



Press Release

The Open Market Operations Committee Cuts Interest Rates on Monetary Policy Instruments

At its seventh meeting of this year, the Open Market Operations Committee has decided to reduce the interest rates on all monetary policy instruments by 25 basis points as of November 10th of 2024. The Committee has reiterated that the decision comes after an elaborate revision of domestic economic indicators and global interest rates trends, which support the continuation of the accommodative monetary policy initiated by the Central Bank in last September. The Committee has underlined the soundness of monetary indicators and the strength of the Dinar, sustained by high levels of foreign reserves at the Central Bank that reached 20.4 billion USD as of the end of October 2024, and are sufficient to cover more than eight months of the Kingdom's services and goods imports, not to mention the decline and stabilization of the inflation rate to reach 1.6% for the first three quarters of the year 2024. Deposits at banks rose by 3.1 billion as of the end of September 2024 with a growth rate of 7.1% on an annual basis, reaching 46.3 billion Dinar. On the other hand, credit facilities granted by banks rose by 1.4 billion with a growth rate of 4.3% on an annual basis, reaching 34.7 billion Dinar. The financial soundness indicators show the robustness of the Jordanian banking sector and its retention of a high capital adequacy ratio of 17.6% which is among the highest in the region. The sector also maintained comfortable levels of legal liquidity that reached a rate of 138.8 %, exceeding the minimum required legal liquidity ratio of 100% as set by the Central Bank.

The latest economic indicators manifest the resilience of the overseas sector amid a period of uncertainty facing the region, whereas the workers' remittances rose by 3.5% to reach 2.3 billion USD during the first eight months of 2024. Moreover, the tourism income yielded about 5.6 billion USD during the first three quarters of 2024, a decline of 4.3% in comparison with the same period of last year. The estimates of the Central Bank indicate a decline in the trade balance deficit by 5% during the first ten

months of this year as a result of the positive and higher than expected performance of exports during the said period. The Central Bank estimates also indicate the national economy achieving a growth rate of 2.4% in 2024, noting that the recorded growth rate in the first half of this year reached 2.2%.

The Central Bank will continue its relentless monitoring of all economic, financial and monetary developments on the domestic, regional and global levels, while taking adequate measures that guarantee maintaining of the monetary and financial stability of the Kingdom and creating an economic and banking environment that contribute to enhancing economic growth.

The Central Bank of Jordan.