

Macro Fiscal Outlook Report



June 2022

Projections updated Nov.2022

Macro-Fiscal Unit

Ministry of Finance of Jordan

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EXECUTIVE SUMMARY

The relaxation of COVID-19 mobility restrictions has partially revived global tourism activity, albeit below pre-pandemic levels. The global decrease in COVID-19 cases and the continuous increases in inoculation rates translated into higher international tourism activities. In the MENA region, the usage of available seats for international travel has increased from the all-time low of 42.7% in January 2021, to 59.1% in January 2022, which was the highest recovery among all key regions, followed by Europe that saw a 14.3% increase.

The ramifications of the pandemic and the Russia-Ukraine war have raised concerns on global growth and inflation. April 2022 revision of the IMF's World Economic Outlook (WEO) has dropped World GDP growth expectations for 2022 from 4.4% to 3.6%. However, MENA region GDP growth was revised upwards from 3.9% to 5.7%, mainly attributed to the increase in oil prices that will contribute positively to the growth of oil exporting countries. On the other hand, inflation in advanced economies was revised upwards to jump from 3.9% to 5.7%. According to the World Bank estimates of commodity prices, US Wheat prices marked a 89% increase in March 22 in comparison to 2021, whereas Crude Oil saw a 63% increase. Nevertheless, CME group estimates that Brent oil prices are expected to reach 102 \$US/Barrel by the end of 2022, as opposed to the record high levels that were observed in the last few months at around 120 \$US/Barrel. These international developments have translated into increases in Jordan's CPI inflation (y-o-y change) that reached 3.6% in April 2022 and 2.6% during the first 4 months of the year.

Inflationary pressures have led to a tighter monetary policy imposed by the Federal Reserve and a strong reaction by the financial market. Treasury yield topped 2.89 in May 2022 following the 50-bps hike announced in the same month, and the JP Morgan Emerging Markets Bond Index dropped by 15.5% on a year-to-date basis as of May 31st. As of May 12, the S&P 500 and the Dow are down 18% and 13% for the year, respectively, while tech-stocks have experienced a significant drop in 2022.

Jordan's economy grew at 2.2% in real terms in 2021, after falling 1.6% during the COVID-19 pandemic outbreak. Timely response to COVID-19 measures, in addition to a series of structural reforms, cushioned the drop in growth observed in 2020, allowing Jordan to outperform major economies and its peers from the Arab World. In 2021, Jordan outperformed the expected real growth estimated in the IMF's EFF Third Review by 0.2 percentage points.

Unemployment remains one of the key challenges to the Jordanian economy, with all-time high levels reached in 2021. The existing structural challenges on Jordan's unemployment were exacerbated by the ramifications of the pandemic, with unemployment reaching 25% in the first quarter of 2021, decreasing slightly by the end of the year to reach 23.3% (21.4% for males against 30.7% for females). Youth unemployment (age 15-24 and not currently enrolled) increased 2.9 percentage points q-o-q and recorded 52.8% for the total (47.9% for males against 70.2% for females).

High current account deficits persist in 2021 despite an improvement in the services account. In 2021, the services account reverted to a positive balance to reach JD 271.8 million, marking a recovery from the deficit observed in 2020. Trade in goods has reached a JD 7 billion deficit, or 21% of GDP, in 2021 due to higher trade volumes that are skewed to the imports side, thereby marking a JD 2.12 billion increase vis-à-vis the previous year. While the composition of the domestic export basket has remained unchanged over the years, imports have become slightly more diverse. On the international market side, the diversity of countries and regions to which Jordan has exported in 2021 marked its best performance since 2017.

Fiscal balance improved in 2021 after an expansionary fiscal policy during the COVID-19 pandemic. During the pandemic, the GOJ expanded spending, while simultaneously multiplying efforts on revenue collection and administrative efficiency. Primary and overall balance in 2020 was -3.0% and -7.0%,

respectively, and -9.6% excluding foreign grants. Significant efforts in the spending side were made in 2021 to decrease the primary deficit to 1.1% of GDP, aside from the recovery of revenues; however, the debt service reached a maximum of 4.4% of GDP. The budget for 2022 indicates that the primary deficit will remain at 1.0% of GDP. In addition, Jordan achieved the targeted estimates of domestic revenues and expenditures in the general budget law for the year 2021. The increase in domestic revenues for the year 2021 is due to an increase in tax revenues by JD 668.3 million and non-tax revenues by JD 418.5 million. These achievements accrued through prudent government financial management, and the structural, administrative, legislative procedures in combating tax and customs evasion and avoidance, and reforms intended at targeted support to further ameliorate the efficiency of spending. In 2022Q1, primary deficit reached 4.2% and 4.6% excluding grants as a percent of GDP, respectively. This came as a result of the 1.8% growth in domestic revenues and the 3.7% growth in total expenditures. Debt-to-GDP ratio stood at 88.1% by the end of the quarter, compared with 89.5% marked at the end of 2021.

The medium-term fiscal framework baseline scenario shows picking up growth for Jordan in the coming years. The baseline scenario estimates real growth to reach 2.7% during 2022 and to hover between 2.7% and 2.8% percent for the next 4 years. This came as a result of the recovery of the key contributing sectors to GDP in Jordan, particularly the contact-intensive sectors and those that enable the recovery of tourism activities, the ramifications of the pandemic, reopening borders, and the good performance of external sector.

Inflation in the baseline scenario is projected to increase significantly in 2022, and then stabilize in the medium-term. Inflation measured by deflator index is estimated to reach 3.5% in 2022 and it hovers between 2.9% to 3.6% thereafter. The projection is consistent with recent developments of higher international energy and food prices that will increase the cost of imported goods. Moreover, the muted inflation during the last two years can be correlated with slower domestic demand that began to recover during 2022, as signs of price increases in the domestic market have been noticed during the first half of the year, despite the government's decision to subsidize domestic fuel prices during the first 4 months of the year, to protect the poor segments from the substantial jump of the international oil prices, and to mitigate the effect of the negative external shock on the economy. The industrial production price index showed a jump of 13.5% during the first quarter of the year, supporting the projected direction of the Deflator inflation. The Federal Reserve increased its rate 6 times by a total of 3.75 Percentage points during the first eleven months of the year, and is expected to continue to impose further hikes until the US inflation stabilized at lower rates. The Central Bank of Jordan is therefore expected to follow the Fed raises and maintains sufficient margin with the US dollar to preserve the attractiveness of the JD and its FX reserves.

The improvement in government revenue projections, empowered by the MOF policy to widening the tax base without increasing marginal tax rate and the enhancement in tax collection administration, combined with economic growth boost and higher inflation, result in an improvement in the debt dynamics, without any additional discretionary measures, to reach 82.7% of debt-to-GDP level in 2026. Nominal GDP growth is estimated to reach 6.1% in 2022, drops to 5.7% in 2023 and stays around this rate until 2026. This will help improve the debt dynamics by deflating the outstanding debt. Moreover, domestic revenues are projected to increase at a higher pace, which is in line with the continuous improvement in tax collection and other non-tax factors, which will be an important aspect in bringing the debt to GDP ratio to low and sustainable levels.

1. GLOBAL AND REGIONAL DEVELOPMENTS

Expectations on the performance of the global economy in 2022 has worsened considerably over the past year. The sharp rise in commodity prices triggered by Russia’s invasion of Ukraine, stronger than anticipated supply-chain disruptions and higher inflation in the advanced economies, are expected to lead to tighter monetary policy and higher interest rates. China is also expected to achieve lower growth due to stricter mobility restrictions that have also led to a downward revision of world trade volumes. For the MENA region, however, growth expectations have been revised upwards once again because of the net positive impact of higher oil prices (see Table 1).

Table 1. WEO Projections for 2022

	WEO April 2021	WEO October 2021	WEO January 2022	WEO April 2022
World GDP	4.4%	4.9%	4.4%	3.6%
World trade volumes	6.5%	6.7%	6.0%	5.0%
Oil prices	54.8 \$/b	65.7 \$/b	77.3 \$/b	110.8 \$/b
MENA GDP growth	3.7%	4.1%	4.4%	5.0%
Inflation (adv. econ.)	1.5%	2.3%	3.9%	5.7%

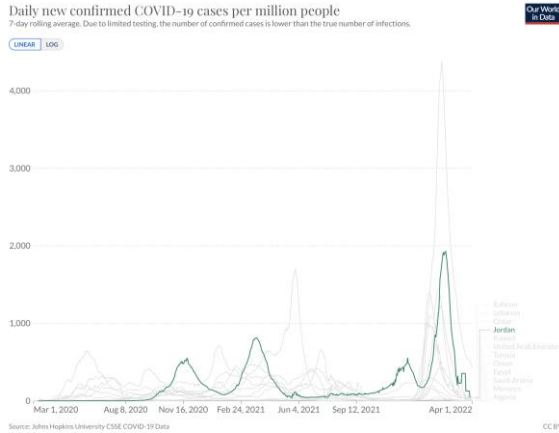
Source: IMF. World Economic Outlook

After the rapid spread of the omicron variant in Q4 of 2021 and Q1 of 2022 that sparked new economic uncertainty, new daily confirmed cases are low, and COVID-19 related travel restrictions were relaxed. Omicron cases soared first in southern Africa and spread through Europe, the United States, the MENA region, and elsewhere, placing daily new confirmed cases to all-time highs. New mobility and travel restrictions were imposed that contributed to economic uncertainty. However, the variant’s own nature caused a new wave that occurred in a shorter period than previous ones and the risks of severe illness and deaths were contained due to higher vaccination rates. Cases have come down to minimum levels in the MENA region in Q2 of 2022 (Figure 1, Panel A) and vaccination numbers are relatively high among the richer countries (Figure 1, Panel B). On the services side, the relaxation of COVID-19 related travel restrictions is a welcome development for the travel and tourism industry and tourist-dependent economies.¹ However, new variants may continue to emerge and the risk of a more transmissible one or, even worse, one that can circumvent vaccine protection is latent.

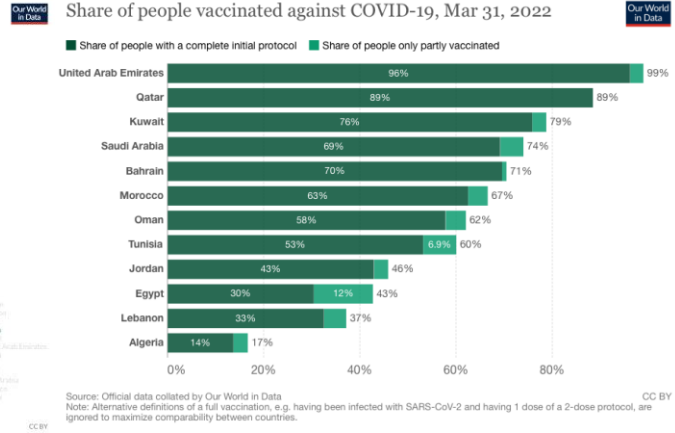
¹ Bahrain, Kuwait, Jordan, Saudi Arabia removed all restrictions and the UAE requires test from some destinations—of drop in COVID cases + vaccines (see <https://www.emirates.com/us/english/help/covid-19/travel-requirements-by-destination/>)

Figure 1. Cases and vaccination rates. Selected countries

Panel A: Daily confirmed cases MENA



Panel B: Vaccination rates. MENA region

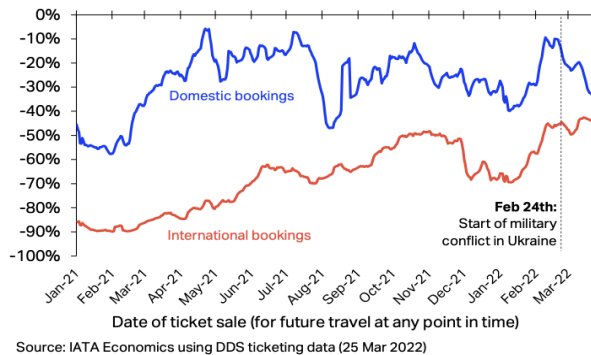


Source: Our world in data

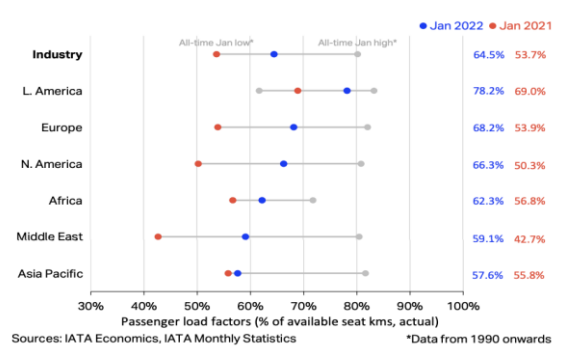
Demand for travel is increasing, however, below pre-pandemic levels. IATA numbers show that the recovery of international bookings remains well below that of domestic bookings (see Figure 2, Panel A).² The Passenger Load Factor (% of available seat kilometers) in the Middle East reached 73.7% in November 2022, a significant increase from the 42.7% all-time low reached in January 2021 but below those of all other regions (except Asia Pacific) and its all-time high of 81% (see Figure 2, Panel B).

Figure 2. Ticket sales and passenger load

Panel A. Ticket sales (7-day MA) %ch vs. 2019



Panel B. Passenger load factor by region



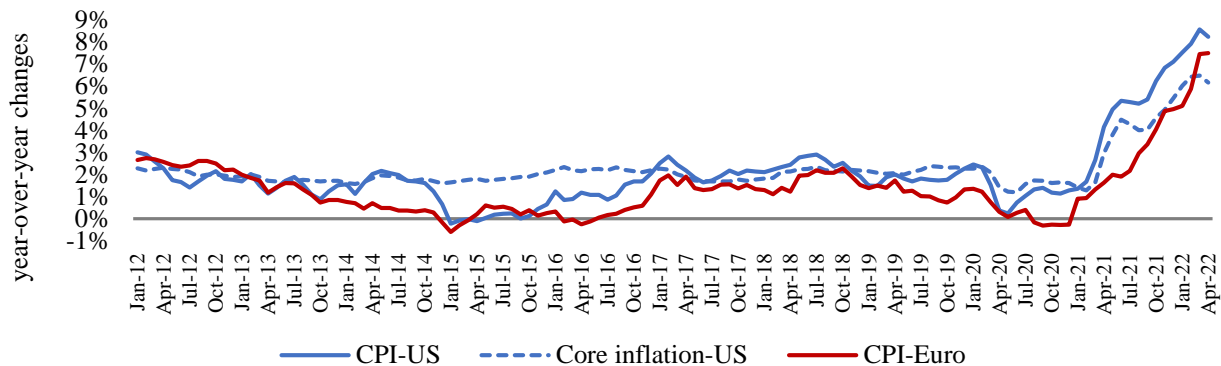
Source: IATA databases

The world is now concerned about rising inflation. After almost four decades of living under relative price stability, understanding and addressing the recent rise in inflation has become one of the primary

² <https://www.iata.org/en/iata-repository/publications/economic-reports/air-passenger-monthly-analysis---january-2022/> (p.3)

concerns of policymakers across the world. The Ukraine- Russia conflict combined with supply-chain disruptions, wage inflation, and expansionary fiscal and monetary policies are the main forces driving this inflationary pressure starting the beginning of this year. Inflation could stay high, persistent, and difficult to control if the Federal Reserve does not continue to raise interest rates, increase the cost of borrowing, and slow aggregate demand, as a recipe to control inflation.

