

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-JORDON BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Hashemite Kingdom of Jordan is an almost land-locked state in western Asia. It is bordered by Israel and the emerging Palestinian autonomous areas to the west, by Syria to the north, by Iraq to the east and by Saudi Arabia to the south. The port of Aqaba, in the far south, gives Jordan a narrow outlet to the Red Sea. A 46-year-old formal state of hostilities with Israel was brought to an end by a peace agreement on 26 Oct. 1994. Jordan is a member of the UN, WTO, IOM, OIC and the Arab League.

2. Jordan is classified by the World Bank as a lower middle income country. The World Food Programme classified Jordan's economy as upper-middle income, as well as being poor in resources with limited land for agriculture. Approximately 15.7% of the population lives below the national poverty line as of 2018, while almost a third fell below the national poverty line during some time of the year, known as transient poverty. As per IMF Executive Board Concludes 2024 Article IV Consultation and Second Review Under the Extended Fund Facility December 13, 2024, Jordan continues to show resilience and maintain macro-economic stability, despite the headwinds caused by the regional conflict and the heightened uncertainty. Jordan's economy continues to grow, and inflation is low. This resilience is the result of the authorities' continued pursuit of sound macro-economic policies and reform progress over the past several years, as well as sizable international support. Reflecting the authorities' commitment to sound policies, performance under Jordan's IMF-supported program remains strong. All quantitative performance criteria and structural benchmarks for the second program review were met and steady progress is made toward achieving the program's overall objectives.

A snapshot of Jordan's select economic indicators is as under. TABLE – 1

Jordan: Selected Economic Indicators, 2023–25				
	2023	2024	2025	
		Est.	Proj.	
Output and Prices				
Real GDP growth	2.7	2.3	2.5	
GDP deflator	1.8	2.1	3.3	
Nominal GDP (JD billions)	36.2	37.8	39.7	
Inflation 1/	2.1	1.7	2.2	
Unemployment	22.0	
Government Finances (in percent of GDP)				
Central government fiscal operations				
Revenue and grants 2/	25.3	24.4	25.6	
<i>Of which: grants</i>	2.0	1.9	1.9	
Expenditures 2/	30.4	31.0	31.3	
Overall central government balance	-5.1	-6.5	-5.7	
Central government primary balance (exc. grants, NEPCO and WAJ)	-2.7	-2.9	-2.0	
Electricity company (NEPCO) losses				
Combined public sector balance 3/	-4.5	-4.8	-3.6	
Government gross debt 4/	113.8	115.0	116.1	
Government gross debt, net of SSC holdings of government debt 4/	89.2	90.5	89.9	
Money and Credit				
Broad money (percent change)	2.3	4.4	4.9	

Credit to the private sector (percent change)	1.7	3.4	4.8
Balance of payments			
Current account (in percent of GDP)	-3.7	-4.3	-4.5
FDI (in percent of GDP)	1.5	1.5	2.0
Gross reserves (in months of imports)	7.2	7.2	6.8
In percent of Reserve Adequacy Metric	104	103	101
Sources: Jordanian authorities; and Fund staff estimates and projections.			
1/ Consumer Price Index (annual average).			
2/ Includes the programmed amount of fiscal measures that are needed to meet fiscal targets.			
3/ Sum of the primary central government balance (exc. grants and net transfers to NEPCO-electricity company and WAJ-water company) and the net loss of NEPCO, WAJ and water sector distribution companies.			
4/ Government's direct and guaranteed debt (including NEPCO and WAJ debt). SSC stands for Social Security Corporation.			

Source: Jordan—IMF Executive Board Concludes 2024 Article IV Consultation and Second Review Under the Extended Fund Facility December 13, 2024.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Jordan are United States, India, Saudi Arabia, Indonesia and Iraq. On the other hand five major import partners of Jordan are China, Saudi Arabia, United Arab Emirates, United States and India. Major five exported goods of Jordan are (i) Garments of other textiles, knitted or crochete, (ii) Mineral or chemical fertilizers, potassic, nes, (iii) Unground natural calcium phosphates, aluminium, (iv) Art. of jewellery and pts thereof of/o prec mtl and (v) Phosphoric acid and polyphosphoric acids. On the other hand major five imported goods of Jordan are (i) Petroleum oils, etc, (excl. crude); preparation (ii) Gold in unwrought forms non-monetary, (iii) Petroleum oils and oils obtained from bituminous, (iv) Automobiles nes including gas turbine powered and (v) Gold in oth semi-manufactured forms, non-monetar.

4. Jordan's total exports globally in 2019 were of the order of US\$ 8,313 million. It had scaled upto US\$ 12,590 million in 2023. Exports from Jordan had steeply increased by 36.58% in the year 2022 followed by another 1.49% decrease in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 10.93%.

5. Jordan's total imports from the world in 2019 were of the order of US\$ 19,337 million and had touched US\$ 25,708 million mark in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 7.38%.

6. It has been seen that Jordan has an overall Balance of Trade deficit in 2019 and 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 8.49%.

