



Jordan Debt Quarterly Report

NO. 16

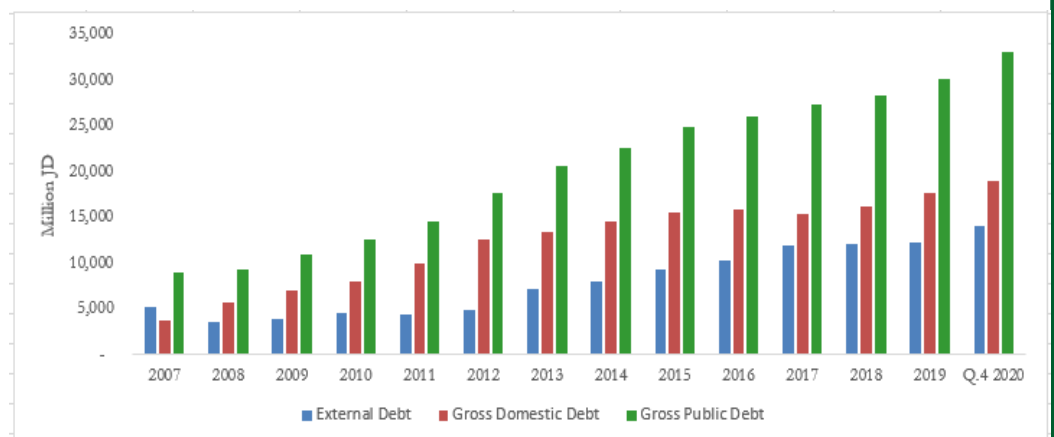
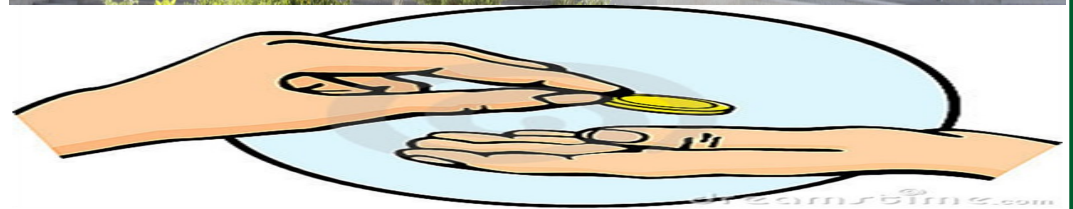
FORTH QUARTER 2020



The Hashemite Kingdom of Jordan Ministry of Finance Public Debt Department

INSIDE THIS ISSUE:

Debt outstanding	2
Debt Growth	3
Average Maturity of debt	3
Debt outstanding by remaining maturity.	4-5
• Domestic debt profile	
• External debt profile	
New borrowing	6
Projection debt service	7-8
Average interest rate of domestic bond issued	8
Actual Debt service of Public debt	9
General Government Debt	11



Definition and Abbreviations

- **Cash Basis** : Recording the transaction only when cash is actually received or paid.
- **Central government debt**: represents the existing balance of the domestic and foreign debts of the central government (within the budget and with independent budgets).
- **Domestic Debt** : The gross domestic debt of the Central Government (Budgetary and own Budget Agency) in Local Currency .
- **Domestic Net Financing (Budgetary)** : The total amount issuance of treasury bonds and bills minus the redemption of treasury bonds and bills.
- **External Debt** : The outstanding balance of the Central government (Budgetary and own Budget Agency) in Foreign Currency.
- **External Net Financing (Budgetary)** : The disbursed for budget supports and the amount of disbursed to finance the projects in the budget minus principal payments .
- **GAM**: Greater Amman Municipality.
- **General government debt**: represents the existing balance of domestic and foreign debts owed by the general government.
- **General government**: It is all the entities that have a significant influence on public financial policies and mainly carry out non-market, non-profit operations (Government Finance Statistics Manual 2014),.
- **Implicit Interest Rate**: Interest payments in percent of the end-of-period debt stock of the previous year out.
- **NEPCO** :National Electric Power Company .
- **Net domestic debt**: represents total domestic debt minus debt holding by Social Security Investment Fund and deposits with the banking system.
- **SSIF**: Social Security Investment Fund .
- **WAJ** : Water Authority of Jordan.

SPECIAL POINTS OF INTEREST:

- Debt outstanding excluding debt holding by Social Security Investment Fund (SSIF) to GDP was 85.4 % at end of Q.4 2020.
- Net debt excluding debt holding by SSIF to GDP at end of Q.4 2020 was 81.1% .
- External debt excluding debt holding by SSIF end of Q.4 2020 was 44.2% of GDP compared to 37.9% of GDP end of 2019.
- Net Domestic debt increased by 6.9% or JD 738 million at end of Q.4 2020.
- Net borrowing for National Electric Power Company (NEPCO) and Water Authority of Jordan (WAJ) was JD (84) million at end of Q.4 2020.(3)
- Guaranteed debt exclude debt holding by SSIF at end of Q.4 2020 was about JD 2.9 billion or 11.1% of total debt.
- Majority of guaranteed debt are for (NEPCO) &(WAJ).

