

Study

Jordan's Economy in International Economic Indicators (2019–2024)

Performance Index Center | KAFa'A

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Introduction

Since 2019, the Jordanian economy has undergone a series of profound challenges and transformations, ranging from the repercussions of the global pandemic and the slowdown across the region, to the ambitious reforms adopted by the state within clear institutional and strategic frameworks. Amidst these developments, there emerges a pressing need to monitor and evaluate the performance of the national economy using internationally recognized economic indicators.

Such tools enable objective comparisons between Jordan's performance and that of other countries, while also providing a knowledge base for policymakers, analysts, and relevant stakeholders. In response to this need, Performance Index Center | KAFSA'A presents this analytical study, which assesses Jordan's economic performance across several key international economic indicators during the period 2019–2024. This was a stage marked by wide-ranging economic fluctuations at both the domestic and global levels. The study draws on official data issued by national institutions such as the Department of Statistics and the Central Bank of Jordan, in addition to international reports published by the World Bank, the International Monetary Fund, the World Economic Forum, and others.

This study is also situated within the broader context of following up on the implementation of the Economic Modernization Vision, launched by His Majesty King Abdullah II Ibn Al Hussein as a national roadmap aimed at fostering sustainable growth, generating employment opportunities, and stimulating productivity and entrepreneurship. The vision emphasizes priority sectors, updated legislation, and strengthened institutional frameworks. In this regard, international economic indicators constitute a vital instrument for measuring progress toward achieving the objectives of the vision, including improvements in Jordan's ranking in indicators such as Ease of Doing Business, Global Competitiveness, Transparency, Labor Market Efficiency, and per capita income.

The study focuses on analyzing Jordan's economic performance across five main dimensions: Gross Domestic Product (GDP) and growth rate, per capita income, inflation and unemployment rates, investment climate and competitiveness, and the degree of economic openness. It further highlights the key factors shaping this performance, including structural changes in the Jordanian economy, government responses to crises, and regional and global developments. The study concludes with strategic recommendations to support the trajectory of economic transformation in line with the comprehensive Royal vision.

Methodology

This study is based on a descriptive analysis of data and information collected from multiple sources, including:

- Central Bank of Jordan – Statistical Database
- World Bank
- Economic reports published by the Central Bank of Jordan
- Official websites of ministries and institutions
- Official portals of international economic indicators
- International Monetary Fund

The study examined indicators and reports related to the performance of the Jordanian economy during the period **2019–2024**, drawing on the data available for each indicator. The research team then conducted detailed analyses, followed by a series of meetings and discussions to reach consensus on the key dimensions to be addressed in the study, the methods of presenting them, and their alignment with the overall objectives of the research.

Scope of the Study

Chapter One: Macroeconomic and Financial Indicators

I. External Sector Indicators:

- Gross Domestic Product (GDP)
- Economic Growth Rate
- GDP per Capita
- Foreign Direct Investment (FDI) Indicator

II. Other Sector Indicators:

- Unemployment Rate Indicator
- Foreign Reserves Indicator
- Prosperity Index
- Human Development Index (HDI)
- Economic Freedom Index

III. Public Finance Sector Indicators:

- Government Deficit Indicator (Net Expenditures and Revenues)
- Public Debt to GDP Ratio

Chapter Two: Analysis of Jordan's Economic Performance in Light of the Economic Modernization Vision (2022–2024)

Chapter One: Macroeconomic and Financial Indicators

I. External Sector Indicators

1.1 Gross Domestic Product (GDP)

Gross Domestic Product (GDP) constitutes the central indicator for measuring overall economic performance. It reflects not only quantitative output, but also the quality and direction of economic activity, as well as the state's capacity to generate added value through domestic production. Understanding movements in GDP requires more than tracking its aggregate size, it also demands an analysis of its composition. In Jordan's case, GDP analysis is employed as a principal tool for assessing the effectiveness of fiscal and economic policies, examining the dynamics of growth across productive and service sectors, and tracing the impact of structural transformations in the economy. Accordingly, this study uses GDP as a benchmark indicator for comparing the performance of the Jordanian economy and evaluating the impact of policy decisions on output levels between 2019 and 2024.

In 2019, GDP stood at approximately JOD 30.1 billion, providing a baseline figure prior to the onset of the COVID-19 pandemic. That year was marked by relative economic stability, with balanced contributions from various sectors, industrial, agricultural, and services. In 2020, GDP declined to JOD 29.77 billion, reflecting the immediate effects of the COVID-19 crisis on the Jordanian economy. Most sectors, particularly tourism, transportation, and trade, were adversely affected by nationwide lockdowns and falling global demand, which led to a contraction in domestic economic activity. However, following a series of precautionary measures introduced by the Jordanian government and the Central Bank to safeguard the economy and protect citizens, GDP rebounded in 2021, reaching JOD 30.86 billion. This rebound signaled the beginning of economic recovery, supported by government incentives and the gradual reopening of activities, most notably in services and healthcare, alongside the progressive reopening of local and international markets.

In 2022, GDP continued its upward trajectory, reaching JOD 31.76 billion. This growth was driven by the revival of tourism, increased investment in infrastructure and energy sectors, relatively stable global commodity prices, and an improved business environment compared to the preceding two years.

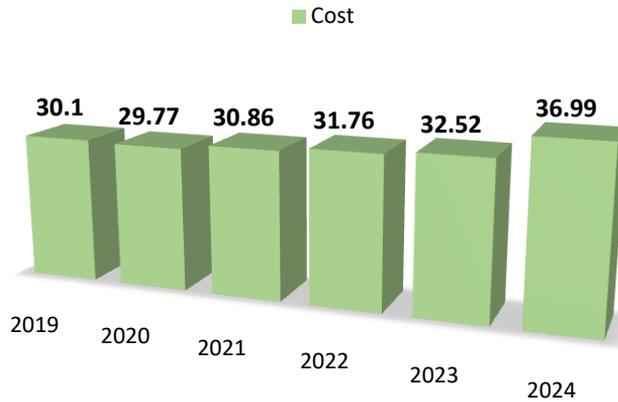


Figure (1): Real Gross Domestic Product (GDP)

By 2023, Jordan's GDP reached JOD 32.52 billion, reflecting a continued recovery, albeit at a slower pace. This performance was influenced by several external factors, most notably the Israeli war on Gaza, which negatively impacted inbound tourism. In addition, the closure of the Bab al-Mandeb Strait in late 2023 disrupted maritime trade flows through the Port of Aqaba, imposing further challenges on the national economy. In 2024, however, GDP recorded a substantial increase, reaching approximately JOD 37 billion, indicating a significant expansion in domestic economic activity. This surge can be attributed to several key factors, including relative improvements in regional stability following the de-escalation in Gaza, which supported the gradual recovery of tourism and investment and helped offset previous periods of stagnation. Pent-up demand accumulated over the past years also played a notable role in stimulating local markets and reinforcing economic momentum.

