



Public Debt Quarterly Report

NO. I

FIRST QUARTER 2017

The Hashemite Kingdom of Jordan Ministry of Finance Public Debt Department

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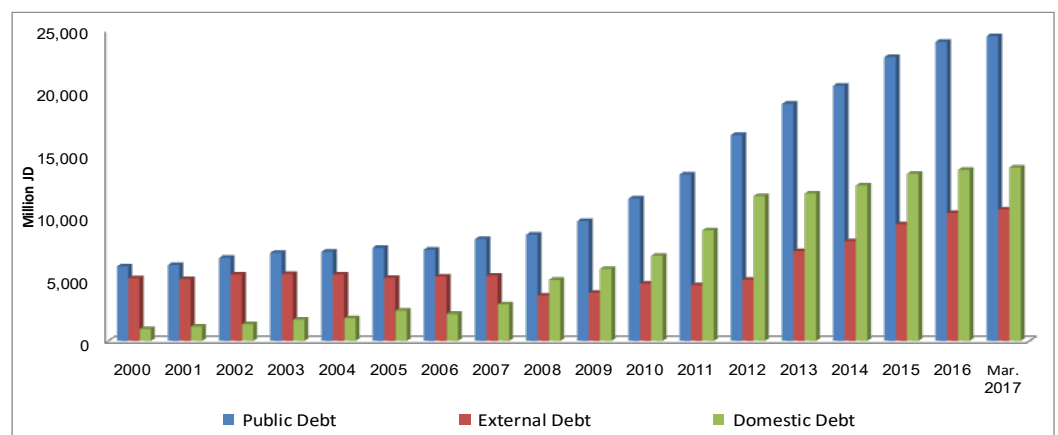
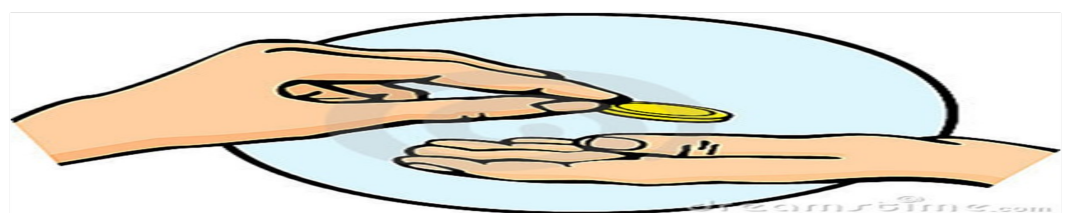
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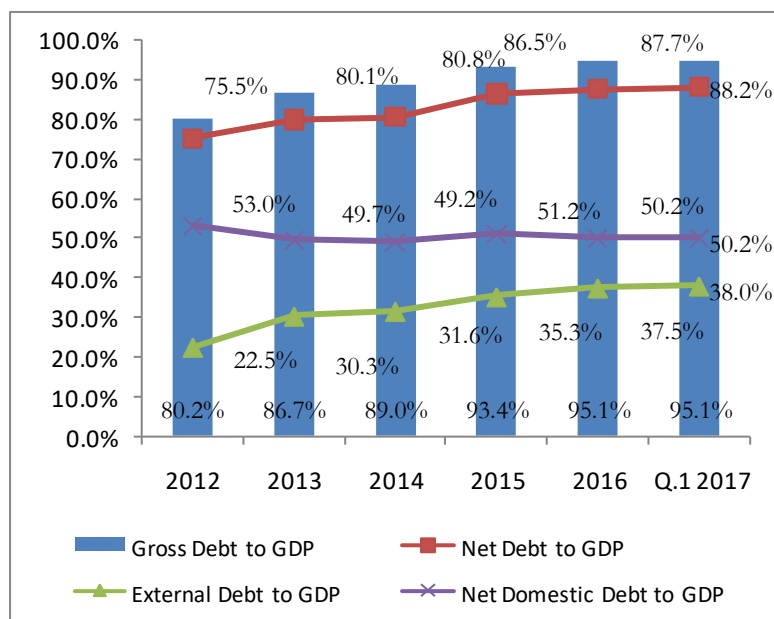
1) Debt outstanding

SPECIAL POINTS OF INTEREST:

- Public debt to GDP at end of first quarter of 2017 was 95.1%.
- Net Public debt outstanding to GDP is 88.2 %⁽¹⁾.
- External debt end of Q.1 2017 increase by 2.7%.
- The main factor of increasing of public debt by end of Q.1 2017 was borrowing for National Electric Power Company (NEPCO) & Water Authority of Jordan (WAJ).
- Guaranteed debt by end of Q.1 2017 is about JD 3.5 billion or 12.7% of total debt
- Majority of guaranteed are for (NEPCO) & (WAJ).

