction, particularly; licensed areas for building (-12.5 percent), number of passengers through the Royal Jordanian (-7.9 percent), and number of departures (-7.4 percent). The following table displays the performance of the main sectoral indicators.

Main Sectoral Indicators*

Item	Percentage Points		
	2014	Available period	2015
Manufacturing production quantity index	-0.2	The whole year	-1.2
Food products and beverages	-1.5		4.1
Tobacco products	5.3		-4.4
Refined petroleum products	2.9		6.0
Cement, lime and plaster	9.7		-14.6
Iron and steel	0.6		2.7
Chemical products	-6.5		-3.8
“Mining and quarrying” production quantity index	28.3		11.4
Phosphate	38.6		10.9
Potash	20.3		12.9
Number of passengers through Royal Jordanian	-2.8		-7.9
Cargo through Royal Jordanian	-1.7		-0.7
Quantities of exported and imported goods shipped through Aqaba port	16.7		-3.5
Number of departures	-0.5		-7.4
Value traded at the real estate market	22.4		-2.0
Licensed areas for buildings	7.2		-12.5

*: Sources:

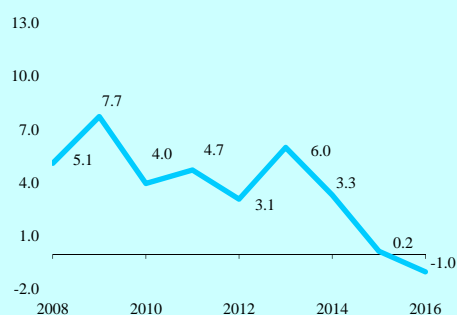
- Department of Statistics.
- Monthly Statistical Bulletin / Central Bank of Jordan.
- Royal Jordanian.

Prices

The general price level, measured by the percentage change in the Consumer Price Index (CPI), contracted by 1.0 percent during January 2016, against an increase of 0.2 percent during the same month of 2015. This came as a result of the continuous falling 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 “fuels and lighting” (-10.0 percent), and transportation (-6.0), and food (-2.7 percent). They collectively contributed in reducing the overall inflation rate by -2.1 percentage points.

Annual Bases Inflation Rate

For January month of the years (2008-2016), percentages



Inflation Rate during the years 2015 - 2016

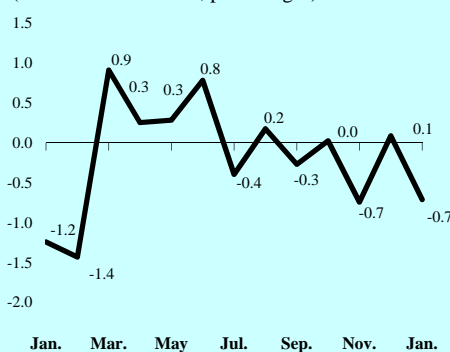
Expenditure Groups	Relative Imp.	Relative change		Contribution	
		January		January	
		2015	2016	2015	2016
All Items	100.00	0.2	-1.0	0.2	-1.0
1) Food and non-Alcoholic Beverages, of which:	33.36	1.5	-2.4	0.5	-0.8
Meat and Poultry	8.24	2.4	-9.0	0.2	-0.8
Dairy Products and Eggs	4.23	2.1	-2.4	0.1	-0.1
Vegetables and Legumes Dry and Canned	3.89	-11.1	2.6	-0.5	0.1
Fruits and Nuts	2.73	14.8	-2.5	0.4	-0.1
Oils and Fats	1.92	3.0	3.4	0.0	0.1
2) Alcohol and Tobacco and Cigarettes	4.43	14.8	2.8	0.5	0.1
3) Clothing and footwear	3.55	8.5	2.5	0.3	0.1
4) Housing, of which:	21.92	2.0	0.3	0.5	0.1
Rents	15.57	5.8	3.2	0.9	0.5
Fuels and Lighting	4.85	-9.5	-10.0	-0.5	-0.5
5) Household Furnishings and Equipment	4.19	3.0	1.2	0.1	0.1
6) Health	2.21	4.7	0.4	0.1	0.0
7) Transportation	13.58	-14.2	-6.0	-2.2	-0.8
8) Communication	3.50	0.2	-0.3	0.0	0.0
9) Culture and Recreation	2.27	0.7	7.0	0.0	0.1
10) Education	5.41	3.8	1.1	0.2	0.1
11) Restaurants and Hotels	1.83	2.2	1.1	0.0	0.0
12) Other Goods and Services	3.75	2.2	-0.2	0.1	0.0

Source: Department of Statistics.