Sources: World Bank, Central Bank of Jordan

1.2 Economic Growth Rate

In recent years, the Jordanian economy has faced a series of challenges and transformations that have been clearly reflected in economic growth rates and the components of Gross Domestic Product (GDP). Against the backdrop of regional and global shifts, as well as economic and health crises such as the COVID-19 pandemic, Jordan has sought to reinforce its economic stability through the adoption of structural reforms and the stimulation of diverse productive sectors. This study aims to analyze and compare Jordan's economic growth rates during the period 2019–2024 by conducting a detailed examination of official data and interpreting sectoral changes. The objective is to draw lessons and insights from these experiences in order to guide future economic policy directions.

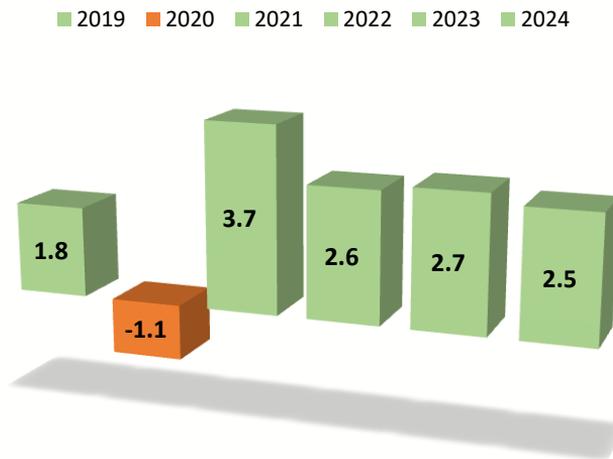


Figure (2): Economic Growth Rate (%)

As illustrated in the figure, the economic growth rate declined in 2020 to (–1.1%), reflecting the near standstill of both the Jordanian and global economies due to the COVID-19 pandemic. Nevertheless, Jordan's growth rate remained among the better-performing figures worldwide, largely attributable to the measures introduced by the Central Bank of Jordan and the significant role played by the Social Security Corporation in supporting enterprises and workers. In the subsequent year, the economy entered a phase of partial recovery, recording a growth rate of (3.7%) compared with the previous year. Despite this rebound, the pandemic continued to weigh heavily on certain sectors, most notably tourism and industry. In the following years, the Jordanian economy continued to recover gradually, culminating in 2024 with a more modest

growth rate of (2.5%). This slowdown reflects the impact of regional political instability and underscores the extent to which Jordan's economy remains exposed to external shocks.

1.3 GDP per Capita

GDP per capita is one of the core economic indicators used to measure the average income of individuals within a country. It also serves as an approximate proxy for economic well-being and quality of life. This indicator holds particular significance in developing countries such as Jordan, where economic and demographic growth rates are decisive factors in determining the extent to which individuals benefit from the outcomes of development.

It is important to note, however, that GDP per capita does not represent an exact measure of individuals' real income. This is because it does not account for actual purchasing power or the disparities in income distribution among different groups within society. This study examines the evolution of GDP per capita in Jordan over the period 2019–2024, drawing on official data related to GDP and population figures, while taking into consideration the inflationary effects that may obscure genuine improvements in individual income.

Such analysis provides a useful lens for understanding the relationship between aggregate economic growth and tangible improvements in living standards. It also allows for an assessment of the effectiveness of the economic and social policies pursued by the Jordanian government in the post-pandemic period through 2024, including the challenges imposed by regional events on population growth and national income.

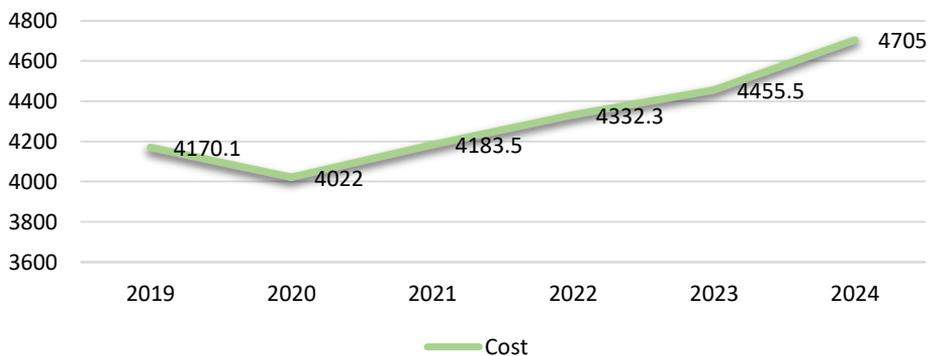


Figure (3): GDP per Capita at Current US Dollar Prices

Source: World Bank

When reviewing the data on GDP per capita at current US dollar prices in Jordan during the period **2019–2024**, a relative improvement is observed, though with some fluctuations across the years. In **2019**, the value stood at approximately USD **4,170**, before declining to USD **4,022** in **2020** due to the repercussions of the COVID-19 pandemic, which had a significant impact on both the global and domestic economy. Beginning in **2021**, however, the Jordanian economy gradually entered a recovery phase, with GDP per capita rising to USD **4,183**, and continuing to increase, reaching USD **4,705** by **2024**. This growth can be attributed to several factors, including the national economy's post-pandemic recovery, the gradual resumption of economic activity, and the relative stability of the Jordanian dinar's exchange rate against the US dollar, which helped maintain the value of GDP measured in dollar terms. In addition, economic reforms and improvements in the business environment played a crucial role in enhancing productivity and fostering growth.