A snapshot of Jordan's overall Trade Statistics is presented in Table 2 and Figure 1.

A snapshot of India's merchandise trade statistics w.r.t. Jordan is presented in Table 3 Figure 2

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. The Republic of India and the Hashemite Kingdom of Jordan signed their first bilateral agreement for cooperation and friendly relations in 1947. The agreement was formalized in 1950, when India became a republic, and full diplomatic relations were established between the two countries. India is Jordan's 4th largest trade partner after Iraq, Saudi Arabia and China. Trade between India and Jordan is governed by a 1976 bilateral agreement. Jordan ranked 47th as an export destination of India in FY 2023-24. India had exported to Jordan almost 0.36% of its total export value in FY2023-24. In the same financial year imports from Jordan was 0.21% of India's total import value. Jordan was the 49th largest import partner of India in FY 2023-24. Almost 0.26% of India's total international trade value of goods was between India and Jordan as has been recorded in DGCI&S data base for FY 2023-24.

8. Indo- Jordan total volume of bilateral trade in FY 2019-20 was of the order of US\$ 2,025.32 million. It had scaled to US\$ 2,875.90 million in FY 2023-24. The annual compound growth rate of total volume comprising both exports and imports during the period from 2019-20 to 2023-24 had been of the order of 9.16%.

9. It is seen from the available figures that between 2019-20 and 2022-23, India has had a deficit Balance of Trade with Jordan. Exports from India to Jordan increased steeply by 141.08% in FY2022-23 and declined by 34.33% in 2020-21. The annual average compound rate of growth of Exports was 11.13% during the period 2019-20 to 2023-24. On the other hand, imports from Jordan to India increased by 71.48% in FY 2021-22 just after the pandemic hit year and declined by 38.41 in 2023-24. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was negative at -7.29%.

10. Additionally, from Tables 4 & 5 presented below the following are stated:

a. (i) **Petroleum Products**, (ii) **Rice-Basmati** and (iii) **Buffalo Meat** had occupied the top three slots in India's exports to Jordan in FY 2023-24. **Petroleum Products** had occupied the bulk 51.06% share of India's total exports to Jordan in FY2023-24.

b. (i) **Inorganic Chemicals** (ii) **Fertilizers Crude** and (iii) **Fertilizers Manufactured** were the three major commodities in India's imports list from Jordan in the year 2023-24. India had imported a significant amount of **Inorganic Chemicals** from Jordan with a share of 41.39% of total imports from Jordan recorded in 2023-24.

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TABLE - 2
JORDON'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2019 - 2023

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	8313		19337		27,650		-11024
2020	7943	-4.45	17007	-12.05	24,950	-9.76	-9064
2021	9357	17.80	21542	26.67	30,899	23.84	-12185
2022	12780	36.58	27364	27.03	40,144	29.92	-14584
2023	12590	-1.49	25708	-6.05	38,298	-4.60	-13118

Annual Growth Rate	Compound	10.93	7.38	8.49
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NOTE : Figures relate to calendar year (January to December)