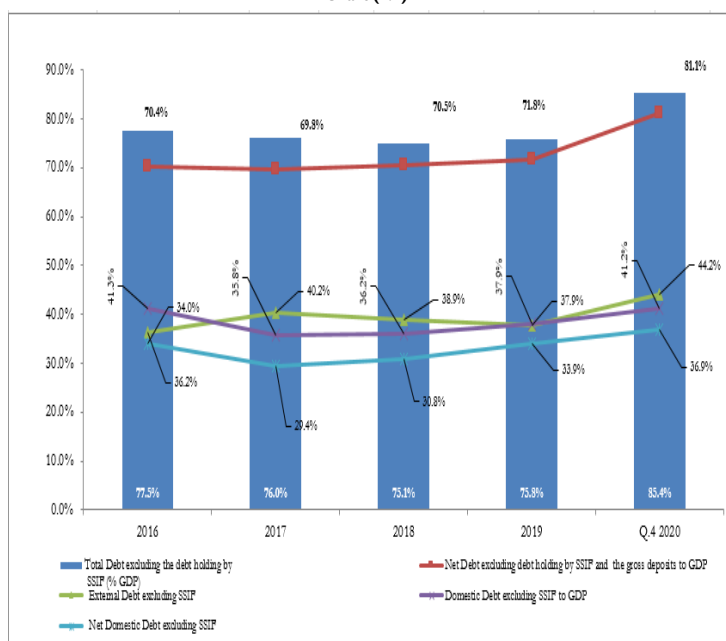
1) Debt outstanding

- By end of Q.4 of 2020, net debt outstanding excluding debt holding by SSIF and government deposits increase by 10.9% from its level at the end of 2019, reaching about JD 25163.2 million, and representing 81.1% of 2020 estimated Gross Domestic Product (GDP)
- Debt outstanding excluding debt holding by SSIF rose by 10.6% from its level at the end of 2019, reaching about JD 26499.3 million, and representing 85.4% of 2020 estimated (GDP) (2).
- External debt outstanding excluding debt holding by SSIF increased by 14.6%, reaching to JD 13715.2 million at the end of Q.4 2020, which represents increase in the percentage to GDP from 37.9% at the end of 2019 to 44.2% by the end of Q.4 2020.

In contrast net domestic debt balance increased by JD 738 or 6.9% reaching JD 11448 million at the same period, net domestic debt as percent of GDP was 36.9 % by the end of Q.4 2020 compared to 33.9% of GDP at the end of 2019.

- The increase of net domestic debt was a result of increasing in net outstanding of budgetary and guaranteed debt by JD 795.9 million and increase of government deposits by 57.9 million.

Chart (1.1)



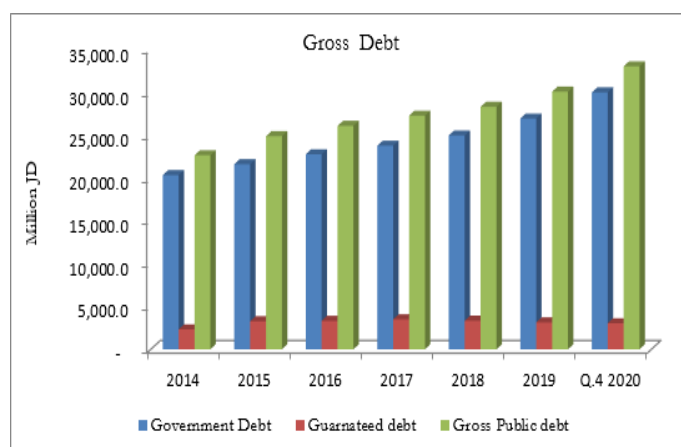
(1) Net debt = debt outstanding –All deposits hold by the Central government inclusive of money specified for projects –debt holding by SSIF.

(2) GDP for 2020 as of MOF module projection.

(3) () means negative value.

- The guaranteed debt (domestic & external) exclude SSIF holding decreased by JD 113.2 million at end of Q.4 2020 from its level at end of 2019 reaching about JD 2929 million.

Chart (1.2)



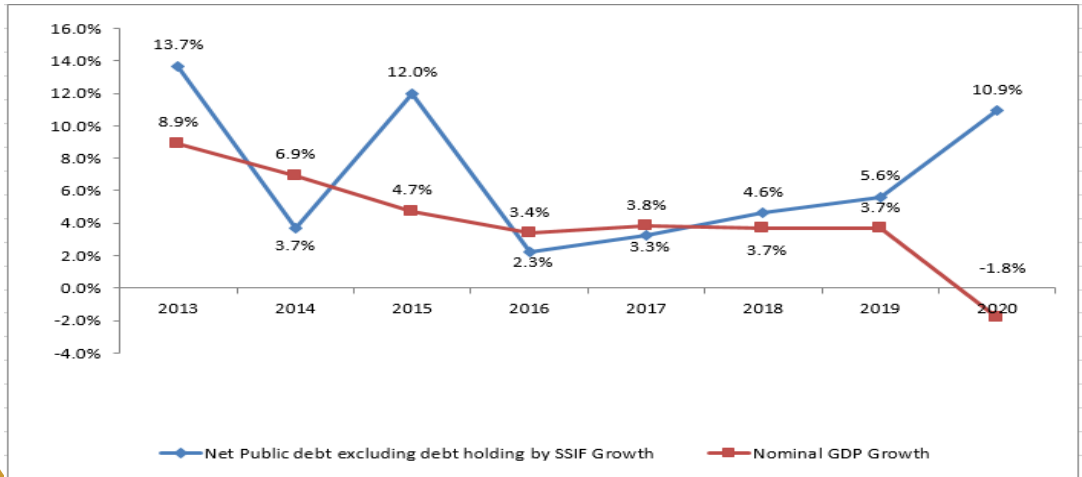
Public debt growth compared to GDP nominal Growth