Figure 3. Inflation in the US and Europe

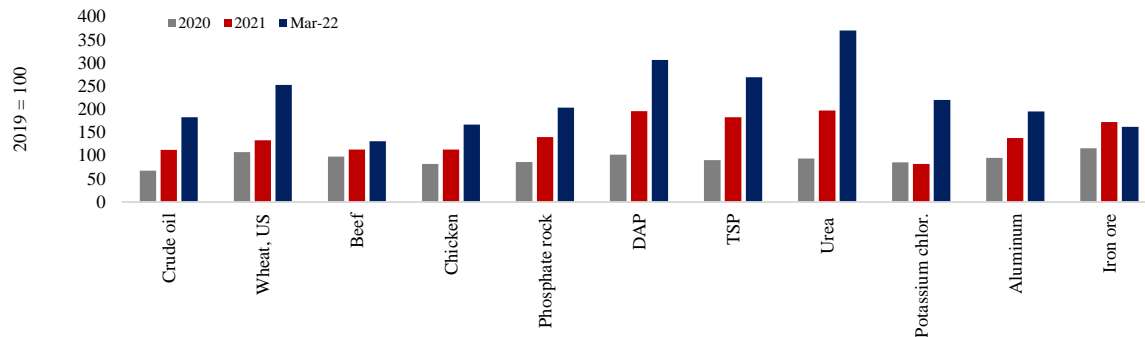


Source: Federal Reserve Economic Data (FRED)

Further uncertainty has been introduced to the world economic outlook after the Russia-Ukraine war. Given higher commodity prices, elevated inflation and tighter monetary policies are expected to persist. The conflict is having immediate and potentially lasting consequences for both countries, their neighbors, other closely integrated economies, and the world. Economies that are closely integrated with the two countries are suffering from the surge in oil, gas, and other commodity prices such as oil, wheat, corn, metals, fertilizers, and semiconductors (Figure 4) with varying severity. Importers are experiencing higher costs and exporters a windfall. Higher inflation and tighter monetary policy will have contractionary effects across the board, however, and will place some highly indebted countries under further financial stress. As a result, the IMF announced a downward revision of the growth projections in the April 2022 edition of the WEO.³

³ See <https://www.imf.org/en/News/Articles/2022/03/10/tr031022-transcript-of-imf-media-roundtable-on-ukraine>

Figure 4. Selected commodity prices (2019 = 100)



Source: World Bank

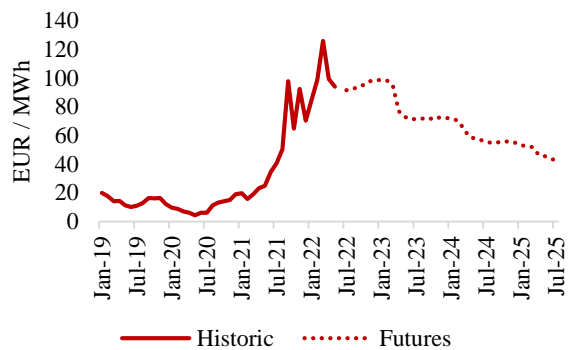
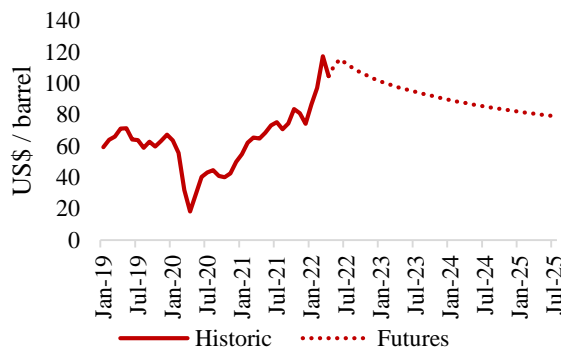
High oil and natural gas prices are expected to persist. Natural gas prices in Europe jumped above the equivalent of US\$600/barrel in early March 2022 and oil prices are showing extreme volatility after rising more than 30% in the first two weeks after the conflict erupted. In April, prices of Brent and Natural Gas dropped 10.8% and 21%, respectively. Looking ahead, the six-month Brent spread exhibits the steepest backwardation since 2004 as markets keep expecting for oil prices to come down to the 80US\$/barrel in the medium-term. Natural gas future prices in Europe display greater stickiness in the short-term, staying in the 90-100 Eur/MWh range until March 2023 (see Figure 5, Panel B).⁴

Figure 5. Oil (Brent) and Natural Gas (Dutch TTF) - Historic and future prices

Panel A: Oil (Brent)

Panel B: Natural Gas (Dutch TTF)

⁴ Europe imported close to 155 billion cubic meters of natural gas from Russia in 2021 (about 40% of its total consumption). Although Europe’s gas network is interconnected, the global natural gas market was tight even before the conflict erupted. Increased supplies of LNG from the US and Qatar (60 bcm), and new wind and solar projects (20 bcm) are expected to partially fill the gap. Norway is also expected to increase production and turning down thermostats by 1°C could save an extra 10 bcm.



Sources: EIA, CME Group (Brent); Yahoo Finance, CME (Dutch TTF)

Higher energy and food prices and declining consumer confidence are deflating economic expectations in Europe. The ZEW Indicator of Economic Sentiment for Germany – the continent’s largest economy– experienced a 39.3 point drop in March 2022, the largest since the survey began in December 1991. The coming months are bound to be characterized by stagflation and sluggish economic activity is expected to cut across all sectors of the German economy, affect the energy-intensive sectors and the financial sector in particular.⁵ The implications for the European economy are already becoming evident. Apple, which had already suspended sales in Russia, announced recently that it will be cutting its production orders in anticipation of lower demand for devices in Europe because of the conflict.⁶

Treasury yields are on the rise, with concerns that the Federal Reserve’s plans to aggressively tighten monetary policy could slow economic growth. Led by the US and in Europe, monetary policy is expected to tighten further throughout the year after the 50 bps hike in May 2022 to counteract inflationary pressures. The 10-year U.S. Treasury yield topped 2.89 in May 2022 (Figure 6). Yields along the curve rose and some shorter-term Treasuries exceed those for longer-dated government bonds, triggering a so-called inversion. The fears of an economic growth slowdown caused investors to sell out shorter-dated government bonds in favor of long-dated debt, which has historically occurred prior to recessions. JPMorgan EMBI Global Diversified index, which tracks hard currency sovereign debt, was down nearly 15.5% on a year-to-date basis as of May 31st. The fall has not been limited to Ukraine, Russia, and Eastern Europe but reveals instead a broad-based risk-off sentiment.⁷

Recent global developments and model uncertainty suggest the predominance of downside risks to the baseline scenario presented above. In the US, official numbers reveal a lower-than-expected drop in year-over-year inflation, from 8.6 in March to 8.2 in April, with core inflation rising 0.5% on a month-to-month basis and 0.6 per month on average since September 2021. This suggests that price increases are becoming increasingly widespread and will therefore be much harder to control. Financial markets have

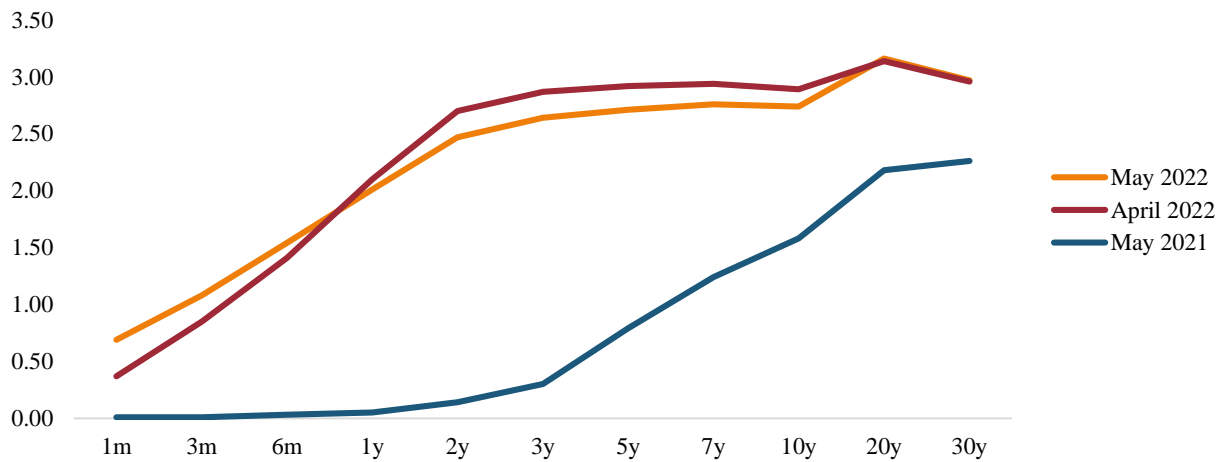
⁵ See <https://www.ft.com/content/2be6b385-6d96-4745-9c6a-2a835da645e9> and <https://www.zew.de/en/press/latest-press-releases/biggest-drop-in-expectations-since-start-of-the-survey>.

⁶ <https://www.protocol.com/bulletins/insiders-apple-reducing-iphone-production>.

⁷ <https://www.barrons.com/articles/bonds-interest-rates-51648221018>

reacted strongly. As of May 12, the S&P 500 and the Dow are down 18% and 13% for the year, respectively, while tech-stocks have experienced a significant drop in 2022. Similarly, The Nasdaq Composite has plunged 28% for the year and 20% in the past 30 days. Falls of this magnitude have occurred 11 times before and nine of them were associated with recessions.

Figure 6. United States Yield Curve (%)



Source: Capital IQ

2. JORDANIAN DEVELOPMENTS

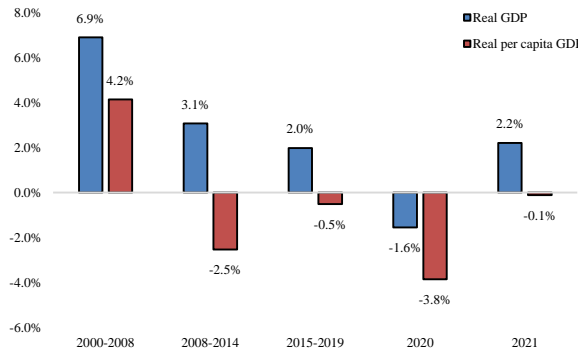
2.1. ECONOMIC GROWTH AND GDP BY INDUSTRY

Jordan's economy grew at 2.2% in real terms in 2021, after falling 1.6% during the COVID-19 pandemic outbreak (Figure 7, Panel A). In 2020, the imposition of restrictions to preserve public health resulted in the first contraction in real terms since 1990. However, Jordan's drop in growth was significantly smaller when compared to advanced countries, such as United Kingdom, France, Germany, and Japan, which fell by 9.4%, 8.0%, 4.6% and 4.6%, respectively. Moreover, the economy also outperformed its peers in the Arab World whose average decline in real growth reached 4.2%. In 2021, Jordan has begun its recovery from the COVID-19 shock, reopening its economy and easing mobility restrictions. Compared to 2020, the economy grew at 2.2% in 2021, outperforming the EFF's 3rd review of the IMF that estimated growth to be 2.0%.

Real Growth rate reached 2.6% during the fourth quarter of 2021 compared to the same quarter in 2020, and averaged 2.2% for 2021. Quarterly GDP exhibited growth rates throughout 2021. After a year-on-year increase in the first and second quarter of 2021 of 0.3% and 3.2% respectively, the economy reached its pre-pandemic level and grew at 2.6% and 2.7% in Q3 and Q4 of 2021, respectively. However, quarterly GDP is still below the pre-pandemic *trend* due to an enduring demand slowdown (Figure 7, Panel C). A return to normalcy through of tourism receipts and increased vaccination rates, in addition to structural reforms are expected to support medium-term growth. IMF's growth projections for 2022 decreased slightly in the latest (April 2022) World Economic Outlook (WEO) report from 2.7% to 2.4% due to the economic implications induced by the war in Ukraine. Per capita GDP follows real GDP and is expected to grow 2.1% in 2022; the gap between these measures is also decreasing, indicating that population growth is expected to decline after the large influx of Syrian refugees (Figure 7, Panel D).

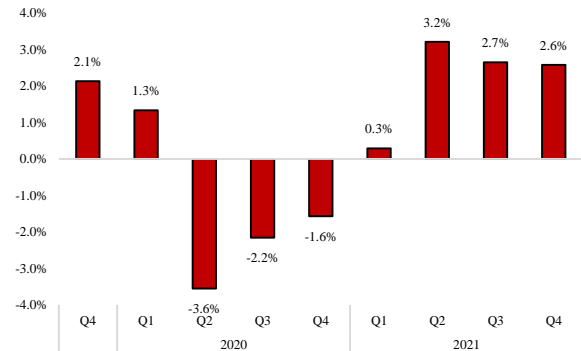
Figure 7. Actual and Projected GDP

Panel A: Real and per capita GDP growth



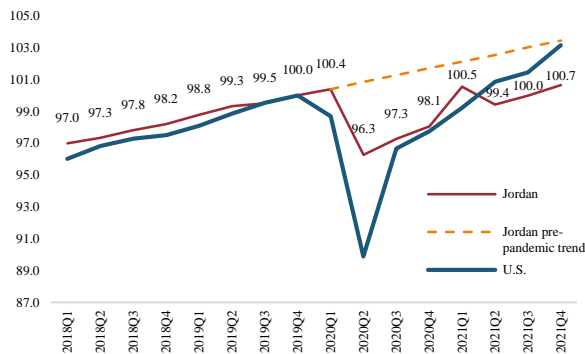
Source: Department of Statistics (DoS)

Panel B: Quarterly GDP growth rates (y-o-y)



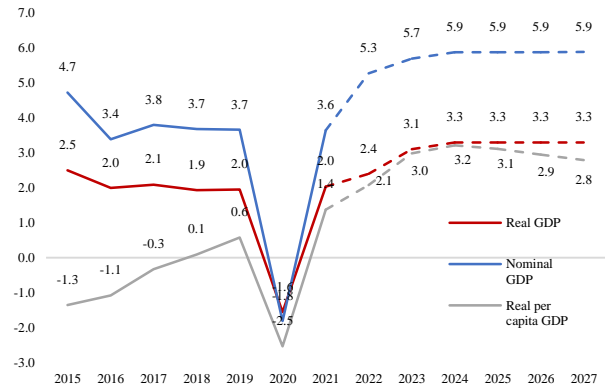
Source: DoS

Panel C: Quarterly GDP, s.a., 2019Q4=100



Source: DoS and FRED, MFU estimates.

Panel D: Annual GDP growth and IMF projections



Source: WEO April

All economic sectors have recovered after the ease of COVID-19-related restrictions. Increased mobility and tourism receipts were driving forces for the recovery of all sectors in the economy. Contact-intensive sectors such as construction, restaurants and hotels, transport, wholesale and retail trade, and community and personal services grew at 6.1%, 5.9%, 3.9%, 3.1%, and 1.8% in 2021Q4, respectively, after being hard hit by the pandemic (Figure 8). The increase in construction was accompanied by a substantial increase in residential and non-residential construction permits, marking together an increase of 39.2% between 2020 and 2021, and 21% between 2019 and 2021 and, as a result, construction sector’s output surpassed its pre-pandemic level. On the other hand, restaurants and hotels, community and personal services, and transport remain below pre-pandemic levels. However, the outlook for restaurants and hotels is particularly promising for the upcoming quarters since the number of one-day and overnight visitors are approaching to pre-pandemic levels. Wholesale and retail trade grew steadily throughout 2021, surpassing its pre-pandemic level in the last quarter of 2021. Moreover, sectors such as finance and insurance, agriculture, government services, and mining and quarrying have maintained positive growth rates throughout the period. Mining is experiencing a growth boom; average growth rate throughout 2021 was 8.9%. The finance sector has benefited from the monetary stimuli undertaken by the Central Bank of Jordan

(CBJ) during the COVID-19 pandemic, and it is growing at an average rate of 2.5% in 2021. The manufacturing sector surpassing its pre-pandemic level in 2021Q4 and was the highest contributor on the increase in GDP in 2021, given its higher relative size in the economy.

Figure 8. Sector Output 2021 & 2020 vs. Pre-Pandemic output (2019)

Economic Activity	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	Share of GDP (2018-19)
Manufacturing	100.4	94.7	96.9	97.6	99.5	98.4	99.9	100.4	20%
Producers of Government Services	102.0	100.8	100.5	100.8	103.0	101.8	101.7	102.2	15%
Real Estate	101.9	100.6	99.6	99.8	102.8	102.7	101.2	101.0	12%
Community, Social and Personal Services	102.7	93.5	95.6	95.8	99.7	96.3	97.6	97.6	10%
Transport, Storage & Communications	100.8	90.9	93.7	94.3	98.5	94.8	97.0	97.8	10%
Wholesale & Retail Trade	101.0	95.3	96.9	97.2	101.3	98.6	99.2	100.4	9%
Finance, Insurance & Business Services	103.1	102.8	103.0	103.2	106.9	106.9	107.4	107.8	8%
Agriculture, Hunting, Forestry and Fishing	102.2	100.7	101.9	101.5	105.2	104.4	104.8	103.8	5%
Construction	98.7	93.8	96.0	97.3	96.9	99.0	99.6	103.2	3%
Mining and Quarrying	99.3	97.5	104.4	103.0	114.7	103.1	114.8	108.3	2%
Electricity and Water	101.0	97.1	98.8	98.1	100.0	100.0	100.6	100.0	2%
Restaurants & Hotels	100.0	86.8	90.7	92.3	92.9	92.5	95.7	97.4	2%
Domestic Services of Households	100.9	100.0	100.0	100.0	100.9	100.9	100.0	100.0	2%
Producers of Private Non-Profit Services to Households	102.4	95.6	97.8	98.4	100.0	97.1	100.0	100.0	1%
Gross Domestic Product at Market Prices	101.3	96.5	97.9	98.4	101.6	99.6	100.4	101.0	

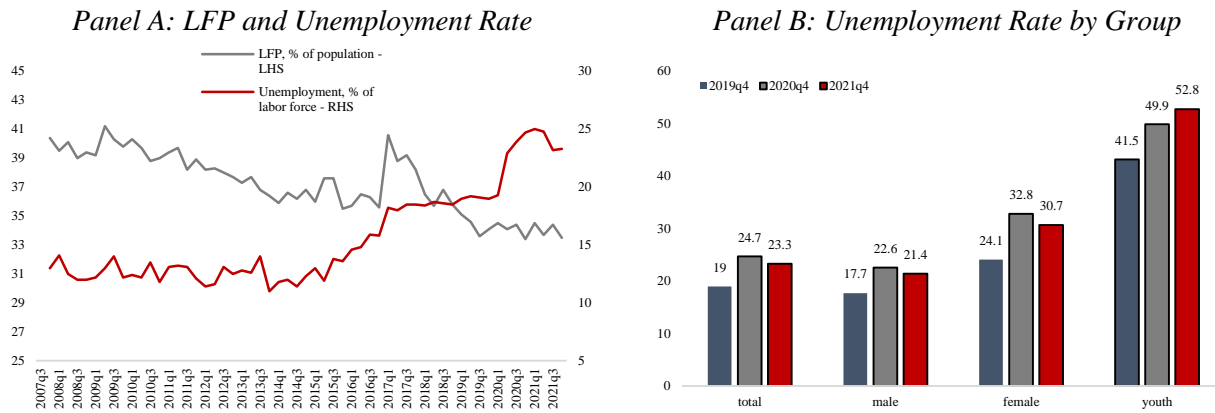
Source: Department of Statistics, MFU estimates

2.2. LABOR MARKETS

Slow growth has been reflected in a weak labor market, compounding historic challenges in job creation. After the Global Financial Crisis (GFC), the labor market adjustment during the growth slowdown took place through fewer working age people participating in the labor force. Labor supply showed a downward trend until 2019Q3. The COVID-19 pandemic had no significant impact in the labor force participation even after the ease of mobility restrictions and it hovered between 33.4% and 34.4% until 2021Q4 (Figure 9, Panel A). Nevertheless, the impact of the COVID-19 on unemployment was significant; the unemployment rate increased from 19.3% in the first quarter of 2020 to its all-time high of 25% in the same quarter of 2021. Since the first quarter of 2021, the unemployment rate has been steadily declining to 24.8% and 23.3% in subsequent quarters.