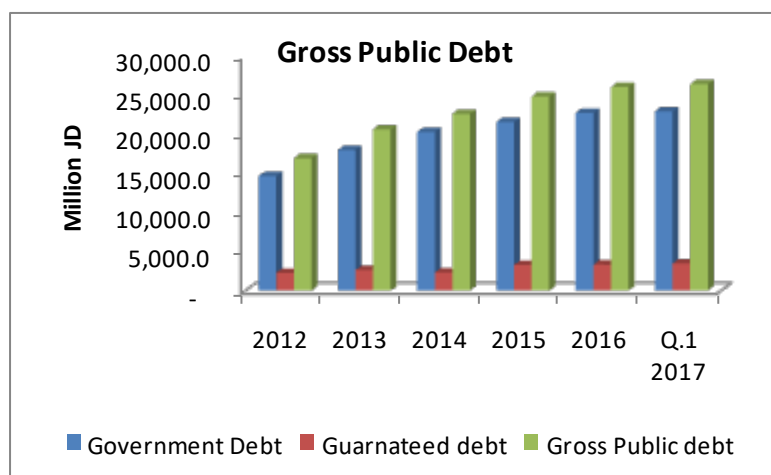
- By year end of first quarter 2017, gross public debt outstanding rose by 1.4% from its level at the end of 2016, reaching about JD 26452 million, and representing 95.1% of 2017 estimated Gross Domestic Product (GDP) (2).
- The net public debt outstanding rose by 1.9% from its level at the end of 2016, reaching about JD 24539 million, and representing 88.2% of 2017 estimated Gross Domestic Product (GDP) (2).
- The external debt outstanding increase by 2.7%, reaching to JD 10582 million at the end of Q.1 of 2017, which represents increase in the percentage to GDP from 37.5% at the end of 2016 to 38.0% by the end of Q.1 2017. In contrast net domestic debt balance increased by 1.3% reaching JD 13957 million at the same period, net domestic debt as percent of GDP was 50.2 % by the end of Q.1 2017.
- The increase of domestic debt was mainly due to borrowing for NEPCO and WAJ with total net borrowing amount JD 188 million.
- The domestic guaranteed debt increase by JD 188 million at end of Q.1 2017 from its level at end of 2016 reaching about JD 2807 million.

Chart (1.1)



(1) Net debt = Gross debt - All deposits held by the Central government inclusive of money specified for projects.
 (2) GDP for 2017 as of MOF module.

Chart (1.2)

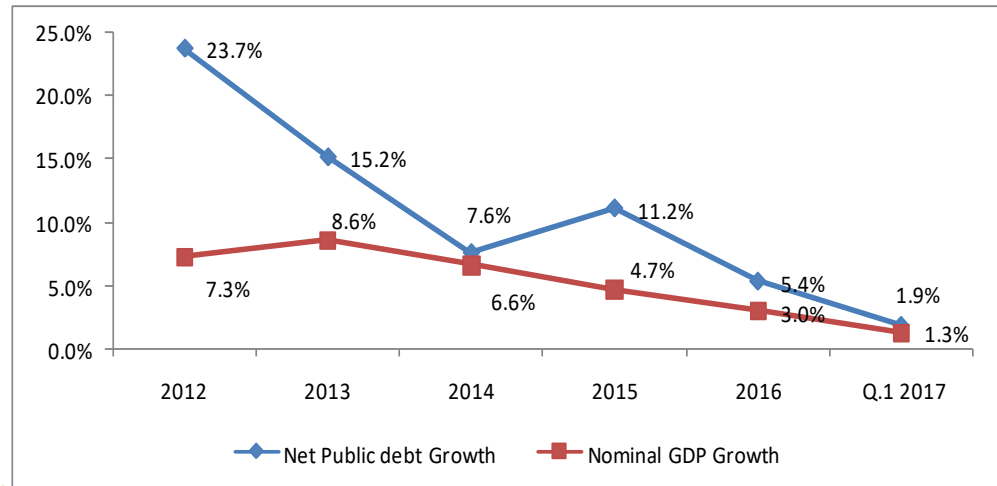


Public debt growth compared to GDP nominal Growth

Net Debt outstanding growth in Q.1 2017 was 1.9 compared to 1.3 % of GDP growth .