In contrast, prices of other groups and items showed varied increases, mainly; rents (3.2 percent) “culture and recreation” (7.0 percent).

In January 2016, the CPI contracted by 0.7 percent compared with January 2015. This was due to the decrease in the prices of some items, mainly; “vegetables and legumes dry and canned” (-10.0 percent), and culture and recreation group (-2.0 percent).

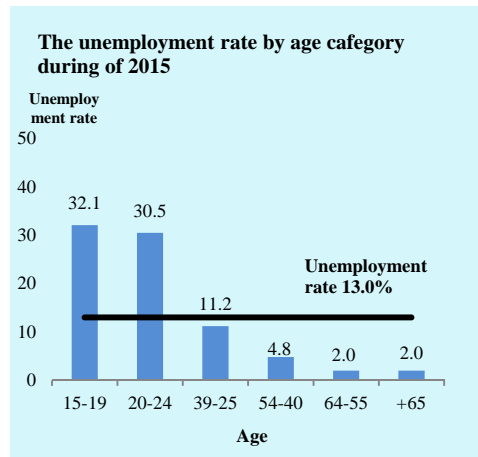
Monthly Inflation Rate
(Jan. 2015 - Jan. 2016, percentages)



□ Employment

- ◆ The unemployment rate increased during the fourth quarter of 2015 to reach 13.6 percent (11.7 percent for males and 23.0 percent for females), compared to 12.3 percent (10.9 percent for males and 19.1 percent for females) during the same quarter of 2014.
- ◆ Accordingly, unemployment rate increased during 2015 to stand at 13.0 percent (11.0 percent for males and 22.5 percent for females), compared to 11.9 percent (10.1 percent for males and 20.7 percent for females) 2014. The unemployment rate among academic degree holders (Bachelor Degree and higher) reached 18.6 percent.

- ◆ The unemployment among youth remains high at 32.1 percent for the categories of 15-19 years old, and 30.5 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 2015 reached 36.7 percent (60.0 percent for males and 13.3 percent for females), compared to 36.4 percent (59.7 percent for males and 12.6 percent for females) in 2014.
- ◆ The employment rate among population of 15 years and older reached 31.9 percent during 2015, compared to 32.1 percent in 2014. The employees in the sector of “public administration, defense, and social security” accounted for 26.3 percent of the total employed, followed by employees in the “wholesale and retail trade” (15.3 percent), education (12.4 percent), and manufacturing (10.0 percent).

Third : Public Finance

□ Summary:

- The general budget, including foreign grants, recorded a fiscal deficit in the amount of JD 1,026.5 million during the first eleven months of 2015, compared to a fiscal deficit in the amount of JD 899.9 million, during the same period in 2014. When excluding foreign grants (JD 448.4 million), the general budget deficit reaches JD 1,474.9 million compared to a deficit in the amount of JD 1,655.5 million during the same period in 2014.
- Net outstanding domestic public debt increased by JD 1,048.0 million at the end of November 2015 compared to its level at the end of 2014, to reach JD 13,573.0 million (50.0 percent of GDP).
- Outstanding external public debt (budgetary and guaranteed) increased by JD 1,213.5 million at the end of November 2015, compared to its level at the end of 2014, to stand at JD 9,243.6 million (34.1 percent of GDP).
- As a result, net outstanding public debt (domestic and external) reached JD 22,816.6 million (84.1 percent of GDP) at the end of November 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 eleven months of 2015 compared to the same period in the preceding year:

■ Public Revenues

Public revenues (including foreign grants) decreased by JD 13.8 million, or 3.0 percent, in November 2015 comparing to the same month of 2014 to reach JD 441.6 million. As for the first eleven months of 2015, these revenues were down by JD 320.7 million, or 5.3 percent, compared to the same period in 2014 to stand at JD 5,734.3 million. This came as a result of the decrease in domestic revenues by JD 13.5 million, as well as foreign grants by JD 307.2 million.

