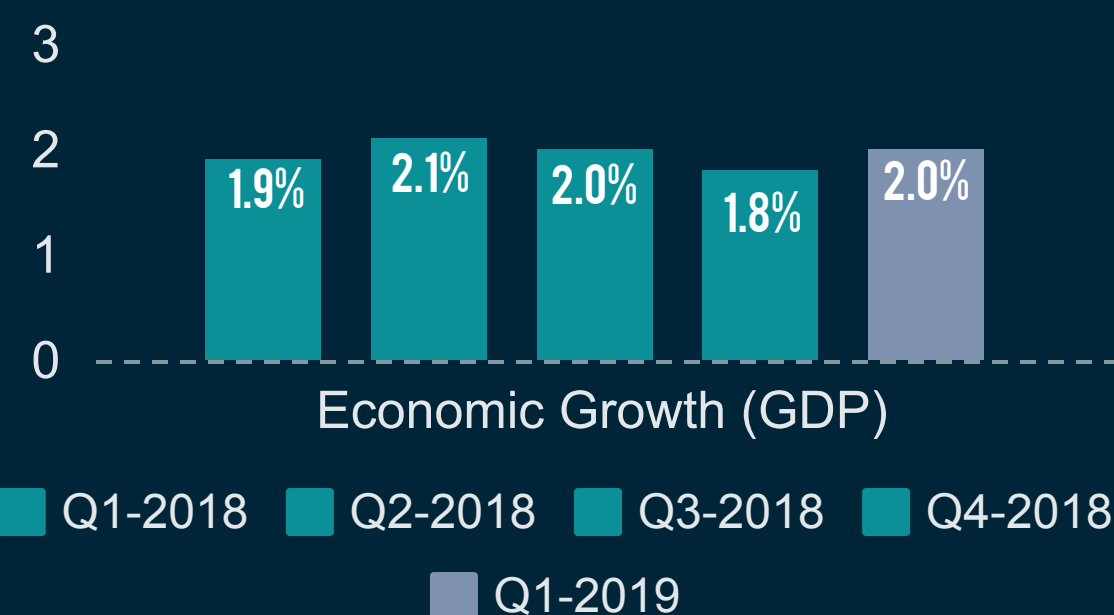


# Economic Monitor Jordan

**2.0%** Economic growth (GDP) in Q1-2019 compared to 1.9% in Q1-2018

Economic growth in Jordan has been sluggish, with economists pointing towards a slump in both consumption and investments as the main limiting factors. On the other hand, a positive performance in Jordan's export sector has supported the Jordanian economy so far in 2019.



## Macroeconomic Issues

Unemployment deteriorated in 2019

**19.2%** Unemployment rate in Q2 2019, climbing from 19% in Q1 2019.

Males:  
17.1% compared with 16.5% in 2018

Females:  
27.2% compared with 26.8% in 2018



## Monetary Development

Stable Monetary Environment

**+3.1%** Increase in credit extended to the private sector by the end of June 2019, to reach JD25,395 million.

**+1.3%** MoM increase in foreign currency reserves in July 2019, to reach \$12,272 million.

**+0.5%** Inflation Rate during the first seven months of 2019 compared to 2018.



## Fiscal Policy

By the end of June 2019

GROSS public debt increased to

**94.6% OF GDP**

the same as 94.4% of GDP at the end of 2018.

NET public debt increased to

**90.0% OF GDP**

compared to 89.7% of GDP at the end of 2018.