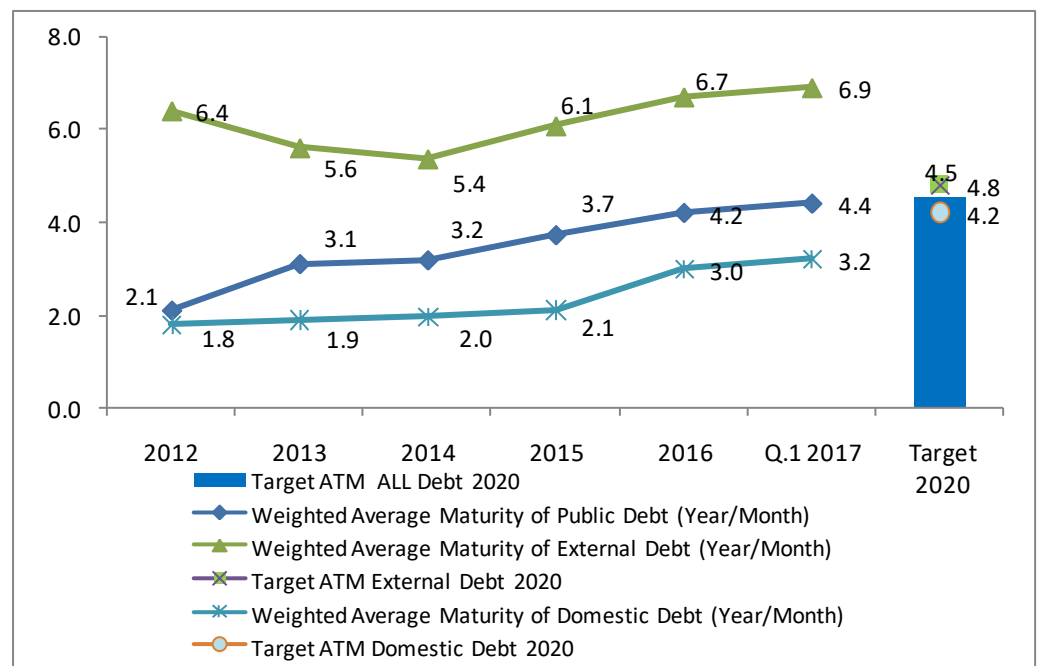
Public Debt growth declined from 11.2% in 2015 to 5.4% end of 2016.

Chart (1.3)



Average Maturity of Public Debt

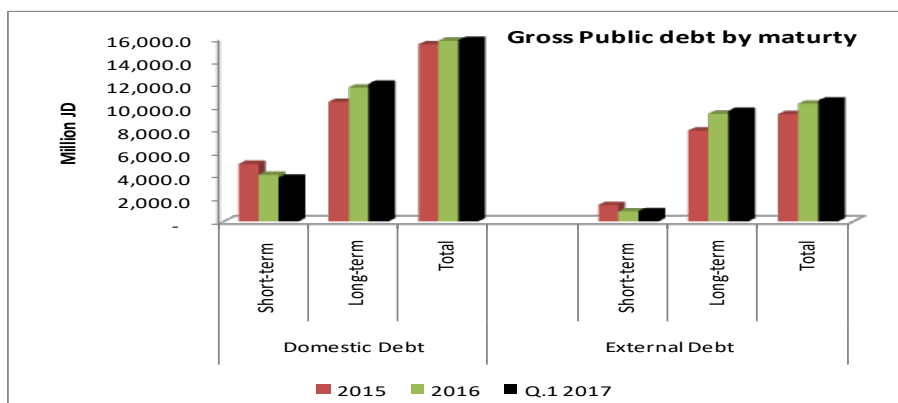
Chart (1.4)



- Average maturity of domestic debt 3.2 years at end of Q.1 2017 compared to 3.0 years end of 2016.
- Average maturity of External debt 6.9 years end of Q.1 2017 compared to 6.7 years end of 2016.
- Average maturity of Public debt 4.4 years at end of Q.1 2017 compared to 4.2 end of 2016.

Debt outstanding by remaining maturity

Chart (1.5)



*Short term: Debt maturity up to one year.

