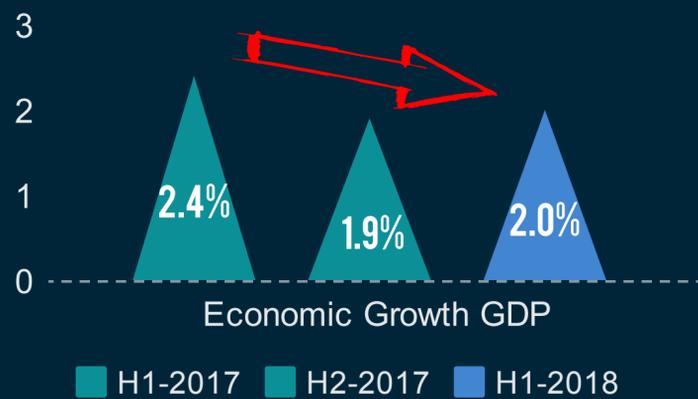


Economic Monitor Jordan

2.0% Economic growth (GDP) in H1-2018

Economic growth is expected to improve during the 2nd half of 2018, stimulated by a number of factors including the resumption of trading activities with neighbouring countries, especially Syria. The tourism sector in specific is showing positive improvements in the third quarter of 2018, registering a 7.1% increase in the number of tourists coming to Jordan.

+12.6% Growth in Tourism revenues during the 1st 10 months of 2018 to reach around \$4.5 billion.



Macroeconomic Issues

Unemployment stabilised during the 3rd quarter of 2018



The government recently pledged to create 30,000 jobs annually over the next two years, over and above the jobs that the economy will normally generate.

Monetary Development

Stable Monetary Environment

+4.8% MoM increase in foreign currency reserves in October 2018, to reach \$11,069 million.

+4.9% Increase in credit extended to the private sector during the 1st nine months of 2018, to reach JD25,163 million.

BUT,

+4.5% Inflation Rate during the first ten months of 2018.

Fiscal Policy

During the 1st nine months of 2018

GROSS public debt increased to

96.2% OF GDP

compared to 95.3% of GDP at the end of 2017.

NET public debt increased to

90.7% OF GDP

compared to 88.9% of GDP at the end of 2017.

The budget deficit (including grants) amounted to **JD784.5M**, increasing by 8% compared to the same period of last year.

Trade Performance Jan-Sept 2018



Trade Development

Trade Sector recovered during the 1st nine months of 2018



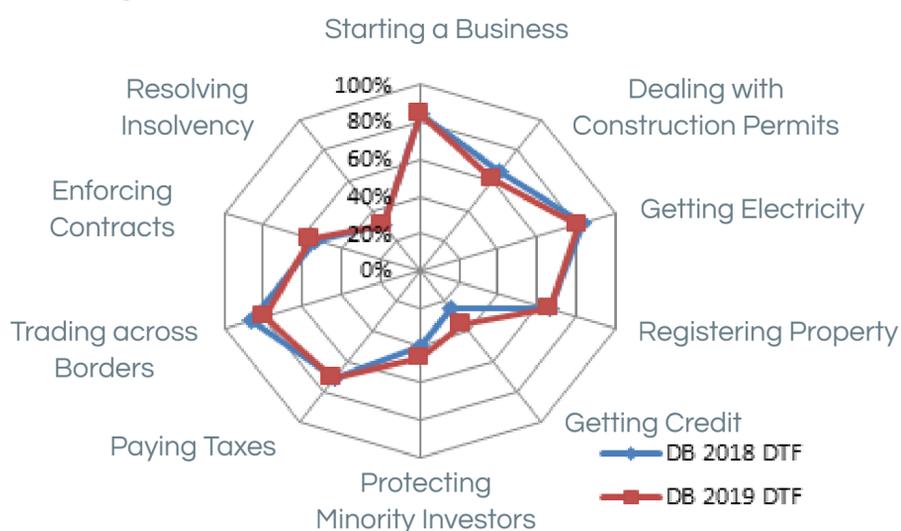
Understanding reached with EU to ease origin-rules deal requirements

Jordan recently reached an 'initial understanding' with the EU to ease some requirements in the EU relaxed rules of origin for Jordanian exports to Europe. The understanding includes lowering the share of Syrian manpower in exporting companies, and extending the duration of the agreement by four more years. The other main amendment is that when the number of Syrians working in various sectors reaches 60,000, all areas and factories in Jordan will benefit from the deal.

Investment Climate

Doing Business in Jordan

The World Bank issued its Doing Business Report 2019, ranking Jordan 104th among 190 countries globally compared to a ranking of 103rd last year. Jordan's score and rank in 'dealing with construction payments', 'getting electricity' and 'trading across borders' deteriorated significantly from last year as shown in the below figure.



Other Investment Developments

Work is underway to establish new industrial cities in Jerash, Tafileh, Madaba, and Salt, which will begin attracting investments as of the 1st quarter of 2019

A \$100 million agreement was signed between the Crown Prince Foundation (CPF) and the Emirati Khalifa Fund for Enterprise Development to fund development projects and entrepreneurship in Jordan. The Khalifa Fund will present up to \$100 million to the CPF to be given as soft loans for entrepreneurs, startups and MSME projects.

Jordan and Iraq are planning to set up a joint industrial zone between the two countries. Three locations are being considered and a timeline is being negotiated to pave the way for implementation.

The ICT association INTAJ launched the 'Startups Jo' platform to support entrepreneurship in Jordan, bringing together 128 startups and 30 investors in Jordan.



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