While total, male, and female unemployment decreased in the fourth quarter of 2021, youth unemployment reached 52.8% and registered the highest rate of unemployment among age and sex groups. Figure 9, Panel B shows that the unemployment rate has reached 23.3% during the fourth quarter of 2021 with a decrease of 1.4 percentage points from the fourth quarter of 2020. The unemployment rate for males has reached 21.4% during the fourth quarter of 2021 against 30.7% for females, registering a 1.2 and 2.1 percentage points decrease relative to the fourth quarter of 2020. On the other hand, youth unemployment (age 15-24 and not currently enrolled) increased 2.9 percentage points q-o-q and recorded 52.8% for the total (47.9% for males against 70.2% for females).

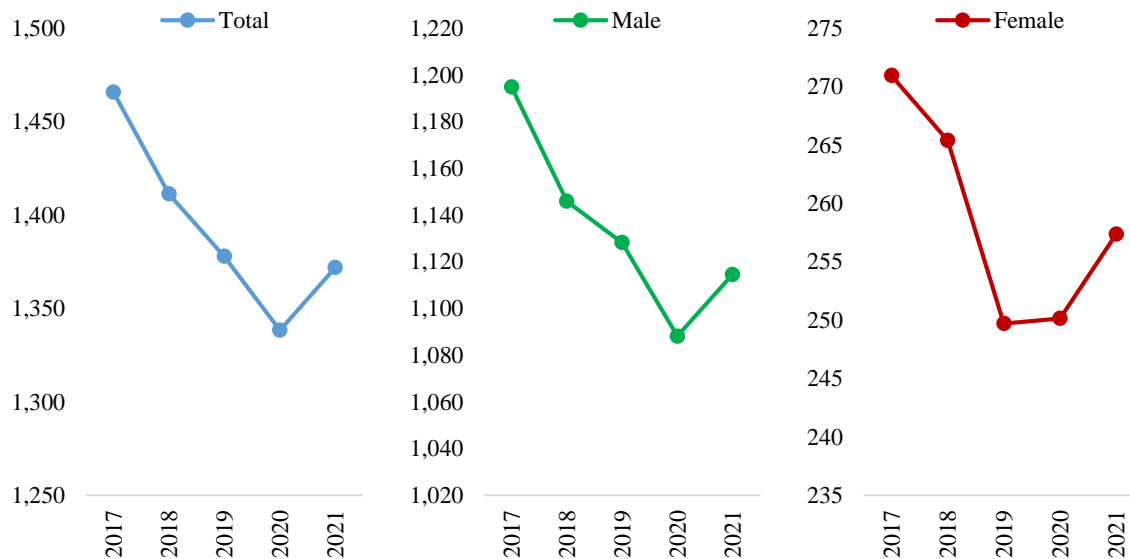
Figure 9. Labor market indicators



Source: Department of Statistics

The labor market saw its first increase in the number of Jordanian employed labor since 2017 (Figure 10). After a continuous drop in Jordanian labor over 4 years, Jordan saw an increase in employed labor in 2021 that is contemporaneous with the revival of several sectors. The 2.4% increase in male employment is attributed to the increase of labor in Agriculture (23%), Transportation and Storage (11.5%), Manufacturing (5.4%), Construction (6.5%), Wholesale and Retail Trade (4.1%), *inter alia*. Similarly, while female employment saw an increase in 2020, it continued to grow to reach 2.9%. The increase was due to growth of female labor in Manufacturing (14.8%), Information and Communication (46.2%), Wholesale and Retail Trade (8.1%), among others.

Figure 10. Number of employed Jordanians by sex (in thousands)



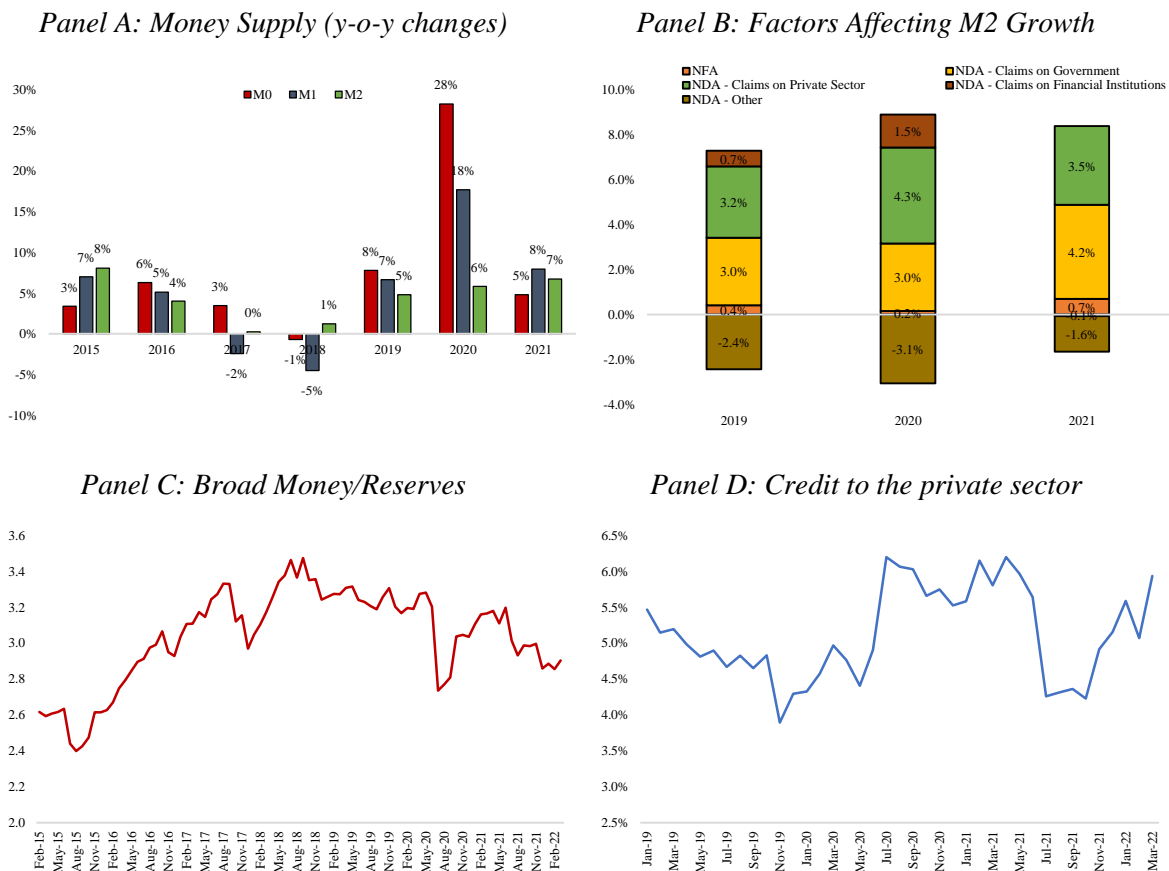
Source: Department of Statistics

2.3. MONETARY POLICY

After providing a big monetary stimulus in 2020 and 2021, the Central Bank of Jordan increased its main interest rates in the first quarter of 2022, by 25-bps followed by additional hike of 50-bps in May 2022. To soothing the impact of novel coronavirus on the national economy, the CBJ decided to adopt a bundle of measures, including decreasing its key interest rate by 150 bps in March 2020, from 4% to 2.5%, injecting a big volume of liquidity in the banking system, deferring loans installments, and reducing the financial cost of its development programs to support economic sectors, as well as a newly introduced program for SMEs for the business continuation and job preservation regarding the impacted SMEs and individuals from Covid-19. The CBJ has continued its monetary and credit support while maintaining financial stability at the same time during 2021. Following the international developments in the first half of 2022 including high inflation projections, globally and domestically, and rising interest rates in regional and international financial markets, CBJ raises it main interest rate twice by a total of 75-bps at the end of May 2022.

As for monetary aggregates in 2021, M0 and M1, increased 4.8% and 8%, respectively, in line with previous pre-pandemic years (Figure 11, Panel A). M2 increased by JD 2042.2 million in 2020 (5.8% or 6.6% of GDP). Moreover, M2 continued to increase by 6.7% (or 7.8% of GDP) until the end of 2021, as the monetary stimulus continued during that year, and supported mainly by claims on government and on the private sector (Figure 11, panel B).

Figure 11. Monetary Policy



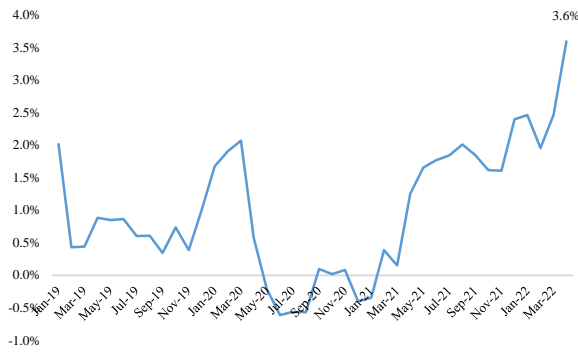
Source: Central Bank of Jordan and Ministry of Finance.

The increase in monetary aggregates and the credit to the private sector had no impact on broad money as a share of international reserves. Given the increase in international reserves, the increase in monetary aggregates, in particular of broad money, poses no significant impact on the broad money share to reserves. (Figure 11, Panel C). The credit to the private sector is increasing at an annual rate of 5.4% in April 2022 from a post-pandemic low of 4.2% in October 2021, showing signs of economic recovery (Figure 11, Panel D). Foreign exchange reserves at the central bank of Jordan reached about \$18.0 billion, which covers more than 9.4 months of imports at the end of the first quarter of 2022. This high buffer is crucial to preserve the pegged regime. The total credit extended by banks increased to JD 31.2 billion in same period, in comparison with JD 30.0 billion at the end of 2021.

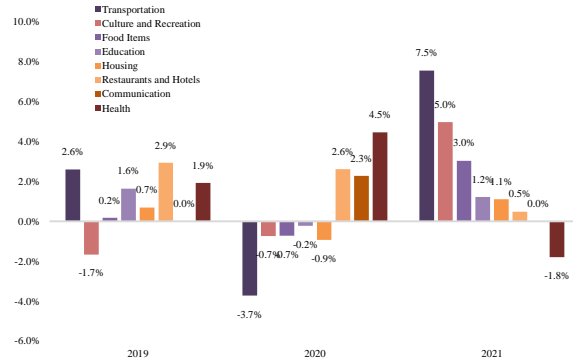
After low inflation during 2019 and 2020, inflationary pressures reappeared in 2021 and 2022. While during 2020 the transportation, culture and recreation, and food categories decreased 7.6%, 0.7%, and 0.7%, respectively, in 2021 transportation rose 7.5%, culture and recreation rose 5.0% and food items 3.0% (Figure 12, Panel B). The figure also shows that the items with low inflation in 2020 are the ones that increased the most in 2021. Inflationary pressures will persist during 2022, given the higher food and energy prices globally, where the CPI inflation reached 3.6% in April 2022 (y-o-y changes), and 2.6% during the first 4 months of 2022 (Figure 12, Panel A).

Figure 12: Inflation Rate

Panel A: Monthly CPI (y-o-y changes)



Panel B: Inflation rate by main components (y-o-y changes)



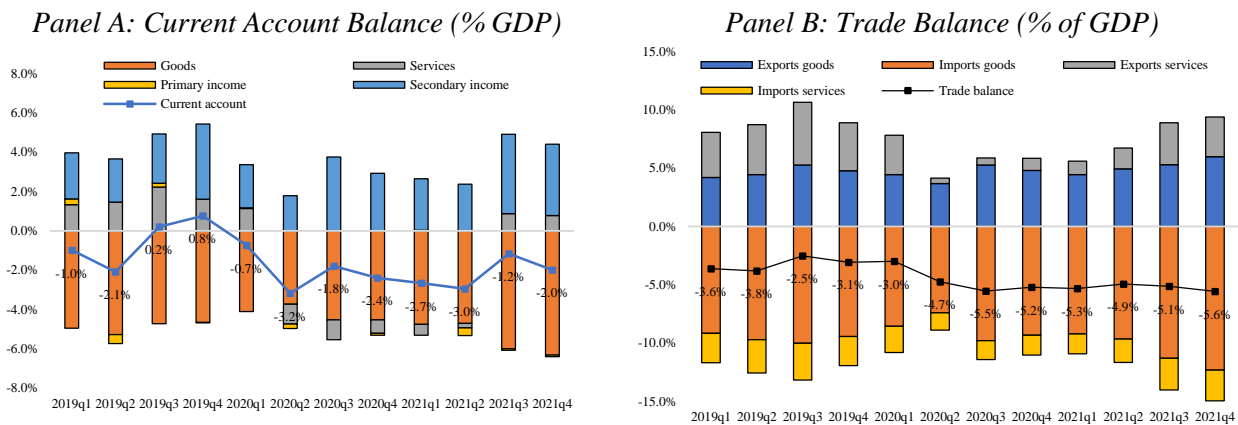
Source: Central Bank of Jordan

2.4. BALANCE OF PAYMENTS

High current account deficits persist in 2021 despite an improvement in the services account. The current account deficit was 8.8% of GDP in 2021, surpassing the annual current account deficit in 2020 (8.1% of GDP). The improvement in the fourth quarter of 2021 corresponds to the surplus in the services account (which reached 0.8% of GDP), showing two consecutive quarters of surplus after being impacted significantly by the COVID-19 pandemic. However, the goods account shows a deficit of 6.3% of GDP, the highest deficit since 2018. Despite the increase in the exports of services, the trade balance deficit increased from 5.2% to 5.6% of GDP in the fourth quarter of 2021, relative to the same quarter in 2020 (Figure 13, Panel B). This increase corresponds to higher imports of goods that reached 12.3% of GDP, relative to 9.3% in the fourth quarter of 2020; the recovery of imports may indicate a recovery of the economy and consumption, but it also reflects the increases in fuel prices. The exports of goods also increased from 4.8% of GDP in 2020Q4 to 6.0% of GDP in 2021Q4, showing a significant improvement since 2019.

The current account deficit during 2022 might be higher, because of higher imports, as economic activities are picking up during the year with higher fuel and other main goods prices. Nevertheless, the higher prices in international markets and the high inflation in developed countries will help improve Jordan's exports in nominal terms.

Figure 13: Current Account Balance and Trade in Goods Balance

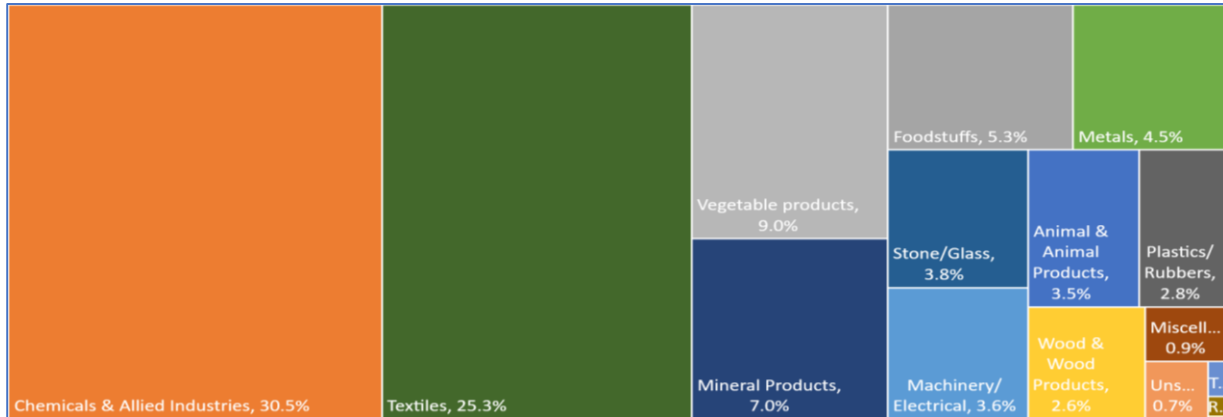


Source: Central Bank of Jordan

The distortion in global trade flows and cost of transport did not affect the composition of Jordan's export basket⁸. The chemicals and textiles sectors have dominated the export basket of Jordan since the pre-pandemic era, constituting over 50% of Jordan's total domestic exports. Aside from these sectors, vegetable products, mineral products, foodstuffs, and metals have alternated in their ranking within the export basket. This indicates that the COVID-19 pandemic has not majorly impacted the diversity of the export basket, despite the temporary cut-offs in trade flows in 2020, the increase in global prices of commodities, and the increase in transportation costs.

⁸ Department of Statistics, MFU estimates.