Domestic debt profile

Table (1.1)

| Majority of Gross domestic debt (66.5%) held by banking sector. T-bill and T-Bonds account for about 78.0% of Gross domestic debt. | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | Q.1 2017 | Q.1 2017 |
| Gross Debt (By Credit Type) | 12,677.6 | 13,439.9 | 14,621.5 | 15,486.3 | 15,793.7 | 15,869.7 | 100.0% |
| Budgetary Agencies | 10,421.7 | 11,556.4 | 13,073.7 | 12,935.1 | 13,174.8 | 13,063.0 | 82.3% |
| Treasury Bonds | 8,461.6 | 10,353.2 | 11,821.1 | 12,259.0 | 12,248.0 | 12,383.9 | 78.0% |
| Treasury Bills | 1,180.0 | 515.0 | 650.0 | 125.0 | 475.0 | 275.0 | 1.7% |
| Government Bonds | - | - | - | - | - | - | 0.0% |
| CBJ Bonds for overdraft settlement | 480.0 | 400.0 | 320.0 | 240.0 | 160.0 | 120.0 | 0.8% |
| CBJ Advance | 271.7 | 271.7 | 271.7 | 271.7 | 271.7 | 271.7 | 1.7% |
| Loans | 0.4 | - | - | - | - | - | 0.0% |
| Facilities | 28.1 | 16.5 | 10.9 | 39.4 | 20.2 | 12.3 | 0.1% |
| Own-Budget Agencies | 2,255.8 | 1,883.1 | 1,547.8 | 2,551.2 | 2,618.9 | 2,806.7 | 17.7% |
| Bonds | 1,176.9 | 868.6 | 608.5 | 562.5 | 532.5 | 832.5 | 5.2% |
| Facilities & Loans | 1,079.0 | 1,014.5 | 939.3 | 1,988.7 | 2,086.4 | 1,974.2 | 12.4% |
| Gross Debt (By Holder\Source) | 12,677.6 | 13,439.5 | 14,621.5 | 15,486.3 | 15,793.7 | 15,869.7 | 100.0% |
| Banks | 10,509.4 | 10,733.1 | 11,037.6 | 11,395.2 | 10,787.8 | 10,551.2 | 66.5% |
| Non Banks | 2,168.2 | 2,706.4 | 3,583.8 | 4,091.0 | 5,005.9 | 5,318.5 | 33.5% |
| Banks Deposits | 1,029.1 | 1,577.3 | 2,096.1 | 2,028.9 | 2,013.3 | 1,912.8 | |
| Budgetary Agencies; of which | 780.3 | 1,366.4 | 1,878.1 | 1,813.6 | 1,816.4 | 1,691.6 | |
| Treasury Account 1/ | (603.3) | (281.5) | (663.3) | (670.4) | (330.4) | (490.7) | |
| Own-Budget Agencies | 248.8 | 210.9 | 217.9 | 215.2 | 196.9 | 221.3 | |
| Net Debt | 11,648.5 | 11,862.6 | 12,525.4 | 13,457.4 | 13,780.4 | 13,956.9 | |

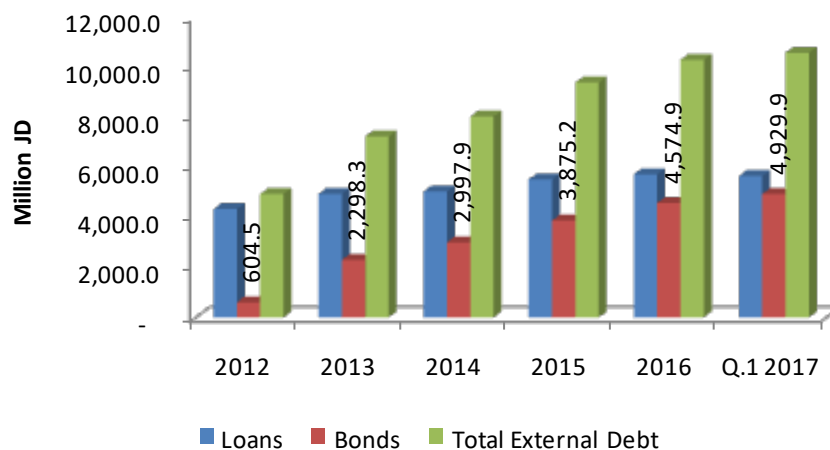
1/ Exclude government deposits within Treasury Single Account (TSA).

External Debt profile

External debt at end of Q.1 2017 was about JD 10582 million of which 53.4% loans and 46.6% Bonds compared to JD 10299 of which 55.6% loans and 44.4% Bonds debt at end of 2016.

External debt end of 2012 was JD 4932.4 million of which 87.7% loans and 12.3% Bonds.

Chart (1.6)



Official reserves to external debt reached to 77.3% at end of Q.1 2017 compared to 88.7% end of 2016.

