Press Release

The Open Market Operations Committee Decides to Reduce the "Key Interest Rate" of the Central Bank by 25 Basis Points

At its seventh meeting of this year, The Open Market Operations Committee at the Central Bank of Jordan (CBJ) has decided to reduce the "Key Interest Rate" of the Central Bank as well as all monetary policy instruments by 25 basis points as of Sunday, November 2nd of 2025.

This decision was taken in light of the Committee's assessment of economic, monetary, and financial developments and examination of the interest rates trends on the regional and global levels. Monetary and banking indicators have shown continued positive performance during the past period of the year. Foreign reserves at the CBJ, reached unprecedented level of $23.9 billion at the end of September 2025, which is sufficient to cover 9.1 months of the Kingdom's imports of goods and services; an amount that is equivalent to three times the internationally recognized standard, reflecting the strength and stability of Jordan's monetary and banking system.

The dollarization rate declined to 17.9% by the end of August 2025, while inflation remained stable at around 2% during the first three quarters of the year, in line with the Central Bank's expectations. This level helps preserve purchasing power and enhance the competitiveness of the national economy.

In addition, total customer deposits in banks increased by 5.5% on an annual basis, reaching JD 48.8 billion at the end of August 2025, while outstanding credit facilities granted by banks rose by 3.3%, reaching JD 35.7 billion.

Financial soundness indicators at the end of the first half of the year confirmed the strength and stability of the Jordanian banking sector, with a capital adequacy ratio of 18%—among the highest in the region—and a comfortable legal liquidity ratio of 142.4%, above the Central Bank's required minimum of 100%.

Regarding balance of payments indicators, the Kingdom's tourism income rose by 6.8% during the first three quarters of this year reaching USD 6.0 billion, while workers' remittances increased by 3.1% during the first eight months of the current year to reach USD 3.0 billion. In the same context, the Kingdom's total exports grew by 7.7% during the first eight months of this year, reaching USD 9.5 billion. Net foreign direct investment inflows to the Kingdom increased during the first half of 2025 to USD 1.0 billion, with a growth rate of 36.4% compared to the same period of 2024. Consequently, the trade balance deficit decreased in the first half of 2025 to 7.4% of GDP, compared to 8.3% during the same period of 2024, supported by an 18.7% increase in the services account surplus and a 42.1% decrease in the investment income deficit. As for economic growth, the national economy recorded a growth rate of 2.8% during the second quarter, following a growth rate of 2.7% in the first quarter of this year.

The Central Bank of Jordan reiterates its unrelenting commitment to maintaining financial and monetary stability, while serving the targets of sustainable economic growth and macroeconomic stability in the Kingdom.

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