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

(JD Million and Percentages)

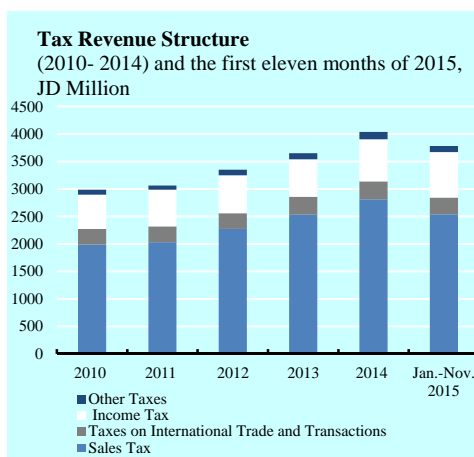
	November		Growth Rate	Jan. – Nov.		Growth Rate
	2014	2015		2014	2015	
Total Revenues and Grants	455.4	441.6	-3.0	6,055.0	5,734.3	-5.3
Domestic Revenues, of which:	421.2	402.3	-4.5	5,299.4	5,285.9	-0.3
Tax Revenues, of which:	296.7	290.7	-2.0	3,724.6	3,783.6	1.6
General Sales Tax	232.5	231.0	-0.6	2,575.1	2,539.0	-1.4
Other Revenues	122.8	110.1	-10.3	1,556.2	1,485.7	-4.5
Foreign Grants	34.2	39.3	14.9	755.6	448.4	-40.7
Total Expenditures, of which:	659.3	632.5	-4.1	6,954.9	6,760.9	-2.8
Capital Expenditures	116.6	78.5	-32.7	878.5	815.9	-7.1
Overall Deficit/ Surplus	-203.9	-190.9	-	-899.9	-1,026.5	-

Source: Ministry of Finance/ General Government Finance Bulletin.

◆ **Domestic Revenues**

Domestic revenues decreased by JD 13.5 million, or 0.3 percent, during the first eleven months of 2015 compared to the same period in 2014, to reach JD 5,284.9 million. This decrease was an outcome of the drop in “other revenues” and “pension contributions” by

JD 70.5 million, and JD 2.0 million, respectively, and the rise in the proceeds of “tax revenues” by JD 59.0 million.



● Tax Revenues

Tax revenues increased by JD 59.0 million, or 1.6 percent, during the first eleven months of 2015 compared to the same period in 2014, to reach JD 3,783.6 million (71.6 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 36.1 million, or 1.4 percent, which reached JD 2,539.0 million (accounting for 67.1 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 41.4 million, and JD 25.7 million, respectively. While “sales tax on domestic goods” and “sales tax on services” have increased by JD 18.4 million, and JD 12.7 million, respectively.
- An increase in the proceeds of “income and profit taxes” by JD 100.5 million, or 13.8 percent, which reached JD 826.9 million (accounting for 21.9 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 51.9 million, and the rise in the proceeds of “income tax from individuals” by JD 48.6 million. Accordingly, income tax from companies accounted for 76.9 percent of total taxes on income and profits to reach JD 636.2 million.

- An increase in the proceeds of “taxes on international trade and transactions” (including customs duties and fees) by JD 2.7 million or 0.9 percent, to reach JD 305.7 million (accounting for 8.1 percent of total tax revenues).
- A decrease in real-estates tax (taxes on financial transactions) by JD 8.1 million, or 6.7 percent, to reach JD 112.0 million (accounting for 3.0 percent of total tax revenues).

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

“Other revenues” decreased by JD 70.5 million, or 4.5 percent, during the first eleven months of 2015 to reach JD 1,485.7 million. This decrease was chiefly due to:

- A decrease in property income by JD 181.0 million to stand at JD 321.8 million (of which financial surplus of independent government units amounted to JD 285.0 million).
- A decrease in “revenues from selling goods and services” by JD 31.2 million to reach JD 778.9 million.
- A rise in miscellaneous revenues by JD 141.7 million to stand at JD 385.0 million.

- **Pension Contributions**

Pension contributions were down by JD 2.0 million during the first eleven months of 2015, standing at JD 16.6 million.

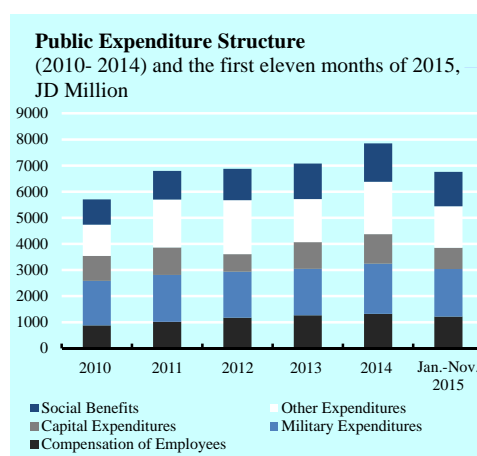
- ◆ **Foreign Grants**

Foreign grants decreased by JD 307.2 million during the first eleven months of 2015, standing at JD 448.4 million.

