JORDAN

Population[1] million	Poverty
11.7	..
Life expectancy at birth[2] years	**School enrollment[3]** primary (% gross)
77.8	98.6
GDP[4] current US$, billion	**GDP per capita[5]** current US$
61.4	5260.8

Sources: WDI, MFMod, and official data. 1/ 2025. 2/ 2023. 3/ 2024. 4/ 2025. 5/ 2025.

Jordan's economy continued to expand in 2025, supported by stable macroeconomic conditions and reforms. Inflation declined, while external balances improved. Fiscal consolidation continued, although public debt remains high. The outlook is subject to heightened uncertainty amid the ongoing conflict in the Middle East. Growth is projected to gradually strengthen to around 3 percent over the medium term, supported by reforms and stronger private-sector dynamism.

Key conditions and challenges

Jordan's growth performance reflects its economic size, high degree of openness, and location in a volatile regional environment. This openness allows Jordan to benefit from favorable regional and global conditions, while also increasing its exposure to external shocks.

Within this context, macroeconomic stability has remained a central policy anchor. Elevated public debt has required sustained fiscal consolidation, necessitating prioritization of public spending. At the same time, the peg of the Jordanian dinar to the U.S. dollar continues to support price stability. The key policy challenge ahead is to translate this stability into stronger, private sector–led growth and job creation, to absorb a growing labor force, raise per capita incomes, and place public debt on a firmer downward trajectory.

Climate-related pressures add to these structural constraints. Water scarcity, rising temperatures, and more frequent extreme weather events, including flash floods, pose risks to infrastructure, agricultural output, and energy demand. Episodes of severe weather in early 2026 caused localized flooding while higher summer temperatures continue to increase electricity demand and strain system capacity.

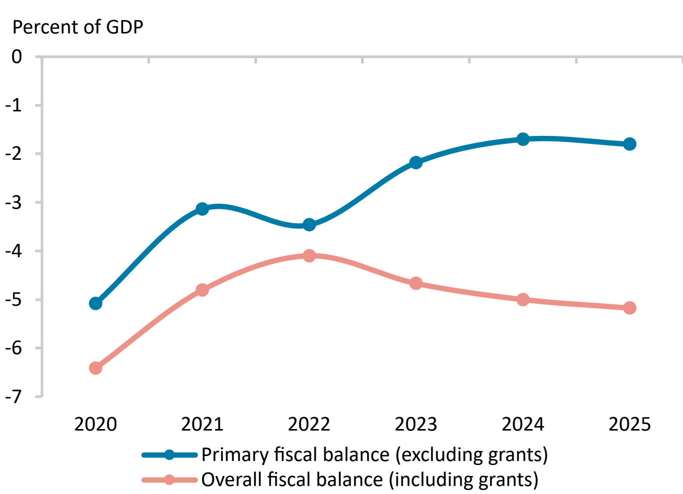
Recent developments

Jordan's economy expanded by 2.8 percent in the third quarter of 2025, with full-year growth estimated at 2.8 percent, up from 2.6 percent in 2024. Growth in 2025 was supported by agriculture, manufacturing, and services. In late 2025, the Department of Statistics updated its national accounts methodology, expanding sector coverage from 14 to 20 to improve the granularity of economic measurement.

Labor market challenges persist. The unemployment rate stood at 21.4 percent in the third quarter of 2025, slightly lower than a year earlier. Male unemployment declined to 18 percent, while female unemployment rose to 33.9 percent. Female labor force participation also edged down to 14.4 percent.

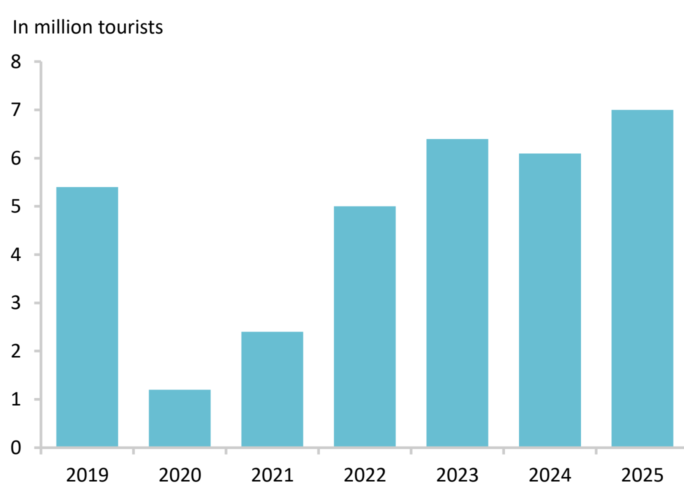
As of February 2026, nearly 184,000 refugees registered with the United Nations High Commissioner for Refugees have returned from Jordan to Syria since December 2024, while about 410,000 registered Syrian refugees remain in the country. At the peak of the

FIGURE 1 / Central government fiscal balance narrowed



Sources: Ministry of Finance and World Bank.