Net Debt outstanding growth after excluding debt holding by SSIF end of Q.4 2020 was 10.9% compared to (1.8%) of Nominal GDP growth.

Net Public Debt growth increased from 2.3% in 2016 to 6.8% end of 2019.

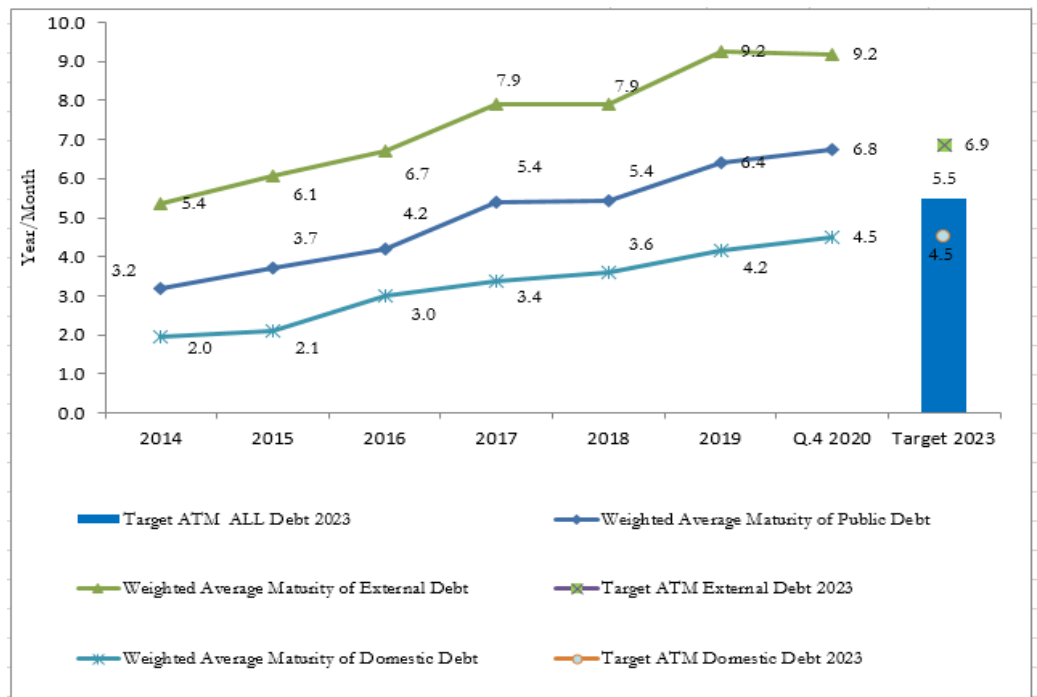
- Average maturity of domestic debt 4.5 years at end of Q.4 2020 compared to 4.2 years end of 2019.
- Average maturity of External debt 9.2 years end of Q.4 2020 compared to 9.2 years end of 2019.
- Average maturity of Gross debt 6.8 years at end of Q.4 2020.

Chart (1.3)



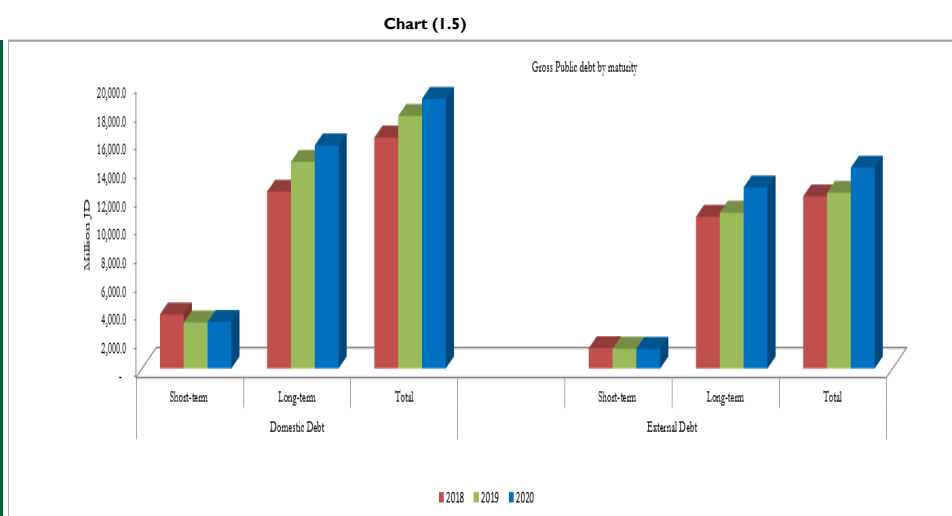
Average Maturity of Public Debt

Chart (1.4)



Debt outstanding by remaining maturity

- Short term of domestic debt represent 9.9% of Gross debt as at end of Q.4 2020 compared to 10.7% as end of 2019.
- Short term of external debt represent 4.2% of Gross debt as at end of Q.4 2020 compared to 4.6% as end of 2019.