Public Expenditures

Public expenditures witnessed a decrease by JD 26.8 million, or 4.1 percent, in November 2015 compared to the same month in 2014 to stand at JD 632.5 million. Moreover, public expenditures declined by JD 194.0 million, or 2.8 percent during the first eleven months of 2015, to stand at JD 6,760.9 million. This

decrease was a result of the drop in current expenditures by JD 131.4 million, and capital expenditures by JD 62.6 million.



Current Expenditures

Current expenditures decreased by JD 131.4 million, or 2.2 percent, during the first eleven months of 2015, to reach JD 5,945.0 million. This decrease was chiefly due to:

- A decrease in social benefit expenditures by JD 41.2 million to stand at JD 1,320.4 million, accounting for 22.2 percent of total current expenditures.
- A drop in interest payments by JD 21.9 million to stand at JD 839.6 million, accounting for 14.1 percent of total current expenditures.
- A decrease in “purchases of goods and services” by JD 3.6 million to stand at JD 304.4 million, accounting for 5.1 percent of total current expenditures.
- A drop in goods subsidies by JD 83.2 million to stand at JD 134.6 million, accounting for 2.3 percent of total current

expenditures. It is worth mentioning that this item includes only food subsidies starting from 2013.

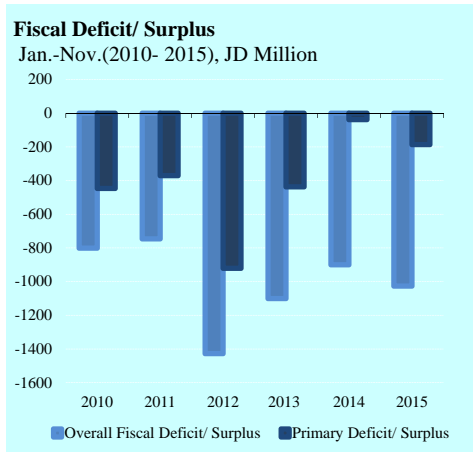
- An increase in military expenditures by JD 44.7 million to total JD 1,822.0 million, accounting for 30.6 percent of total current expenditures.
- A rise in the “compensation of civil sector's employees” (wages, salaries and social security contributions) by JD 16.0 million to reach JD 1,217.4 million, accounting for 20.5 percent of total current expenditures.

◆ Capital Expenditures

Capital expenditures decreased by JD 62.6 million, or 7.1 percent during the first eleven months of 2015 compared to the same period in 2014, to reach JD 815.9 million.

■ General Budget Deficit/ Surplus

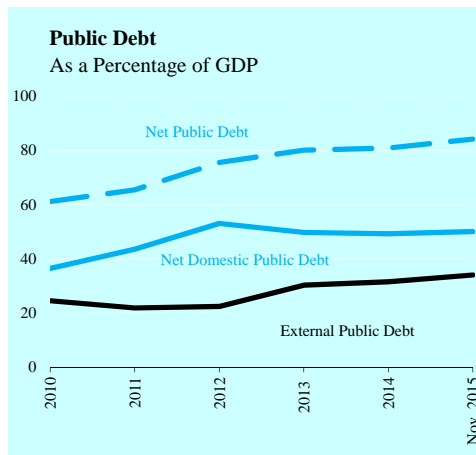
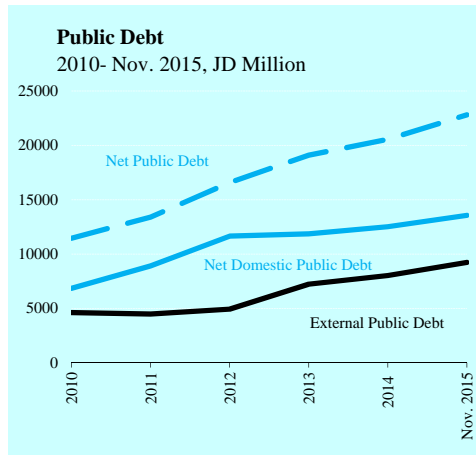
- ◆ The general budget, including grants, displayed a fiscal deficit amounted to JD 1,026.5 million during the first eleven months of 2015, against a fiscal deficit in the amount of JD 899.9 million during the same period in 2014.