SOURCE: UN COMTRADE PUBLICATION

Figure - 1

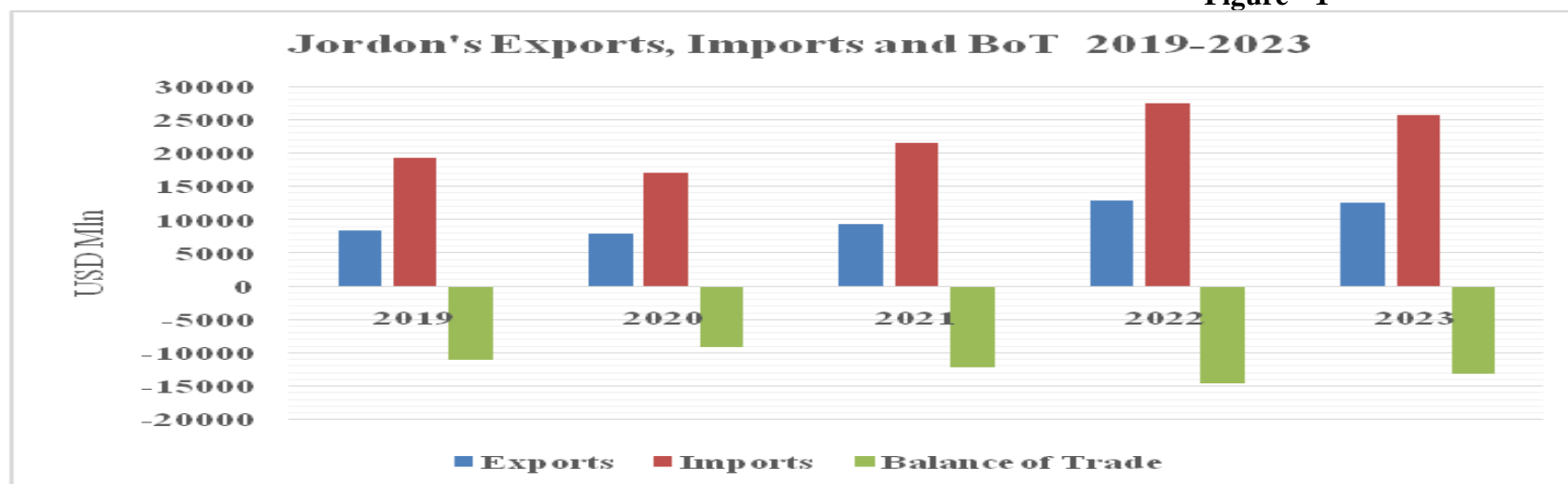


TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO JORDON
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
1	Petroleum Products	439.67	166.34	200.63	1230.89	748.14	-62.17	20.61	513.51	-39.22
	Share in total export	45.77	26.37	22.56	57.41	51.06				
2	Rice-Basmoti	67.25	62.94	57.15	116.06	82.93	-6.41	-9.20	103.08	-28.55
	Share in total export	7.00	9.98	6.43	5.41	5.66				
3	Buffalo Meat	31.50	37.81	66.94	83.45	80.52	20.03	77.04	24.66	-3.51
	Share in total export	3.28	5.99	7.53	3.89	5.50				
4	Drugs, Formulations Biologicals	12.59	15.88	20.82	27.66	48.88	26.13	31.11	32.85	76.72
	Share in total export	1.31	2.52	2.34	1.29	3.34				
5	Coffee	21.14	32.10	55.60	51.59	43.68	51.86	73.19	-7.21	-15.33
	Share in total export	2.20	5.09	6.25	2.41	2.98				
6	Bulk Drugs, Drugs Intermediates	23.16	25.98	26.67	39.82	40.81	12.18	2.66	49.31	2.49
	Share in total export	2.41	4.12	3.00	1.86	2.79				
7	Motor Vehicle/Cars	32.84	12.20	17.65	37.77	39.49	-62.85	44.67	113.99	4.55
	Share in total export	3.42	1.93	1.98	1.76	2.70				
8	Cotton Yarn	4.84	0.06	8.96	13.20	24.30	-98.76	14833.33	47.32	84.09
	Share in total export	0.50	0.01	1.01	0.62	1.66				
9	Residual Cemical And Alled. Products	61.81	18.75	16.21	21.58	22.46	-69.67	-13.55	33.13	4.08
	Share in total export	6.43	2.97	1.82	1.01	1.53				
10	Tobacco Unmanufactured	5.14	3.32	5.67	15.57	21.95	-35.41	70.78	174.60	40.98
	Share in total export	0.54	0.53	0.64	0.73	1.50				
	Total export to JORDON	960.66	630.89	889.27	2143.85	1465.27	-34.33	40.95	141.08	-31.65

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM JORDON
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
1	Inorganic Chemicals	444.65	451.21	711.70	1055.99	583.93	1.48	57.73	48.38	-44.70
	Share in total imports	41.76	42.35	38.95	46.11	41.39				
2	Fertilizers Crude	331.12	287.74	586.82	747.63	490.62	-13.10	103.94	27.40	-34.38
	Share in total imports	31.10	27.00	32.12	32.64	34.78				
3	Fertilizers Manufactured	258.14	285.96	351.50	403.21	267.49	10.78	22.92	14.71	-33.66
	Share in total imports.	24.25	26.84	19.24	17.60	18.96				
4	Aluminium, Products Made Of Almm.	10.44	10.36	19.68	15.82	17.95	-0.77	89.96	-19.61	13.46
	Share in total import	0.98	0.97	1.08	0.69	1.27				
5	Paper, Paper Board And Products	6.08	11.00	37.99	32.75	16.81	80.92	245.36	-13.79	-48.67
	Share in total import	0.57	1.03	2.08	1.43	1.19				
6	Iron And Steel	3.60	3.44	11.96	10.28	7.69	-4.44	247.67	-14.05	-25.19
	Share in total import	0.34	0.32	0.65	0.45	0.55				
7	Copper And Prod. Made Of Copper	1.26	3.27	1.38	3.33	6.00	159.52	-57.80	141.30	80.18
	Share in total import	0.12	0.31	0.08	0.15	0.43				
8	Bulk Minerals And Ores	0.04	0.06	0.83	0.79	2.61	50.00	1283.33	-4.82	230.38
	Share in total import	0.00	0.01	0.05	0.03	0.19				
9	Residual Chemicals And Alld. Prods.	0.31	1.56	9.84	8.42	2.31	403.23	530.77	-14.43	-72.57
	Share in total import	0.03	0.15	0.54	0.37	0.16				
10	Lead And Products Made Of Lead	2.97	2.01	3.81	1.71	2.08	-32.32	89.55	-55.12	21.64
	Share in total import	0.28	0.19	0.21	0.07	0.15				
	Total import from JORDON	1064.66	1065.53	1827.19	2290.40	1410.63	0.08	71.48	25.35	-38.41

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I