*Short term: Debt maturity up to one year.

Domestic debt profile

Majority of Gross domestic debt 56.5% held by banking sector. T-Bills and Bonds account for about 85.6 % of Gross domestic debt.

Table (1.1)

	2016	2017	2018	2019	2020	% of Q.4 exclude SSIF	% of Q.4 include SSIF
Domestic debt of Debt excluding the debt holding by SSIF (A)	11,632.5	10,533.4	11,026.8	11,988.1	12,784.0	100.0%	100.0%
Budgetary Agencies	9,089.8	7,806.8	8,283.3	9,564.6	10,455.6	81.8%	87.1%
Treasury Bonds	8,163.0	7,308.9	7,721.3	8,988.7	10,005.5	78.3%	84.7%
Treasury Bills	475.0	145.0	285.0	300.0	175.0	1.4%	0.9%
Government Bonds	-	-	-	-	-	0.0%	0.0%
CBJ Bonds for overdraft settlement	160.0	80.0	-	-	-	0.0%	0.0%
CBJ Advance	271.7	271.7	271.7	271.7	271.7	2.1%	1.4%
Loans	-	-	-	-	-	0.0%	0.0%
Facilities	20.2	1.1	5.2	4.2	3.3	0.0%	0.0%
Own-Budget Agencies excluding the debt holding by SSIF	2,542.7	2,726.6	2,743.5	2,423.5	2,328.5	18.2%	12.9%
Bonds	487.3	552.0	510.5	467.4	467.4	3.7%	2.8%
Facilities & Loans	2,055.4	2,174.6	2,233.0	1,956.2	1,861.1	14.5%	10.1%
% of Gross Debt (By Holder\Source)	100%	100%	100%	100%	100%		
Banks	68.3%	61.7%	60.6%	59.2%	56.5%		
Non Banks	31.7%	38.3%	39.4%	40.8%	43.5%		
Banks Deposits (B)	2,013.3	1,833.5	1,407.7	1,278.1	1,336.0		
Budgetary Agencies; of which	1,816.4	1,506.0	1,134.9	999.6	1,133.0		
Treasury Account 1/ Own-Budget Agencies	(330.4)	(447.9)	(875.9)	(1,026.7)	(1,280.8)		
Own-Budget Agencies	196.9	327.5	272.8	278.5	203.0		
Net Debt (A-B)	9,619.2	8,699.9	9,619.1	10,710.0	11,448.0		
Debt holding by SSIF	4,161.2	4,918.7	5,428.3	5,749.9	6,149.7		

1/ Exclude government deposits within Treasury Single Account (TSA).

External Debt profile

External debt at end of Q.4 2020 was about JD 14098 million of which 53.7% loans and 46.3% Bonds compared to JD 12338 million of which 51.1% loans and 48.9% Bonds at end of 2019.

External debt end of 2014 was JD 8030 million of which 62.7% loans and 37.3% Bonds.

Official reserves to external debt reached to 61.2 % at end of Q.4 2020 compared to 69.9% end of 2019.

Short term of external debt to official reserves was 16.1% end of Q.4 2020 compared to 16.2% at the end of 2019.

External debt to export reached to 106.7% at end of 2019 compared to 112.8% end of 2018.

Chart (1.6)

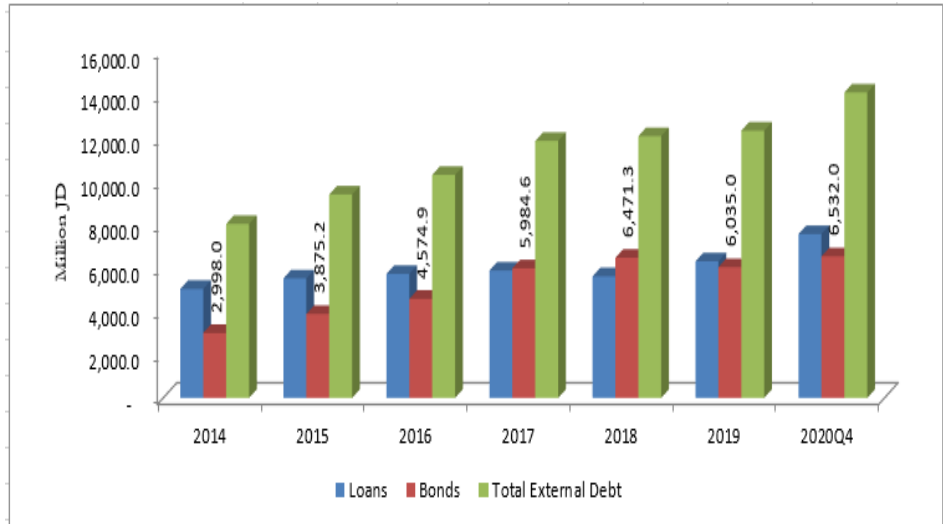


Chart (1.7)