- ◆ The general budget showed a primary deficit (after excluding interest payments on public debt from total expenditures) amounted to JD 186.9 million during the first eleven months of 2015, against a primary deficit of JD 38.4 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 1,048.0 million at the end of November 2015 comparing to its level at the end of 2014 to total JD 13,573.0 million, or 50.0 percent of GDP. This result was an outcome of the rise in gross outstanding domestic public debt by JD 735.0 million to reach JD 15,356.0 million, and the decrease in the government deposits at the banking system by JD 312.0 million to reach JD 1,784.0 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 187.0 million at the end of November 2015, compared to their level at the end of 2014 standing at JD 12,284.0 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 972.0 million to stand at JD 2,520.0 million, on



the other. In this regard, loans and advances extended to these agencies increased by JD 1,018.0 million to stand at JD 1,957.0 million. While, own-budget agencies' bonds decreased by JD 46.0 million at the end of November 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 1,213.5 million at the end of November 2015 compared to its level at the end of 2014, amounting to JD 9,243.6 million (34.1 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 2015. Note that the government was issued sovereign Eurobonds in international markets in the amount of US\$ 500 million in November 2015, in order to pay off a US\$ 750 million sovereign Eurobonds issued in 2010. The currency debt structure shows that external debt in US dollars accounted for 60.6 percent, while debt in Euros accounted for 6.2 percent. Furthermore, external debt in Japanese Yen and Kuwaiti Dinars accounted for 6.4 percent and 8.3 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 2,261.5 million at the end of November 2015 compared to its level at the end of 2014 to stand at JD 22,816.6 million, (84.1 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 1,341.3 million during the first eleven months of 2015 (of which interest payments amounting to JD 200.1 million) compared to JD 766.5 million (of which interest payments amounting to JD 183.7 million) during the same period in 2014.

□ Fiscal and Price Measures

- Raising the prices of some types of oil derivatives, as follows:

Development of Oil Derivatives Price				
	Unit	2016		Percentage Change
		February	March	
Unleaded Gasoline 90	Fils/Liter	495.0	495.0	0.0
Unleaded Gasoline 95	Fils/Liter	650.0	650.0	0.0
Gas Oil (Diesel)	Fils/Liter	320.0	320.0	0.0
Kerosene	Fils/Liter	320.0	320.0	0.0
Liquid Gas (12.5kg)	JD/Unit	7.0	7.0	0.0
Fuel oil for industry	JD/Ton	177.7	179.6	1.1
Fuel for airplanes (local companies)	Fils/Liter	255.0	265.0	3.9
Fuel for airplanes (foreign companies)	Fils/Liter	260.0	270.0	3.8
Fuel for unplanned flights	Fils/Liter	275.0	285.0	3.6
Asphalt	JD/Ton	194.9	203.8	4.6

Source: Jordan Petroleum Refinery Company (1/3/2016).

- 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).
- The Cabinet decided to extend the exemptions of homebuyers from registration fee until 30/11/2016 (December 2015).
- The Investment Council decided to reduce the income tax on information and communication technology sector to 5%, as well as sales tax rate to zero, in addition to the exemption of production inputs from all taxes and fees (January 2016).
- Land Transport Regulatory Commission decided to reduce public transport fares by 10%, to be effective starting Feb. 2016 (January 2016).

□ 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.

- Signing a grant agreement extended by Kuwait in the amount of US\$ 20 million, to support the Jordanian response plan to the Syrian crisis (January 2016).
- Signing a grant agreement extended by Canadian government in the amount of CAD 39 million, that targets sustainable economic growth in Jordan by implementing two Canadian funded projects, distributed as follows (January 2016):
 - CAD 19.85 million to support “Sustainable Economic Development through Renewable Energy Project”.
 - CAD 19.1 million to the project of “Enterprises Development in the Jordan Valley”.
- Signing a grant agreement extended by the Islamic Development Bank (IDB) in the amount of US\$ 200 thousand, to finance the capacity building project of rural societies within the framework of village health program (February 2016).

