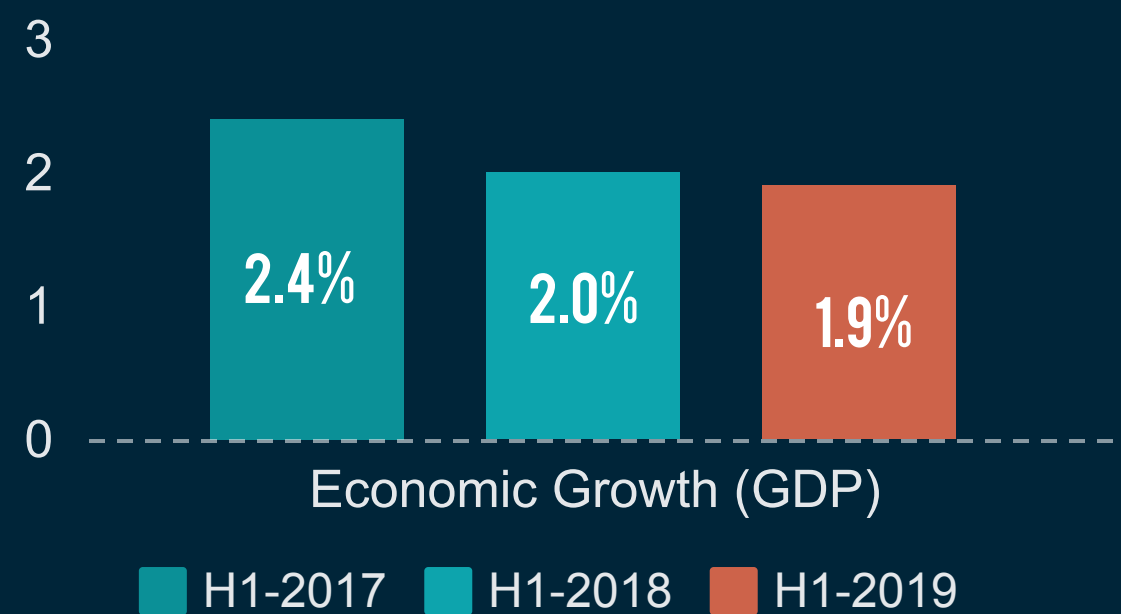


Economic Monitor Jordan

1.9% Economic growth (GDP) in H1-2019 compared to 2.0% in H1-2018

- 4.9% Growth in the The Mining Sector
- 3.5% Growth in the Finance & Insurance Sector
- 3.4% Growth in the Social and Services sector
- 3.3% Growth in the Transport, Storage & Communication sector
- 0.6% Contraction in the Construction sector



Macroeconomic Issues

Unemployment deteriorated in 2019

19.2% Unemployment rate in Q2 2019, climbing from 19% in Q2 2018.

Males: **17.1%** compared with 16.5% in 2018
 Females: **27.2%** compared with 26.8% in 2018

By the end of October, the government managed to provide 30,026 jobs of the 30,550 opportunities it pledged to create by the end of 2019, as part of the national employment framework.

Monetary Development

Stable Monetary Environment

+3.6% Increase in credit extended to the private sector in the first eight months of 2019, to reach JD25,534.4 million.

+2.2% Increase in foreign currency reserves during Q3 2019, to reach \$12,374 million.

+0.36% Inflation Rate during the first nine months of 2019 compared to 2018.

Fiscal Policy

By the end of August 2019

GROSS public debt increased to

95.3% OF GDP

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

NET public debt increased to

92.0% OF GDP

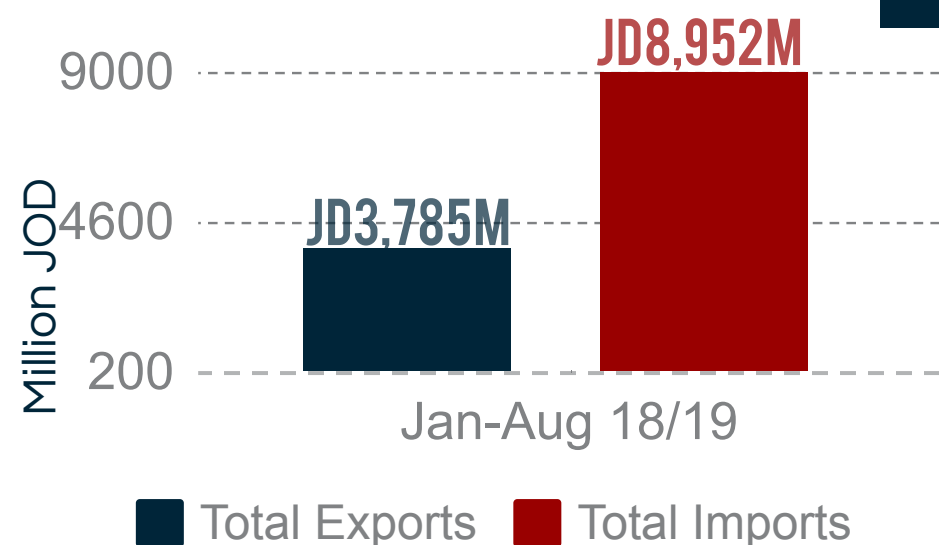
compared to 89.7% of GDP at the end of 2018.

