The International Monetary Fund and Jordan

Issues Paper

Prepared by the Independent Evaluation Office (IEO)

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I. Introduction

After almost 15 continuous years under International Monetary Fund (IMF) arrangements, the Jordanian authorities have indicated that a Stand-By Arrangement (SBA) which expired in July 2004 marked the country's "exit" from reliance on IMF loans. In recommending completion of the final review under the SBA to the Executive Board, IMF staff noted that steadfast implementation of reforms had strengthened the economy's foundation and that Jordan was ready to "graduate" from IMF-supported programs. They welcomed the authorities' intention to maintain close relations with the IMF in the context of "post-program monitoring" and technical assistance.[1]

The IMF's Independent Evaluation Office has selected Jordan to be the subject of an evaluation that will assess how effectively IMF assistance helped the country tackle major macroeconomic challenges, including the effects of shocks related to political and economic developments in the Middle East since the late 1980s. The evaluation will provide an opportunity to revisit—in a specific country context—some findings on program design issues and on interactions between program, surveillance, and technical assistance activities of the IMF, from earlier IEO studies. In this context, it is intended as a demonstration of the potential value-added from a detailed ex-post assessment. The choice of Jordan allows for assessments of typical features of relations between the IMF and its borrowing members, while at the same time broadening the scope of members that have been the subject of case studies in IEO evaluations.[2]

The rest of this issues paper is organized as follows. Section II places the Jordanian economy in a regional context and provides a brief overview of economic performance. Section III contains a summary of Jordan's relations with the IMF, covering the three main areas of IMF activities: programs, surveillance, and technical assistance. The key issues for evaluation are spelled out in Section IV. A brief note on methodology and a timeline for conducting the evaluation are contained in Sections V and VI, respectively.

[1] See the "Staff Appraisal" section of IMF (2004a).

[2] IEO's work program for fiscal year 2005—May 2004 through April 2005—included a "one-country case study." Appendix I of this issues paper describes the criteria used to select Jordan. The work program is available at www.imf.org/external/np/ieo. Countries whose relations with the IMF have been the subject of full case studies in previous IEO evaluations are: Pakistan, the Philippines, and Senegal ("Prolonged Use of IMF Resources"); Brazil, Indonesia, and Korea ("Recent Capital Account Crises"); Guinea, Mozambique, Nicaragua, Tajikistan, Tanzania, and Vietnam ("Poverty Reduction Strategy Papers/Poverty Reduction Growth Facility (PRSP/PRGF)"); and Argentina.

II. The Regional Context and Overview of Economic Performance[3]

Jordan has a population of about 5 million, and a per capita gross national income estimated at about US$1,800 in 2002—higher than the average for lower-middle-income countries (US$1,400) but less than the average for countries in the Middle East and North Africa (US$2,200).[4]

Jordan's economy is closely tied to those of other countries in the Middle East. Three notable features are: remittances from Jordanians working in other countries, especially in the Gulf states, are an important source of national income (equivalent to15–20 percent of GDP); the region is the primary destination for Jordanian exports and in turn supplies the bulk of Jordan's energy requirements; and Jordan receives substantial aid from countries in the region.

A regional economic boom in the 1970s facilitated substantial transfers to Jordan which contributed to rapid growth. Conversely, falling oil prices and associated recessions in the region's oil exporting countries adversely affected Jordan in the second half of the 1980s. Inflows of both official transfers and remittances fell, with substantial adverse consequences for budgetary revenues. Initially, the authorities resorted to external borrowing to fill the revenue gap, leading to a sharp increase in external debt. However, structural weaknesses in Jordan's public finances and balance of payments were soon exposed, leading the authorities to request the country's first IMF arrangement in 1989 to facilitate orderly external financial relations and reverse a sharp decline in economic growth.

The Gulf war of 1991 and the recent (2003) war in Iraq also had severe disruptive effects on the Jordanian economy. Jordan's opposition to the 1991 Gulf war led to a cut-off of aid from regional governments and the expulsion of Jordanian workers from several countries in the region. The "returnees" boosted the population of residents by about 10 percent. After the 1991 war, Iraq provided Jordan with almost all of its oil needs, some of it free of charge and the rest at discounted prices. Since 2003, other regional countries have provided some in-kind oil grants to facilitate Jordan's recovery from the negative economic consequences of the war in Iraq.