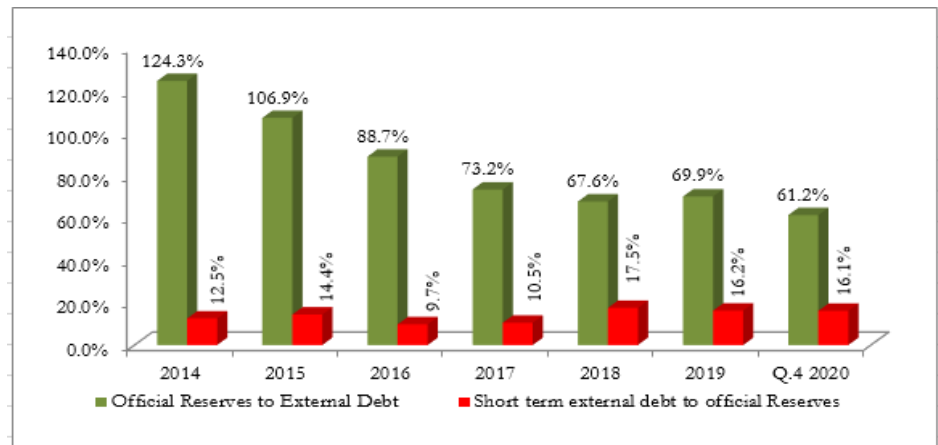
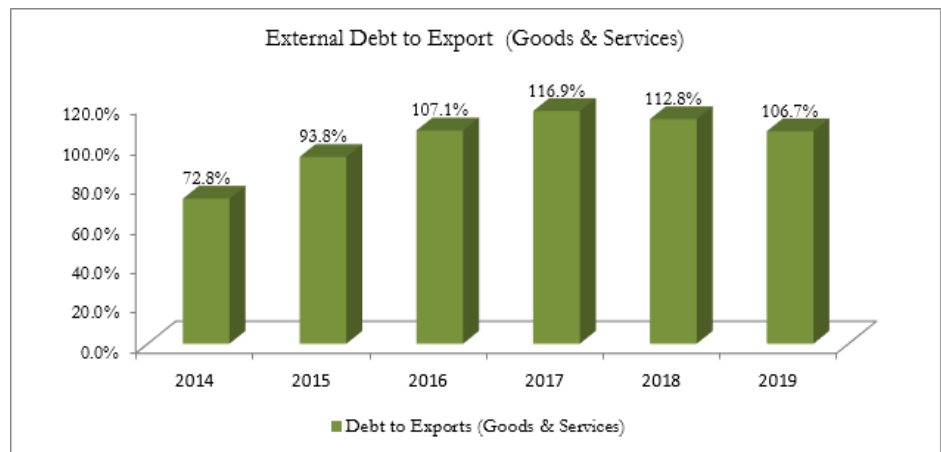
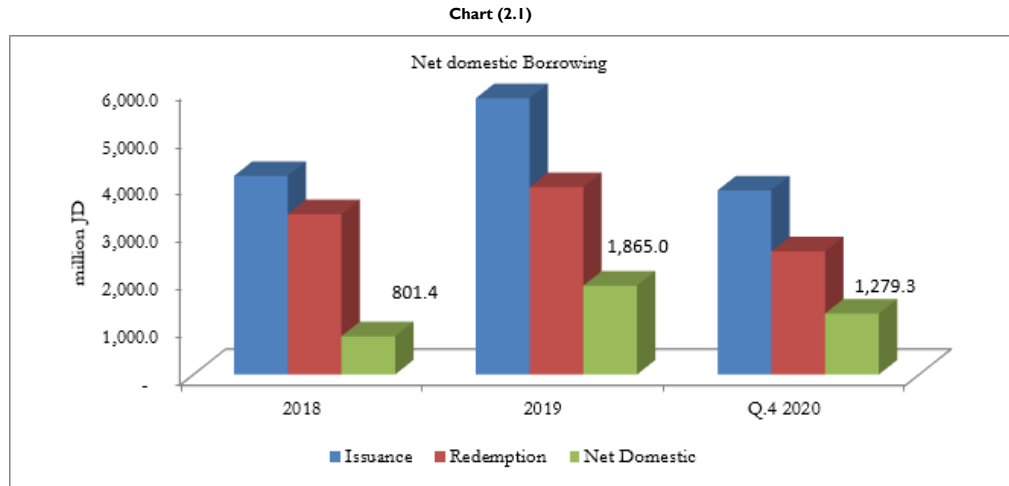


Chart (1.8)