Short term of external debt to official reserves was 11.1% end of Q.1 2017 compared to 9.7% at the end of 2016.

Chart (1.7)

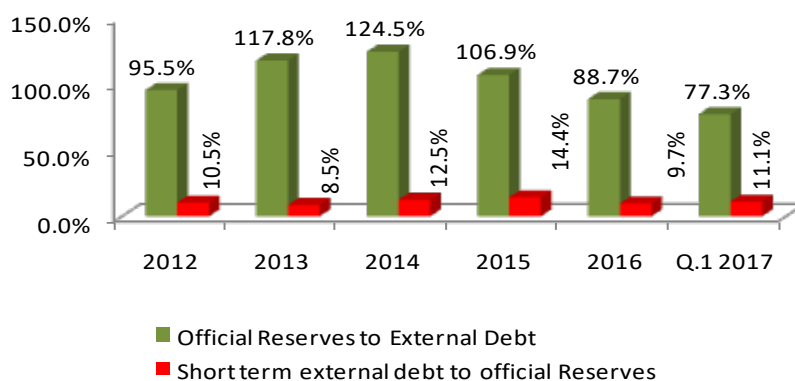
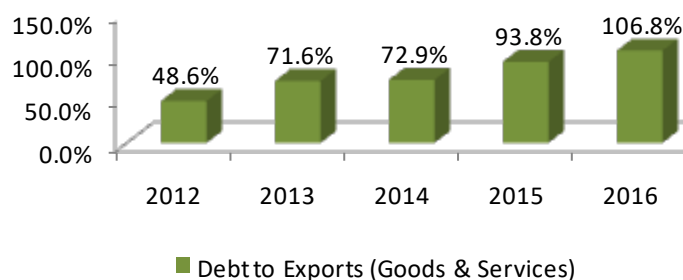


Chart (1.8)

External debt to export reached to 106.8% at end of 2016 compared to 48.6% end of 2012.

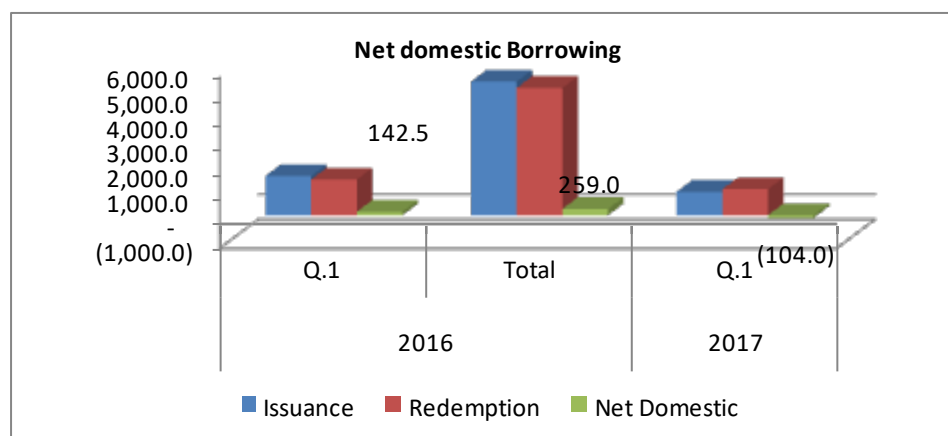
External Debt to Export(Goods & Services)



2) New Borrowing (For Budget Support)

1) Domestic Net borrowing at end of Q.1 2017 was JD (104) million compared to 142.5 million in Q.1 2016.*

Chart (2.1)



*(): means negative amount

Chart (2.2)

2) External Net borrowing at end of Q.1 2017 was JD 245.4 million compared to JD (51.2) million in Q.1 2016.

