

JORDAN



COUNTRY ASSESSMENTS

HIGHLIGHTS

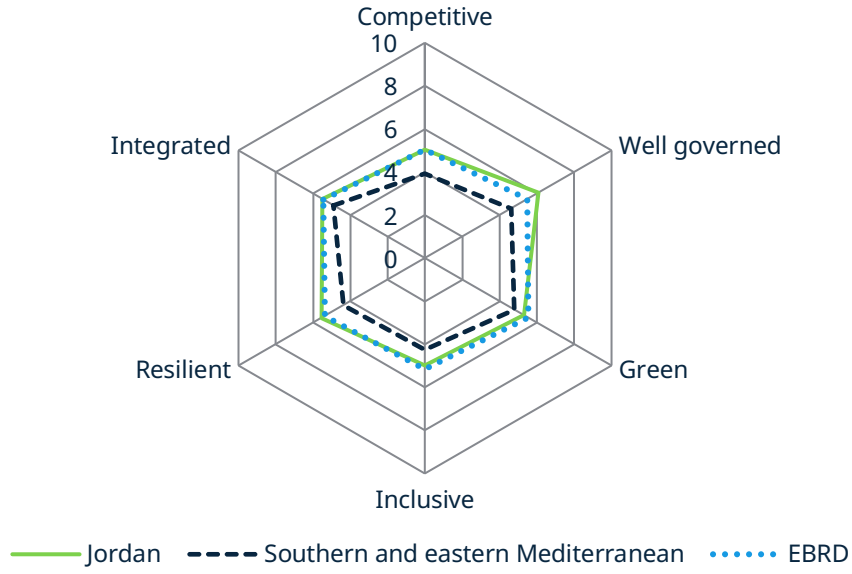
- **Economic growth held steady in 2025 and into early 2026, supported by a rebound in tourism, stronger remittances and improved agricultural and industrial performance.** The economy remained resilient in 2026, even as war in the region weighed on trade and energy costs, and the country was able to sustain fiscal and structural reform progress.
- **Reform momentum under the International Monetary Fund (IMF) programme and Economic Modernisation Vision remained strong in 2026.** IMF programme implementation is on track, despite external pressure due to the regional conflict. The government advanced work on social security and pension reforms, as well as amendments to investment regulations and the digitalisation of government services.
- **The government continues to improve the financial sustainability of the water and energy sectors.** Progress was made on reducing non-revenue water, in addition to updating long-term efficiency targets. In the energy sector, the government approved a new long-term strategy aimed at diversifying the energy mix and strengthening domestic supply.

For more information about country macroeconomic developments, please consult our latest Regional Economic Prospects report.

KEY PRIORITIES FOR 2027

- **Translate reform gains into stronger economic growth and job creation to address structural unemployment, especially among young people.** The second Executive Programme under the Economic Modernisation Vision clearly sets out government plans to attract needed investment, but developing concrete investment opportunities and effective implementation will be key.
- **Accelerate investment in critical water infrastructure to meet the needs of a growing population.** Jordan has developed an ambitious pipeline of water sector projects, including its flagship National Conveyance Project to address the country's acute water scarcity. Effective implementation, along with continued momentum on improving network efficiency, will help to alleviate financial and resource-related stress.
- **Diversify the energy mix to help withstand future shocks and reduce fiscal pressure.** The newly approved energy strategy provides a structured approach to long-term transition. Accelerating the rollout of additional renewable energy projects and storage capacity would make implementation more effective.

ASSESSMENT OF TRANSITION QUALITIES (1-10)



For more on reforms and transition qualities, see Chapter 5 of the Transition Report 2026-27.

KEY REFORMS AND POLICY DEVELOPMENTS[1]

Fiscal consolidation and debt sustainability

- Jordan met all the quantitative performance criteria for the end of 2025 and most of the indicative targets for the end of March 2026 under its IMF Extended Fund Facility. It completed all structural benchmarks for the fifth review, making progress on the business environment, market competition and labour-market flexibility. The authorities remain largely on track to reduce public debt (net of social security holdings) to 80 per cent of GDP by 2028.

1 From the fourth quarter of 2025 to October 2026.

- In March 2026 the cabinet submitted amendments to the Social Security Law to parliament, including a gradual rise in the normal retirement age, a tightening of early-retirement eligibility and a strengthening of the institutional independence and governance of the Social Security Corporation, the government agency that administers the social security system.

Economic modernisation and state-owned enterprise governance

- In March 2026 the cabinet approved Jordan's first State Ownership and Governance Policy, which aims to bring about a shift from fragmented to more centralised ownership. It empowers the Government Investment Management Company to manage the state-owned enterprise portfolio and expands Ministry of Finance monitoring to cover fiscal risks at state-owned firms.
- Jordan published its second Executive Programme (2026-29) under its Economic Modernisation Vision in January 2026, shifting focus from institutional foundation to large-scale investments and measurable gains in productivity, investment, exports and job creation.

US-Jordan reciprocal trade agreement

- Jordan and the United States of America signed an Agreement on Reciprocal Trade on 21 July 2026, updating their 2000 free trade agreement.
- The United States capped tariffs on Jordanian goods at 10 per cent. Jordan committed to eliminating digital-services taxes that affect US firms, building paperless customs processing within five years, banning imports of goods made with forced or compulsory labour within five years and deepening cooperation on export controls and investment security.

Investment climate and digital government

- The Investment Environment Regulation was amended in May 2026 to cut the incentive eligibility threshold for expansion projects, introduce conditional compliance licensing, extend incentives to creative industries and allow majority Jordanian-owned diaspora firms to register domestically.
- The digitalisation of government services has advanced under the Public Sector Modernisation Plan, with more than 85 per cent of services digitalised by June 2026. The Civil Status Law was amended in May 2026, granting digital identity full legal status (with over 2.6 million users as of August 2026).

Water and energy sector reforms

- Jordan is updating the water sector Financial Sustainability Roadmap for 2026-42, targeting full cost recovery by 2032. Meanwhile, non-revenue water fell to 41 per cent as of August 2026 (the target is 25 per cent by 2040) and a four-year performance-based management contract was signed for one of the country's three public water companies (Yarmouk Water Company) in February 2026.
- In May 2026 the cabinet approved the new Energy Sector Strategy 2025-35, targeting 40 per cent renewable electricity by 2035, commercial green hydrogen production by 2030, and expanded battery and pumped-storage capacity.

Green finance and taxonomy

- The cabinet approved Jordan's first National Green Taxonomy in February 2026, which aims to improve the identification, measurement and reporting of green projects and finance.

- In November 2025 the Central Bank of Jordan and the Jordan Loan Guarantee Corporation announced their Green Finance Guarantee Programme covering renewable energy, waste treatment and recycling, green building, energy efficiency, and sustainable agriculture and transport.