Economic performance has been marked by successful disinflation and fluctuations in real GDP growth over a wide range (Fig. 1). Growth rebounded strongly in 1992 on account of an investment boom funded by the savings that "returnees" brought back to Jordan. However, the spike was short-lived and growth has fluctuated in the 2–5 percent range since the

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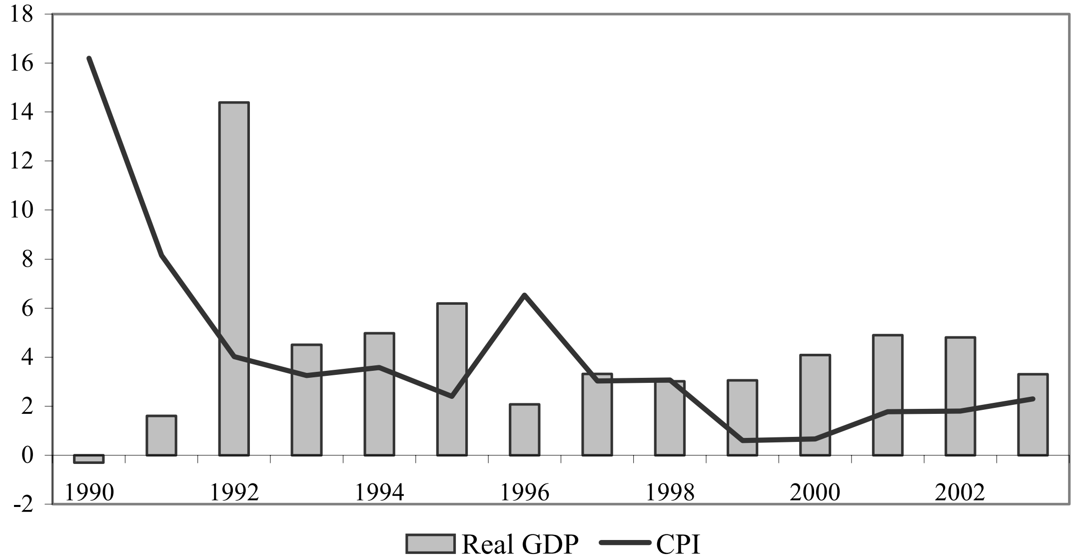
[3] This section draws on, among others, Carroll (2003), Economic and Social Commission for Western Asia (1998), Export and Finance Bank (1999), Maciejewski and Mansur (1996), and IMF (1998, 2004b).

[4] Data are from World Bank (2004).

mid-1990s. Growth performance under IMF-supported programs tended to fall short of program projections.[5]

Figure 1. Real GDP Growth and CPI Inflation
(In percent change)



Source: Central Bank of Jordan

Compared to the early-1990s, there has been a marked turnaround in the current account balance (Fig.2), and the level of gross international reserves has risen from under US$1 billion to nearly US$5 billion.[6] There has also been a substantial reduction in the burden of the external debt—from nearly 190 percent of GDP at end-1990 to less than 80 percent at end-2003—partly reflecting the impact of debt relief from official and commercial sources (Paris Club and London Club, respectively). In recent years, privatization receipts have also been used to reduce the stock of external debt. Although total public debt (external and domestic) has also fallen significantly, it still remains high, at over 100 percent of GDP at end-2003 (Fig. 3).

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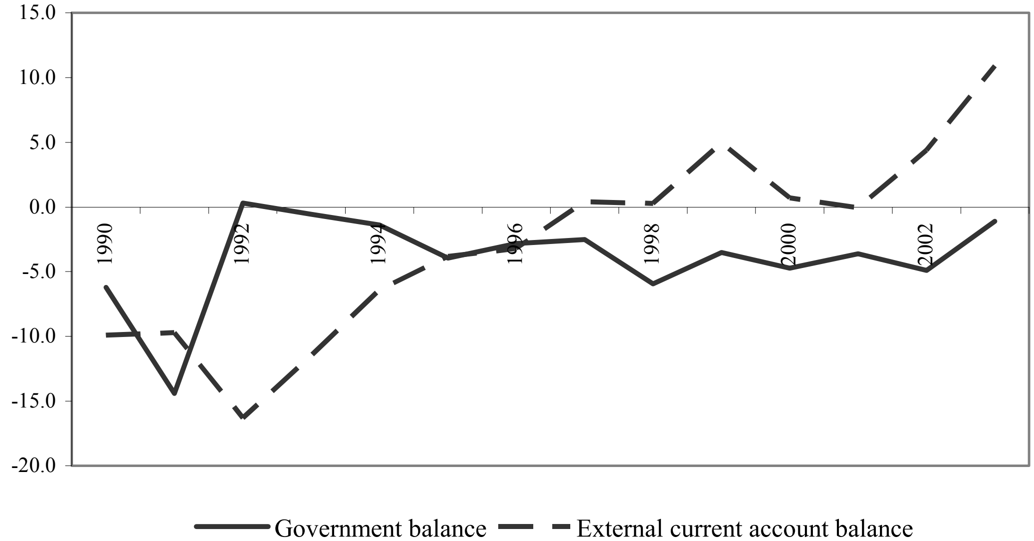
[5] IMF staff reports have attributed this mainly to the impact of adverse shocks emanating from regional political developments and adverse terms of trade developments. Interestingly, Hassan and Al-Saci (2004) characterize the World Bank's growth projections for the 1990s, which were similar to the IMF's projections, as "unrealistic," considering the low levels of investment since the mid-1980s.