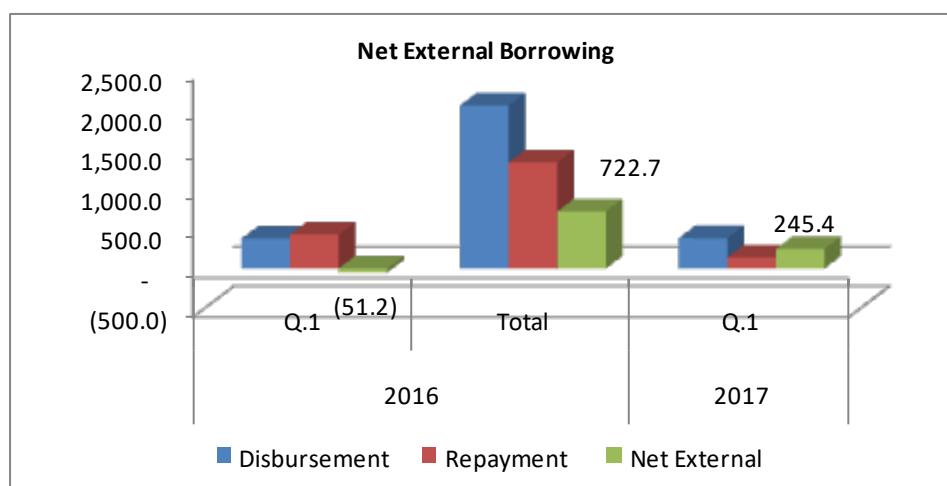
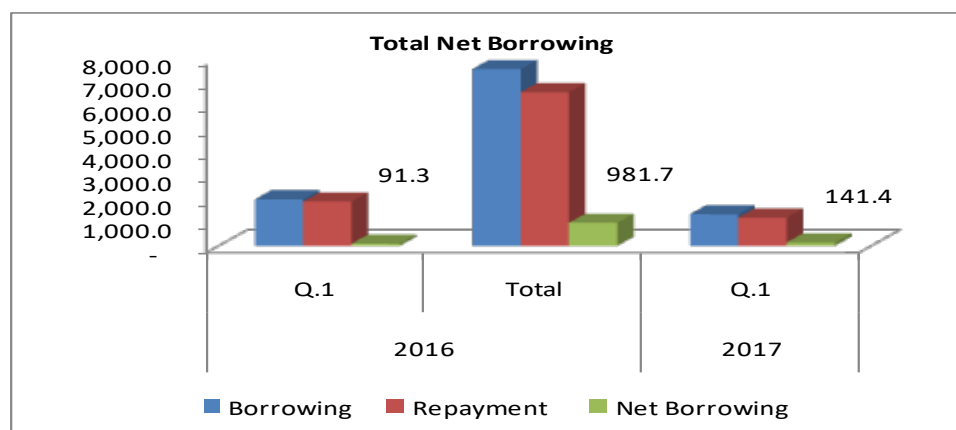


Chart (2.3)

Net of Borrowing (Domestic & External) end of Q.1 2017 was JD 141.4 million compared to JD 91.3 million in Q.1 2016.



3) Debt service based on outstanding debt as at end of Mar. 2017

External Debt

Table (3.1)

| | One year or less (months) | | | | Over one year to two years (months) | | Over two years | Total |
|-----------------------|---------------------------|--------------|--------------|--------------|-------------------------------------|--------------|-----------------|-----------------|
| | 0-3 | 4-6 | 7-9 | 10-12 | 13-18 | 19-24 | | |
| Total | 310.7 | 292.5 | 348.5 | 241.9 | 477.2 | 482.2 | 10,373.3 | 12,526.4 |
| Principal | 242.8 | 219.6 | 280.5 | 171.0 | 344.7 | 352.2 | 8,971.1 | 10,581.9 |
| Interest | 67.9 | 72.9 | 68.1 | 70.9 | 132.5 | 130.0 | 1,402.2 | 1,944.5 |
| By Currency | 310.7 | 292.5 | 348.5 | 241.9 | 477.2 | 482.2 | 10,373.3 | 12,526.4 |
| U.S. Dollar | 144.6 | 131.8 | 196.6 | 99.7 | 184.8 | 157.2 | 7,637.7 | 8,552.3 |
| Principal | 93.5 | 74.9 | 144.9 | 43.9 | 79.8 | 53.9 | 6,521.4 | 7,012.2 |
| Interest | 51.1 | 56.9 | 51.7 | 55.9 | 104.9 | 103.3 | 1,116.3 | 1,540.1 |
| Special Drawing Right | 91.2 | 119.9 | 80.0 | 98.8 | 177.2 | 213.3 | 449.9 | 1,230.2 |
| Principal | 86.9 | 115.5 | 76.6 | 94.9 | 171.2 | 208.4 | 430.3 | 1,183.7 |
| Interest | 4.3 | 4.4 | 3.4 | 3.8 | 6.0 | 4.9 | 19.6 | 46.5 |
| Kuwaiti Dinar | 21.9 | 22.7 | 21.7 | 22.2 | 42.9 | 39.2 | 679.6 | 850.1 |
| Principal | 17.5 | 15.9 | 17.5 | 15.6 | 32.8 | 29.7 | 573.7 | 702.7 |
| Interest | 4.4 | 6.8 | 4.1 | 6.5 | 10.1 | 9.5 | 106.0 | 147.4 |
| Japanese Yen | 29.7 | 7.1 | 29.7 | 7.1 | 39.1 | 37.4 | 650.0 | 800.2 |
| Principal | 25.8 | 5.3 | 25.9 | 5.3 | 33.9 | 32.4 | 577.1 | 705.6 |
| Interest | 4.0 | 1.9 | 3.8 | 1.8 | 5.2 | 5.0 | 72.9 | 94.5 |
| Euro | 14.5 | 3.1 | 14.1 | 6.9 | 19.4 | 21.9 | 675.2 | 754.9 |
| Principal | 11.6 | 1.1 | 10.0 | 4.9 | 15.0 | 16.1 | 604.0 | 662.7 |
| Interest | 2.8 | 2.0 | 4.1 | 2.0 | 4.4 | 5.7 | 71.2 | 92.3 |
| Others | 8.9 | 7.9 | 6.6 | 7.2 | 13.8 | 13.4 | 281.0 | 338.7 |
| Principal | 7.5 | 7.0 | 5.6 | 6.4 | 12.1 | 11.8 | 264.7 | 315.1 |
| Interest | 1.4 | 0.9 | 1.0 | 0.8 | 1.7 | 1.6 | 16.3 | 23.6 |

