

SM/09/85
Correction 1

May 14, 2009

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Jordan—Staff Report for the 2009 Article IV Consultation**

The attached corrections to SM/09/85 (4/9/09) have been provided by the staff:

Typographical Errors

Page 26, Table 5:

row 30: (Additional spending measures to be identified): removed

row 40: (Current balance): removed

row 41: (Primary current spending w/o oil subsidy): removed

row 42: (Gross financing requirement): removed

Questions may be referred to Mr. Husain (ext. 34941) and Ms. Ter-Martirosyan (ext. 38729) in MCD.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads

Table 4. Jordan: Summary Accounts of the Central Bank of Jordan, 2005–09

	Dec. 2005	Dec. 2006	Mar. 2007	June 2007	Sept. 2007	Dec. 2007	Mar. 2008	June 2008	Sept. 2008	Dec. 2008	Proj. Dec. 2009
(Stocks in millions of Jordanian dinars)											
Net foreign assets	4,004	4,984	5,215	5,137	5,506	5,671	4,607	5,464	6,204	6,238	5,954
Net domestic assets	-1,183	-1,598	-2,016	-1,701	-2,236	-2,018	-1,023	-1,638	-1,902	-1,725	-1,181
Net claims on central government 1/	914	152	197	249	390	173	1,131	841	1,058	980	963
Net claims on NFPEs and the SSC	-24	-19	-23	-31	-63	-61	-41	-40	-83	-212	-212
Net claims on financial institutions	75	94	85	90	94	99	94	89	88	86	86
Net claims on private sector	18	18	18	18	18	18	18	19	19	19	19
Net claims on commercial banks	151	425	252	352	254	211	140	5	126	-672	-812
CDs	-2,280	-2,153	-2,222	-2,007	-2,425	-1,977	-1,728	-1,840	-2,467	-1,166	-525
Other items, net (asset: +)	-39	-115	-323	-372	-504	-482	-637	-711	-644	-759	-700
Jordanian dinar reserve money	2,821	3,386	3,199	3,436	3,270	3,653	3,584	3,826	4,301	4,513	4,773
Currency	1,783	2,201	2,099	2,190	2,253	2,350	2,439	2,588	2,925	2,872	3,090
Commercial bank reserves	1,038	1,185	1,101	1,247	1,017	1,302	1,145	1,239	1,377	1,641	1,682
Of which : required reserves	566	715	758	786	820	834	862	942	1,156	1,297	1,246
(Cumulative flows in millions of Jordanian dinars from beginning of period)											
Net foreign assets	37	980	231	153	522	687	-1,064	-207	533	567	-283
Net domestic assets	421	-415	-417	-102	-638	-420	995	381	116	294	543
Net claims on central government 1/	261	-762	45	97	238	21	958	667	885	806	-17
Net claims on NFPEs and the SSC	63	4	-4	-12	-44	-42	20	21	-22	-151	0
Net claims on financial institutions	50	18	-9	-4	0	5	-6	-10	-11	-13	0
Net claims on private sector	0	-1	0	0	0	0	1	1	1	1	0
Net claims on commercial banks	-161	274	-172	-73	-171	-214	-71	-207	-85	-883	-140
CDs	255	127	-69	146	-272	176	249	137	-490	811	641
Other items, net (asset: +)	-47	-76	-208	-257	-389	-367	-156	-229	-162	-277	59
Jordanian dinar reserve money	458	565	-186	51	-115	267	-69	174	649	860	260
Currency	276	418	-102	-12	52	149	89	237	575	521	219
Commercial banks' reserves	183	147	-84	62	-167	118	-158	-64	74	339	41
(Cumulative flows in percent of beginning-of-period reserve money)											
Net foreign assets	1.6	34.7	6.8	4.5	15.4	20.3	-29.1	-5.7	14.6	15.5	-6.3
Net domestic assets	17.8	-14.7	-12.3	-3.0	-18.8	-12.4	27.2	10.4	3.2	8.0	12.0
Net claims on central government 1/	11.1	-27.0	1.3	2.9	7.0	0.6	26.2	18.3	24.2	22.1	-0.4
Net claims on NFPEs and the SSC	2.7	0.2	-0.1	-0.4	-1.3	-1.2	0.5	0.6	-0.6	-4.1	0.0
Net claims on financial institutions	2.1	0.7	-0.3	-0.1	0.0	0.2	-0.2	-0.3	-0.3	-0.4	0.0
Net claims on private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net claims on commercial banks	-6.8	9.7	-5.1	-2.2	-5.0	-6.3	-1.9	-5.7	-2.3	-24.2	-3.1
CDs	10.8	4.5	-2.0	4.3	-8.0	5.2	6.8	3.8	-13.4	22.2	14.2
Other items, net (asset: +)	-2.0	-2.7	-6.1	-7.6	-11.5	-10.8	-4.3	-6.3	-4.4	-7.6	1.3
Jordanian dinar reserve money	19.4	20.0	-5.5	1.5	-3.4	7.9	-1.9	4.8	17.8	23.6	5.8
Currency	11.7	14.8	-3.0	-0.3	1.5	4.4	2.4	6.5	15.7	14.3	4.8
Commercial bank reserves	7.7	5.2	-2.5	1.8	-4.9	3.5	-4.3	-1.7	2.0	9.3	0.9
Memorandum items:											
Gross usable international reserves (\$ millions)	4,745	6,103	6,400	6,274	6,741	6,865	5,420	6,592	7,703	7,734	7,311
As a ratio to JD broad money (in percent)	35.6	40.1	41.1	38.7	40.2	40.6	30.5	34.1	37.0	36.6	32.0
As a ratio of JD reserve money (in percent)	119.3	127.8	141.8	129.5	146.1	133.3	107.2	122.1	127.0	121.5	108.6
Net international reserves (JD millions)	3,222	4,270	4,448	4,369	4,739	4,904	3,839	4,696	5,435	5,469	5,187
Money multiplier (for JD liquidity)	3.4	3.2	3.5	3.3	3.6	3.3	3.5	3.6	3.4	3.3	3.4