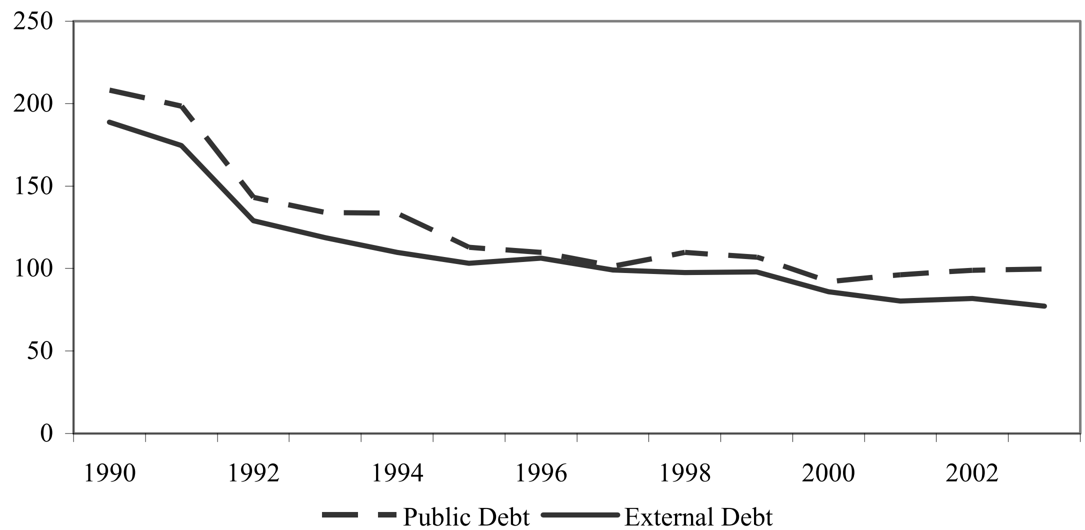
[6] See table of selected indicators in Appendix II.

Figure 2. Fiscal and External Balances, Including Grants
(In percent of GDP)



Source: Central Bank of Jordan and IMF.

Figure 3. External and Public Debt
(In percent of GDP)



Source: IMF.

Jordan's social indicators compare favorably with those of countries in the region: it has a much lower rate of infant mortality (27 versus 48 per 1000 live births) and a smaller percent of its population is considered undernourished (6 percent compared to 13 for the region). Poverty in Jordan is also estimated to be less severe than in other countries in the Middle East and North Africa.[7]

III. Summary of IMF-Jordan Relations

A. IMF-Supported Programs

Chronology of arrangements

Jordan has had IMF-supported programs under six arrangements (Table 1). The first, an SBA approved in 1989, was negotiated against a backdrop of marked slowdown in economic activities, double-digit inflation, and growing fiscal and external current account deficits. It was in support of a program that sought to lower the country's macroeconomic imbalances while setting the stage for recovery in export-led economic growth. Another SBA (approved in 1992) and an arrangement under the Extended Fund Facility (EFF) approved in 1994 were in support of the authorities' adjustment efforts in the aftermath of the 1991 Gulf war.

Table 1. Jordan's IMF Arrangements

Type of arrangement	Approval date	Expiration/ cancellation date	Duration (In months)	Amount agreed (SDR millions)	Amount drawn (SDR millions)	Disbursement ratio (In percent) 1/
SBA	7/14/89	1/13/91	18	60.0	26.8	44.7
SBA	2/26/92	2/25/94	24	44.4	44.4	100.0
EFF 2/	5/25/94	2/9/96	21	189.3	130.3	68.8
EFF	2/9/96	2/8/99	36	238.0	202.5	85.1
EFF	4/15/99	5/31/02	38	127.9	127.9	100.0
SBA 3/	7/3/02	7/2/04	24	85.3	10.7	12.5

Source: IMF (Finance Department database).

1/ The ratio of amount drawn to amount agreed.
2/ Cancelled before expiration date and replaced with a new three-year arrangement.
3/ Converted to a precautionary arrangement after first review.

The 1994 EFF was canceled after less than two years and replaced by a new one in early 1996 with a view to better align IMF support with the authorities' efforts aimed at taking advantage of new opportunities offered by progress in the regional peace process and by the European Union's "Mediterranean Basin Initiative."[8] The new arrangement also sought to

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[7] The data in this paragraph are from UNDP (2004).

[8] Jordan signed a peace treaty with Israel in 1994 that was expected to yield "peace dividends" in the form of reduced military spending and increased investment (responding to reduced political risk). The Mediterranean Basin Initiative promoted the creation of a

(continued)

provide for an adequate level of reserves in the face of high uncertainty about possible redemption of Jordanian dinars circulating in the West Bank and Gaza. In the event, the 1996 EFF was allowed to lapse in its third year because of problems with the reporting of fiscal and national account data in mid-1998. A successor EFF approved in 1999 ran its course and was fully disbursed.

