



Press Release

The Central Bank of Jordan (CBJ) maintains interest rates on the monetary policy instruments unchanged

The Open Market Operations Committee at the CBJ decided to maintain interest rates on the monetary policy instruments unchanged at their current level. The committee discussed, during its third meeting for this year, the economic and monetary developments in the Kingdom, which revealed the strength of the national economy and its ability to continue the momentum of positive performance, despite the prevailing conditions in the region. Foreign reserves of the CBJ, have currently reached a new record of USD 19.1 billion, sufficient to cover the Kingdom's imports of goods and services for 8.3 months. Deposits with banks increased by JD 2.2 billion at the end of February 2024, with a growth of 5.1 percent on an annual basis to reach JD 44.3 billion. Credit facilities in Jordanian dinars extended by banks also increased by JD 744.2 million, with a growth of 2.6 percent on an annual basis, bringing the total balance to JD 33.7 billion. The latest financial soundness indicators, as they are at the end of 2023, confirm the soundness and resilience of the Jordanian banking system.

The continued implementation of the balanced economic policies by the government and the CBJ during the past two years have contributed to containing the inflationary pressures in the Kingdom, which led to the stability of inflation, in the recent period, at acceptable and appropriate rates for the economic activity, as inflation rate reached 1.7 percent during the first quarter of 2024, down from 4.2 percent in 2022. The national economy achieved a real economic growth rate of 2.6 percent for the year 2023, increasing by 0.2 percentage point from its level recorded in the previous year.

Preliminary data indicate a significant decline in the current account deficit to reach 3.5 percent of GDP in 2023, compared to 7.8 percent in 2022. This comes in light of the drop in the trade balance deficit by 11 percent and the increase in the services account surplus by 62.8 percent, driven by an increase in tourism income by 27.4 percent in 2023. As for the available period of 2024, the data revealed that workers' remittances increased by 4.6 percent during the first two months of 2024 to reach USD 593.8 million, while tourism income reached USD 1.6 billion in the first quarter of 2024 compared to USD 1.7 billion during the same quarter of last year.

The CBJ affirms that it thoroughly monitors the regional and global economic developments and the directions of central banks, regionally and internationally, regarding interest rates and will continue studying their impact on the national economy.

The Central Bank of Jordan