Fourth: External Sector

□ Summary

- **Total merchandize exports** (domestic exports *plus* re-exports) decreased by 11.9 percent in December 2015 compared to the same month of 2014, to record JD 472.8 million. As for the year 2015, total merchandize exports decreased by 6.6 percent to reach JD 5,558.4 million.
- **Merchandize imports** decreased by 12.4 percent in December 2015 compared to the same month of 2014, to reach JD 1,142.4 million. As for the year 2015, total merchandize imports decreased by 11.3 percent to reach JD 14,436.0 million.
- **Consequently**, the trade balance deficit (total exports minus imports) decreased by 12.8 percent in December 2015 compared to the same month in 2014; standing at JD 669.6 million. As for the year 2015, the trade balance deficit declined by 14.0 percent to reach JD 8,877.6 million.
- **Travel receipts** decreased in January 2016 compared to the same month of 2015 by 6.4 percent to reach JD 236.5 million, while travel payments increased by 3.7 percent, to reach JD 73.1 million.
- **Total workers' remittances receipts** decreased by 4.4 percent in January 2016 compared to the same month of 2015 to reach JD 201.7 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 quarters of 2015 compared to a deficit of JD 1,392.0 million (7.5 percent of GDP) during the same period of 2014.
- **Net direct investment** recorded an inflow of JD 608.9 million during the first three quarters of 2015, down from JD 1,061.9 million during the same period 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 367.8 million and JD 1,844.2 million, respectively, for the year 2015 compared to 2014, the volume of external trade (domestic exports *plus* imports) decreased by JD 2,212.0 million to stand at JD 19,231.2 million.

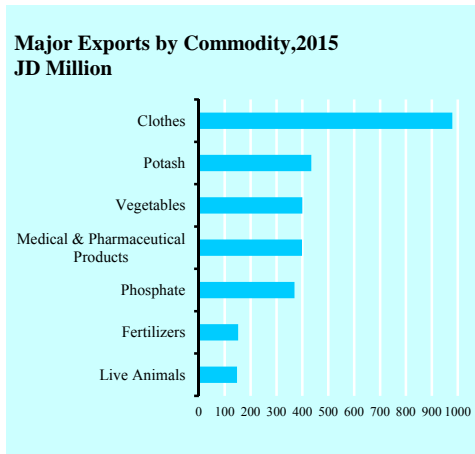
Jordan's Major Trading Partners JD Million				Main External Trade Indicators JD Million				
	2014	2015	Percentage Change		2014	Percentage Change 2014/2013	2015	Percentage Change 2015/2014
Exports				External Trade	21,443.2	4.7	19,231.2	-10.3
USA	929.9	1,002.0	7.8	Total Exports	5,953.2	6.0	5,558.4	-6.6
Saudi Arabia	708.9	787.0	11.0	Domestic Exports	5,163.0	7.4	4,795.2	-7.1
Iraq	828.7	493.0	-40.5	Re-exports	790.2	-2.8	763.2	-3.4
India	459.8	418.2	-9.0	Imports	16,280.2	3.9	14,436.0	-11.3
UAE	201.4	227.9	13.2	Trade Balance	-10,327.0	2.8	-8,877.6	-14.0
Kuwait	122.8	210.5	71.4	Source: Department of Statistics.				
China	131.3	149.7	14.0					
Imports								
Saudi Arabia	3,166.7	2,208.3	-30.3					
China	1,705.9	1,834.4	7.5					
USA	937.6	883.2	-5.8					
Germany	638.4	667.9	4.6					
UAE	776.1	597.2	-23.1					
Italy	496.1	548.7	10.6					
Turkey	604.1	530.3	-12.2					
South Korea	542.3	490.3	-9.6					
Source: Department of Statistics.								

■ **Merchandize**

Exports:

Total merchandize exports decreased by 6.6 percent during 2015, compared to an increase of 6.0 percent in 2014, to

record JD 5,558.4 million. This decrease resulted from a decline in domestic exports by JD 367.8 million, or 7.1 percent, to reach JD 4,795.2 million, and in re-exports by 3.4 percent, to reach JD 763.2 million.



◆ **The developments of domestic exports during 2015 compared to 2014 reveal the following:**

- Exports of **vegetables** decreased by JD 57.6 million, or 12.6 percent, to reach JD 399.8 million. The UAE, Saudi and Kuwait markets were the main destinations of these exports, accounting for 54.8 percent.