The last arrangement, an SBA approved in 2002, was converted into a precautionary arrangement after the first program review on account of significantly strengthened balance of payments and international reserves positions. Two envisaged subsequent reviews were duly completed and no further drawings were made.[9]

Objectives of IMF-supported programs

Improved living standards and expanded employment opportunities have been stated as ultimate objectives in all of Jordan's IMF-supported programs. Intermediate objectives have taken the form of specific macroeconomic goals such as higher real GDP growth, low inflation, and the strengthening of external and fiscal positions. Over time, the macroeconomic objectives of the programs, as presented in IMF staff reports, have become more explicitly linked to the authorities' social policy objectives and to avoidance of a contractionary bias in policies. For example, the program supported by the 1996 EFF allowed for an increase in real per capita consumption, in order to partially reverse sharp declines in preceding years and, together with expanding employment opportunities, make the program "politically more acceptable" and "socially more sustainable." Similarly, the 1999 EFF-supported program sought to strike a balance between the need for progress toward fiscal sustainability, and "avoidance of undue recessionary effects from rapid contraction."

The main elements of growth strategies in the programs have remained the same: a combination of measures to boost domestic saving and investment, and wide-ranging structural reforms covering the government budget, financial sector, external sector (including trade liberalization), regulatory framework, and public enterprises and privatization. Recent programs have aligned their structural reform content with the Plan for Social and Economic Transformation (PSET) adopted by the government in 2001. The PSET aims to improve the quality and standard of living of the population without compromising the macroeconomic stability that has been achieved over a decade of adjustment and economic reforms. Areas highlighted for action include increasing the capacity of the economy to absorb private sector investment and human resource development.

Euro-Mediterranean Economic Area based on free trade and private-sector-led growth supported by external financial assistance.

[9] In addition to borrowing under SBA and EFF arrangements, Jordan has also borrowed from the IMF under the Compensatory Financing Facility on three occasions—in 1985, 1989, and 1999.

Fiscal policies in programs have tended to focus on measures aimed at containing recurrent expenditures and improving the efficiency of the tax system. Although reducing the fiscal deficit has been a constant objective, programs have included provisions for social safety nets in the government budget; the focus has tended to be on improving the targeting of benefits while reducing the level of subsidies.

Since the mid-1990s, the authorities have employed the exchange rate as a nominal anchor, and monetary policy has been geared to supporting the exchange rate peg through active interest rate and international reserves management policies. After a sharp appreciation between 1996 and 2001, the real effective exchange rate has depreciated over the last two years but remains slightly more appreciated than the level in 1996 (Appendix II).

B. Surveillance

IMF surveillance activities have been anchored around Article IV consultations which have been held at intervals of about 16 months on average since 1989. Other surveillance activities included an assessment of Jordan’s data dissemination practices (measured against the IMF’s General Data Dissemination System (GDDS)), and a Financial Sector Assessment Program (FSAP)/Financial System Stability Assessment (FSSA). A Report on the Observance of Standards and Codes (ROSC)—Data Module—was prepared in 2002 and updated in early 2004. The FSAP/FSSA report was also completed in early 2004.

The subjects highlighted during Article IV consultation discussions have included external and fiscal sustainability, exchange rate policy (including possible strategies for moving towards a more flexible regime), policies required to remove obstacles to the development of the private sector, policies to further integrate Jordan into the global economy, and poverty reduction.

In addition to assessing data dissemination practices, the ROSC included an in-depth assessment of the quality of a wide range of macroeconomic statistics. The recent update reviewed progress in addressing shortcomings highlighted in the 2002 report.

The FSAP/FSSA focused on linkages between the financial system and the macroeconomy, as well as on specific issues in the areas of banking, insurance, capital markets, and the payments system.

C. Technical Assistance

IMF technical assistance has been provided to Jordan in three main areas: (i) public finances; (ii) central bank operations; and (iii) macroeconomic statistics. In the area of public finances, most of the assistance has been targeted at public expenditure management, tax policy and administration, petroleum pricing and taxation, and reform of the pension and social security systems. Assistance to the Central Bank of Jordan has focused mainly on monetary policy, banking supervision, and the payments system. Assistance in the macroeconomic statistics area has been geared to strengthening the compilation of national accounts, price indices, money and banking statistics, government finance statistics, and balance of payments statistics.