Nonetheless, it is important to note that these figures represent nominal values at current prices and do not necessarily reflect real purchasing power. Elevated inflation rates witnessed in Jordan during this period reduced the actual value of individual income. According to reports by the Central Bank of Jordan and data from the Department of Statistics, annual inflation in certain years exceeded (4–5%), thereby eroding the purchasing power of households.

Accordingly, while the nominal increase in GDP per capita signals positive economic progress, the real purchasing power of individuals may be lower than what the nominal figures alone suggest.

Source: World Bank

1.4 Foreign Direct Investment (FDI) Indicator

The Hashemite Kingdom of Jordan has witnessed significant growth in foreign direct investment (FDI) between 2019 and 2024. Official data issued by the Central Bank of Jordan and other relevant economic institutions reflect positive trends, particularly in the past two years, driven by legislative reforms and improvements in the business environment.

In 2024, net FDI inflows reached approximately USD 1.637 billion, representing (3.1%) of GDP, the highest level recorded during the period under review. Arab investments accounted for the largest share of inflows (64.8%), particularly from Gulf Cooperation Council countries, while the European Union contributed (21.4%) and non-Arab Asian countries (5.2%). Foreign investments were concentrated in several key sectors, most notably finance and insurance (23.4%), information and communications technology (10%), mining (9.1%), and transport and storage (8.4%).

In 2023, FDI totaled around USD 1.6 billion, marking a notable increase compared with 2021–2022, when combined inflows were below USD 1.3 billion, according to Central Bank estimates. A review of 2019–2020 data shows that finance and insurance dominated investment flows, followed by industry and mining, with the United Arab Emirates, the United Kingdom, and Kuwait emerging as leading sources. Several factors contributed to strengthening Jordan's investment appeal, including the launch of the Investment Promotion Strategy 2023–2026, updates to foreign investment regulations that raised ownership caps in selected sectors, and the establishment of the Ministry of Investment in 2021. In addition, procedural reforms and digital transformation played a key role in streamlining processes and enhancing the business climate.

2. Other Sector Indicators

2.1 Unemployment Rate

Unemployment remains one of the most pressing structural challenges facing Jordan's economy, serving as a critical indicator of the effectiveness of economic policies in generating job opportunities and achieving inclusive, sustainable growth. Unemployment rates are directly linked to overall economic performance, labor market flexibility, and the quality and outcomes of education and training systems. They also reflect the ability of both the public and private sectors to absorb new entrants into the labor market.

Between 2019 and 2024, Jordan's unemployment rate underwent significant shifts, shaped by the combined effects of the COVID-19 pandemic, demographic dynamics, and the slow growth in labor-intensive sectors. These developments call for a comprehensive reassessment of policy responses.

According to official data, Jordan's unemployment rate stood at around (19.1%) in 2019, a high level even before the pandemic, largely due to long-standing structural imbalances in the labor market. With the onset of the COVID-19 crisis in 2020, unemployment surged sharply to (22.7%), peaking at (24.1%) in 2021, the highest rate ever recorded in the Kingdom. This unprecedented spike reflected the severe impact of lockdowns and the suspension of vital sectors, particularly tourism, transportation, and services.

From 2022 onward, unemployment began to decline gradually, reaching (22.8%) in 2022, (21.9%) in 2023, and stabilizing at (21.4%) in 2024. Despite this downward trend, the rates remain considerably high compared to globally acceptable levels. The challenge is amplified by Jordan's young demographic profile, the large number of annual labor market entrants, and the limited practical implementation of proposed solutions to curb unemployment, especially in the governorates.

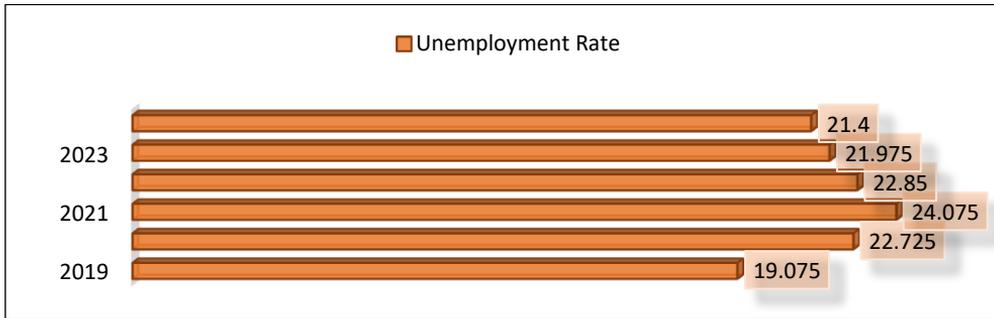


Figure (4): Unemployment Rate (%)