Figure 14. Domestic Exports by Sector 2017 (JD Billion)



Source: DoS, MFU Estimates

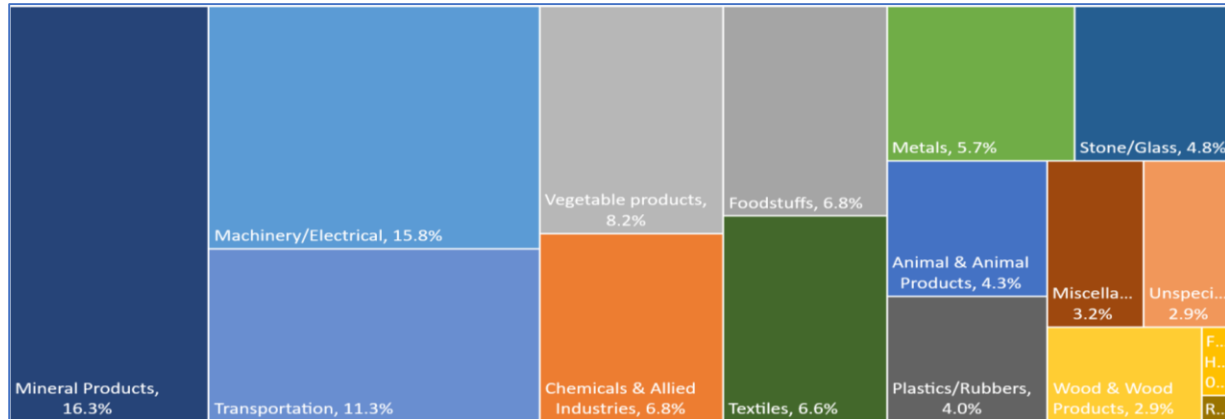
Figure 15. Domestic Exports by Sector 2021 (JD Billion)



Source: DoS, MFU Estimates

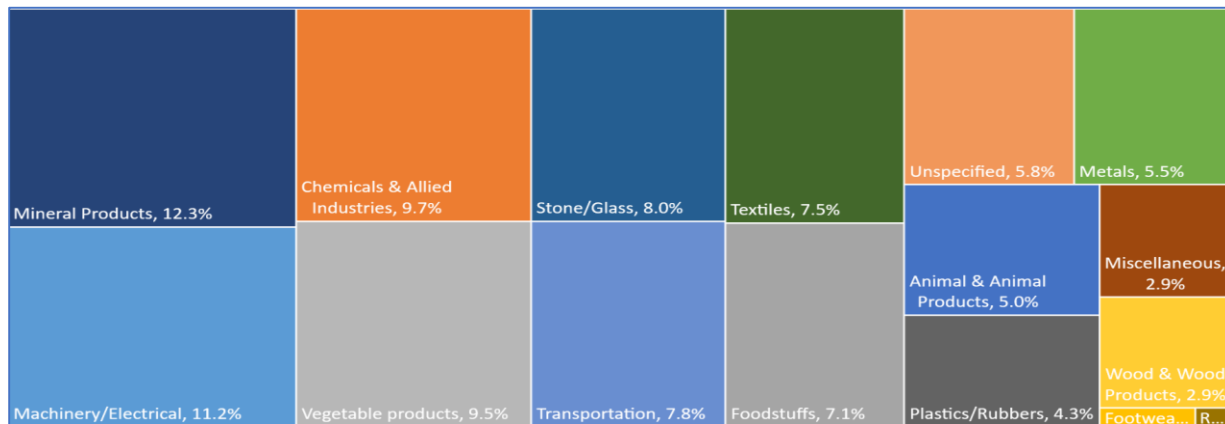
Jordan’s composition of imports showed a higher diversity 2021 than in 2017. In 2021, imports were more evenly distributed than in 2017, albeit the same 8 sectors have led the import basket, with the mineral sector in the lead for the largest share of total imports. Given the increase in Jordan’s domestic exports in chemicals, stone/glass and textiles sectors in 2021, it can be concluded that substantial amount of imports in these sectors have been used as input materials that have enabled the aforementioned sectors to follow a path of recovery.

Figure 16. Imports 2017 (JD Billion)



Source: DoS, MFU Estimates

Figure 17. Imports 2021 (JD Billion)



Source: DoS, MFU Estimates

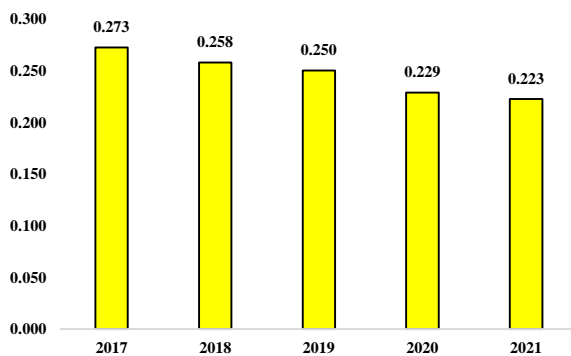
The market concentration of importers from Jordan has been increasing, indicating an increase in Jordan’s market diversity. The Herfindahl–Hirschman index⁹ can be used to show the extent to which Jordan’s domestic exports are more concentrated in some regions than others. Given that exports have been growing since 2017, the decrease in market concentration reflects an increase in the diversity of Jordan’s

⁹ MFU estimates. Lower values indicate higher diversity. **Sub continental regions used for the HHI (per the UN Comtrade classification):** Australia and New Zealand, Central Asia, Eastern Asia, Eastern Europe, Free Zones, Latin America and the Caribbean, Northern Africa, Northern America, Northern Europe, South-Eastern Asia, Southern Asia, Southern Europe, Sub-Saharan Africa, Western Asia, and Western Europe.

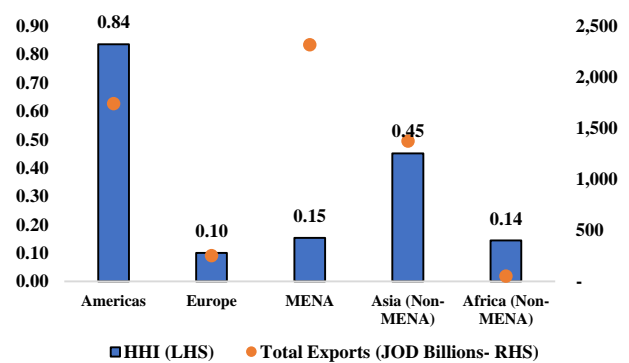
trade partners. Despite the pandemic, Jordan continued its diversification path to reach its best performance in 2021. Similar to pre-pandemic patterns, among all regions, the MENA region remains the best performer in terms of export volume and market diversity combined. While Europe showed revealed the highest trade partner diversity, it was among the least regions to which Jordan has exported in 2021. The reverse holds for the Americas: this region holds the second highest trade volume, but the lowest diversity given that most of Jordan’s exports are concentrated in the United States, mainly dominated in the textiles/garments sector. Due to proximity and the presence of FTAs (which are the main drivers of the gravity model), the MENA region holds the highest value for trade exports and is one of the highest market diversities.

Figure 18. Market Concentration Index

Panel A: Market Concentration Index 2017-2021 (15 Regions)



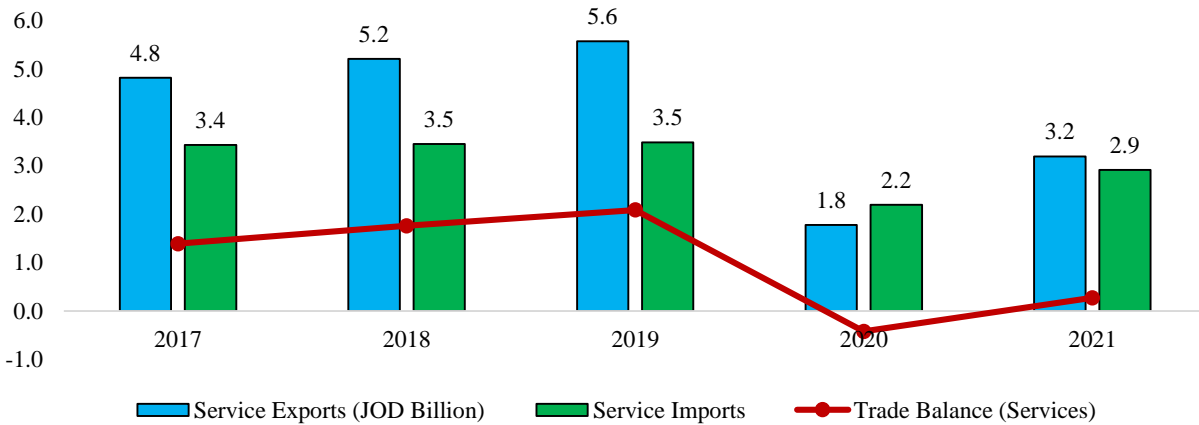
Panel B: Market Concentration Index and Total Exports per Region in 2021



Source: DoS, MFU Estimates

Service Exports took a substantial hit in 2020 and have begun to bounce back in 2021. Due to the fact that exports of travel and transport have constituted over 80% of Jordan’s total service exports, the halt of tourism operations and the closure of airports and borders have significantly impacted international receipts on tourism. Given the fluctuation of Jordan’s epidemiological status, travel and transport activities were volatile in 2021, resulting in total exports that are below pre-pandemic levels. The decline in global tourism activities was also reflected on Jordan’s imports of travel and transport services that also constitutes over 80% of Jordan’s total service imports. The easing of COVID-19 measures locally and globally allowed Jordan to restore its positive trade balance in 2021, albeit below pre-pandemic levels (Section 1, Figure 1, Panel A).

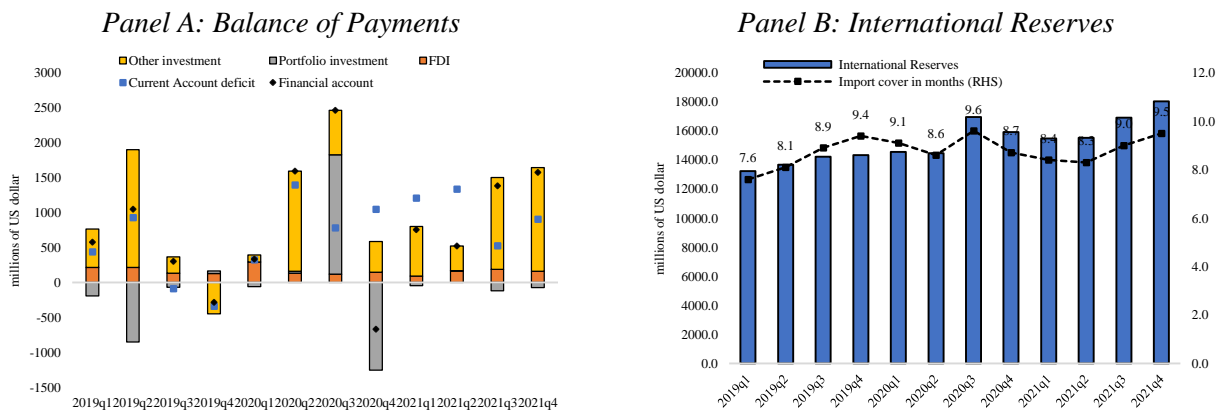
Figure 19. Trade in Services (JD Billion)



Source: Central Bank of Jordan

The current account deficit was mainly financed by short and long-term loans by the general government and SDR in 2021. The net borrowing in other investment was USD 1,490 million (3.3% of GDP) in the fourth quarter of 2021 and reached USD 3,863 million (8.5% of GDP) for the year. Debt instruments, short- and long-term loans by the general government, and special drawings rights financed the current account deficit, which denote favorable funding conditions and external support. Foreign direct investment inflows accounted for USD 606 million (1.3% of GDP), a decrease of more than USD 90 million with respect to 2020, and portfolio investment exhibited a net outflow of USD 233 million. A total of USD 4,237 million (9.4% of GDP) inflows in the financial account allowed the Central Bank to strengthen the reserves position in 2021 to USD 18,043 million or 9.5 import cover in months (Figure 20, Panel B).

Figure 20: Balance of Payments and International Reserves



Note: positive signs (+) indicate net inflows

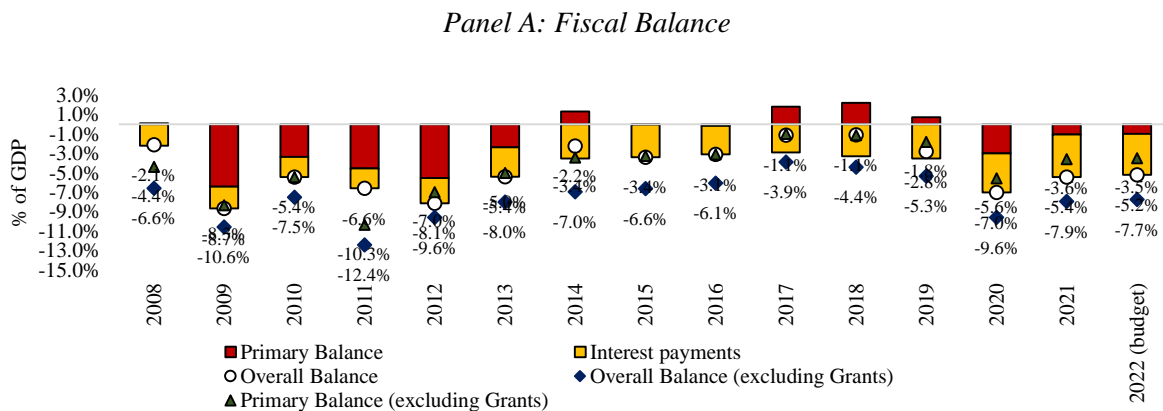
Source: Central Bank of Jordan

2.5. CENTRAL GOVERNMENT BUDGET AND PUBLIC DEBT

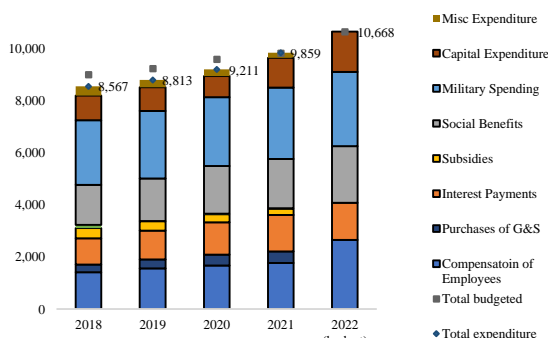
Fiscal balance improved in 2021 after an expansionary fiscal policy during the COVID-19 pandemic. Prior to the start of the pandemic, Jordan had exhibited a net primary fiscal surplus (including grants) for 3 consecutive years. During the pandemic, the GOJ expanded spending on social safety nets and health, but simultaneously multiplying efforts on revenue collection and administrative efficiency. Primary and overall balance in 2020 was -3.0% and -7.0%, respectively, and -9.6% excluding foreign grants. Significant efforts in the spending side were made in 2021 to decrease the primary deficit to 1.1% of GDP, aside from the recovery of revenues; however, the debt service reached a maximum of 4.4% of GDP. The budget for 2022 indicates that the primary deficit will remain at 1.0% of GDP. In 2022Q1, primary deficit reached 4.2% including grants and 4.6% excluding grants of Jordan’s GDP, which is a 0.7% and a 0.4% change, respectively, when compared to the same period in 2021.

Jordan achieved the targeted estimates of domestic revenues and expenditures in the general budget law for the year 2021. The actual tax collection increased 17.4% or JD 1,086.8 million compared to 2020 to reach JD 7,324.9 million. The increase in domestic revenues for the year 2021 is due to an increase in tax revenues by JD 668.3 million and non-tax revenues by JD 418.5 million. These achievements accrued through prudent government financial management, and the structural, administrative, and legislative procedures in combating tax and customs evasion and avoidance. The first quarter of 2022 saw a 1.8% increase in domestic revenues vis-à-vis the same quarter in 2021, rising from JD 1.797 billion to JD 1.829 billion.

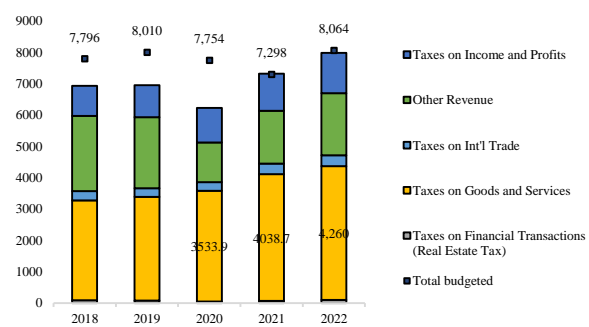
Figure 21. Fiscal balance, expenditures, and revenues



Panel B: Total Expenditures



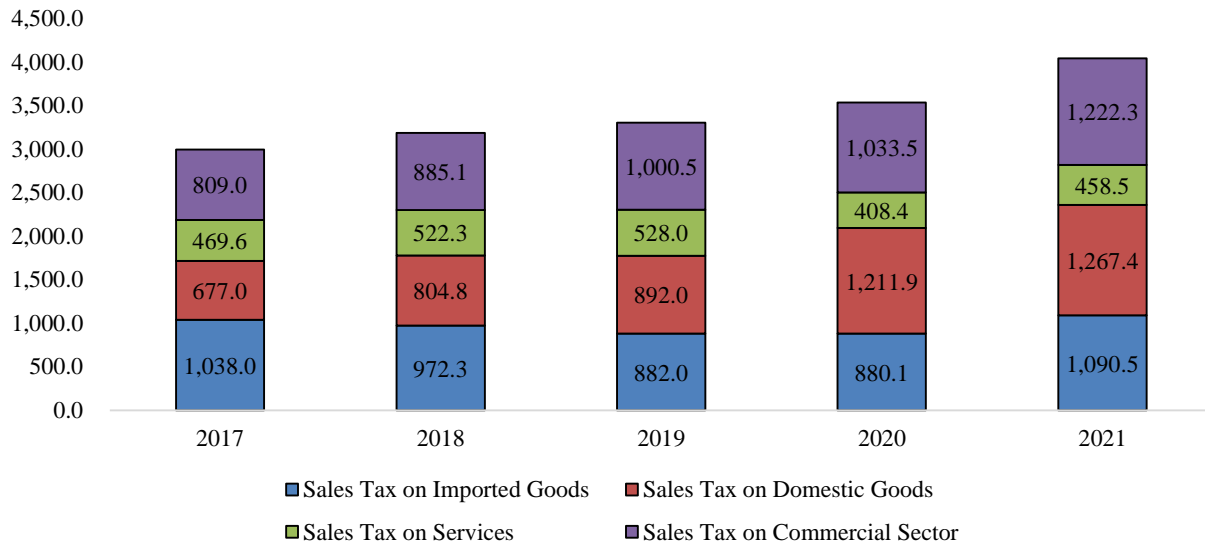
Panel C: Main Domestic Revenue Components



Source: Ministry of Finance

General tax revenues on goods and services have reached their highest values in over 10 years. Structural and reforms on tax administrations bore fruit in 2020, cushioning the drop of the economic activities. During the 2021, the structural reforms set a new standard of tax collection, thereby yielding higher tax revenues across the board. In fact, in the last 10 years, 2021 is the first year that saw an increase in all tax groups, accounting for a total increase of JD 504.8 million; taxes on imported goods increased 24% and the commercial sector 18%, both with the highest growth in the last 5 years, and taxes on domestic goods and services increased 5% and 12%, respectively.