The budget deficit (including grants) amounted to

JD892M

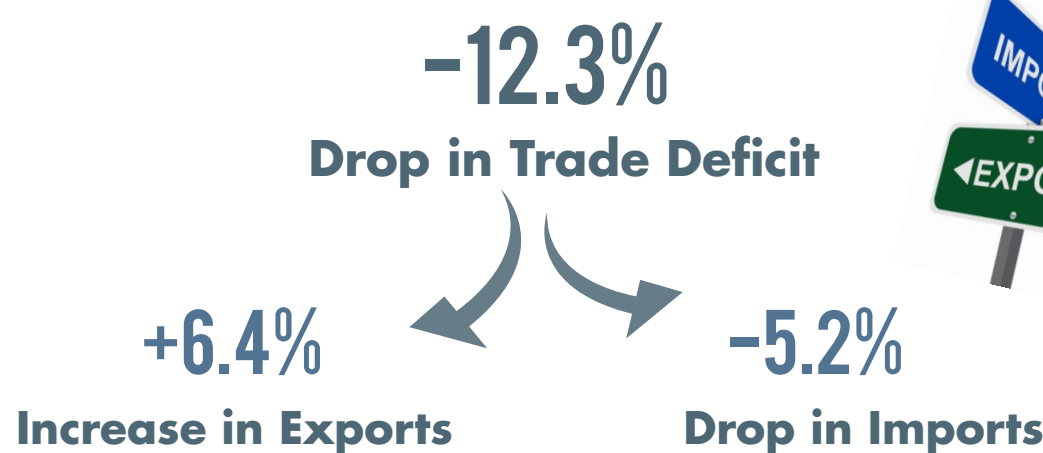
increasing by 14.1% from the same period in 2018.

Trade Performance Jan- Aug 18/19



Trade Development

The trade sector is performing positively



The outlook for regional trade is improving

Saudi Arabian authorities recently made a decision to ease the passage of Jordanian goods and passengers to and from Arab gulf countries through Saudi territories. This is expected to facilitate the movement of Jordanian goods to Arab gulf countries, one of the main markets for Jordanian exports.

Moreover, the joint Jordanian-Iraqi committee recently concluded its 28th session in Amman, highlighting the need to remove obstacles facing trade between the two countries which has been sub par over the past few months.

Investment Climate

New Measures to Stimulate Investment

The government unveiled a package of measures aimed at incentivising the investment climate. These include:

- o Expanding the jurisdiction of the Investment Window to simplify procedures.
- o Maintaining incentives granted to investments for a period of no less than 10 years following the date of its establishment.
- o Establishing a unit to follow up on investor issues.
- o Activating the Insolvency Law.
- o Facilitating and expediting investors' pending issues.
- o Decision not to prosecute partners in limited liability companies, private shareholding companies, and public shareholding companies for any debts that the company might incur.
- o Tax rebates for exporting industries in the form of a direct financial assistance of 3% of their current exports and 5% of their additional exports of the preceding year, with the exception of the mining, clothing, and pharmaceutical sectors.

Investment Developments

FDI inflows into Jordan amounted to JD333 million during the 1st half of 2019, declining by -12.7% from the 1st half of 2019. Nevertheless, Jordan achieved significant progress in global competitiveness scores and rankings that were issued in October.

The Global Competitiveness Report 2020 was issued recently by the World Economic Forum. Jordan was ranked 70th among 141 economies in global competitiveness, improving 3 spots from last year's rank.

Jordan's rank in the latest World Bank's 2020 jumped 28 spots, placing it among the top 3 countries globally in terms of improving doing business. Jordan was ranked 75th in the 2020 Doing Business Report, improving from 103rd in last year's report.

Other developments include incentives for commercial activities in Aqaba, a specialized unit at the Investment Commission for Chinese investments and endorsing the investors grievances bylaw.



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