Source: Central Bank of Jordan Database

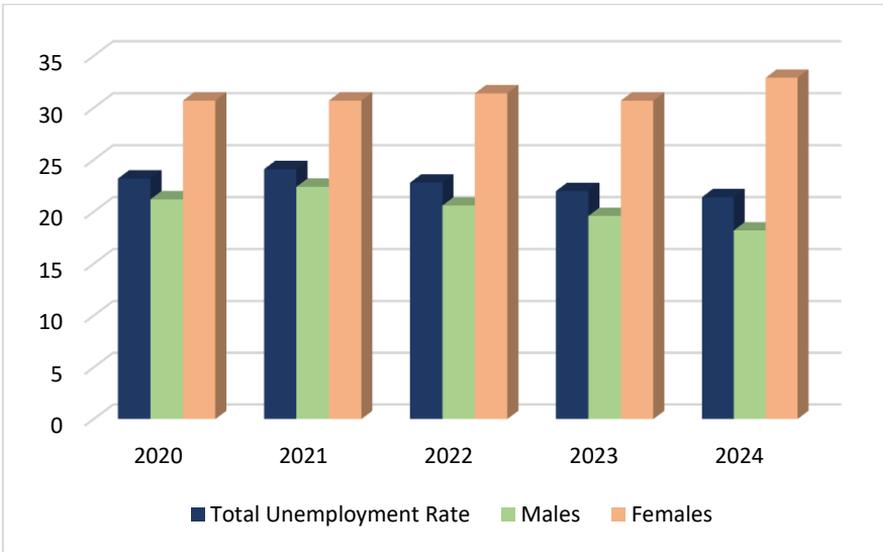


Figure (5): Unemployment Rate in Jordan

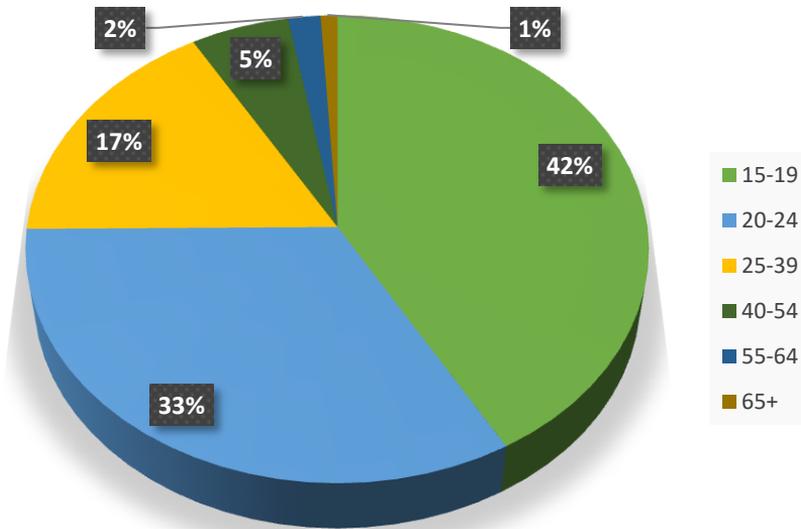


Figure (6): Unemployment Rate in Jordan by Age Group

Source: Central Bank of Jordan Database

2.2 Foreign Reserves Indicator

Comfortable levels of foreign reserves contribute to maintaining a stable economic environment, enhancing the confidence of creditors, foreign investors, and international financial institutions in the national economy, while also improving the country's creditworthiness and its ability to meet external obligations and withstand potential external shocks or crises. Foreign reserves thus remain a key measure of confidence in the national economy.

In this context, the total stock of foreign reserves held by the Central Bank, including gold and Special Drawing Rights, reached USD 14.3 billion at the end of 2019. According to several international standards used to assess the adequacy of foreign reserves, this level is considered comfortable and supportive of monetary stability in the Kingdom. It was sufficient to cover around eight months of the Kingdom's imports of goods and services, more than double the internationally recognized benchmark of three months. In 2020, Jordan's economy recorded foreign reserves of approximately USD 15.9 billion, representing a safe level equivalent to three times the international benchmark. This upward trend continued in 2021, when reserves reached USD 18 billion, a level sufficient to cover 9.5 months of imports. In 2022, reserves amounted to USD 17.3 billion, marking a slight decline compared to the previous year. However, they rebounded to USD 18.1 billion in the following year, reflecting an increase of USD 0.8 billion. The upward trajectory persisted, with reserves reaching USD 21 billion in 2024, surpassing all previous years. This level represents three times the internationally recognized benchmark and is sufficient to cover 8.2 months of imports. These figures underscore the Kingdom's excellent level of foreign reserves, which continues to reinforce the strength and resilience of the national economy.



Figure (7): Foreign Reserves in USD

Source: Annual Report on the Jordanian Economy, 2019, 2020, 2021, 2022, 2023, 2024

2.3 Prosperity Index

The Global Prosperity Index, issued by the Legatum Institute in the United Kingdom, is one of the most prominent international indicators measuring prosperity and well-being across countries worldwide. The index goes beyond Gross Domestic Product (GDP) to encompass twelve fundamental pillars that reflect multiple dimensions of quality of life and the enabling environment for prosperity. These pillars are:

- Economic Quality
- Enterprise Conditions
- Governance
- Education
- Health
- Safety & Security
- Personal Freedom
- Social Capital
- Investment Environment
- Infrastructure & Market Access
- Living Conditions
- Natural Environment

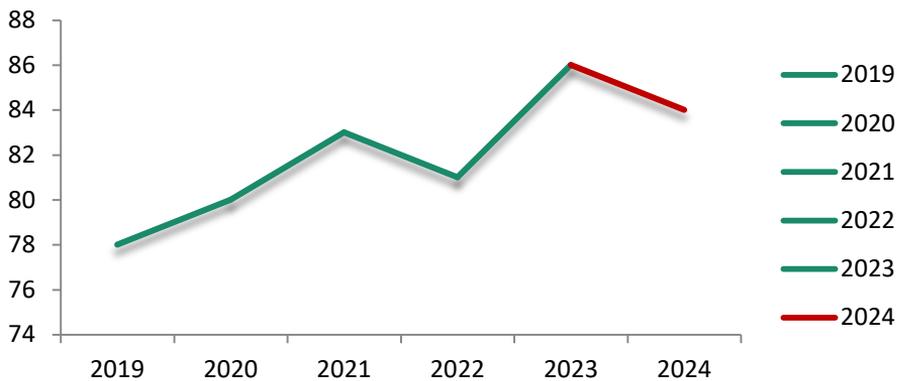


Figure (8): Prosperity Index

Jordan's ranking in the Global Prosperity Index witnessed a notable decline between **2019** and **2023**, falling from **78th** to **86th** place. This regression reflects accumulated economic and social challenges that have affected the country's overall performance. In **2019**, Jordan enjoyed a relatively good level of stability, particularly in the areas of education, health, and governance. However, by **2020**, the repercussions of the COVID-19 pandemic began to surface, leading to a drop in the ranking to **80th** place due to pressures on the health sector and economic contraction. The deterioration continued in **2021**, as Jordan fell to **83rd** place, affected by rising unemployment, slow growth, and weak investment. Despite governmental reform efforts, their impact remained limited.