IV. Key Issues for Evaluation

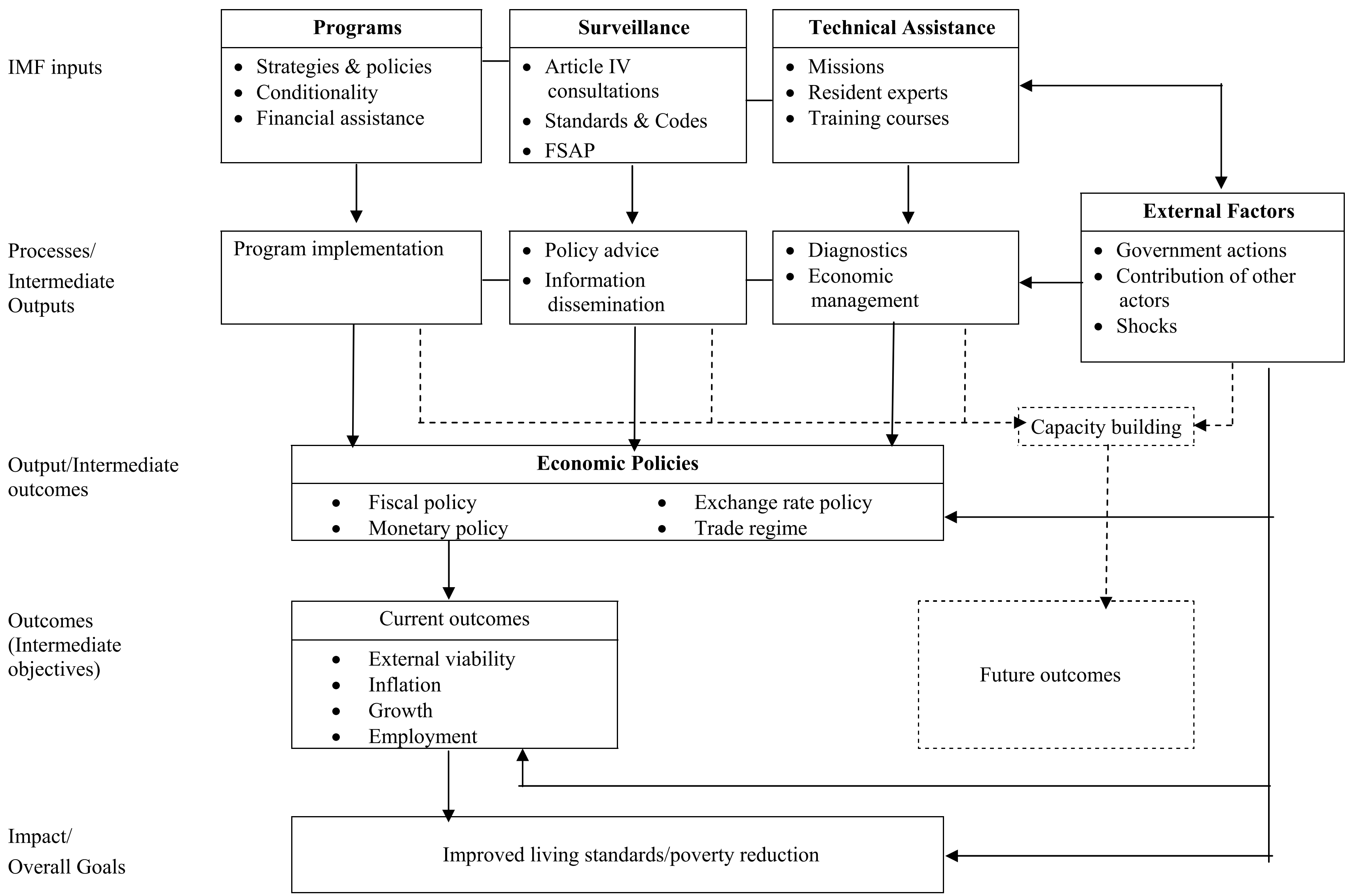
The evaluation will assess processes and outcomes in the three main areas of IMF activities—programs, surveillance, and technical assistance—and review available evidence on what happened to living standards during the period covered by Jordan's IMF-supported programs. The conceptual framework for the evaluation is set out in Figure 4. Key inputs are indicated under each activity area, as well as the "results chain" linking these inputs to outcomes (intermediate objectives) and overall goals (improved living standards and poverty reduction).

The focus of the evaluation will be on the role of the IMF. However, factors external to the IMF which are important contributors to outcomes will also be reviewed. These external factors include government actions (e.g., implementation of policies), the contribution of Jordan's other development partners, and exogenous shocks (Figure 4). Of particular interest will be collaboration between the authorities, the IMF, and the World Bank on issues such as those related to growth strategies, structural reforms, quality of fiscal adjustment, and social safety nets. The evaluation will also examine the extent to which engagement with the IMF performed a signaling function to Jordan's other development partners (e.g., official creditors) and how this might have contributed to Jordan's extended reliance on IMF-supported programs.

In seeking to draw broad lessons for the IMF from this single country case study, the evaluation will focus on the following principal questions:

- How effective were programs—strategies, policies, as well as conditionality—in achieving their objectives, and what were the major factors that contributed to success or lack thereof?
- To what extent did IMF surveillance activities contribute to identifying and tackling deep-rooted macroeconomic problems?
- What were the main considerations that drove the provision of technical assistance, and how effectively did the assistance contribute to the country's capacity to formulate, implement, and monitor macroeconomic polices and performance?