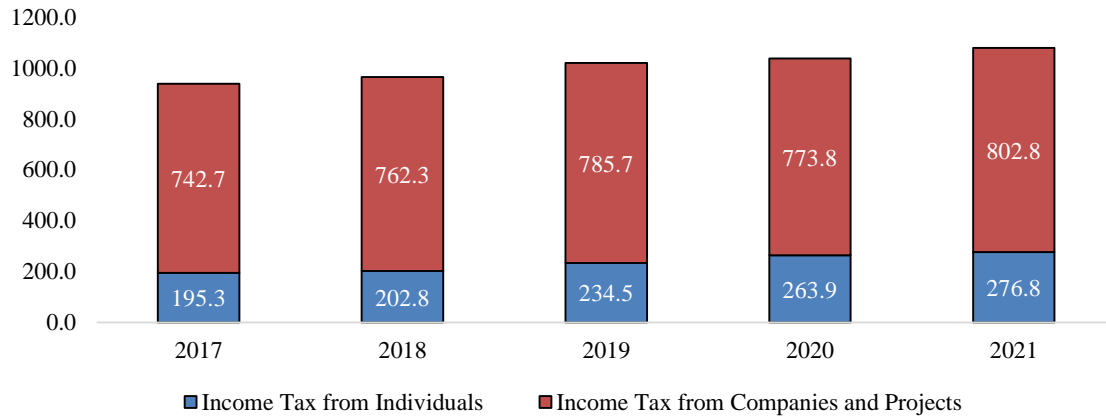
Figure 22. General Taxes on Goods and Services (JD Million)



Source: Ministry of Finance

The administrative reforms on tax administrations resulted in higher compliance in income tax reporting. Despite the drop in the number of employed labor in 2020, income tax from individuals saw an increase, implying higher levels of compliance, as well as a higher efficiency of the tax filing procedures. In 2021, income tax from individuals proceeded on its growth path, reaching 4.9% by the end of the year. As it pertains to income taxes from companies and projects, after a slight drop of 1.5% in revenues (albeit at lower levels than the drop observed in GDP), growth in revenues from this category reached 3.7% and reached its highest level marked in the last 5 years at JD 802 million, which further accentuates the effectiveness of the structural reforms that have taken place in the last few years.

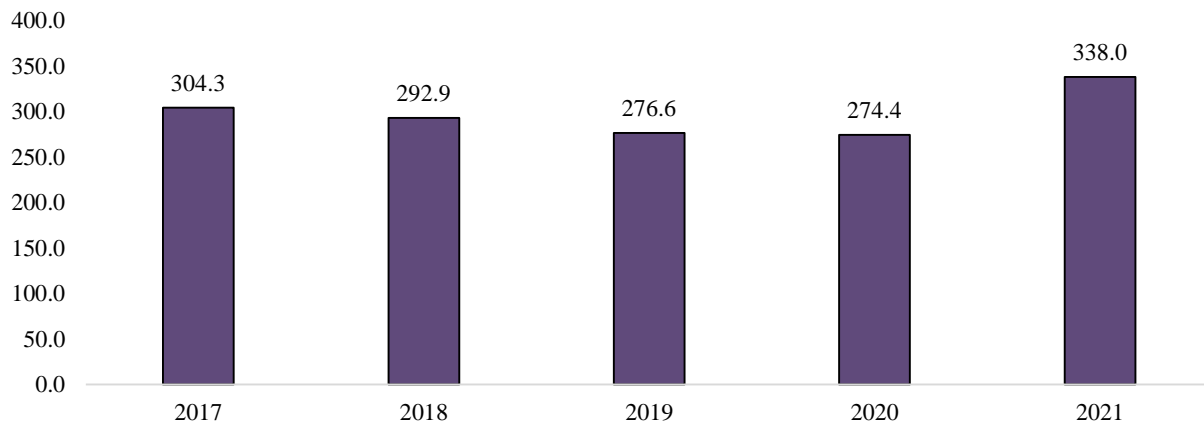
Figure 23. Income Tax Revenues (JD Million)



Source: Ministry of Finance

Structural and administrative reforms on the customs department yielded record high revenues. Similar to the general sales tax, administrative and structural reforms have taken place in the customs administrations that allowed operational efficiency to increase, allow reporting to take place in a timely manner, along with several procedures that aimed at curtailing smuggling through borders. The revenue growth from this category reached 23% in 2021, the first positive growth in the last 5 years.

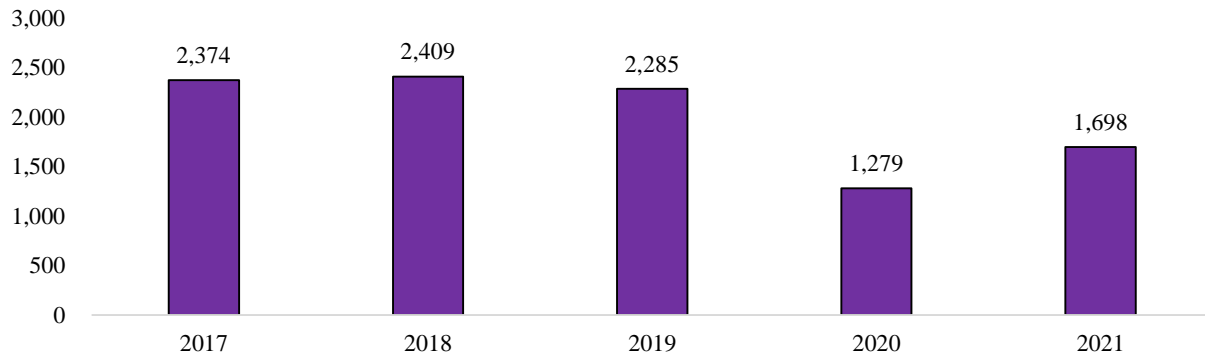
Figure 24. Taxes on International Trade & Transactions (JD Million)



Source: Ministry of Finance

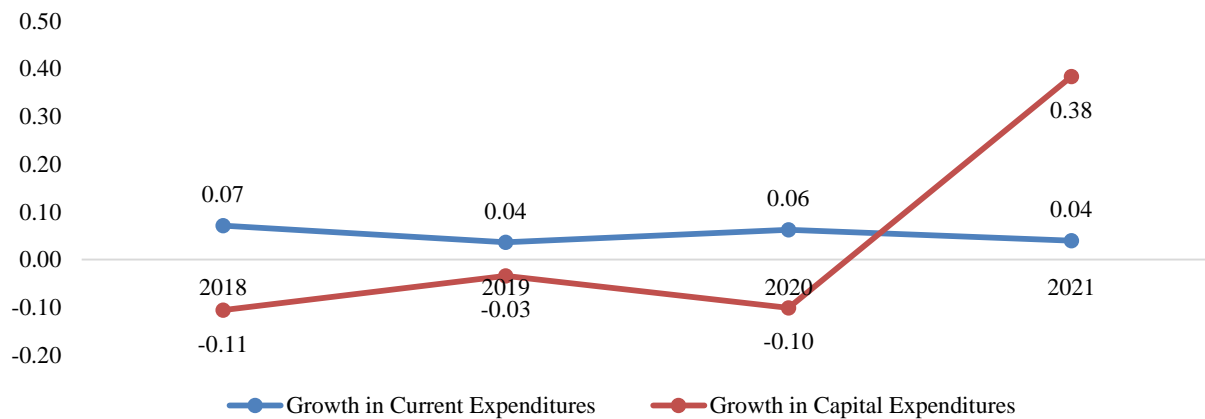
Non-tax revenues have experienced a rebound after a substantial drop in 2020. COVID-19 restrictions have halted several economic activities, which translated into a decline in non-tax revenues across all key items, including a 39.6% drop in land registration, and a 37% drop in mining revenues. The latter rebounded to pre-pandemic levels with an increase of JD 18.3 million (or a 68% increase) and is expected to continue to rise in light of the surge of global commodity prices.

Figure 25. Non-Tax Revenues



After years of fiscal consolidation, the growth in expenditures has reversed while focusing on capital and social safety net spending. After the adoption of a homegrown growth program, Jordan committed to improve spending efficiency resulted in substantial growth in capital expenditures that have been wanting in previous years. In fact, the 38% growth in capital expenditures observed in 2021 is also followed by an unprecedented growth of 43.6% in the 2022 budget, further accentuating the government’s position towards growth inducing spending. These efforts were accompanied by a steady growth in current expenditures that focused on social spending but also included growing interest payments. Total expenditure increased from JD 2.126 billion to JD 2.204 billion in the first quarter of 2022 (in comparison to the same quarter of the previous year), marking a 3.7% increase.

Figure 26. Current vs. Capital Expenditures (Y-o-Y Growth)

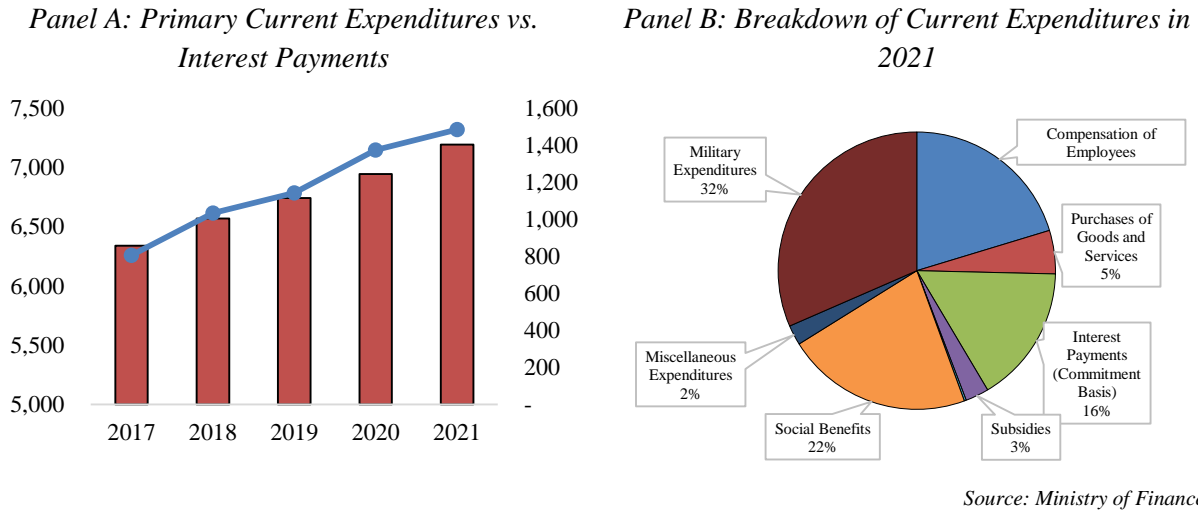


Source: Ministry of Finance

Despite the pandemic, current expenditures followed a linear overall path, albeit with signs of deceleration. Jordan’s resilience against exogenous shocks came at a hefty price: increased debt burdens. In light of the partially unfulfilled support from that have been pledged by international community, interest

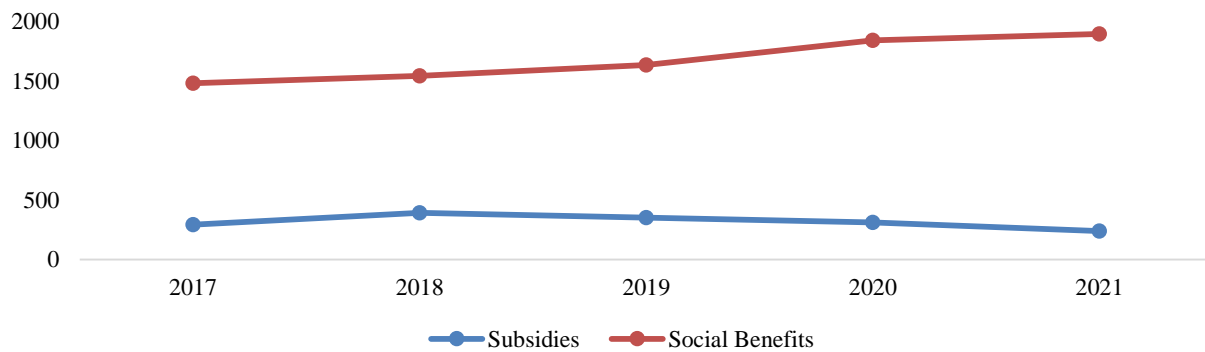
payments continue to impose a significant strain on Jordan’s current expenditures, such that they have constituted 16% in 2021.

Figure 27. Current Expenditures (JD Million)



Reforms intended at targeted support have further ameliorated the efficiency of spending. Since 2019, Jordan was able to transition from a regressive subsidy system to a targeted cash transfer and social safety net system through the National Aid Fund, such that targeted social assistances have increased from JD 203 Million in 2017 to JD 287.9 Million in 2021, whereas subsidies have decreased from JD 391 Million in 2018 to JD 238 Million in 2021.

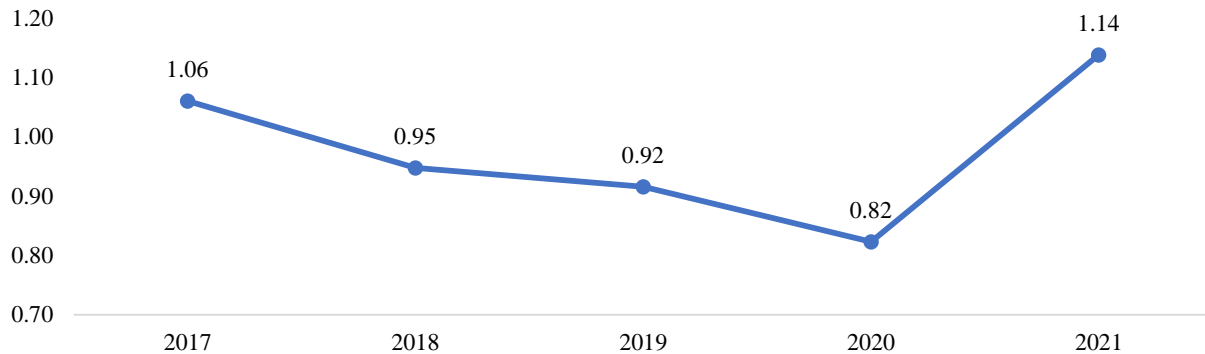
Figure 28. Subsidies vs. Social Benefits (JD Million)



After a declining trend in capital expenditure, Jordan is on a trajectory towards higher capital expenditure levels that are conducive to long-term economic growth. Following the decline in capital expenditure that has reached its lowest value during the first pandemic year, Jordan focused on higher spending on capital projects in 2021 as a response to the anticipated and the unanticipated ramifications of COVID-19 on the global economy. The 38% increase in capital expenditures is mainly attributed to the increase in expenditures on economic affairs by 54%, which include expenditures on the agricultural,

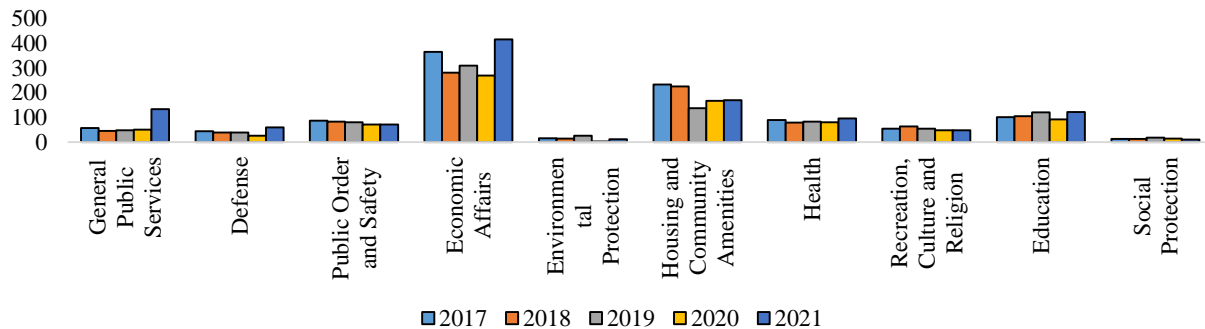
transportation, energy and telecommunications that are considered the key enablers for total factor productivity. Along the same lines, it is also worth noting that capital expenditures on infrastructure, land, machinery, and equipment have constituted 39.6%. Testimony to Jordan’s fiscal prudence, Jordan’s capital expenditures that are funded by loans have been majorly targeted towards ameliorating infrastructure, ranging between 88%-100% in the last 5 years.