In **2022**, the ranking improved slightly to **81st** place with the onset of recovery. Nevertheless, persistent poverty and rising living costs prevented any significant advancement. By **2023**, the ranking declined further to **86th**, owing to deepening economic and social challenges, weakened trust in institutions, and the absence of effective structural solutions. The overall trend highlights the urgent need for comprehensive structural reforms in the areas of economy, governance, and education, to ensure Jordan improves its position on the global prosperity map in the future. For **2024**, Jordan's ranking is expected to reach **84th** worldwide. However, the official data from the Legatum Institute has not yet been published, and therefore, this estimated ranking remains provisional and uncertain at present.

2.4 Human Development Index

The Human Development Index (HDI) is a composite indicator developed by the United Nations Development Programme (UNDP) to evaluate the level of social and economic development in countries. It is based on three key dimensions:

- **Health:** measured by life expectancy at birth.
- **Education:** measured by average years of schooling and expected years of schooling.
- **Standard of Living:** measured by Gross National Income (GNI) per capita.

The HDI aims to provide a broader perspective on human development that goes beyond mere economic growth, focusing instead on people's well-being, their ability to live long and healthy lives, acquire knowledge, and enjoy a decent standard of living. Regarding Jordan's performance in this index, the country achieved a score of **0.750** in **2019**. However, the HDI declined in **2020** and **2021** due to the global crises, most notably the COVID-19 pandemic, which exposed vulnerabilities in certain sectors. Subsequently, Jordan's performance improved, reaching **0.754** in **2023**, according to the latest Human Development Report issued by UNDP on **6 May 2025**.

This placed Jordan at **100th** out of **193** countries globally, marking notable progress. As of now, no official data is available for **2024**. Nonetheless, a stable or slightly improving trajectory can be anticipated, building on the gains recorded in **2023**.

Table (1): Human Development Index in Jordan and Its Global Ranking

Year	Human Development Index	Global Ranking
2019	0.744	98
2020	0.740	93
2021	0.736	98
2022	0.736	99
2023	0.754	100

2.5 Economic Freedom Index

The Economic Freedom Index is one of the most significant international indicators used to measure the openness of a national economy and its ability to provide a flexible and growth-oriented investment environment. The index evaluates a set of key components, including trade freedom, taxation, government size, rule of law, and market efficiency. Its importance lies in serving as a tool that reflects the extent to which countries adhere to free-market policies, as well as their capacity to attract investment and support entrepreneurial initiatives. In Jordan's case, the Economic Freedom Index is used to assess the effectiveness of economic and fiscal reforms and to measure progress in building a stable and fair economic environment, particularly against the backdrop of regional and global challenges that have weighed on the national economy in recent years.

Source: Global Prosperity Index, UNDP Human Development Report Office

Table (2): Trends in Jordan's Economic Freedom Index (2019–2024)

Year	2019	2020	2021	2022	2023	2024
Index Score (0–100)	66.5	66.0	64.6	60.1	58.8	58.0

Jordan's Economic Freedom Index recorded a gradual yet significant decline between 2019 and 2024. In 2019, the score stood at 66.5, benefiting from certain economic reforms and a relative improvement in the business environment. However, this progress came under mounting pressure with the onset of the COVID-19 pandemic in 2020, which led to an expansion in government size and an increase in public debt. These factors negatively impacted market efficiency and fiscal stability. The downward trajectory continued in 2021 and 2022, with the score falling to 60.1 points, reflecting weak labor market flexibility and declining confidence in regulatory policies. By 2023, the index dropped further to 58.8, and then to 58.0 in 2024, the lowest level during the period under review. This decline underscores persistent structural imbalances in the economy, challenges in trade openness, and shortcomings in market governance. Addressing these issues will require deeper reforms to support investment, enhance market freedom, and restore confidence in Jordan's business climate.

3. Public Finance Sector Indicators

3.1 Government Deficit Indicator (Net Expenditures and Revenues)

Data on Jordan's fiscal deficit during the period 2019–2024 indicate a persistent structural imbalance between public revenues and government expenditures, even after accounting for foreign grants. The deficit after grants, as a percentage of GDP, showed fluctuating trends but remained relatively high overall, ranging from a low of (3.3%) in 2019 to a peak of (6.5%) in 2021, before stabilizing at around (5–5.6%) in the subsequent years up to 2024.

This trajectory directly reflects a set of structural challenges facing public finance in the Kingdom. The main issues among them are the limited levels of domestic revenue relative to growing current and capital expenditure needs, a weak tax base, and heavy reliance on indirect taxes. These factors undermine the efficiency of the tax system in promoting social equity and supporting sustainable economic growth. The sharp increase in the deficit ratio after grants in the post-pandemic years, particularly in 2021, also highlights the impact of external shocks such as the COVID-19 crisis, which led to a contraction in domestic economic activity, rising health and social expenditures, and a decline in tax and tourism revenues. Moreover, the persistence of relatively high deficits after grants in 2023 and 2024, despite a modest improvement in public revenues, underscores continued pressure from current expenditures, especially wages and public debt servicing. This leaves limited fiscal space for capital investment and constrains the government's ability to stimulate economic growth.

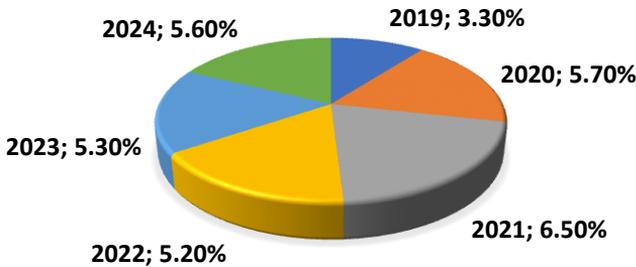


Figure (9): Government Deficit (Net Expenditures and Revenues)

It is noteworthy that the persistence of deficit ratios above (5%) in recent years, despite the reform measures adopted in cooperation with the International Monetary Fund (IMF), indicates that fiscal reforms remain insufficient to address the structural roots of the deficit. This calls for a comprehensive review of public expenditure policies and for enhancing the effectiveness of domestic revenues through broadening the tax base and reducing reliance on foreign grants, which are inherently unstable in the long term.