Figure 4. Logical Framework for Evaluation of IMF Assistance to Jordan



The evaluation will be organized around the following five topics, paying due regard to the evolution of IMF policies and practices:

a) relevance and policy content of programs;
b) effectiveness in meeting program objectives;
c) the role of surveillance;
d) the contribution of technical assistance; and
e) IMF internal governance issues.

A. Relevance and Policy Content of Programs

The main issues to be addressed under this topic relate to both the process of formulation and the policy content of programs. Specific sub-topics are: (i) country ownership; (ii) program objectives; and (iii) strategies and policies.

Ownership

- How did IMF-supported programs fit into the country's economic policy formulation process? To what extent were the programs derived from clearly articulated government policies or plans?

- To what extent were the authorities and other domestic stakeholders involved in the formulation of the programs? Were alternative policy options explored, and with what effect?

Program objectives

- How were program objectives derived and to what extent did they reflect the authorities' broad development goals, including social welfare objectives?

Strategies and policies

- What rationale for program design was provided in program documents? In particular, what was the envisaged relationship between fiscal adjustment, external adjustment, and real GDP growth?

- How were growth assumptions/objectives derived?

- How realistic were the strategies indicated for the achievement of growth objectives? Were assumptions about domestic savings and investment rates, and the relative contributions of the public and private sectors, reasonable? On what evidence were they based?

- To what extent did programs consider alternative policy options for meeting key targets? What consideration was given to trade-offs between policy options?

- To what extent did programs consider major risks to achieving their objectives and how policies would broadly respond to them?

B. Effectiveness in Meeting Program Objectives

The main issue to be addressed here is the relative contribution of various factors (e.g., shocks, program design, implementation problems) to key outcomes (e.g., growth, inflation, external adjustment, and fiscal adjustment). Of particular interest will be how effectively conditionality (i.e., triggers that would lead the IMF to suspend a program) contributed to program implementation and to the advancement of economic reforms more generally. The extent of collaboration with the World Bank will also be reviewed.

Conditionality

- To what extent were the formal macroeconomic conditions, especially quantitative performance criteria, met?

- How did the scale and composition of structural conditionality evolve over time?

- What does the evidence suggest about the effectiveness of IMF conditionality? To what extent did the design of short-term conditionality promote, or hinder, the implementation of long-term structural reforms?

Collaboration with the World Bank

- To what extent and how effectively did IMF staff collaborate with World Bank staff, and others, in program design, especially with respect to growth strategies, structural reforms, expenditure policies, and social policies?

Outcomes

- To what extent were macroeconomic objectives achieved, and what factors contributed to the success or lack of success in meeting the objectives? The focus will be on growth, inflation, fiscal adjustment, external current account adjustment, and the accumulation of international reserves.

- To what extent were the social objectives of programs achieved? What factors contributed to success or lack thereof?

- How did the composition of actual fiscal adjustment compare with projections? What factors accounted for divergences between projections and outturns?

- How well did contingency mechanisms, if any, work in practice? How did programs respond to unanticipated shocks?

- To what extent did envisaged external financing, especially official external grants, materialize? How did programs respond to excesses/shortfalls in projected external financing?
- To what extent were implementation constraints identified and addressed in programs?
- Did the design of programs adapt over time to the successes/shortcomings of previous programs?

C. The Role of Surveillance

In principle, IMF surveillance activities can help a member country address its deeply rooted macroeconomic problems in an appropriate time-frame (i.e., beyond the relatively short horizon of an IMF arrangement). This section of the evaluation will examine the extent to which IMF surveillance contributed to addressing Jordan's long-term macroeconomic challenges. Specific questions to be answered include:

- Did programs crowd out surveillance? To what extent did Article IV consultation missions step back from details of program issues to engage the authorities in broad strategic policy discussions?
- How did IMF staff advice on key policy issues (e.g., exchange rate regime, trade liberalization) evolve over time, and to what extent was the advice informed by relevant analytical work undertaken at the IMF or elsewhere?
- What impact have the FSAP/FSSA and the ROSC had on the ground?
- What evidence is available on the impact of IMF surveillance, either in terms of effects on the domestic policy debate or actual policies implemented?
- What interactions were there between surveillance and technical assistance activities?

D. The Contribution of Technical Assistance

IMF technical assistance to Jordan has taken several forms, ranging from short-term diagnostics missions to the placement of long-term resident experts in the country.[10] The principal questions to be addressed in this section of the evaluation include the following:

[10] Training programs, mainly organized by the IMF Institute, form an important part of the technical assistance provided by the IMF to member countries. Several Jordanian officials have participated in such training programs. However, IMF Institute courses will not be covered in this evaluation.

- What have been the main sources of demand for technical assistance and how have priorities for meeting the demand been established? In particular, to what extent have diagnostics for program and surveillance activities driven the provision of technical assistance?