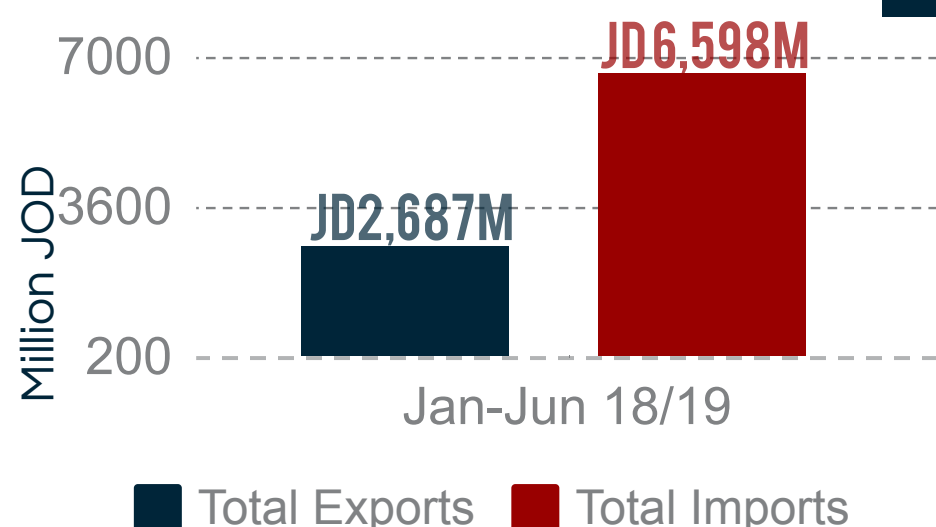


The budget deficit (including grants) amounted to

**JD567M**

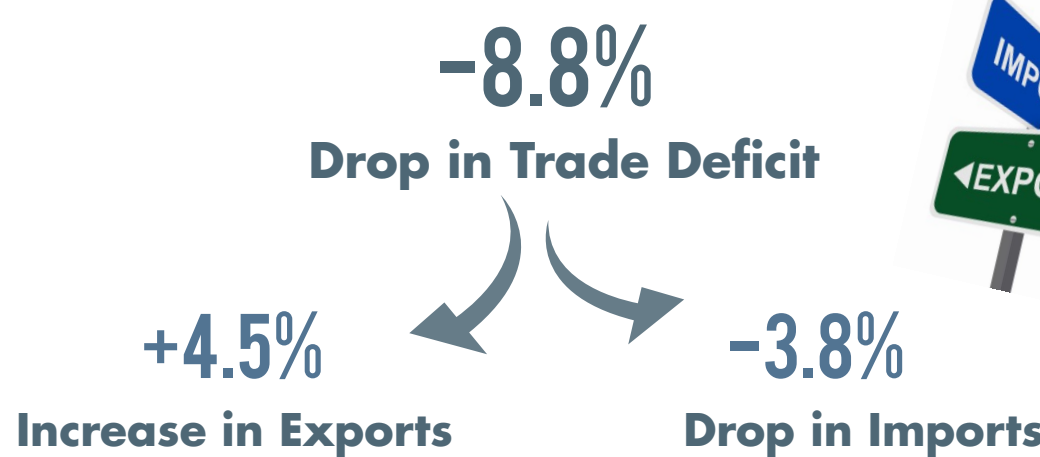
decreasing by -14.2% from the same period in 2018.

## Trade Performance Jan- Jun 18/19



## Trade Development

The trade sector is performing positively



## JD80 'alternative fuel tax' to be levied on Syrian trucks

In august, the Jordan Customs Department announced that it will be charging Syrian trucks entering the Kingdom a JD80 fee as an 'alternative fuel tax'.

The Customs Department said that the Syrian side did not abide by the MoU signed in 2019, which states that the trucks of both sides are exempted from taxes. And the Syrian side has since imposed an \$80 fee on Jordanian trucks.

## Investment Climate

### Foreign Direct Investment

**-6.6%**

Decrease in the value of foreign direct investments (FDI) inflows into Jordan in Q1 2019 compared to Q1 2018. The deterioration in FDI has been attributed to the decline in renewable energy investments since 2017, due to the saturation in the electricity generation sector.



Authorities are seeking to make the investment climate more attractive by activating the investment window, offering incentives for investing in industrial cities, and strengthening the role and function of the Investment Commission.

After consecutive governments failed to activate the investment window, the current government is aiming to achieve this target to stimulate much needed investments. While the investment window has been officially launched in 2015, it is currently not yet functioning according to what was intended. In specific, the investment window contradicts other laws which limits its jurisdiction and decision making powers.

### Other Investment Developments

The Prime Minister has recently instructed the Jordan Industrial Estates Corporation (JIEC) to enhance competitiveness of industrial cities in Jordan through lowering the sale and rental prices in the new industrial cities in Tafileh, Madaba, and Salt.

The new president of the Investment Commission recently stated that the Commission is studying how to restructure its departments and units. A roadmap will be soon put in place for the restructuring of the institution to enable it to better perform its function.

Authorities are also looking at licensing requirements to facilitate investments. In specific, the Minister of Institutional Development recently stated that the government is serious about developing the business licensing framework to support local investments.

The Greater Amman Municipality has amended regulations on issuing home-based business licences, making it easier for people to work officially from home with reduced costs and simplified measures.



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