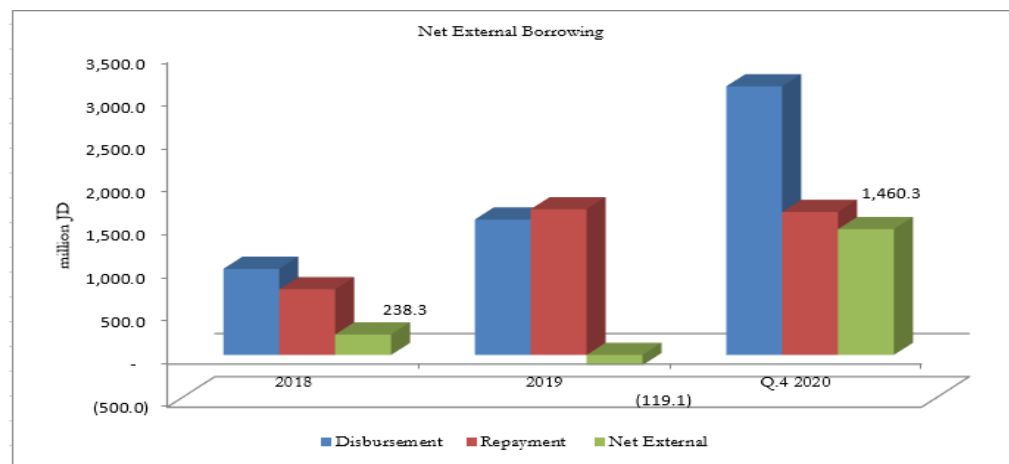


2) New Borrowing (For Budget Support)

1) Domestic Net borrowing at end of Q.4 2020 was JD 1279 million compared to JD 1865 million at end of 2019 and JD 801 million at end of 2018.

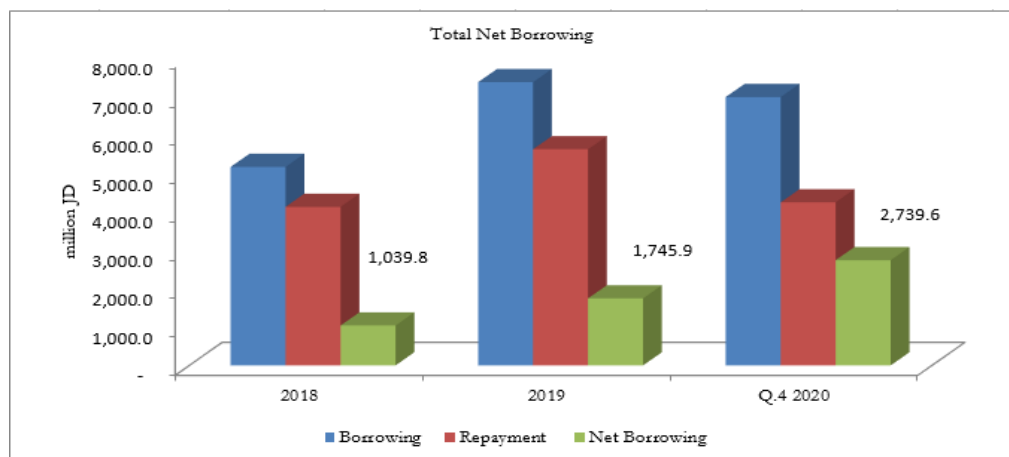


2) External Net borrowing at end of Q.4 2020 was JD 1460 million compared to JD (119) million at end of 2019 and JD 238 million at end of 2018. *



*(): means negative amount

3) Net of Borrowing (Domestic & External) end of Q.4 2020 was JD 2740 million compared to JD 1746 million at end of 2019 and JD 1040 million at end of 2018.



3) Debt service based on outstanding debt as at end of Q.4 2020

External Debt

Table (3.1)

JD million

	One year or less (months)				Over one year to two years (months)		Over two years	Total
	0-3	4-6	7-9	10-12	13-18	19-24		
Total	540.4	393.8	669.9	232.4	1,465.5	683.9	14,219.2	18,205.0
Principal	432.6	285.7	551.2	116.5	1,256.5	492.0	10,963.7	14,098.3
Interest	107.7	108.1	118.6	115.9	209.0	191.9	3,255.5	4,106.7
By Currency	540.4	393.8	669.9	232.4	1,465.5	683.9	14,219.2	18,205.0
U.S. Dollar	498.5	322.3	601.2	148.2	1,315.0	529.5	10,165.3	13,580.1
Principal	400.4	230.6	505.5	56.7	1,136.2	367.6	7,259.9	9,957.0
Interest	98.1	91.6	95.7	91.5	178.8	161.9	2,905.4	3,623.1
Special Drawing Right	19.4	6.7	19.2	11.2	42.0	41.8	820.8	961.1
Principal	15.5	4.2	15.5	8.6	36.0	36.1	785.1	900.9
Interest	3.9	2.5	3.7	2.6	6.0	5.8	35.6	60.1
Kuwaiti Dinar	1.2	1.9	27.3	17.7	28.7	28.0	675.3	780.1
Principal	0.0	0.0	12.4	8.4	19.4	19.2	550.2	609.6
Interest	1.2	1.9	14.9	9.2	9.2	8.8	125.1	170.5
Japanese Yen	9.8	22.9	9.7	12.9	25.3	25.1	596.0	701.7
Principal	8.3	20.5	8.3	10.6	21.8	21.8	551.7	642.9
Interest	1.5	2.5	1.4	2.3	3.5	3.3	44.3	58.8
Euro	8.0	32.9	8.4	35.0	41.5	46.7	1,661.7	1,834.3
Principal	6.2	24.4	6.7	25.8	32.1	36.6	1,553.3	1,685.1
Interest	1.8	8.5	1.7	9.3	9.4	10.1	108.4	149.2
Others	3.5	7.0	4.1	7.3	13.1	12.7	300.2	347.8
Principal	2.3	6.0	2.9	6.4	11.0	10.7	263.5	302.9
Interest	1.2	1.0	1.2	1.0	2.1	1.9	36.7	45.0