Figure 29. Capital Expenditures (JD Billion)



Source: Ministry of Finance

Figure 30. Capital Expenditure per Functional Type (JD Million)

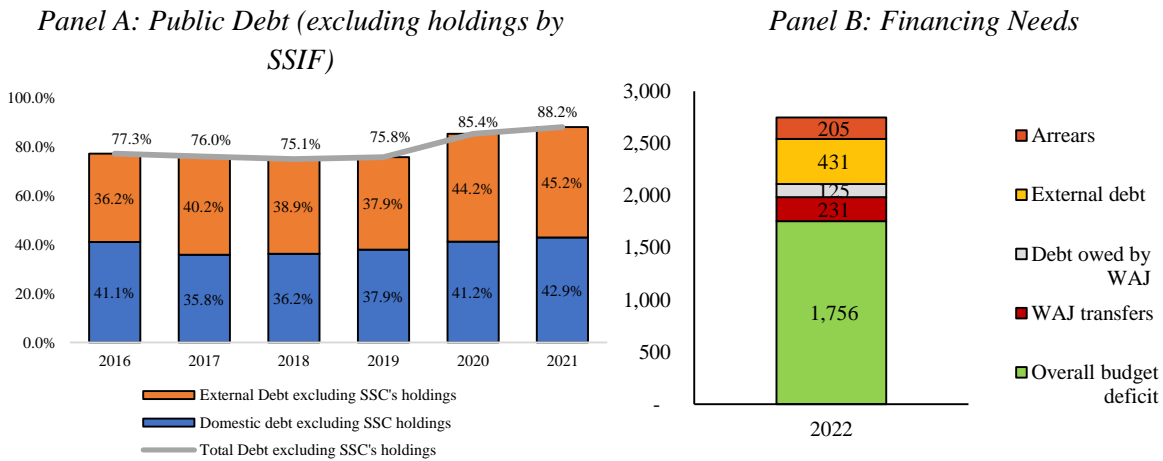


Source: Ministry of Finance

The GDP contraction, together with the fiscal measures to mitigate the COVID-19 impact, led to an increase in Jordan’s debt levels. The central government debt-to-GDP ratio increased 9.6 and 2.7 percentage points in 2020 and 2021, respectively, excluding the debt holding of the Social Security Investment Fund (SSIF) reaching 89.5% of GDP. The external debt, which is mainly denominated in US dollars (70.6%) and Euro (12%), increased 14.2% in 2020. For instance, loans with multilateral organizations, and the issue of government bonds contributed 7.45 and 4.03 percentage points to the total increase. External debt in 2021 increased 3 percentage points, reaching a 47.1% in 2021. As of the first quarter of 2022, public debt (net of SSIF holdings) reached 88.1%, as opposed to 89.5% by the end of 2021.

Financing needs in 2022 are mainly explained by the overall budget deficit of the central government. The central government’s financing needs will be 2,748 million Jordanian Dinar in 2022, an 8.2% of GDP. Of total financing needs, a 64% corresponds to the overall budget deficit that is 5.2% of GDP, followed by the rollover of external debt that is an additional 1.3% of GDP and transfers to the Water Authority of Jordan (WAJ).

Figure 31. Public Debt and Financing Needs



Source: Ministry of Finance

3. JORDAN MEDIUM-TERM FISCAL FRAMEWORK

3.1 BASELINE SCENARIO

The Jordanian economy saw improvements on the macro fiscal level in 2021, but the existing structural challenges remain susceptible to uncertainty in light of global developments. In 2021, Jordan began its recovery from the COVID-19 shock, fully reopening its economy and easing mobility restrictions. The economy grew at 2.2% in real terms in 2021, after falling 1.6% during the COVID-19 pandemic outbreak, and all economic sectors have recovered after the ease of pandemic-related restrictions. Labor markets, however, remain weak with high difficulties to create jobs, especially for females and the youth. The fiscal performance came better than projected in 2021 and the central government achieved the targeted estimates of domestic revenues and expenditures in the general budget law. The debt burden has increased, however, mainly due to the pandemic-induced slowdown in growth.

The Ministry of Finance is committed to the improvement of the Medium-term Fiscal Framework (MTFF)¹⁰ as a key tool for better fiscal management. A well-designed medium-term fiscal framework provides a coherent quantitative statement of the government's fiscal strategy and a degree of public commitment. The MTFF enhances the feasibility of the government's fiscal objectives by ensuring that the targeted path of fiscal aggregates is consistent with medium-term fiscal sustainability and with a macroeconomic framework aiming for sustained rapid growth and external viability. It is a vehicle through which the government can credibly commit to the targeted path of fiscal aggregates over the medium term in an uncertain world, and thereby anchor expectations.

The external assumptions depended on latest IMF World Economic Outlook (WEO) report but also incorporate a variable to account for COVID-19 shock. To gauge global growth sentiment, we used future global growth path and Brent oil prices based on WEO's forecast. The new WEO projections took into account the Ukraine-Russian conflict and its repercussion on the world growth and inflation. We assume that COVID-19 stops weighing directly on variables (via the stringency index) in the first quarter of 2021. We also assume the projections of Foreign Grants specified in the 2022 Budget Law. As for Total Expenditures, we use IMF 5th review projections and the 2022 Budget Law Projections when estimating the Debt to GDP trajectory in the medium term.

The baseline scenario shows picking up growth for Jordan in the coming years. The baseline scenario estimates real growth to reach 2.7% during 2022 and to hover between 2.7% and 2.8% percent for the next 4 years. This came as a result of the recovery of the key contributing sectors to GDP in Jordan, particularly the contact-intensive sectors and those that enable the recovery of tourism activities. The ramifications of the pandemic, and reopening borders.

¹⁰ The MFU developed a time series model to forecast main economic variables, a Vector Autoregressive model was developed to forecast key economic variables, along with other timeseries regressions. It is worth mentioning that the baseline output of the built model does not include recent (2021-2022 and coming into effect post 2022) policy, legislation and administration changes that will have positive effect on revenues collection or any future measures or policy changes that can affect the forecast thereafter.

Inflation in the baseline scenario is projected to increase significantly in 2022, and then stabilize in the medium-term. Inflation measured by deflator index is estimated to reach 3.5% in 2022 and it hovers between 2.9% to 3.6% thereafter. The projection is consistent with recent developments of higher international energy and food prices that will increase the cost of imported goods. Moreover, the muted inflation during the last two years can be correlated with slower domestic demand that began to recover during 2022, as signs of price increases in the domestic market have been noticed during the first half of the year, despite the government's decision to subsidize domestic fuel prices during the first 4 months of the year, to protect the poor segments from the substantial jump of the international oil prices, and to mitigate the effect of the negative external shock on the economy. The industrial production price index showed a jump of 13.5% during the first quarter of the year, supporting the projected direction of the Deflator inflation. The Federal Reserve increased its rate 6 times by a total of 3.75 Percentage points during the first eleven months of the year, and is expected to continue to impose further hikes until the US inflation stabilized at lower rates. The Central Bank of Jordan is therefore expected to follow the Fed raises and maintains sufficient margin with the US dollar to preserve the attractiveness of the JD and its external FX reserves.

CPI Inflation is projected at slightly higher rate in 2022, compared with the deflator, reaching around 4.3%, and to stabilize at this higher rate during the medium-term. This projection came because of the increase of prices of many imported goods, as well as international oil prices. The CPI Inflation during the first 4 months registered a modest rise of about 2.6% because of the government decision to not pass through the international jump in oil prices to the Jordan market. However, with the gradual reversal of subsidies on oil derivatives, the inflation measured by CPI has increased at faster pace during the remaining period of the year. It is worth noting that inflation in advanced economies is still higher than Jordan's projections. In stark contrast with the US, there are no signs of worker scarcity or pressure on wages in Jordan. On the contrary, as seen in Section 2, Figure 9, unemployment rates are extremely high and have been rising since 2014 and labor supply is at its lowest since 2017. Moreover, output in Jordan is recovering but is still below the pre-pandemic trend, in contrast with the U.S. that has almost reached the levels to which the pre-pandemic trend predicts (Section 1, Figure 7, Panel C), boosted by expansionary fiscal and monetary policy - stimulus checks, child tax credit, federal money for state and local governments.

The improvement in government revenue projections, impowered by the MOF policy to widening the tax base without increasing marginal tax rate and the enhancement in tax collection administration, combined with economic growth boost and higher inflation, result in an improvement in the debt dynamics, without any additional discretionary measures, to reach less than 82.0% of debt-to-GDP level in 2026. Nominal GDP growth is estimated to reach 6.2% in 2022, drops to 5.7% in 2023 and stays around this rate in the medium term. This will help improve the debt dynamics by deflating the outstanding debt. Moreover, domestic revenues are projected to increase at a higher pace, which is in line with the continuous improvement in tax collection as a result of the recent revenues improvements and the tax administrative efficiency enhancements especially on the legislation level such as bringing ASEZA's tax department under the jurisdiction umbrella of ISTD, and tax compliance improvements besides other non-tax factors, which will be an important aspect in bringing the debt to GDP ratio to low and sustainable levels.

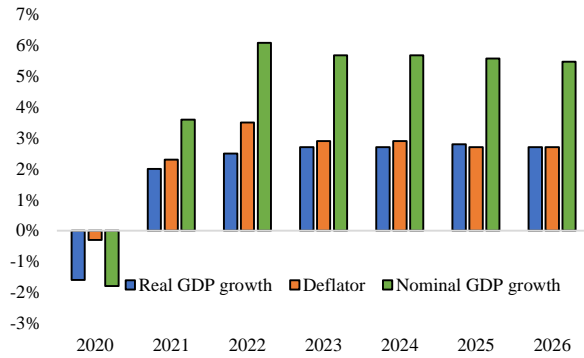
Table 2: Baseline Scenario¹¹

JD Million	Baseline Scenario						
	2020	2021	2022	2023	2024	2025	2026
Real GDP Growth (% YoY)	-1.6	2.2	2.7	2.7	2.8	2.7	2.8
Nominal GDP Growth (% YoY)	-1.8	3.6	6.2	5.7	5.7	6.3	6.6
Deflator Inflation (% YoY)	-0.2	1.4	3.5	2.9	2.8	3.5	3.6
Inflation CPI (% YoY)	0.3	1.3	4.3	4.8	3	3.3	3.4
Total revenues and grants	7028	8128.2	9034.7	9619.4	10288	10869.5	11474.4
Domestic revenues	6237	7324.9	8219.7	8804.4	9473.4	10054.5	10659.4
Tax revenue	4958	5626.9	6239.7	6706.4	7233.4	7744.5	8209.4
Taxes on income and profits	1103	1179.6	1480	1650	1838	2035	2185
Sales taxes	3524	4038.7	4401.7	4684.4	4981.4	5273.5	5558.4
Taxes on foreign trade	274	338	260	270	302	324	354
Other taxes	57	70.6	98	102	112	112	112
Non-tax revenue	1279	1690.4	1980	2098	2240	2310	2450
Grants	791	803.31	815	815	815	815	815
Expenditures of which :	9211	9858.8	10653	11485	12250	12351	12678
Current Expenditures	8389	8721	9106	9777	10480	10580	10900
Overall central government balance	-2183	-1730.6	-1618.3	-1865.6	-1962	-1481.5	-1203.6
NEPCO operating balance	-89	-153	-220	-338	-296	-262	-221
WAJ overall balance, excluding project grants	-257	-225	-220	-272	-263	-253	-256
Water distribution companies overall balance	-80	-113	-51	-10	-10	-10	-10
Combined public balance	-2111	-1621.9	-1470.3	-1686.6	-1495	-839.5	-402.6
Government and guaranteed gross debt (net of SSC holdings)	27295	29090.6	30352.1	31913.7	33539	34601	35294.4
Debt/GDP (net of SSC holdings)	87.5%	89.6%	87.7%	86.5%	86.0%	84.0%	81.2%

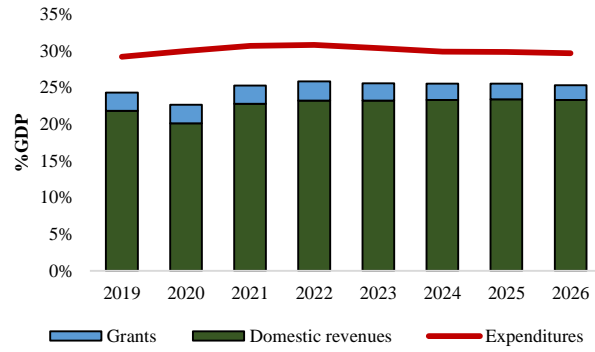
¹¹ The baseline output of the built model does not include recent (2021-2022 and coming into effect post 2022) policy, legislation and administration changes that will have positive effect on revenues collection or any future measures or policy changes that can affect the forecast thereafter.

Figure 32 – Main projections

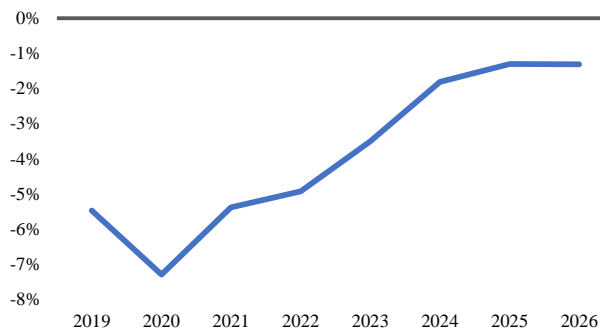
Panel A: GDP and deflator (percent)



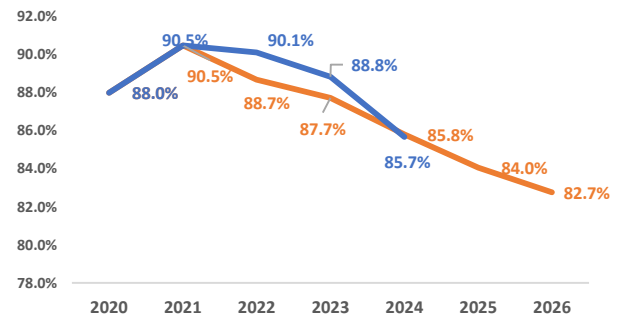
Panel B: Fiscal operations (% GDP)



Panel C: Central Government Balance (% GDP)



Panel D: Debt-to-GDP ratio



MACRO FISCAL RISK

Forecasts exhibit a high degree of ambiguity and global uncertainty remains a strong source of potential downside risks to Jordan economy. While the baseline forecast is important, a good understanding of the risks surrounding the baseline forecasts is important as well. In this regard, we construct fan charts that are commonly used as a communication tool for forecast uncertainty. Figure 33, Panel A shows that real GDP growth ranges between 1% to 4%, given its 95th confidence interval, while Panel B shows the deflator ranging between 0.5% and 5%, demonstrating a relatively high levels of uncertainty and risks.

Figure 33 - Fan Charts for the Baseline Scenario

Panel A: Fan Chart Annual Real GDP growth

Panel B: Fan Chart Annual Deflator



Considering an alternative adverse shock scenario: Although the Fed has raised its rate 6 times by a total of 3.75 percentage points during the first eleven months of the year the inflation decreased at slower pace than anticipated to reach 7.7 percent down from its peak at 9.1 in June. Thus, a more hawkish stance might be taken by the Fed during next year, Volcker-like approach, to forcefully bring the inflation back to acceptable levels. This would yield positive real interest rates for a couple of years– and is bound to involve at least a mild recession.

The alternative scenario yields lower growth and higher inflation in 2023. Lower world GDP growth rates decreases GDP growth rates from 2.7% to 2.0% in 2023 and from 2.7% to 2.4% in 2024. This alternative scenario exhibits lower inflation rates in Jordan, in 2023 and remains at lower rate thereafter. Nominal growth rates projections are lower comparing to the baseline scenario in 2023 and thereafter, depressing the debt-to-GDP ratio which would reach higher value of 84.5% at the end of 2026.