3.2 Public Debt to GDP Ratio

The ratio of public debt to GDP in Jordan during the period 2019–2024 reflects a concerning upward trajectory, particularly amid economic slowdown and fiscal sustainability challenges. In 2019, the ratio stood at (78%), a high but still relatively manageable level. However, the pandemic in 2020 triggered significant fiscal expansion to finance health and social support, pushing the ratio up to (88%). This was followed by another increase in 2021 to (93.3%), driven by accumulated deficits and declining domestic revenues. This sharp rise within just three years underscores the government’s heavy reliance on debt financing to offset weak tax performance and sluggish investment. The risks associated with these elevated debt levels lie not only in the headline figures but also in their implications for debt servicing costs, which consume a substantial share of public expenditure. This places pressure on both social and capital spending, reduces the government’s capacity to respond to shocks, and limits the country’s fiscal sovereignty, especially when a significant portion of the debt is external and tied to the exchange rate of the Jordanian dinar against foreign currencies.

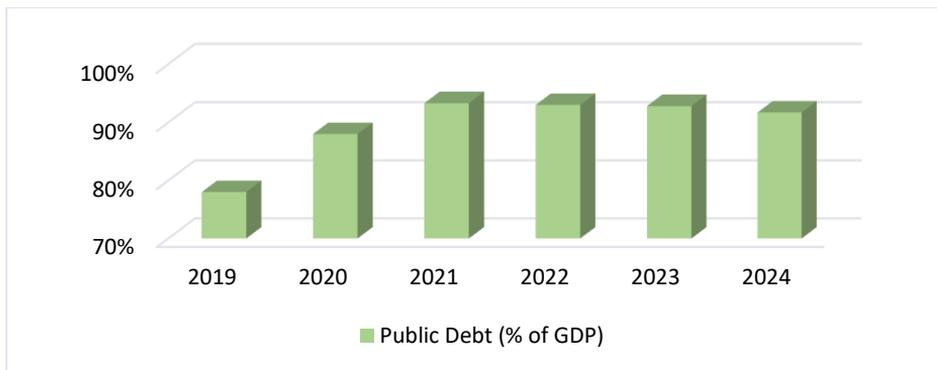


Figure (10): Public Debt

Sources: Jordanian Ministry of Finance; BTI Reports; International Monetary Fund (IMF); Jordanian Ministry of Finance/IMF; IMF Article IV 2024; Amended Budget Law 2024

The persistence of public debt levels in Jordan at ratios exceeding (90%) of GDP underscores the urgent need for comprehensive structural reforms. These reforms should not be confined solely to enhancing financial management but must also encompass stimulating economic growth, broadening the productive base, and strengthening domestic revenues through a more equitable and efficient tax system, in addition to reducing reliance on borrowing as the primary means of financing deficits. The core challenge lies in ensuring that economic growth rates outpace the accumulation of public debt. This requires the adoption of a prudent fiscal policy integrated with a long-term economic strategy that prioritizes sustainability and structural resilience, rather than relying on temporary or short-term measures.

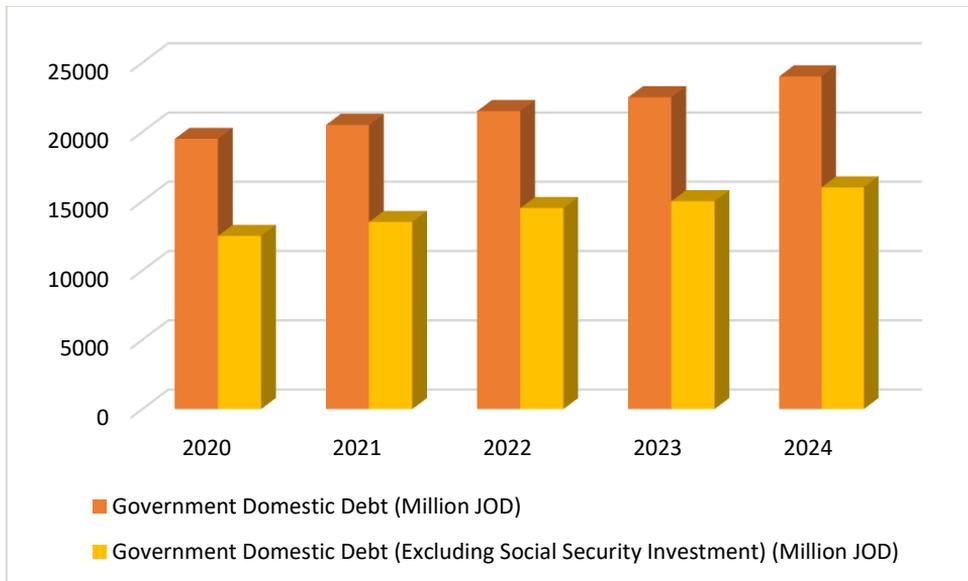


Figure (12): Domestic Debt

Source: International Monetary Fund (IMF)