Table (3.2)

Yearly Basis

JD million

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------|--------------|--------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total | 923.2 | 997.9 | 1,566.0 | 1,551.0 | 1,285.6 | 1,480.4 | 388.5 | 354.1 | 695.1 | 665.0 | 967.0 | 225.9 | 276.7 | 172.7 |
| Principal | 742.8 | 731.3 | 1,320.6 | 1,323.0 | 1,093.9 | 1,332.1 | 262.7 | 234.0 | 585.5 | 576.4 | 914.9 | 198.8 | 253.7 | 154.2 |
| Interest | 180.4 | 266.6 | 245.4 | 228.0 | 191.7 | 148.3 | 125.8 | 120.1 | 109.6 | 88.6 | 52.2 | 27.1 | 23.0 | 18.5 |

3) Debt service (Central Government) based on outstanding debt as at end of Mar. 2017

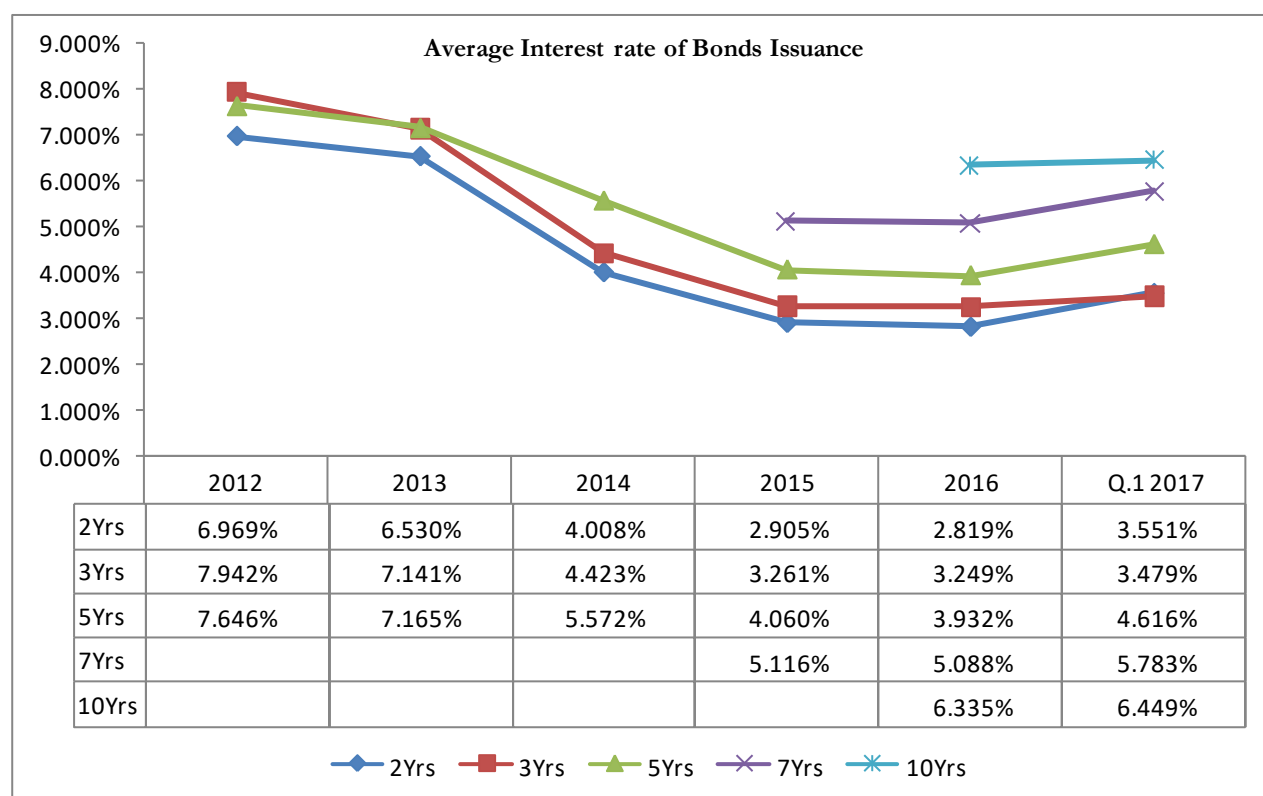
Domestic Debt

Table (3.3)

| | | One year or less (months) | | | | Over one year to two years (months) | | Over two years | Total |
|-------|-----------|---------------------------|---------|-------|-------|-------------------------------------|---------|----------------|----------|
| | | 0-3 | 4-6 | 7-9 | 10-12 | 13-18 | 19-24 | | |
| Total | | 1,126.3 | 1,128.5 | 700.9 | 595.2 | 1,377.5 | 2,307.5 | 8,315.3 | 15,551.1 |
| | Principal | 988.2 | 975.9 | 575.0 | 464.9 | 1,130.9 | 2,071.7 | 6,856.4 | 13,063.0 |
| | Interest | 138.1 | 152.6 | 125.9 | 130.3 | 246.6 | 235.8 | 1,458.9 | 2,488.1 |

Average interest rate of Domestic Debt Bonds

Chart (3.1)



4) Actual Debt service

Table (4.1)

JD million

| | 2012 | 2013 | 2014 | 2015 | 2016 | Q.1 2017 |
|---|--------------|----------------|----------------|----------------|----------------|--------------|
| Public Debt Service domestic & external (Budget) | | | | | | |
