

Economic Monitor Jordan

1.9% Economic growth (GDP) in 2018 compared to 2.1% in 2017

3.8% Growth in the Social and Services sector

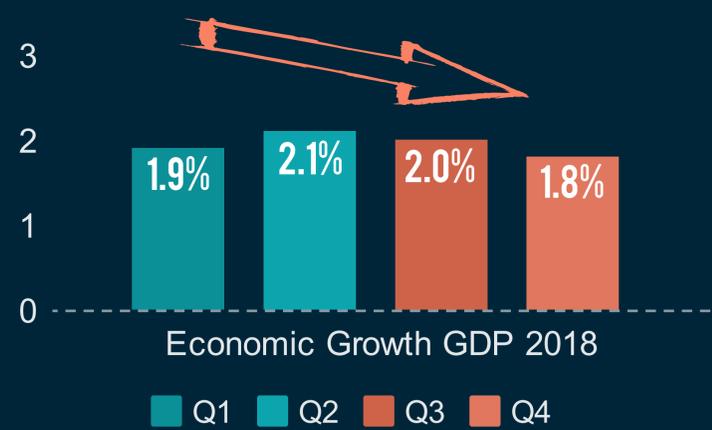
3.2% Growth in the Transport, Communication & Storage Sector

3.4% Growth in the Finance & Insurance Sector

3.2% Growth in the Agriculture sector

2.5% Growth in the Real Estate Sector

BUT,
-0.3% Contraction in the Mining sector



Macroeconomic Issues

Unemployment deteriorated in 2018

18.6% Unemployment rate in 2018, climbing from 18.3% in 2017.



The extent of unemployment can be seen by the large number of applicants to the Civil Status Bureau (CSB). There are over 338,889 job applications for public sector jobs, with women constituting 74.8% of applications, and degree holders constituting 81.8% of applicants.

The Prime Minister recently announced that the government has so far provided 8,216 jobs out of the 30,000 opportunities it pledged to create in 2019.

Monetary Development

Stable Monetary Environment

+0.6% Increase in credit extended to the private sector in February 2019, to reach JD24,888 million.



BUT,

-1.9% MoM drop in foreign currency reserves in March 2019, to reach \$11,306 million.



+0.7% Inflation Rate during the first three months of 2019 compared to 2018.



Fiscal Policy

By the end of Feb 2019

GROSS public debt increased to

94.4% OF GDP

compared to 94.0% of GDP at the end of 2018.

NET public debt increased to

90.0% OF GDP

compared to 89.4% of GDP at the end of 2018.

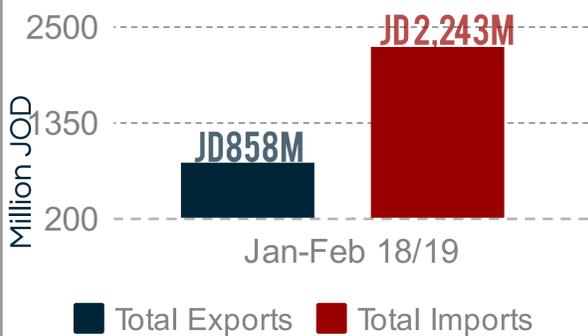


The budget surplus (including grants) amounted to

JD123M

declining by -60.8% from the same period in 2018.

Trade Performance Jan-Feb 18/19



Trade Development

The trade sector performed positively in Feb19



Aqaba Handling Rate Increased by 42%

Trading through Aqaba's ports has been increasing. According to the head of the Aqaba Ports Corporation, the handling rate at Aqaba's ports in the 1st quarter of 2019 increased by 42% from the same period of last year. The increase in handling domestic goods (exports) increased by 13%. The Aqaba Special Economic Zone Authority (ASEZA) stated that it is currently implementing infrastructure projects worth JD20 million.

Investment Climate

Foreign Direct Investment

-52.7% Decrease in the value of foreign direct investments (FDI) inflows into Jordan in 2018 compared to 2017.

In order to stimulate investments, the Minister of State for Investment Affairs announced that the Investment Commission has prepared a plan to reconsider investment licensing procedures and eliminate what is found to be unnecessary, with the aim of cutting the number of procedures in half.

Investor Confidence Survey Shows Negative Indicators

The Jordan Strategy Forum recently released the findings of a survey it conducted on investor confidence in February. According to the survey, 24.4% of investors see current economic conditions in Jordan as being on the right track. Meanwhile, 79% of investors said that economic conditions in 2018 were worse than in 2017, 29% of investors expected conditions in the next 12 months to get better, while half of investors said it would get worse.



منتدى الاستراتيجيات الأردني
JORDAN STRATEGY FORUM

Other Investment Developments

Jordan hosted the World Economic Forum in April and showcased a number of investment projects across vital sectors, but a number of analysts charge that the gathering have not produced any tangible economic benefits for the kingdom.

Jordan's rank in the 2018 Global Innovation Index reached 79th globally, compared to a rank of 83rd in 2017

Since February 2018, 21 citizenships have been granted to investors as part of the government program launched early last year. A government committee is currently reviewing the investor nationality program to ease the process.

The tender for constructing the fourth phase of Al Hassan Industrial Estate has been awarded to a local company with a value of JD4 million.

An animal feed factor with an investment \$35 million opened in April.



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