Responding to the Coronavirus Crisis
Update on Jordan (04/05/20)

Key short-term priorities
Diversify export destinations, routes and products; address water scarcity; facilitate private sector-generated jobs to alleviate poverty

EBRD Policy Comparator

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Economic channels of disruption
Tourism, trade, competitiveness
- Contraction in global tourism and trade, and an erosion of real competitiveness stemming from the strengthening of the dinar (in light of the peg to the US dollar) will adversely affect the economy.
- But lower cost of imported energy and increased finance provided to SMEs under various schemes from the Central Bank of Jordan will mitigate the impact.
- The government allowed 14 sectors to start working under certain conditions in April.

Selected crisis impact indicators
Amman stock market (ASE) 1,668 (March 16 2020) (down 9% YTD)

Crisis response measures to date
Tax postponement, social assistance and interest cuts
- JD150mn liquidity to enable the private sector to continue the production process with efficiency and revitalise the economy.
- Allocate up to JD30mn to the tourism sector and an additional JD5mn to support the post-crisis activities.
- JEDCO launched two programmes (JD0.68mn) for local SMEs in sectors directly affected by or involved in responding to the epidemic facing increased demand.
- JD10mn loan to farmers with zero interest and a grace period of five years and JD500mn Finance Facilitation Programme for SMEs with the guarantee of JLGC, later expanded to include larger firms.
- Allocate 50% of maternity insurance revenue (JD16mn) to the elderly and the sick.
- Pump additional liquidity to the banks of JD550mn by reducing the compulsory reserve ratio on deposits from 7% to 5%.

Selected crisis response indicators
Payment holidays for loans 3 months
Committed external assistance
WB: $20mn Emergency Response project to strengthen public health preparedness under the $6bn COVID-19 SPRP
IMF: $139mn under a new $1.3bn-EFF, COVID-adjusted
AFESD: $3mn grant for urgent necessities to combat virus
EU: €60.5mn aid package for Syrian refugees amid COVID-19

To learn more about EBRD’s support to Jordan visit: https://www.ebrd.com/jordan.html
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