Sources: CBJ; and Fund staff estimates and projections.

1/ Excludes UN compensation funds and Brady bonds held by Jordanian banks.

Table 5. Jordan: Summary of Fiscal Operations, 2005–14

	2005	2006	2007	Prel. 2008	Budget 2009	Projections					
				2008	2009	2009	2010	2011	2012	2013	2014
(In millions of Jordanian dinars)											
Total revenue and grants	2,971	3,454	3,920	4,690	5,436	4,974	5,053	5,405	5,778	6,228	6,687
Budgetary revenue	2,522	3,121	3,577	3,972	4,752	4,290	4,623	4,985	5,368	5,788	6,246
Tax revenue	1,766	2,134	2,472	2,758	3,257	2,907	3,141	3,403	3,672	3,957	4,269
Nontax revenue	756	987	1,105	1,214	1,495	1,383	1,482	1,582	1,696	1,831	1,977
Grants 1/	449	333	343	718	684	684	430	420	410	440	441
Total budgetary expenditure	3,526	3,931	4,531	5,415	6,125	5,798	6,130	6,509	6,923	7,380	7,888
Current expenditure, of which : 2/	2,935	3,186	3,741	4,513	4,791	4,591	4,894	5,217	5,576	5,986	6,418
Fuel subsidy	501	279	306	197	65	10	0	0	0	0	0
Capital expenditure 3/	532	696	744	875	1,273	1,145	1,180	1,236	1,298	1,350	1,434
Net lending	59	50	46	26	62	62	57	56	50	44	37
Spending of privatization proceeds	3	2	22	2	0	0	0	0	0	0	0
Statistical discrepancy, net 4/	-108	-104	61	139	0	0	0	0	0	0	0
Overall balance, including grants	-450	-375	-694	-865	-689	-816	-1,077	-1,104	-1,146	-1,152	-1,202
Financing	450	375	694	865	...	816	1,077	1,104	1,146	1,152	1,202
Foreign financing (net) 5/	-54	-21	-181	-1,245	...	-78	-132	-132	-132	-136	-135
Privatization receipts (net)	4	424	258	229	...	0	0	0	0	0	0
Domestic financing (net)	500	-28	551	1,882	...	894	1,210	1,237	1,278	1,287	1,337
(In percent of GDP)											
Total revenue and grants	33.2	32.8	33.4	33.1	35.4	32.4	30.6	30.6	30.5	30.5	30.5
Budgetary revenue	28.2	29.7	30.5	28.0	30.9	27.9	28.0	28.3	28.4	28.4	28.5
Tax revenue	19.7	20.3	21.1	19.4	21.2	18.9	19.0	19.3	19.4	19.4	19.5
Nontax revenue, of which :	8.4	9.4	9.4	8.6	9.7	9.0	9.0	9.0	9.0	9.0	9.0
Grants 1/	5.0	3.2	2.9	5.1	4.5	4.5	2.6	2.4	2.2	2.2	2.0
Total budgetary expenditure	39.4	37.4	38.7	38.2	39.9	37.8	37.1	36.9	36.6	36.2	36.0
Current expenditure, of which : 2/	32.8	30.3	31.9	31.8	31.2	29.9	29.6	29.6	29.5	29.3	29.3
Fuel subsidy	5.6	2.6	2.6	1.4	0.4	0.1	0.0	0.0	0.0	0.0	0.0