- To what extent has IMF technical assistance helped Jordan overcome capacity constraints in the formulation, implementation, and monitoring of macroeconomic policies and performance?

- How effectively was the provision of IMF technical assistance coordinated with other providers of assistance in the same or complementary areas?

E. IMF Internal Governance Issues

In this section, we will examine IMF-Jordan relations from the perspective of IMF internal policies and processes. Specific questions to be addressed include the following:

- How well did the internal policy review process work in terms of focusing on major policy issues, and in drawing attention to evolving guidelines related to program design, conditionality, surveillance, and collaboration with the World Bank?

- Did IMF procedures permit effective learning over time? For example, to what extent did the evolution of guidelines contribute to changes in program design and outcomes?

- Was there candid assessment—within the staff and at the level of the Executive Board—of program successes and shortcomings?

- To what extent did geo-political considerations influence the IMF's relations with Jordan, and to what effect?

- What lessons does Jordan offer on the "signaling" role of IMF-supported programs?

V. Methodology

A case study allows for in-depth analyses but at the cost of limited generalizability of results. However, it is possible to derive lessons of broad relevance from a carefully designed case study.[11] The evaluation will employ four broad types of methodology:

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[11] See United States General Accounting Office (1990) for discussions about different types of case studies and how to get the most out of case study evaluations. It distinguishes between six types of case studies: illustrative, exploratory, critical instance, program implementation, program effects, and cumulative. Our evaluation has elements of the program implementation and program effects types of case studies.

- *Desk review*. Material to be reviewed will include internal IMF documents on Jordan's IMF-supported programs and Article IV consultations, the data ROSC, the FSAP/FSSA, and IMF technical assistance reports to Jordan. Analytical papers prepared by IMF staff on macroeconomic issues in Jordan, and papers and other publications from outside the IMF that address issues relevant to the evaluation will also be reviewed.

- *Interviews.* Interviews will be conducted with key participants in IMF program negotiations, providers and recipients of IMF technical assistance, and representatives of other agencies that have provided financial and technical assistance to Jordan. The purpose of these interviews will be to seek clarification on key issues arising from the desk review as well as to solicit views on key events and on aspects of program design and implementation.

- *A survey of a broad group of stakeholders.* We propose to conduct a survey of stakeholders using a standardized questionnaire to solicit their views and assessment of various aspects of IMF-Jordan relations. Representatives of the business community, civil society groups, academics, and donors will be among those targeted for the survey.

- *Statistical and econometric analyses.* We will undertake some quantitative analyses of the policy content and impact of programs, and also draw on relevant empirical literature.

VI. Timeline

The timeline for key outputs/events is as follows:

(1) Mission to Jordan from November 21 to December 3, 2004 to consult with a broad range of stakeholders.

(2) Submit report to the Evaluation Committee of the IMF Executive Board and to IMF Management by mid-March 2005.

(3) Executive Board discussion of the report is tentatively expected in April 2005.

Criteria Used in Selecting Jordan for the "One Country" Evaluation

The IEO work program for FY2005 indicated that the proposed country case study was intended to serve two main purposes: (i) provide an illustration of the scope for learning from a systematic *ex post* assessment of IMF operations in a country; and (ii) investigate in some detail what the case suggests about the IMF's recent approach to program design, including the structure and focus of conditionality.

Selection criteria that yielded a short-list of countries

In order to conduct a meaningful *ex post* assessment, the selected country had to be a prolonged- or near-prolonged user of IMF resources. For the purposes of this evaluation, this criterion was defined as having an IMF arrangement in place for at least 5 of the last 10 years (1994–2003).

Since the IEO recently completed an evaluation of PRSP/PRGF, we decided to focus on countries which are not eligible for the PRGF. Similarly, we decided to exclude capital account crises cases since the IEO has completed a report on the subject, and the recently published Argentina evaluation also falls in the same category.

Finally, in order to allow for an assessment of the extent to which policies and guidelines on program design and conditionality introduced in the early 2000s were being applied, the selected country needed to have a sufficiently recent IMF arrangement which had run its course. We defined "sufficiently recent" as either a three-year arrangement approved after 2000 or a shorter duration arrangement approved after 2001.

Application of the above criteria yielded four countries—Bulgaria, Croatia, Jordan, and Peru—as potential candidates for selection (Table A1).

Considerations that influenced the final choice

Bulgaria was excluded on the grounds that its currency board arrangement made it a "special" case with limited scope for drawing lessons which would be applicable to other countries. The final selection of the country for evaluation was then guided by two main considerations:

- The first consideration was the extent to which programs remained "on-track" as indicated by the completion of program reviews. This was to avoid selecting a case in which program interruptions dominated the country's relations with the IMF.

- The second consideration related to the structural conditionality content of programs, with a view to gauging the extent to which streamlining had occurred.