| Cash Basis | | | | | | |
| Interest of External Debt (JD million) | 99.9 | 101.8 | 175.7 | 204.5 | 213.3 | 52.8 |
| Interest of Domestic Debt (JD million) | 483.1 | 634.7 | 750.3 | 710.1 | 622.0 | 145.8 |
| Total interest (JD million) | 583.0 | 736.5 | 926.0 | 914.6 | 835.3 | 198.5 |
| Principal of External Debt (JD million) | 413.5 | 373.5 | 601.4 | 1,081.5 | 1,342.9 | 137.8 |
| Total Public debt service (Budget) (JD million) | 996.5 | 1,110.0 | 1,527.4 | 1,996.1 | 2,178.2 | 336.3 |
| Total Debt Service to GDP | 4.5% | 4.7% | 6.0% | 7.5% | 7.9% | 1.2% |
| Total interest to Total Revenues | 11.5% | 12.8% | 12.7% | 13.5% | 11.0% | 2.4% |
| Total interest to Domestic Revenues | 12.3% | 14.4% | 15.4% | 15.5% | 12.3% | 2.8% |
| Total Public debt service to Total Revenues | 19.7% | 19.3% | 21.0% | 29.4% | 28.7% | 4.1% |
| Total Public debt service to Domestic Revenues | 21.1% | 21.7% | 25.3% | 33.8% | 32.2% | 4.6% |
| External Debt Service (Budget and Guaranteed) | | | | | | |
| Cash Basis (JD million) | 558.1 | 598.9 | 906.4 | 1,462.5 | 1,670.5 | 229.9 |
| Debt Service to GDP | 2.5% | 2.5% | 3.6% | 5.5% | 6.1% | 0.8% |
| Debt Service to Exports (Goods & Services) | 5.5% | 5.9% | 8.2% | 14.6% | - | - |
| Official Reserves to Debt Service | 843.8% | 1423.3% | 1101.3% | 686.1% | 546.8% | |
| Implicit Interest Rate 2/ | 2.7% | 2.6% | 2.8% | 2.9% | 2.5% | |



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Teamwork: Work and participate at all levels to ensure the achievement of national goals

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