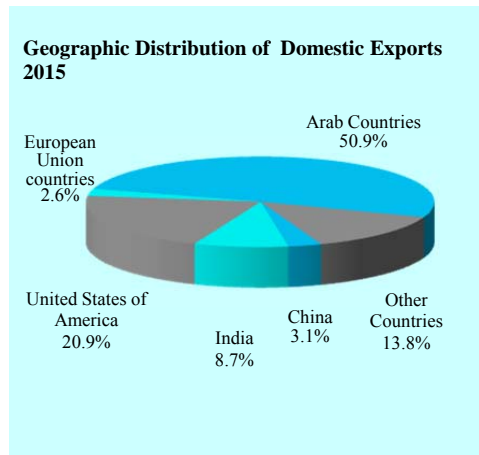
- Exports of **Medical & Pharmaceutical products** decreased by JD 25.7 million, or 6.1 percent, to reach JD 398.7 million. The Saudi, Algerian, Sudanese and Iraq markets accounted for 54.4 percent of these exports.
- Exports of **phosphates** increased by JD 36.3 million, or 10.9 percent, to register JD 369.3 million. This increase was mainly due to an increase in exported quantities and prices by 4.4 percent and 6.2 percent; respectively. It is worth noting that the Indian market was the main destination for these exports, accounting for 67.3 percent of phosphates exports.

Major Domestic Exports by Commodity, JD Million
2014-2015

	2014	2015	Percentage Change
Domestic Exports	5,163.0	4,795.2	-7.1
Clothes	908.2	979.1	7.8
USA	820.8	879.3	7.1
Potash	423.8	434.6	2.5
China	125.7	146.1	16.2
India	111.4	110.1	-1.2
Malaysia	36.2	44.3	22.4
Vegetables	457.4	399.8	-12.6
UAE	82.9	77.5	-6.5
Saudi Arabia	62.0	74.5	20.2
Kuwait	61.6	67.0	8.8
Medical & Pharmaceutical Products	424.4	398.7	-6.1
Saudi Arabia	109.6	95.4	-13.0
Algeria	57.4	46.9	-18.3
Sudan	37.9	42.9	13.2
Iraq	49.1	31.6	-35.6
Phosphates	333.0	369.3	10.9
India	230.3	248.5	7.9
Indonesia	51.2	57.4	12.1
Fertilizers	303.2	151.5	-50.0
India	81.1	45.1	-44.4
Iraq	14.0	31.9	127.9
Turkey	61.9	26.5	-57.2
Live Animal	147.8	147.3	-0.3
Saudi Arabia	119.9	142.0	18.4
UAE	-	1.8	-
Qatar	12.9	1.7	-86.8

Source: Department of Statistics.

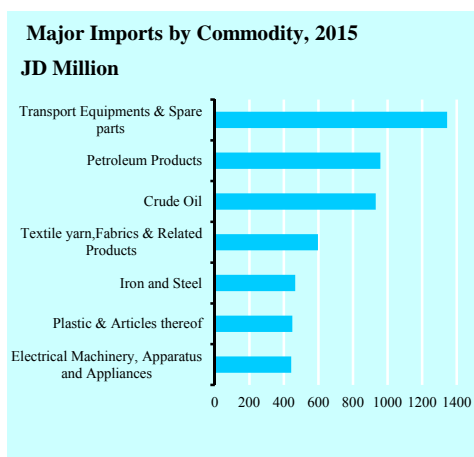
- Exports of **potash** increased by JD 10.8 million, or 2.5 percent, to stand at JD 434.6 million. The Chinese, Indian and Malaysian, markets accounted for 69.1 percent of these exports.



- Consequently, the commodity breakdown of domestic exports indicates that exports of clothes, potash, vegetables, “medical and pharmaceutical products”, phosphates, Fertilizers and Live Animal topped the list of domestic exports during 2015; accounting for 60.1 percent of domestic exports, up from 58.1 percent during 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 2015; accounting for 68.6 percent of domestic exports, up from 65.5 percent during 2014.

■ **Merchandize Imports:**

Merchandize imports decreased by 11.3 percent to reach JD 14,436.0 million during 2015, compared to an increase by 3.9 percent during 2014.



◆ **The developments of imports during 2015 compared with 2014 reveal the following:**

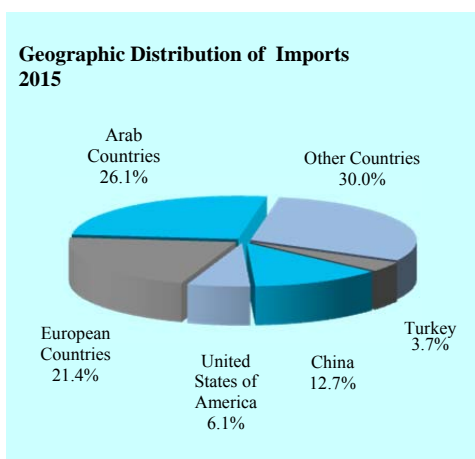
- **Petroleum products** imports decreased by JD 1,485.3 million, or 60.8 percent, to reach JD 958.3 million. This decrease was mainly due to a decrease in imported quantities and prices, in addition to starting the operations of the liquefied natural gas (LNG) pipeline at the port of Aqaba. The main source markets of these imports were Saudi Arabia, Turkey and Belgium; accounting for 62.2 percent.