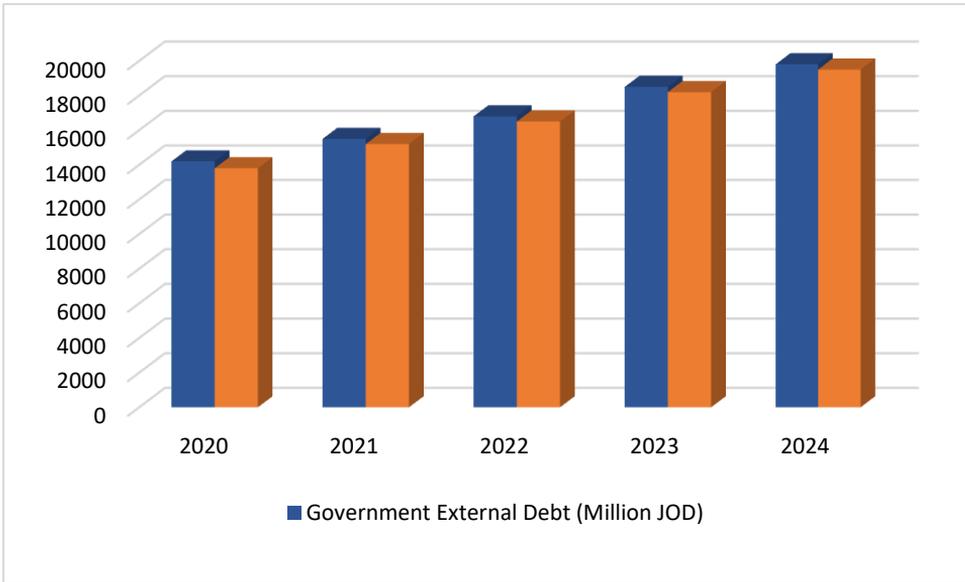


Figure (11): External Debt

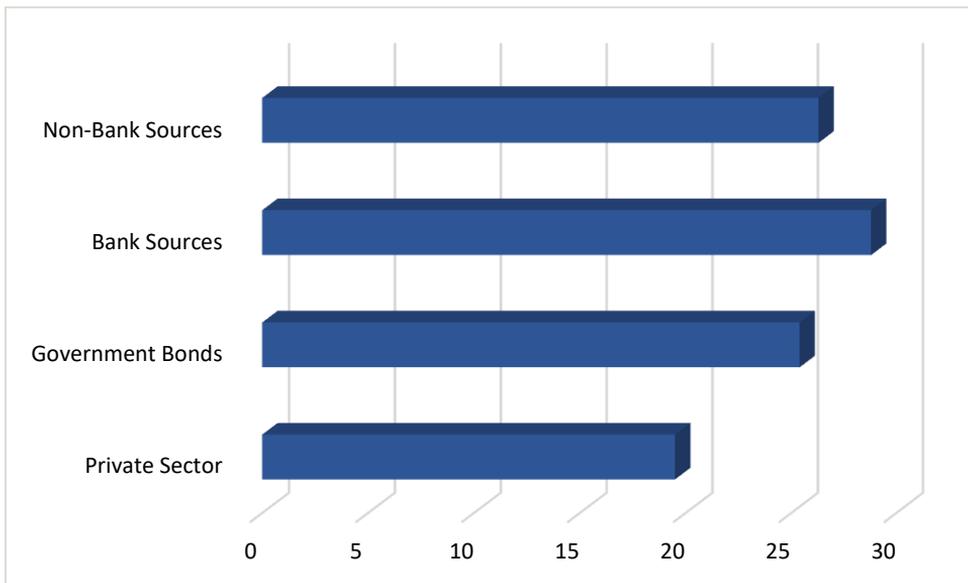


Figure (13): Government Debt by Creditor Type

Table (3): Key Domestic Government Debt Indicators (2021–2024) – Million Jordanian Dinars

Indicator	2021	2022	2023	2024
Government Domestic Debt	20,259.5	21,579.2	22,489.9	24,339.5
%. of GDP	61.6	62.0	62.0	64.3
Domestic Debt Held by Social Security Investment Fund	6,633.1	7,400.6	8,408.5	9,496.1
%. of GDP	20.2	21.2	23.2	25.1
Government Domestic Debt (Excluding Social Security Investment Fund Holdings)	13,625.6	14,178.7	14,081.4	14,843.4
%. of GDP	41.5	40.8	38.8	39.2
Movement of Domestic Debt Securities				
Issuances	4,277.1	4,951.4	4,649.6	5,003.5
Redemptions	3,978.5	4,250.9	4,488.0	4,940.7
Benefits	298.6	700.5	161.6	62.8

Table (4): Key Public Debt Indicators (2021–2024) – Percentage

Indicator	2021	2022	2023	2024
Solvency Indicators				
Government Debt / GDP	108.8	111.2	113.5	116.6
Government Debt / Domestic Revenues	488.3	473.9	483.4	503.5
Domestic Debt / Domestic Revenues	211.7	208.2	219.4	226.0
External Debt / Exports of Goods & Services + Factor Income	157.5	114.8	118.4	122.8
Liquidity Indicators				
External Debt Service / Revenues	25.0	24.5	31.5	27.8
External Debt Service / Exports of Goods & Services (Excl. Factor Income)	18.6	19.0	20.1	15.0
Interest Payments / Domestic Revenues	19.2	20.6	20.7	23.7

Source: Ministry of Finance / Public Debt Directorate, Monthly Bulletin, End of Second Half 2025

Chapter Two: Analysis of Jordan's Economic Performance in Light of the Economic Modernization Vision (2022–2024)

Introduction: Comparing Economic Performance with the Economic Modernization Vision:

Since 2019, the Jordanian economy has experienced a series of challenges and structural transformations, ranging from the repercussions of the global pandemic and regional slowdown to the launch of the Economic Modernization Vision in 2022 as a roadmap for inclusive and sustainable growth. Within this context, there is a pressing need for an objective evaluation of Jordan's economic performance through analyzing macroeconomic indicators and comparing them against the targets set in the Vision. This analysis is structured around three main pillars that represent the foundation of the Vision:

- The labor market
- Economic growth
- Public finance

The importance of this comparison lies in identifying the gap between actual performance and targets, thereby enabling policymakers to adjust strategies and propose more effective interventions.

I. Labor Market – Unemployment Rate

Official data indicate that unemployment rates have been gradually declining from their peak of (24.7%) in 2021.

Table (5): Unemployment Rate

Year	2022	2023	2024
Unemployment Rate (%)	22.85	21.98	21.4

Despite this relative improvement, unemployment levels remain well above the Vision's targets, which aim to reduce unemployment to 9% by 2033. The main drivers of this gap include limited labor market flexibility, the absence of sector-oriented investment policies, and the persistent disconnect between education and employment. These factors have hindered progress toward the desired outcomes. According to the 2024 Annual Economic Report, Jordan completed 66 out

of 83 projects scheduled under the Executive Program of the Economic Modernization Vision, 17 projects short of the planned target for the year. However, no interim performance or impact assessment reports were provided to evaluate the actual or anticipated economic impact of these projects.

II. Economic Growth – Performance versus Aspirations

The Economic Modernization Vision sets an ambitious goal of accelerating real GDP growth to (5.6%) by 2033, following a steady upward trajectory throughout the decade, with the aim of creating one million jobs and enhancing the contribution of value-added sectors to GDP. Actual performance, however, has remained below expectations. The Jordanian economy recorded growth of (2.6%) in 2023 according to IMF estimates, while preliminary data from the Department of Statistics point to growth of (2.5%) in 2024. These figures align with the World Bank's latest data dashboards. The gap between targets and actual performance reflects both internal and external challenges that have constrained expansion, underscoring the urgency of accelerating Vision initiatives and improving investment and productivity to align more closely with the targeted trajectory.