Table (3.2)

Yearly Basis

JD million

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total	3,384.5	3,519.0	2,494.2	1,912.2	1,298.7	2,633.8	749.5	915.4	1,134.3	1,027.9	113.2	309.2	297.2	572.3	849.7
Principal	2,566.3	2,811.0	1,900.0	1,400.0	850.0	2,239.3	475.0	681.4	950.0	896.7	-	200.0	200.0	500.0	825.0
Interest	818.2	708.1	594.2	512.2	448.7	394.5	274.5	234.0	184.3	131.2	113.2	109.2	97.2	72.3	24.7

3) Debt service (Central Government) based on outstanding debt as at end of Q.4 2020

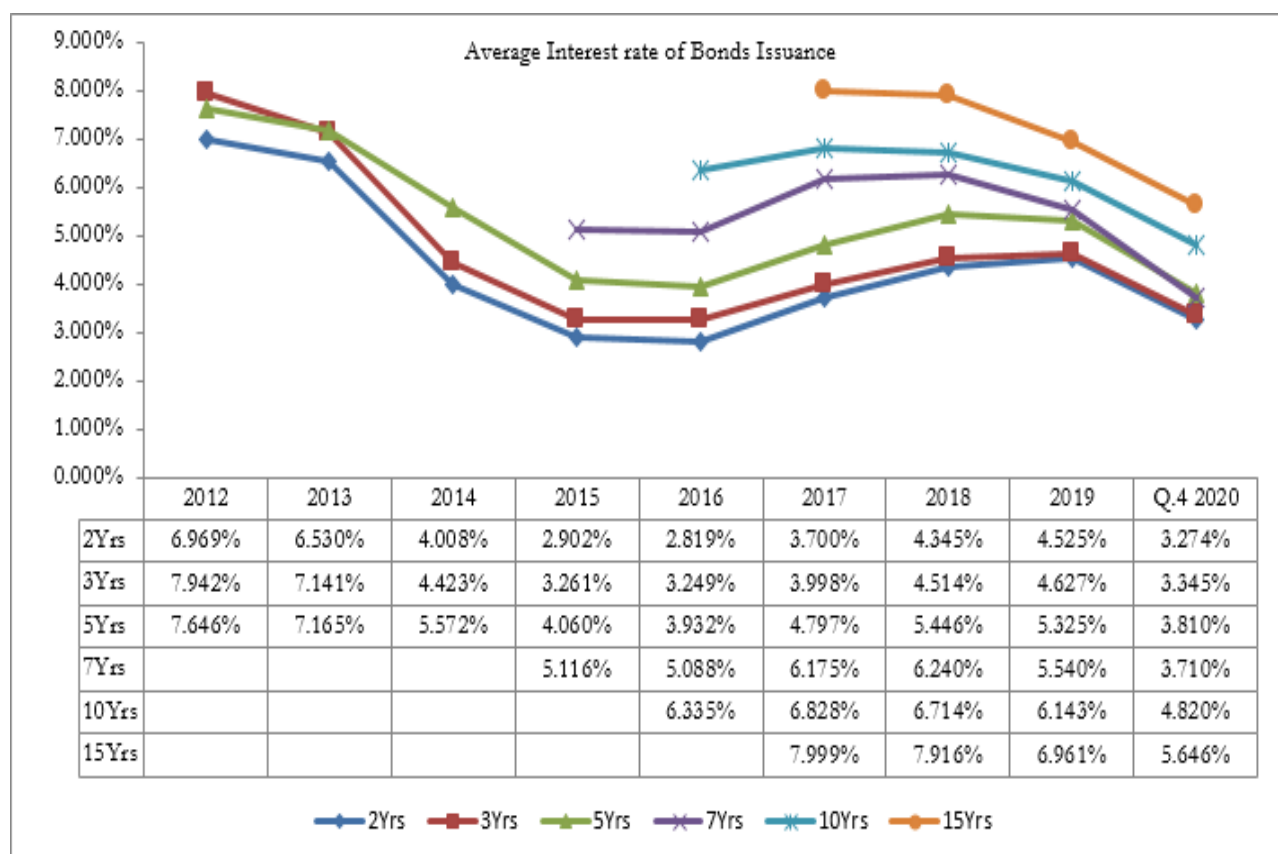
Domestic Debt

Table (3.3)