- **Crude oil** imports decreased by JD 709.6 million, or 43.2 percent, to reach JD 931.1 million. This decrease was mainly attributed to the decline in prices by 47.6 percent, while imported quantities increased by 8.4 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 126.1 million, or 10.4 percent, to reach JD 1,344.2 million. Japan, South Korea and USA were the main markets for these imports; accounting for 58.3 percent.

	2014	2015	Percentage Change
Total Imports	16,280.2	14,436.0	-11.3
Transport Equipment's & Spare Parts	1,218.1	1,344.2	10.4
Japan	256.4	286.9	11.9
South Korea	234.1	280.4	19.8
USA	273.9	216.7	-20.9
Petroleum Products	2,443.6	958.3	-60.8
Saudi Arabia	403.8	337.6	-16.4
Turkey	220.9	129.9	-41.2
Belgium	84.0	128.4	52.9
Crude oil	1,640.7	931.1	-43.2
Saudi Arabia	1,640.7	931.1	-43.2
Textile Yarn, Fabrics & Related Products	595.4	596.6	0.2
China	243.2	225.6	-7.2
Taiwan	168.2	200.1	19.0
Turkey	39.1	39.0	-0.3
Iron & steel	526.8	465.2	-11.7
China	146.0	166.2	13.8
Iran	4.6	92.8	-
Saudi Arabia	46.6	35.6	-23.6
Plastic & Articles thereof	522.2	448.7	-14.1
Saudi Arabia	258.2	216.3	-16.2
UAE	33.1	38.2	15.4
China	33.2	30.8	-7.2
Electrical Machinery, Apparatus & Appliances	337.7	442.6	31.1
China	83.8	134.4	60.4
Turkey	21.5	36.6	70.2
Italy	26.8	32.1	19.8

Source: Department of Statistics.

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



yarn, fabrics, made up articles and related products”, “iron and steel”, “plastic & articles thereof” and “electrical machinery, apparatus and appliances” topped the list of imports during 2015, accounting for 35.9 percent of total imports; down from 44.7 percent during 2014. Meanwhile, the geographical distribution of imports indicates that the markets of Saudi Arabia, China, the USA, Germany, the UAE, Italy and Turkey were the main sources of imports during 2015; accounting for 50.4 percent of total imports, compared to 51.1 percent during 2014.

■ Re-Exports

The value of re-exported goods decreased by JD 27.0 million, or 3.4 percent during 2015 compared to 2014, to reach JD 763.2 million.

■ Trade Balance

The trade balance deficit during 2015 decreased by JD 1,449.3 million, or 14.0 percent, to register JD 8,877.6 million, compared to 2014.

□ Total Workers' Remittances Receipts

Total workers' remittances receipts decreased by 4.4 percent in January 2016, compared to the same month of 2015 to register JD 201.7 million.

□ Travel

■ Receipts

Travel receipts decreased by JD 11.5 million, or 4.6 percent, in January 2016, compared to the same month of 2015 to register JD 236.5 million.

■ Payments

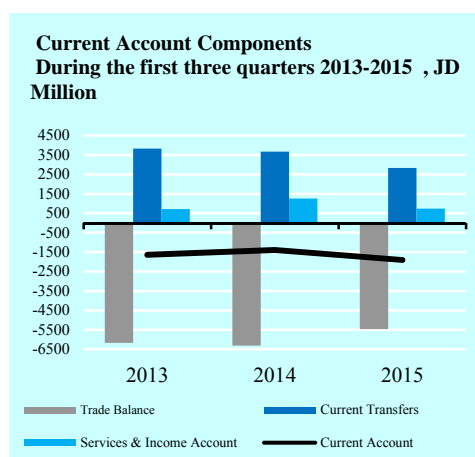
Travel payments increased by JD 2.6 million, or 3.7 percent, in January 2016, compared to 2015 to stand at JD 73.1 million.

□ 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.

- 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.