

**The Hashemite Kingdom of Jordan  
Department of Statistics**

**Preliminary estimates of the Gross Domestic  
Product (GDP) for 2006 (and a summary of the economic situation)  
Department of Statistics  
March 2006**

The Department of Statistics (DOS) has released the preliminary quarterly estimates of the Gross Domestic Product (GDP) based on short term macro economic indicators covering all economic activities. It provides important information on the economy in the short run.

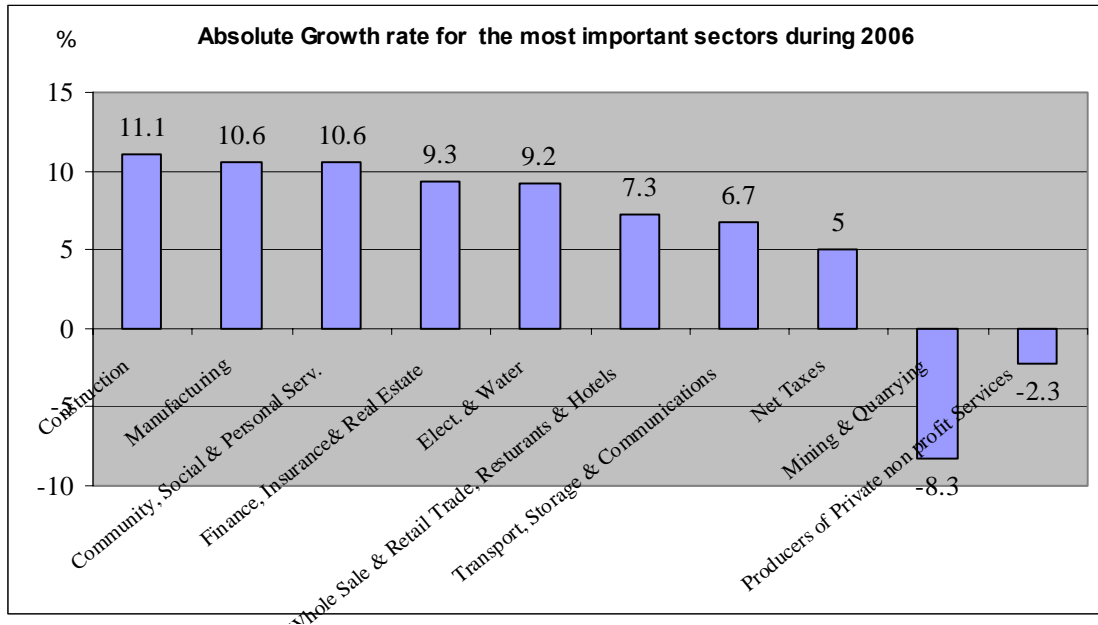
By the end of 2006, the picture has become clear regarding the annual estimates for that year. The following analytical report sheds light on the developments of the Gross Domestic Product for 2006 compared to 2005 and the fourth quarter of these years, in addition to a summary of the economic situation for 2006.

**6.4% the Growth of the Gross Domestic Product for 2006 as compared to 2005.**

The preliminary estimates indicate that the Gross Domestic Product (GDP) for 2006 has risen by 6.4% at constant prices as compared to 2005, while the growth rate at current market prices was 12.2% amounting to JD 10108.5 million in 2006 in comparison to JD 9012.2 million in 2005. Therefore, the inflation rate measured by the percentage change in the Gross Domestic Product Deflator, reached 5.4% in 2006.

The majority of the economic activities have witnessed growth at varying rates. The highest was in the construction sector followed by the manufacturing sector, the personal and social services sector, the financial, insurance and business services sector, the water and electricity sector, and the transport and communications sector. Other sectors achieved lower growth at different proportions except for the quarrying sector and the activity of producers of private non-profit services to households which has registered a decline in their growth during 2006.

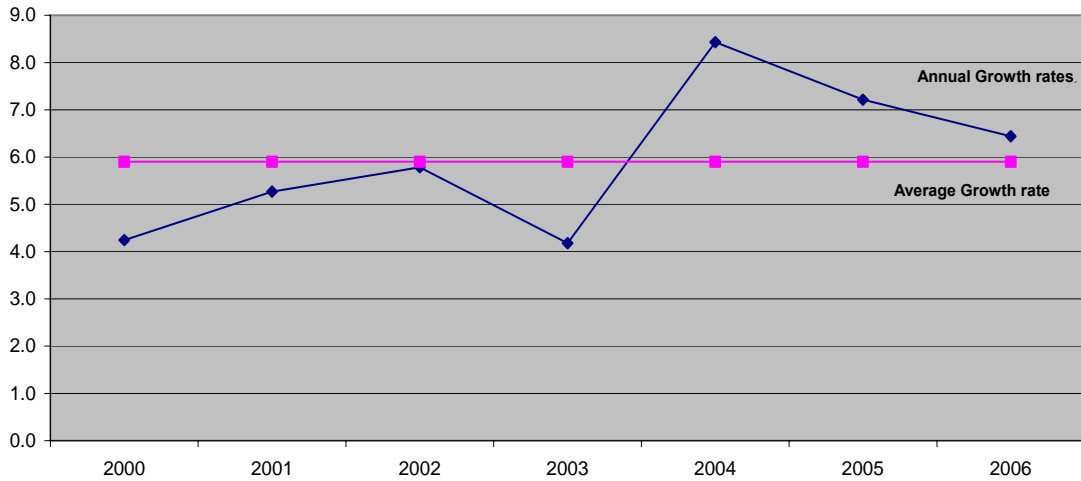
The following diagram shows the most important sectors that witnessed growth during 2006



