

Steadfast Stability in a Volatile Environment: A Reading of the Resilience of the Jordanian Economy

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In light of accelerating developments and rising geopolitical tensions witnessed across the region, the challenges facing the economies of the area are intensifying, particularly amid the persistent uncertainty surrounding energy markets, supply chain disruptions, and the repercussions of prolonged regional conflicts. By virtue of its openness and its close interconnection with its surroundings, the Jordanian economy lies at the heart of these shifting dynamics—a reality that demands a high degree of preparedness in economic policy and a sustained capacity to adapt to emerging developments.

Within this context, the national response over the recent period has reflected an advanced level of coordination and readiness. The Central Bank of Jordan, in cooperation with various government agencies, has moved swiftly to adopt a package of proactive measures aimed at strengthening the resilience of the national economy and containing the impact of regional developments. This is a consistent approach that the Central Bank and the various government bodies have followed in confronting shocks and challenges, with the goal of reinforcing the resilience and durability of the national economy.

Accordingly, the Central Bank launched a comprehensive precautionary program valued at approximately JOD 760 million. The program included the introduction of concessional financing schemes to support vital sectors, particularly the tourism sector, which is among the sectors most affected by regional tensions. Credit facilities have been provided on concessional terms, with the government bearing the financing costs, thereby ensuring business continuity and the preservation of jobs. In addition, dedicated financing has been allocated to bolster food security, helping to secure the Kingdom's needs of essential commodities amid global challenges. The Central Bank also reduced the mandatory reserve ratio on current and demand deposits and has gradually scaled down the balance of certificates of deposit. These measures have contributed to reinjecting substantial liquidity into the economy and providing banks with additional capacity to lend and to finance economic activity a step that reflects a proactive approach to risk management, grounded in strengthening institutional resilience and preparedness for various potential scenarios.

In parallel, the government's response during the recent period of escalation has demonstrated a high degree of readiness and flexibility in managing economic risks. The government moved promptly to adopt precautionary measures aimed at safeguarding economic stability and reinforcing the resilience of vital sectors.

These measures included the activation of contingency plans to ensure the continuity of energy and essential commodity supplies, the strengthening of strategic reserves, and the provision of direct and indirect support to the most affected sectors particularly tourism and transportation. The government has also worked to intensify coordination with the Central Bank to ensure the integration of fiscal and monetary policies, including the provision of support programs and concessional financing, and the easing of certain operational burdens on affected economic activities, thereby achieving a balance between economic stability and fiscal sustainability.

Despite these challenges, the Jordanian economy has demonstrated a clear capacity for adaptation and resilience, drawing upon prudent economic, fiscal, and monetary policies and effective risk management. The Economic Modernization Vision has contributed significantly to consolidating this trajectory, serving as a comprehensive national roadmap aimed at strengthening the resilience of the macroeconomy, accelerating the pace of sustainable growth, stimulating investment, and enhancing competitiveness and, by extension, developing the Jordanian economy's capacity to confront regional and international shocks and shifts. Economic indicators continue to affirm the soundness of these policies, including comfortable levels of foreign reserves, the stability of inflation rates, and the sustained confidence in the Jordanian dinar.

Within this framework, the Jordanian banking sector stands out as one of the most important pillars of economic stability. It enjoys robust capital levels, ample liquidity, and high-quality assets, alongside its compliance with advanced regulatory requirements aligned with the highest international standards. Jordanian banks have proven their capacity to withstand shocks, maintain the confidence of depositors and investors, and continue performing their vital role in financing economic activity and supporting growth.

The banking sector also continues to enhance its operational and technological capabilities, while strengthening its role in digital transformation and sustainable finance, in line with global trends and the requirements of the coming stage. Its role has not been confined to the financial sphere; rather, it has extended to active contributions in national initiatives and to the support of developmental and social efforts, thereby reinforcing its standing as a strategic partner in the realization of comprehensive development.

In conclusion, despite the complexities of the regional landscape, confidence remains firmly anchored in the capacity of the Jordanian economy to adapt and endure drawing upon strong foundations of stability and prudent policymaking, and upon a genuine partnership between the public and private sectors. The Jordanian banking sector will remain, as we have always known it, a safety valve for the national economy, a steadfast bulwark in the face of challenges, and a principal engine of the Kingdom's journey of growth and stability.