Capital expenditure 3/	5.9	6.6	6.4	6.2	8.3	7.5	7.1	7.0	6.9	6.6	6.5
Net lending	0.7	0.5	0.4	0.2	0.4	0.4	0.3	0.3	0.3	0.2	0.2
Spending of privatization proceeds	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statistical discrepancy, net 4/	-1.2	-1.0	0.5	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance including grants	-5.0	-3.6	-5.9	-6.1	-4.5	-5.3	-6.5	-6.3	-6.1	-5.6	-5.5
Financing	5.0	3.6	5.9	6.1	...	5.3	6.5	6.3	6.1	5.6	5.5
Foreign financing (net) 5/	-0.6	-0.2	-1.5	-8.8	...	-0.5	-0.8	-0.8	-0.7	-0.7	-0.6
Privatization receipts (net)	0.0	4.0	2.2	1.6	...	0.0	0.0	0.0	0.0	0.0	0.0
Domestic financing (net)	5.6	-0.3	4.7	13.3	...	5.8	7.3	7.0	6.8	6.3	6.1
Memorandum items:											
Overall balance excluding grants	-10.0	-6.7	-8.9	-11.2	-8.9	-9.8	-9.1	-8.6	-8.2	-7.8	-7.5
Primary balance including grants	-2.0	-0.5	-2.8	-3.4	-1.7	-2.6	-3.7	-3.5	-3.3	-2.9	-2.8
Primary balance excluding grants	-7.1	-3.7	-5.7	-8.5	-6.1	-7.0	-6.3	-5.9	-5.5	-5.1	-4.8
Government and guaranteed net debt 6/	83.7	69.9	70.0	60.1	...	60.4	62.1	63.9	65.0	65.3	65.9
Of which: External	56.5	49.3	44.8	25.8	...	23.4	20.9	18.7	16.5	14.4	12.8
GDP at market prices (JD millions) 7/	8,954	10,521	11,722	14,190	...	15,354	16,536	17,637	18,913	20,397	21,916

Sources: Jordanian authorities; and Fund staff projections.

1/ Based on existing commitments, authorities' plans, and staff estimates.

2/ 2005 data include JD 58.5 million of spending carried out in 2004, but paid in 2005.

3/ Includes some current expenditure, such as maintenance and wage-related spending.

4/ The discrepancy is accounted for in part by the inclusion of non-budgetary accounts in the domestic financing data. Efforts are underway to improve the coverage of budgetary financing data and its alignment with above-the-line transactions in the context of the authorities working toward SDDS subscription.

5/ In 2008, foreign financing includes repayment of Paris Club debt, partly financed through domestic financing (drawdown of the privatization account).

6/ Domestic debt is net of government deposits with the banking system.

7/ The 2009 budget ratios to GDP are based on staff's GDP estimates.