Table 3: Macro Fiscal Risk Scenario

JD Million	Adverse Shock Scenario						
	2020	2021	2022	2023	2024	2025	2026
Real GDP Growth (% YoY)	-1.6	2.2	2.7	2.0	2.4	2.7	2.9
Nominal GDP Growth (% YoY)	-1.8	3.6	6.2	4.5	5.0	5.7	5.3
Deflator Inflation (% YoY)	-0.2	1.4	3.5	2.4	2.6	2.9	2.4
Inflation CPI (% YoY)	0.3	1.3	4.3	0.9	1.1	1.6	1.6
Total revenues and grants	7028.0	8128.2	9034.7	9003.1	9625.3	10165.7	10728.2
Domestic revenues	6237.0	7324.9	8219.7	8188.1	8810.3	9350.7	9913.2
Tax revenue	4958.0	5626.9	6239.7	6237.0	6727.1	7202.4	7634.7
Taxes on income and profits	1103.0	1179.6	1480.0	1534.5	1709.3	1892.6	2032.1
Sales taxes	3524.0	4038.7	4401.7	4356.5	4632.7	4904.4	5169.3
Taxes on foreign trade	274.0	338.0	260.0	251.1	280.9	301.3	329.2
Other taxes	57.0	70.6	98.0	94.9	104.2	104.2	104.2
Non-Tax revenue	1279.0	1690.4	1980.0	1951.1	2083.2	2148.3	2278.5
Grants	791.0	803.3	815.0	815.0	815.0	815.0	815.0
Expenditures of which :	9211.0	9858.8	10653.0	10910.8	11637.5	11733.5	12044.1
Current Expenditures	8389.0	8721.0	9106.0	9288.2	9956.0	10051.0	10355.0
Overall central government	-2183.0	-1730.6	-1618.3	-1907.7	-2012.2	-1567.8	-1315.9
NEPCO operating balance	-89.0	-153.0	-220.0	-338.0	-296.0	-262.0	-221.0
WAJ overall balance, excluding project grants	-257.0	-225.0	-220.0	-272.0	-263.0	-253.0	-256.0
Water distribution companies overall balance	-80.0	-113.0	-51.0	-10.0	-10.0	-10.0	-10.0
Combined public balance	-2111.0	-1621.9	-1470.3	-1728.7	-1545.2	-925.8	-514.9
Government and guaranteed gross debt (net of SSC holdings)	27295.0	29090.6	30352.1	31955.8	33631.6	34780.0	35585.6
Debt/GDP (net of SSC holdings)	87.5%	89.6%	88.0%	88.7%	88.9%	86.9%	84.5%

تقرير التوقعات المالية الكلية

حزيران 2022

التوقعات محدثة بتشرين ثاني 2022

Macro-Fiscal Unit

Ministry of Finance of Jordan

مُلخَص تنفيذي

انتعاش القطاع السياحي العالمي جزئياً بسبب تقليص القيود المفروضة على حركة النقل، على الرغم من نشاطه المحدود قبل الجائحة. إذ أدى الانخفاض العالمي في حالات كوفيد-19 والزيادات المستمرة في معدلات التلقيح إلى ارتفاع أنشطة السياحة الدولية. فعلى سبيل المثال، ارتفع استخدام المقاعد المتاحة للسفر الدولي، في منطقة الشرق الأوسط وشمال إفريقيا، من أدنى مستوى له على الإطلاق والذي بلغ 42.7% في كانون الثاني 2021، إلى 59.1% في كانون الثاني 2022، وهو أعلى معدل تعافٍ بين جميع الأقاليم الرئيسية، تلتها أوروبا التي شهدت زيادة تبلغ 14.3%.

أثارت تداعيات الجائحة والحرب الروسية الأوكرانية مخاوف بشأن النمو والتضخم في العالم. ظهر ذلك واضحاً في مراجعة نيسان 2022 لأفاق الاقتصاد العالمي لصندوق النقد الدولي والذي خفض توقعات نمو الناتج المحلي الإجمالي العالمي لعام 2022 من 4.4% إلى 3.6%. ومع ذلك، تم إعادة تقدير نمو الناتج المحلي الإجمالي لمنطقة الشرق الأوسط وشمال إفريقيا ليزداد من 3.9% إلى 5.7%؛ ويعزى ذلك بشكل رئيسي إلى ارتفاع أسعار النفط التي ستساهم على نحو إيجابي في نمو البلدان المصدرة للنفط. ومن ناحية أخرى، في اقتصاد الدول المتقدمة أعيد تقدير معدل التضخم ليقفز من 3.9% إلى 5.7%. ووفقاً لتقديرات البنك الدولي لأسعار السلع، سجلت أسعار القمح الأمريكي زيادة بنسبة 89% خلال شهر آذار من عام 2022 مقارنة بنفس الفترة من العام 2021، بينما شهد النفط الخام ارتفاعاً بنسبة 63%. ومع ذلك، تتوقع مجموعة CME أن تصل أسعار نفط برنت إلى 102 دولار أمريكي / برميل بحلول نهاية عام 2022، على عكس المستويات القياسية المرتفعة التي لوحظت في الأشهر القليلة الماضية عند حوالي 120 دولار أمريكي / برميل. ونتيجة لهذه التطورات الدولية شهد مؤشر أسعار المستهلكين في الأردن ارتفاعاً وصل إلى زيادات في تضخم مؤشر أسعار المستهلكين في الأردن (التغير السنوي) والتي وصلت إلى 3.6% في أبريل 2022 و 2.6% خلال الأشهر الأربعة الأولى من العام.

استجابت الأسواق المالية إلى السياسة النقدية الانكماشية التي فرضها الاحتياطي الفيدرالي والتي تبعت الارتفاعات المتواصلة في الأسعار. حيث تجاوزت عائدات سندات الخزينة ما مقداره 2.89% في أيار 2022 بعد الارتفاع الذي بلغ 50 نقطة أساس والذي تم الإعلان عنه في نفس الشهر، وانخفض مؤشر سندات جي بي مورغان للأسواق الناشئة بنسبة 15.5% من أول العام إلى 31 أيار/مايو. واعتباراً من 12 مايو انخفض مؤشر كل من إس أند بي 500 وداوجونز بنسبة 18% و 13% على التوالي لهذا العام، في حين شهدت الأسهم التقنية انخفاضاً كبيراً في عام 2022.

بلغ نمو الناتج المحلي الإجمالي بنسبة 2.2% في عام 2021، بعد انخفاضه بنسبة 1.6% خلال عام 2020 بعد تفشي جائحة كوفيد-19. حيث ساهمت التدابير المتخذة لمواجهة كوفيد-19 بالإضافة إلى سلسلة من الإصلاحات الهيكلية، في النمو الملاحظ لعام 2020، حيث تفوق أداء الأردن على الاقتصادات الرئيسية ونظيراتها من العالم العربي. كما تفوق نمو الاقتصاد الأردني على معدل النمو الحقيقي المتوقع في المراجعة الثالثة لصندوق النقد الدولي بمقدار 0.2 نقطة مئوية.

تتمن أبرز تحديات الاقتصاد الأردني في ظاهرة البطالة، حيث وصلت إلى مستويات غير مسبوقة في عام 2021. وقد تفاقم التحديات الهيكلية الحالية للبطالة في الأردن بسبب تداعيات الجائحة، حيث وصلت البطالة إلى 25% في الربع الأول من عام 2021، وانخفضت بشكل طفيف مع نهاية العام لتصل إلى 23.3% (21.4% للذكور مقابل 30.7% للإناث). بينما ارتفعت نسبة البطالة بين الشباب (الذين تتراوح أعمارهم بين 15 و 24 عاماً وغير الملحقين بسوق العمل حالياً) بنسبة 2.9 نقطة مئوية مقارنة بالربع السابق حيث سجلت إجمالي البطالة بين الشباب 52.8% (47.9% للذكور مقابل 70.2% للإناث).

سجل الحساب الجاري عجزاً متواصلاً حتى عام 2021 على الرغم من التحسن في حساب الخدمات. حيث تحسن رصيد حساب الخدمات ليصل إلى 271.8 مليون دينار، ومثل هذا تعافياً من العجز الذي لوحظ في عام 2020. وبلغ العجز في التجارة السلعية في عام 2021 ما قدره 7 مليارات دينار أردني، أو 21% من الناتج المحلي الإجمالي، وذلك بسبب ارتفاع حجم المستوردات، بحوالي 2.12 مليار دينار أردني مقارنة بالعام السابق. في حين أن سلة الصادرات المحلية بقيت دون تغيير جوهري على مر السنوات الماضية، بينما تنوعت المستوردات بشكل طفيف عن العام السابق. أما على صعيد الأسواق الدولية، فقد حقق الأردن في عام 2021 أفضل أداء منذ عام 2017 على صعيد تنوع البلدان والأقاليم التي صدر الأردن إليها.

شهدت الموازنة العامة الحكومية في عام 2021 تحسناً جراء اتخاذ الحكومة الأردنية سياسة مالية توسعية خلال جائحة كوفيد-19. حيث قامت الحكومة الأردنية بزيادة الإنفاق من ناحية ومضاعفة جهودها لتحصيل الإيرادات وتحقيق الكفاءة الإدارية في التحصيل الضريبي من ناحية أخرى. حيث بلغ الرصيد الأولي والإجمالي في عام 2020 -3.0% و -7.0% على التوالي، و -9.6% باستثناء المنح الأجنبية. كما بُذلت جهود كبيرة في جانب الإنفاق في عام 2021 والتي ساهمت بخفض العجز الأولي إلى 1.1% من الناتج المحلي الإجمالي، بصرف النظر عن تحسن الإيرادات، ألا أن ارتفاع خدمة الدين والتي بلغت ما مقداره 4.4% من الناتج المحلي الإجمالي أدت إلى بقاء العجز مرتفعاً وتشير تقديرات موازنة عام 2022 إلى أن العجز الأولي سيظل عند 1.0% من الناتج المحلي الإجمالي. كما حقق الأردن التقديرات المستهدفة للإيرادات والنفقات المحلية في قانون الموازنة العامة لعام 2021.

يعود سبب ارتفاع الإيرادات المحلية لعام 2021 إلى ارتفاع الإيرادات الضريبية بمقدار 668.3 مليون دينار والإيرادات غير الضريبية بمقدار 418.5 مليون دينار. وقد تحققت هذه الإنجازات من خلال الإدارة المالية الحكومية الحصيفة، والإجراءات الهيكلية والإدارية والتشريعية لمكافحة التهرب الضريبي والجمركي والوقاية منه، والإصلاحات التي تهدف إلى دعم كفاءة الإنفاق. بلغ العجز الأولي في الربع الأول من عام 2022، 4.2% و 4.6% باستثناء المنح كنسبة مئوية من إجمالي الناتج المحلي على التوالي. جاء ذلك نتيجة نمو الإيرادات المحلية بنسبة 1.8% ونمو إجمالي النفقات بنسبة 3.7%. بلغت نسبة الدين إلى الناتج المحلي الإجمالي 88.1% بنهاية الربع، مقارنة بـ 89.5% سُجّلت في نهاية عام 2021.

انتعاش النمو في الأردن في السنوات القادمة بناءً على سيناريو الأساس لإطار المالية العامة متوسط الأجل. حيث يتوقع سيناريو الأساس أن يصل النمو الحقيقي إلى 2.7% خلال عام 2022 وأن يتراوح بين 2.7% و 2.8% خلال السنوات الأربع القادمة. جاء ذلك نتيجة انتعاش القطاعات الرئيسية المساهمة في الناتج المحلي الإجمالي في الأردن، لا سيما القطاعات النشطة اجتماعياً وتلك المرتبطة بالأنشطة السياحية، كما يساهم كل من تقلص تداعيات الجائحة، وإعادة فتح الحدود، والأداء الجيد للقطاع الخارجي في الوصول إلى معدل النمو الحقيقي المتوقع.

ارتفاع معدل التضخم في سيناريو الأساس بشكل كبير في عام 2022، ثم استقراره على المدى المتوسط. تشير التوقعات إلى أن التضخم مقاساً بمخفض الناتج سيصل إلى 3.5% في عام 2022 وسيتراوح بين 2.9% إلى 3.6% بعد ذلك. يتوافق هذا التوقع مع التطورات الأخيرة التي تمثلت بارتفاع أسعار الطاقة والغذاء على نطاق دولي، مما سيزيد من تكلفة السلع المستوردة. علاوة على ذلك، يمكن ربط التضخم المحدود خلال العامين الماضيين بتباطؤ الطلب المحلي الذي بدأ في التعافي خلال عام 2022، حيث لوحظت بوادر ارتفاع الأسعار في السوق المحلية خلال الأربعة شهور الأولى من العام، على الرغم من قرار الحكومة بعدم عكس الأسعار العالمية للنفط على السوق المحلي خلال تلك الفترة، لحماية الشرائح الفقيرة من الارتفاع الكبير في أسعار النفط العالمية. أما تضخم مؤشر أسعار المستهلك من المتوقع أن يستمر حول هذا المعدل على المدى المتوسط، حيث يتوقع أن يصل إلى حوالي 4.3%، ويستقر معدلات مرتفعة خلال المدى المتوسط. يُفسر هذا التوقع بشكل أساسي بارتفاع أسعار العديد من السلع المستوردة، فضلاً عن أسعار النفط العالمية.

تحسن في ديناميكيات الدين لتصل نسبته من الناتج المحلي الإجمالي إلى أقل من 82.0% في عام 2026. ويكون هذا التحسن مرافقاً لتحسن التوقعات في الإيرادات الحكومية؛ نتيجة لتوسيع القاعدة الضريبية دون زيادة معدل الضريبة، إضافة إلى تعزيز النمو الاقتصادي وارتفاع التضخم. ومن المقدر أن يصل نمو الناتج المحلي الإجمالي الاسمي إلى 6.2% في عام 2022، وينخفض إلى 5.7% في عام 2023 ويبقى حول هذا المعدل حتى عام 2026. وهذا سيساعد على تحسن ديناميكيات الدين عن طريق تخفيض رصيد الدين المستحق. علاوة على ذلك، من المتوقع أن تزداد الإيرادات المحلية بوتيرة أعلى، وهو ما يتماشى مع التحسن المستمر في تحصيل الضرائب والعوامل الأخرى غير الضريبية، وهذا سيساهم بصورة فاعلة في بقاء نسبة الدين إلى الناتج المحلي الإجمالي ضمن مستويات منخفضة ومستدامة.

الإطار المالي متوسط المدى في الأردن

سيناريو الأساس

شهد الاقتصاد الأردني تحسناً على المستوى المالي الكلي في عام 2021، لكن اتجاهات التحديات الهيكلية الحالية لا تزال غير أكيدة في ضوء المستجدات العالمية. في عام 2021، بدأ الأردن تعافيه من أزمة كوفيد-19 وأعاد فتح اقتصاده بالكامل وتخفيف قيود التنقل. أدى ذلك إلى نمو الاقتصاد بنسبة 2.2% بالقيمة الحقيقية في عام 2021، بعد انخفاضه بنسبة 1.6% خلال تفشي الجائحة كوفيد-19 بعد أن تعافت جميع القطاعات الاقتصادية بعد تسهيل القيود المتعلقة بهذا الوباء. ومع ذلك، لا تزال أسواق العمل ضعيفة وتواجه صعوبات لتوفير فرص عمل خاصة لفئة الإناث. وجاء أداء المالية أفضل مما كان متوقفاً في عام 2021 حيث حققت الحكومة المركزية التقديرات المستهدفة للإيرادات والنفقات المحلية في قانون الموازنة العامة. ومع ذلك، فقد ازداد عبء الدين، ويرجع ذلك أساساً إلى تباطؤ النمو الناجم عن الجائحة.

تلتزم وزارة المالية بتحسين الإطار المالي متوسط الأجل¹² كأداة رئيسية لتحسين الإدارة المالية. يوفر الإطار المالي متوسط الأجل بياناً كميّاً متناسقاً لاستراتيجية المالية العامة للحكومة ودرجة من الالتزام العام. كما يعزز الإطار جدوى الأهداف المالية للحكومة من خلال ضمان أن المسار المستهدف لمؤشرات المالية العامة الرئيسية يتماشى مع الاستدامة المالية على المدى المتوسط ومع إطار الاقتصاد الكلي الذي يهدف إلى تحقيق نمو سريع ومستدام ويحقق استمرارية القطاع الخارجي. كما أنه وسيلة يمكن للحكومة من خلالها الالتزام بالمسار المستهدف للمؤشرات المالية على المدى المتوسط خصوصاً في ظل وجود عوامل عدم الثقة، وبالتالي ترسيخ التوقعات.

اعتمدت الافتراضات الخارجية على أحدث تقرير عن التوقعات الاقتصادية العالمية لصندوق النقد الدولي، ولكنها تتضمن أيضاً متغيراً لحساب وباء كوفيد-19. لقياس النمو العالمي، تم استخدام مسار النمو العالمي المستقبلي وأسعار نفط برنت بناءً على توقعات آفاق الاقتصاد العالمي. وقد أخذت في الاعتبار التوقعات الجديدة لآفاق الاقتصاد العالمي بعد الصراع الأوكراني-الروسي وتداعياته على النمو العالمي والتضخم. تم افتراض أن كوفيد-19 توقف عن التأثير بشكل مباشر على المتغيرات في الربع الأول من عام 2021. كما تم افتراض أيضاً توقعات المنح الأجنبية المحددة في قانون الموازنة لعام 2022. بالنسبة إلى إجمالي النفقات، تم الاعتماد على توقعات المراجعة الرابعة لصندوق النقد الدولي وتوقعات قانون الموازنة لعام 2022 عند تقدير مسار الدين إلى الناتج المحلي الإجمالي على المدى المتوسط.

يظهر سيناريو خط الأساس انتعاش النمو في الأردن في السنوات القادمة. يتوقع السيناريو الأساسي أن يصل النمو الحقيقي إلى 2.7% خلال عام 2022 وأن يتراوح بين 2.7% و2.8% خلال السنوات الأربع القادمة. جاء ذلك نتيجة تعافي القطاعات الرئيسية المساهمة في الناتج المحلي الإجمالي في الأردن، ولا سيما القطاعات كثيفة الاتصال وتلك التي تُمكن من انتعاش الأنشطة السياحية.

ارتفاع معدل التضخم في سيناريو الأساس بشكل كبير في عام 2022، ثم استقراره على المدى المتوسط. تشير التوقعات إلى أن التضخم مقاساً بمخفض الناتج سيصل إلى 3.5% في عام 2022 وسيتراوح بين 2.9% إلى 3.6% بعد ذلك. يتوافق هذا التوقع مع التطورات الأخيرة التي تمثلت بارتفاع أسعار الطاقة والغذاء على نطاق دولي، مما سيزيد من تكلفة السلع المستوردة. علاوة على ذلك، يمكن ربط التضخم المحدود خلال العامين الماضيين بتباطؤ الطلب المحلي الذي بدأ في التعافي خلال عام 2022، حيث لوحظت بوادر ارتفاع الأسعار في السوق المحلية خلال الأربعة شهور الأولى من العام، على الرغم من قرار الحكومة بعدم عكس الأسعار العالمية للنفط على السوق المحلي خلال تلك الفترة، لحماية الشرائح الفقيرة من الارتفاع الكبير في أسعار النفط العالمية، وتخفيف تأثير الصدمة الخارجية السلبية على الاقتصاد. وقد أظهر الرقم القياسي لأسعار الإنتاج الصناعي قفزة بنسبة 13.5% خلال الربع الأول من العام، مما يدعم الاتجاه المتوقع لتضخم الانكماش.