A review of the three remaining countries' IMF arrangements over the last 10 years revealed significant program interruptions for Croatia (1997–2000 EFF) and Peru (only one program review was completed between June 1999 and January 2002). In the case of Jordan, the majority of program reviews were completed, albeit with delays on several occasions. With respect to structural conditionality, Peru's arrangements (including two EFFs approved in 1996 and 1999) had no "hard" structural conditionality (i.e., prior actions or performance criteria), and thus would not allow much discussion of the extent to which structural conditionality had been streamlined.

On balance, Jordan seemed to us to provide the richest range of issues for evaluation. Furthermore, although not a major factor, the selection of Jordan brings a measure of geographical diversity to IEO case studies.

Table A1. Prolonged or Near-Prolonged Users of Fund Resources 1/
(Countries not eligible for the PRGF, and non-capital account crises cases)

Country	Department	Arrangement Months 2/	Sufficiently recent arrangement? 3/
Bulgaria	European	92	Yes
Croatia	European	79	Yes
Estonia	European	61	No
Gabon	African	70	No
Jordan	Middle East & Central Asia	114	Yes
Kazakhstan	European	100	No
Latvia	European	96	No
Lithuania	European	70	No
Panama	Western Hemisphere	76	No
Peru	Western Hemisphere	113	Yes
Romania	European	85	No
Ukraine	European	81	No

1/ Countries with IMF arrangements in place for five years (60 months) or more during 1994–2003.
2/ Number of months under IMF arrangements during 1994–2003.
3/ A sufficiently recent arrangement is one approved after 2000 for three year arrangements, or after 2001 for shorter duration arrangements, and whose programs had run their course.

Jordan: Selected Economic Indicators

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Real GDP growth (percent per annum)	-0.3	1.6	14.4	4.5	5.0	6.2	2.1	3.3	3.0	3.1	4.1	4.9	4.8	3.3
Export growth (percent per annum) 1/	21.5	2.8	7.2	7.8	6.7	16.5	6.5	-2.5	-0.7	-0.4	0.1	6.8	14.1	6.1
CPI Inflation (percent per annum; average)	16.2	8.2	4.0	3.3	3.6	2.4	6.5	3.0	3.1	0.6	0.7	1.8	1.8	2.3
Change in the external terms-of-trade (percent)	-11.5	11.0	2.0	-0.6	7.7	-20.9	-2.5	-0.7	-4.8	0.0	-6.7	-1.0	-1.5	-9.4
Export prices	19.1	11.3	-3.6	1.0	4.7	-40.7	6.4	-2.9	-5.6	-2.5	-4.4	1.3	0.4	0.2
Import prices	34.6	0.2	-5.6	1.6	-2.8	-25.1	9.1	-2.2	-0.8	-2.4	2.4	2.3	1.9	10.6
Central government balance (percent of GDP)	-6.2	-14.4	0.3	-0.5	-1.4	-3.9	-2.8	-2.5	-6.0	-3.5	-4.7	-3.6	-4.9	-1.1
Central government revenue & grants	37.2	35.2	37.9	34.8	32.6	34.4	33.6	31.5	30.4	31.0	30.1	30.4	30.0	35.6
Central government expenditure & net lending	43.4	49.7	37.6	35.3	34.0	38.3	36.4	34.0	36.3	34.5	34.8	34.0	34.9	36.6
Public debt outstanding (in percent of GDP)	208.1	198.5	143.1	134.1	133.5	112.8	109.8	101.4	109.8	106.8	92.2	96.2	99.0	99.6
External current account balance (percent of GDP)	-9.9	-9.7	-16.3	-11.5	-6.4	-3.8	-3.2	0.4	0.3	5.0	0.7	0.0	4.4	10.9
External Debt, Total outstanding at year-end														
In US$ billions	7.6	7.3	6.5	6.6	6.8	7.0	7.4	7.2	7.7	8.0	7.3	7.1	7.7	7.6
In percent of GDP	188.8	174.6	128.9	118.8	109.7	103.3	106.3	99.2	97.5	97.9	86.0	80.3	81.9	77.1
International reserves														
In US$ billions	0.2	0.8	0.8	0.6	0.4	0.4	0.7	1.7	1.1	2.0	2.7	2.6	3.5	4.7
Exchange rate, US dollars per Jordanian dinar	1.51	1.47	1.45	1.42	1.42	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41
NEER 2/	98.76	106.99	117.27	129.89	135.78	134.40	142.51	161.37	160.26	174.06	189.15	201.80	192.48	176.98
REER 3/	97.56	102.52	106.04	106.38	104.27	100.90	103.70	118.44	112.57	121.00	124.47	132.83	123.16	114.59

Source: IMF (WEO and INS) and IEO calculations.

1/ Based on US dollar value of exports of goods and services.
2/ Nominal effective exchange rate index; increase indicates appreciation (and vice versa).
3/ Real effective exchange rate index; increase indicates appreciation (and vice versa).

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