JD million		One year or less (months)				Over one year to two years (months)		Over two years	Total
		0-3	4-6	7-9	10-12	13-18	19-24		
Total		1,070.7	857.1	1,038.1	418.6	2,234.2	1,284.8	14,307.6	21,211.1
	Principal	828.3	675.0	813.0	250.0	1,861.0	950.0	11,117.3	16,494.6
	Interest	242.3	182.1	225.2	168.6	373.2	334.8	3,190.2	4,716.5

Average interest rate of Domestic Debt Bonds

Chart (3.1)



4) Actual Debt service

Table (4.1)

Million JD

	2014	2015	2016	2017	2018	2019	Q.4 2020
Public Debt Service domestic & External (Budget)							
Cash Basis							
Interest of External Debt (million JD)	175.7	204.5	213.3	268.8	356.9	404.3	396.2
Interest of Domestic Debt (million JD)	750.3	710.1	622.0	587.3	647.6	709.1	847.2
Total interest (million JD)	926.0	914.6	835.3	856.2	1,004.4	1,113.4	1,243.4
Principal of External Debt (million JD)	601.4	1,081.5	1,342.9	709.2	762.8	1,692.3	1,658.9
Total Public debt service (Budget) (million JD)	1,527.4	1,996.1	2,178.2	1,565.4	1,767.2	2,805.7	2,902.2
Total Debt Service to GDP	6.0%	7.4%	7.7%	5.3%	5.8%	8.9%	9.4%
Total interest to Total Revenues	12.7%	13.5%	11.8%	11.5%	12.8%	14.4%	17.7%
Total interest to Domestic Revenues	15.4%	15.5%	13.4%	12.7%	14.5%	16.0%	19.9%
Total Public debt service to Total Revenues	21.0%	29.4%	30.8%	21.1%	22.5%	36.2%	41.3%
Total Public debt service to Domestic Revenues	25.3%	33.8%	34.9%	23.3%	25.4%	40.3%	46.5%
External Debt Service (Budget and Guaranteed)							
Cash Basis (million JD)	906.4	1,462.5	1,670.5	1,179.7	1,300.1	2,146.2	2,083.8
Debt Service to GDP	3.6%	5.4%	6.0%	4.1%	4.3%	6.9%	6.7%
Debt Service to Exports (Goods & Services)	8.2%	14.6%	17.3%	11.7%	12.2%	18.6%	
Official Reserves to Debt Service	1,101.3%	686.1%	546.8%	736.4%	628.4%	402.1%	414.0%
Implicit Interest Rate	2.8%	2.9%	2.5%	2.8%	3.2%	3.5%	3.3%

5) General Government Debt

Table (5.1)

Preliminarily

Million JD

	2015	2016	2017	2018	2019	2020
General Government Debt of which:	17,806	18,036	18,184	18,862	20,008	22,659
Budget debt	20,725	21,702	22,520	23,697	25,509	28,497
Debt Securities	16,218	17,267	18,158	19,536	20,252	22,752
loans	4,507	4,435	4,362	4,161	5,257	5,745
Greater Amman Municipality (GAM)	283	300	334	402	464	510
Debt Securities	-	-	-	-	-	-
loans	283	300	334	402	464	510
Municipality Debt	74	96	105	61	62	83
Debt Securities	-	-	-	-	-	-
loans	74	96	105	61	62	83
Guaranteed debt	50	44	36	24	13	11
Debt Securities	41	31	21	10	0	0
loans	9	13	15	14	13	11
Debt holding by SSIF	(3,326)	(4,106)	(4,810)	(5,322)	(6,039)	(6,442)
Debt Securities	(3,292)	(4,076)	(4,784)	(5,299)	(6,019)	(6,422)
loans	(34)	(30)	(26)	(23)	(20)	(20)
Memorandum items	2015	2016	2017	2018	2019	2020
	% of GDP					
General Government Debt	65.0%	63.7%	61.8%	61.9%	63.3%	73.0%
Budget Debt excluding debt holding by SSIF	63.5%	62.1%	60.2%	60.3%	61.6%	71.1%
Greater Amman Municipality Debt	1.0%	1.1%	1.1%	1.3%	1.5%	1.6%
Municipality Debt	0.3%	0.3%	0.4%	0.2%	0.2%	0.3%
Guaranteed debt	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%
Arrears Securitized debt stock (JD million)	-	-	-	-	692	756
General Government Debt including Arrears Securitized debt stock % of GDP	65.0%	63.7%	61.8%	61.9%	65.5%	75.5%



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Vision of MOF

Distinguished financial management at the regional level that contributes to enhancing financial and economic stability in the Kingdom and well-being of citizens

Mission of MOF

Improving public finance management mechanisms and the quality of rendered services through modernization of financial legislations and implementation of international best practices building on the accumulated knowledge and highly qualified human resources

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Loyalty: Feeling responsible and committed to the ministry, employees, and clients.

Sustainable Development: Continuous capacity building and improvement of manpower.

Transparency and Disclosure: Exchange and simplifying information with the highest professional means and transparency
Robust Planning: Realistic planning based on result-oriented and measurable indicators .

Excellence: Excellence in providing services according to international standards.

Teamwork: Work and participate at all levels to ensure the achievement of national goals