¹²طورت وحدة MFU نموذج سلسلة زمنية للتنبؤ بالمتغيرات الاقتصادية الرئيسية، تم تطوير نموذج Vector Autoregressive للتنبؤ بالمتغيرات الاقتصادية الرئيسية، إلى جانب الأطر الزمنية الأخرى. ومن الجدير بالذكر أن الناتج الأساسي للنموذج المبني لا يشمل السياسة والتشريعات والتغييرات الإدارية الحديثة (2021-2022) والتي تدخل حيز التنفيذ بعد عام 2022) والتي سيكون لها تأثير إيجابي على تحصيل الإيرادات أو أي تدابير مستقبلية أو تغييرات في السياسة يمكن أن تؤثر على التوقعات بعد ذلك.

كما أعلن مجلس الاحتياطي الفيدرالي عن رفع أسعار الفائدة الفيدرالية في أوائل أيار 2022، ومن المتوقع أن يستمر في فرض المزيد من الزيادات حتى يستقر التضخم في الولايات المتحدة بمعدلات منخفضة. لذلك من المتوقع أن يتبع البنك المركزي الأردني قرار مجلس الاحتياطي الفيدرالي برفع سعره والاحتفاظ بهامش كافٍ مع الدولار الأمريكي للحفاظ على جاذبية الدينار الأردني واحتياطياته من العملات الأجنبية.

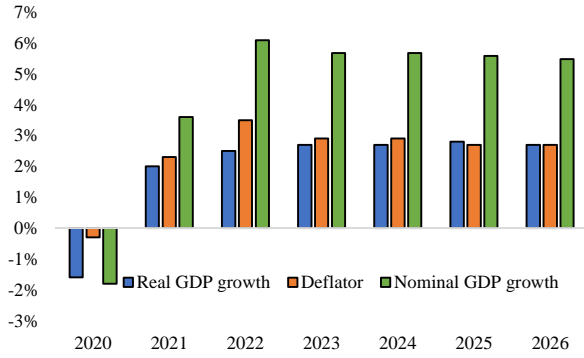
يتوقع تضخم مؤشر أسعار المستهلك لعام 2022 بشكل أقل، حيث يصل إلى حوالي 4.3%، ويستقر عند مستويات مرتفعة خلال المدى المتوسط. جاء هذا التوقع بسبب ارتفاع أسعار العديد من السلع المستوردة، فضلاً عن أسعار النفط العالمية. سجل تضخم مؤشر أسعار المستهلكين خلال الأربعة أشهر الأولى ارتفاعاً بنحو 2.6% بسبب قرار الحكومة بعدم عكس ارتفاعات أسعار النفط العالمية الكبيرة على السوق المحلي خلال تلك الفترة. ومع ذلك، ومع بدء الرفع التدريجي لأسعار المشتقات النفطية، ارتفع معدل التضخم بوتيرة أسرع خلال الفترة المتبقية من العام. وتجدر الإشارة إلى أن التضخم في الاقتصادات المتقدمة لا يزال أعلى من توقعات الأردن. في تناقض واضح مع الولايات المتحدة، لا توجد مؤشرات على ندرة العمالة أو الضغط على الأجور في الأردن. على العكس من ذلك، فإن معدلات البطالة مرتفعة للغاية وهي في ارتفاع منذ عام 2014 وعرض العمالة في أدنى مستوياتها منذ عام 2017. علاوة على ذلك، فإن الإنتاج في الأردن يتعافى، ولكنه لا يزال أقل من الاتجاه السابق للجائحة، على عكس الولايات المتحدة التي وصلت تقريباً إلى المستويات التي يتوقعها اتجاه ما قبل الجائحة، مدعومة بالسياسة المالية والنقدية التوسعية، وحزم الإعفاء الضريبي، والأموال الفيدرالية للولاية والحكومات المحلية.

تحسن في ديناميكيات الدين لتصل نسبته من الناتج المحلي الإجمالي إلى أقل من 82.0% في عام 2026. ويكون هذا التحسن مرافقاً لتحسن التوقعات في الإيرادات الحكومية؛ نتيجة لتوسيع القاعدة الضريبية دون زيادة معدل الضريبة الهامشية إضافة إلى تعزيز النمو الاقتصادي وارتفاع التضخم ومن المتوقع أن يصل نمو الناتج المحلي الإجمالي الاسمي إلى 6.2% في عام 2022، وينخفض إلى 5.7% في عام 2023 ويبقى حول هذا المعدل حتى عام 2026. سيساعد هذا في تحسين ديناميكيات الدين من خلال تقليص الدين المستحق. علاوة على ذلك، من المتوقع أن تزداد الإيرادات المحلية بوتيرة أعلى، وهو ما يتماشى مع التحسن المستمر في تحصيل الضرائب نتيجة التحسينات الأخيرة في الإيرادات وتعزيز الكفاءة الإدارية الضريبية خاصة على مستوى التشريع مثل إخضاع مكتب الخدمات الضريبية في منطقة العقبة الاقتصادية الخاصة لتصبح تحت مظلة دائرة ضريبة الدخل والمبيعات، وتحسينات الامتثال الضريبي إلى جانب عوامل أخرى غير ضريبية، والتي ستكون جانباً مهماً في تعديل اتجاه نسبة الدين إلى الناتج المحلي الإجمالي إلى مستويات منخفضة ومستدامة.

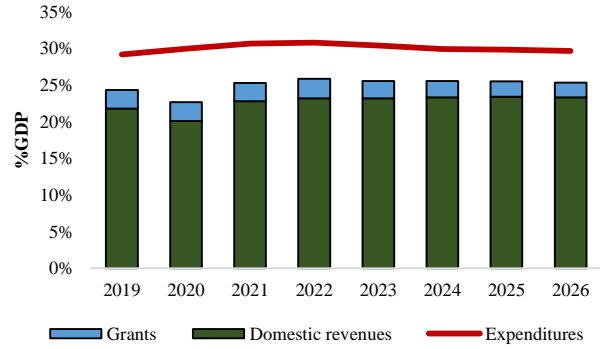
JD Million	سيناريو الأساس ¹³						
	2020	2021	2022	2023	2024	2025	2026
Real GDP Growth (% , YoY)	-1.6	2.2	2.7	2.7	2.8	2.7	2.8
Nominal GDP Growth (% , YoY)	-1.8	3.6	6.2	5.7	5.7	6.3	6.6
Deflator Inflation (% , YoY)	-0.2	1.4	3.5	2.9	2.8	3.5	3.6
Inflation CPI (% , YoY)	0.3	1.3	4.3	4.8	3	3.3	3.4
Total revenues and grants	7028	8128.2	9034.7	9619.4	10288	10869.5	11474.4
Domestic revenues	6237	7324.9	8219.7	8804.4	9473.4	10054.5	10659.4
Tax revenue	4958	5626.9	6239.7	6706.4	7233.4	7744.5	8209.4
Taxes on income and profits	1103	1179.6	1480	1650	1838	2035	2185
Sales taxes	3524	4038.7	4401.7	4684.4	4981.4	5273.5	5558.4
Taxes on foreign trade	274	338	260	270	302	324	354
Other taxes	57	70.6	98	102	112	112	112
Non-tax revenue	1279	1690.4	1980	2098	2240	2310	2450
Grants	791	803.31	815	815	815	815	815
Expenditures of which :	9211	9858.8	10653	11485	12250	12351	12678
Current Expenditures	8389	8721	9106	9777	10480	10580	10900
Overall central government balance	-2183	-1730.6	-1618.3	-1865.6	-1962	-1481.5	-1203.6
NEPCO operating balance	-89	-153	-220	-338	-296	-262	-221
WAJ overall balance, excluding project grants	-257	-225	-220	-272	-263	-253	-256
Water distribution companies overall balance	-80	-113	-51	-10	-10	-10	-10
Combined public balance	-2111	-1621.9	-1470.3	-1686.6	-1495	-839.5	-402.6
Government and guaranteed gross debt (net of SSC holdings)	27295	29090.6	30352.1	31913.7	33539	34601	35294.4
Debt/GDP (net of SSC holdings)	87.5%	89.6%	87.7%	86.5%	86.0%	84.0%	81.2%

(13) نتائج السيناريو الأساسي في النموذج المستخدم لا تتضمن السياسات والإجراءات والتشريعات على الإدارة الضريبية خلال الفترة 2021-2022 أو أي إجراءات أخرى مستقبلية والتي من المتوقع أن يكون لها آثار إيجابية على الإيرادات الضريبية المحصلة.

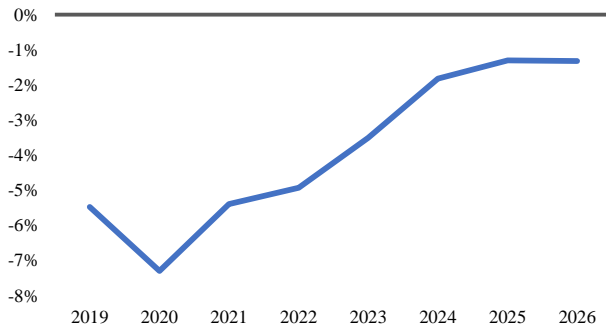
لوحة أ: الناتج المحلي الإجمالي ومعامل الانكماش (نسبة)



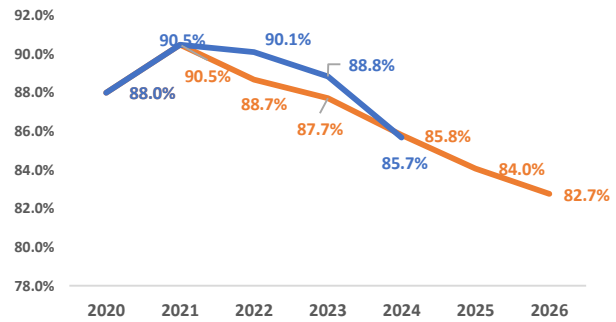
لوحة ب: المالية العامة (% ناتج محلي إجمالي)



لوحة ج: رصيد الحكومة المركزية (% ناتج محلي إجمالي)



لوحة د: نسبة الدين للناتج المحلي الإجمالي



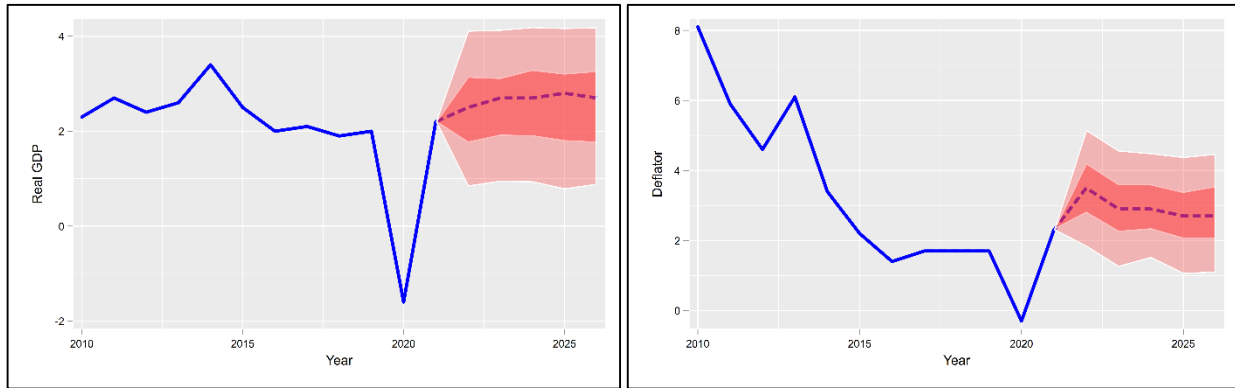
المخاطر المالية الكلية

تشكل حالة عدم التأكد على توقعات النموذج العالمي مصدراً قوياً لمخاطر الانحدار المحتملة في الاقتصاد الأردني. في حين أن التنبؤ الأساسي مهم، فإن الفهم الجيد للمخاطر المحيطة بالتنبؤات الأساسية مهم أيضاً. في هذا الصدد، نقوم ببناء رسوم بيانية ليتم استخدامها بشكل شائع كأداة تواصل للتنبؤ بعدم اليقين. يوضح الشكل أدناه، اللوحة (أ) إن نمو الناتج المحلي الإجمالي الحقيقي يتراوح بين 1% إلى 4%، بالنظر إلى معامل الثقة 95، في حين تُظهر اللوحة B المخفض يتراوح بين 0.5% و5%، مما يدل على مستويات عالية نسبياً من حالة عدم التأكد والمخاطر.

رسوم بيانية لمخاطر تحقق لسيناريو الأساس

لوحة أ: رسم بياني لنمو إجمالي الناتج المحلي الحقيقي السنوي

لوحة ب: رسم بياني لمعامل الانكماش السنوي



سيناريو صدمة سلبية بديلة: على الرغم من قيام بنك الاحتياطي الفيدرالي برفع أسعار الفائدة ست مرات بما مجموعه 3.75 نقطة مئوية خلال الأحد عشرة شهراً من هذا العام، إلا أن التضخم في الولايات المتحدة ما يزال مرتفعاً حيث انخفض بوتيرة ابطء من المتوقع إلى 7.7% خلال شهر تشرين أول مقارنة مع المستوى الأعلى خلال العام في شهر حزيران والذي بلغ 9.1%. وبالتالي، قد يتخذ بنك الاحتياطي الفيدرالي موقفاً أكثر تشدداً خلال العام القادم، مثل نهج فولكر، لإعادة التضخم بقوة إلى الحدود المستهدفة حول مستويات مقبولة. هذا من شأنه أن يؤدي إلى معدلات فائدة حقيقية إيجابية لبضع سنوات -ولا بد أن ينطوي على الأقل على ركود متوسط.

ينتج عن السيناريو البديل نمو أقل وتضخم أعلى في عام 32. تؤدي معدلات نمو الناتج المحلي الإجمالي العالمية المنخفضة إلى انخفاض معدلات نمو الناتج المحلي الإجمالي من 2.7% إلى 2.0% في عام 2023 ومن 2.7% إلى 2.4% في عام 2024. يُظهر هذا السيناريو البديل معدلات تضخم أقل في الأردن في 2023 وتستمر على انخفاض بعد ذلك. يتوقع لمعدلات النمو الاسمية بالمقارنة مع السيناريو الأساسي في عام 2023 أن تكون أقل وتبقى على انخفاض بعد ذلك، مما يؤدي إلى ارتفاع نسبة الدين إلى الناتج المحلي الإجمالي بالمقارنة مع السيناريو الأساس لتصل إلى 84.5% في نهاية عام 2026.

JD Million	سيناريو المخاطر المالية الكلي						
	2020	2021	2022	2023	2024	2025	2026
Real GDP Growth (% , YoY)	-1.6	2.2	2.7	2.0	2.4	2.7	2.9
Nominal GDP Growth (% , YoY)	-1.8	3.6	6.2	4.5	5.0	5.7	5.3
Deflator Inflation (% , YoY)	-0.2	1.4	3.5	2.4	2.6	2.9	2.4
Inflation CPI (% , YoY)	0.3	1.3	4.3	0.9	1.1	1.6	1.6
Total revenues and grants	7028.0	8128.2	9034.7	9003.1	9625.3	10165.7	10728.2
Domestic revenues	6237.0	7324.9	8219.7	8188.1	8810.3	9350.7	9913.2
Tax revenue	4958.0	5626.9	6239.7	6237.0	6727.1	7202.4	7634.7
Taxes on income and profits	1103.0	1179.6	1480.0	1534.5	1709.3	1892.6	2032.1
Sales taxes	3524.0	4038.7	4401.7	4356.5	4632.7	4904.4	5169.3
Taxes on foreign trade	274.0	338.0	260.0	251.1	280.9	301.3	329.2
Other taxes	57.0	70.6	98.0	94.9	104.2	104.2	104.2
Non-Tax revenue	1279.0	1690.4	1980.0	1951.1	2083.2	2148.3	2278.5
Grants	791.0	803.3	815.0	815.0	815.0	815.0	815.0
Expenditures of which :	9211.0	9858.8	10653.0	10910.8	11637.5	11733.5	12044.1
Current Expenditures	8389.0	8721.0	9106.0	9288.2	9956.0	10051.0	10355.0
Overall central government	-2183.0	-1730.6	-1618.3	-1907.7	-2012.2	-1567.8	-1315.9
NEPCO operating balance	-89.0	-153.0	-220.0	-338.0	-296.0	-262.0	-221.0
WAJ overall balance, excluding project grants	-257.0	-225.0	-220.0	-272.0	-263.0	-253.0	-256.0
Water distribution companies overall balance	-80.0	-113.0	-51.0	-10.0	-10.0	-10.0	-10.0
Combined public balance	-2111.0	-1621.9	-1470.3	-1728.7	-1545.2	-925.8	-514.9
Government and guaranteed gross debt (net of SSC holdings)	27295.0	29090.6	30352.1	31955.8	33631.6	34780.0	35585.6
Debt/GDP (net of SSC holdings)	87.5%	89.6%	88.0%	88.7%	88.9%	86.9%	84.5%



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