### Summary of the economic situation

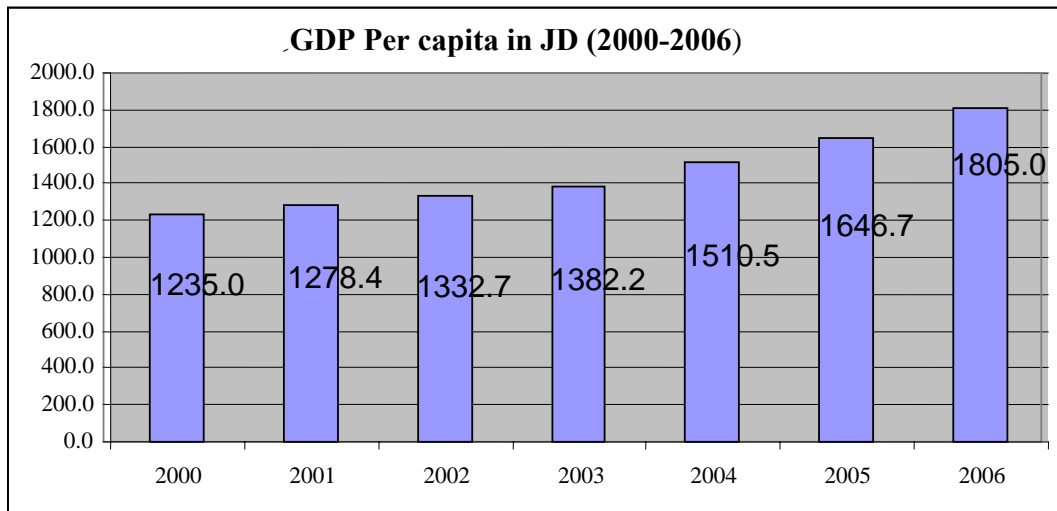
The period 2000-2006 has witnessed an average economic growth of 5.9%, the lowest was 4.2% in the year 2000 while the highest was 8.4% in 2004. Growth has slowed to 7.2% in 2005, while in 2006 this slow tendency has continued and was stable at 6.4%. The following diagram shows that the annual growth rates for the years 2000-2006 around the period average.

The annual growth rate for the years 2000-2006 and the average rate for that period



Considering the average Gross Domestic Product Per Capita, it is noticed that it has witnessed an increase during the years 2000 and 2006. It has gradually risen from JD 1235 in the year 2000 to JD1805 in 2006, increasing by 46.2% in that period.

The following diagram shows the average Gross Domestic Product Per Capita for previous years.



Meanwhile, the inflation rate measured by relative change in the Consumer Price Index was 6.3% in 2006 as compared to 3.5% in the year 2005. On the other hand, the unemployment rate in 2006 has retreated to 14.0% as compared to 14.8% in 2005.

The proportion of the national exports to the Gross Domestic Product, has constituted 28.9% in 2006 (as compared to 28.5% in 2005), while the value of imports in proportion to the value of the Gross Domestic Product was 80.7% (as compared to 82.6% in 2005). As a result, the deficit in the balance of trade to the Gross Domestic Product was 44.3% in 2006 (as compared to 48.7% in 2005).

On the other hand, the deficit in the budget after calculating the foreign aids valued at JD 443.6 million in 2006 and constituted 4.4% of the Gross Domestic Product at current prices as compared to 5.3% in 2005. The proportion of the domestic and external debt to the (GDP) has retreated from 83.5% in 2005 to 72.7% in 2006.

<b>Economic Indicator</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Growth Rate	4.2	5.3	5.8	4.2	8.4	7.2	6.4
Inflation Rate	0.7	1.8	1.8	1.6	3.4	3.5	6.3
Unemployment Rate	13.7	14.7	15.3	14.5	12.5	14.8	14.0
Percentage of National Exports to GDP	18.0	21.3	22.9	22.8	28.5	28.5	28.9
Percentage of Imports to GDP	54.3	54.3	53.0	56.3	71.8	82.6	80.7
Percentage of Trade Deficit to the GDP	31.9	28.7	24.1	26.8	37.7	48.7	44.3
Percentage of Budget Deficit to GDP	3.4	3.5	3.2	2.7	2.8	5.3	4.4
Percentage of Domestic and Foreign Debt to the GDP	104.7	100.1	103.1	99.7	92.0	83.5	72.7

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