Key highlights include:

- According to official figures, GDP grew by (2.5%) in 2024, slightly exceeding the initial budget forecast of (2.3%).
- In Q4 2024, the economy expanded by (2.7%), supported by robust performance in agriculture, industry, and services.
- Domestic demand and legislative economic reforms continued to provide resilience into 2025, with growth of (2.7%) recorded in Q1.

Sectoral Performance:

- **Industry:** Led growth in 2024, recording real growth of 4.4% and accounting for nearly 40% of overall economic expansion.
- **Aggregate:** The industrial sector alone represented 21.7% of GDP in the first quarter of 2024.
- **Agriculture:** Delivered strong performance in the fourth quarter of 2024, posting annual growth of 8.4% and contributing 6.9% to annual GDP. In addition, its direct and indirect activities made up 23.5% of total economic activity.

- **Service sectors, transport, and retail:** Transport and communications rose by 3.7%, while shopping centers, hotels, and restaurants grew by around 3.1% in the fourth quarter of 2024.
- **First quarter of 2024:** Manufacturing contributed 0.7 percentage points to growth, agriculture 0.3 points, and financial services and insurance 0.2 points, alongside other sectors that together accounted for roughly 90% of the growth recorded in that period.

These discrepancies reveal that while Jordan’s real economic performance has been stable and resilient to external shocks, it remains far below the long-term aspirations of the Economic Modernization Vision. Bridging this gap requires accelerating structural reforms, strengthening the business environment, and enhancing the sustainability and growth capacity of leading sectors to meet the Vision’s objectives.

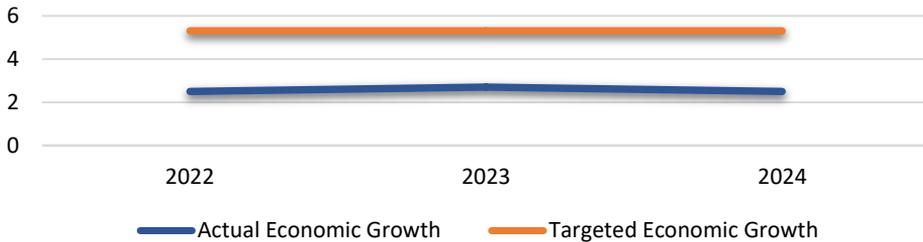


Figure (14): Economic Growth

III. Public Finance – Debt and Deficit

Jordan’s public revenues and government finances continue to face mounting structural pressures, reflected in the rise of public sector debt from around (95.9%) of GDP in 2019 to more than (109%) by 2024–2025. This trajectory stands in clear contrast with the ambitious target of the Economic Modernization Vision, which aims to reduce the debt-to-GDP ratio to around (80%) by 2028.

In detail:

- According to data from the Jordanian Ministry of Finance, public debt reached 44.16 billion JD by the end of 2024, equivalent to (116.8%) of GDP, before climbing further to (117.4%) by February 2025.

- World Bank estimates suggest that gross public debt will stand at (114.2%) of GDP in 2024, declining slightly to (115.2%) in 2025, while net debt (excluding Social Security Corporation holdings) is projected at (88.5%) in 2024 and (88.2%) in 2025.
- The IMF has reaffirmed its reform-oriented stance, stressing the need to reduce the debt ratio to around (80%) of GDP by 2028 through deficit reduction, revenue mobilization, improved performance of public institutions and services, and the adoption of a gradual, balanced fiscal policy.

The trajectory of Jordan's public finances highlights a significant gap between the current debt level, hovering around (116–117%) of GDP, and the Vision's target of reducing it to (80%) by 2028. This gap not only reflects a growing financial burden but also underscores the structural challenges facing the budget. Current expenditures, particularly wages, energy subsidies, and social services, consume a large share of resources, leaving limited fiscal space for productive investment. While IMF-supported fiscal reforms aim to gradually reduce the deficit and enhance debt management, persistent budgetary pressures make achieving this goal a complex task.

The core challenge lies in reconciling debt reduction with the need to sustain adequate levels of social and capital spending to foster economic growth and social stability. Enhancing the efficiency of public institutions, especially in the electricity and water sectors, along with increasing non-tax revenues, will be crucial to halting debt accumulation and steering the economy back toward the Vision's fiscal targets.

General Recommendations

- Develop economic support programs focusing on investment in Jordan's chemical and pharmaceutical industries.
- Simplify procedures for business registration and licensing.
- Design a dedicated plan to support the tourism sector, with emphasis on studying the impact of external crises on tourism in Jordan.
- Establish business hubs across governorates to support SMEs, particularly those in technology, fintech, and international marketing of Jordanian enterprises.
- Launch training and awareness programs for Jordanian producers.
- Promote renewable energy solutions and reduce customs duties on renewable energy inputs.
- Shift toward direct taxation over indirect taxation.
- Implement targeted economic support programs for Jordanian products.
- Improve government economic targeting of affected sectors without adding pressure to the general budget.
- Impose higher customs duties on imported products where equivalent-quality local alternatives exist.
- Introduce deep structural reforms to enhance productivity and ensure fairer income distribution.
- Improve the business environment to expand employment opportunities.
- Focus on achieving sustainable real growth that exceeds the impact of inflation.
- Diversify growth sources beyond reliance on remittances and external aid.
- Support emerging economic sectors and attract investment in technology, digital economy, and manufacturing (including chemical industries).
- Monitor and consolidate entrepreneurship support programs under frameworks aligned with national economic priorities.
- Strengthen exports, encourage foreign investment, and make its entry more flexible and stable.
- Improve economic and social infrastructure to enhance the business climate.
- Reinforce transparency, combat corruption, and design a responsive oversight mechanism tailored to economic activities.

- Advance social justice by reducing socio-economic disparities across different population groups.
- Improve the quality of education, implement specialized training programs aligned with economic shifts, and establish an independent body to reform university curricula in line with global and local economic changes.

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