FIGURE 2 / Tourist arrivals increased despite regional instability



Sources: Ministry of Tourism and Antiquities, and World Bank.

influx in 2015, approximately 1.3 million Syrians were living in Jordan, according to the latest census.

Inflation remained contained, reaching 1.1 percent in January 2026, while average inflation in 2025 was 1.8 percent. The Central Bank of Jordan reduced policy rates by 75 basis points in 2025 to 5.75 percent, maintaining alignment with the U.S. Federal Reserve due to the exchange rate peg. The overnight deposit window rate stood at 5.5 percent in December 2025. Lower domestic inflation relative to trading partners, together with the global depreciation of the U.S. dollar, supported external competitiveness. Stronger exports and resilient tourism are estimated to have contributed to a narrowing current account deficit, which continues to be financed through external inflows.

The central government's overall deficit, including grants, narrowed to an estimated 5.2 percent of GDP in 2025. Domestic revenue increased by 6.0 percent, driven mainly by higher collections from taxes on goods and services and other revenue. Total expenditure rose by 6.2 percent, with capital spending increasing faster than current spending. Public debt increased and remained above pre-pandemic level. Debt vulnerabilities are partly mitigated by continued market access and historically low sovereign bond spreads.

The national poverty rate was 15.7 percent based on the 2017–18 Household Income and Expenditure Survey. Results from the 2021–22 Household Income and Expenditure Survey have yet to be released.

Outlook

Economic growth is expected to gradually accelerate over the medium term. However, the ongoing conflict in the Middle East has heightened uncertainty and tilted risks to the downside. The magnitude of the impact will depend on the duration and intensity of the conflict. Potential transmission channels include disruptions to trade and tourism, higher energy and commodity prices, weaker remittance inflows, and increased risk premia.

The authorities have announced that strategic reserves of fuel, food and essential commodities remain sufficient. Together with measures to ease supply constraints—including temporary exemptions from customs duties and taxes to contain freight costs—these buffers could help limit inflationary pressures. Tourism could weaken if regional tensions persist, although peak arrival periods typically occur later in the year. Higher global commodity prices would increase import costs but could support export revenues, particularly for phosphate and fertilizer.

Jordan has historically demonstrated resilience to global shocks. Nonetheless, the current environment adds to the challenges of sustaining reforms. These shocks highlight the importance of accelerating reforms under the Economic Modernization Vision to strengthen growth and resilience. Given limited fiscal space, improving the efficiency and impact of public spending—including support to vulnerable households—will remain critical. In the utilities sector, measures to improve operational efficiency, strengthen financing strategies, and enhance risk management could help reduce fiscal risks and support debt sustainability.

Over the medium term, reducing poverty and promoting shared prosperity will require stronger private-sector-led growth, particularly in export-oriented and higher-productivity industries. Stronger growth would also support revenue mobilization and help advance fiscal consolidation.

Recent history and projections	2023	2024	2025e	2026f	2027f	2028f
Real GDP growth, at constant market prices	3.1	2.6	2.8	2.7	2.9	3.0
Real GDP growth, at constant factor prices	3.6	2.5	3.1	2.8	3.1	3.2
Agriculture	6.7	6.7	7.9	4.5	4.0	4.0
Industry	4.9	3.1	3.8	3.0	3.0	3.0
Services	2.8	1.9	2.3	2.6	3.1	3.3
Inflation (consumer price index)	2.1	1.6	1.8	2.9	2.4	2.4
Current account balance (% of GDP)	-3.3	-5.8	-5.2	-6.0	-5.6	-5.2
Net foreign direct investment inflow (% of GDP)	3.3	2.7	3.0	3.0	3.0	3.0
Fiscal balance (% of GDP)[1]	-4.7	-5.9	-5.2	-5.3	-4.8	-4.5
Revenues (% of GDP)	22.9	22.7	23.0	23.6	23.4	23.5
Expenditures (% of GDP)[1]	27.6	28.5	28.2	28.9	28.2	27.9
Consolidated debt (% of GDP)[2]	81.0	82.1	83.3	83.4	82.3	81.1
Unconsolidated debt (% of GDP)[2]	103.3	106.1	108.8	109.8	109.3	108.3
Primary balance (% of GDP)[1]	-0.4	-0.9	-0.2	-0.4	0.2	0.6
GHG emissions growth (mtCO2e)	0.8	0.4	0.2	-0.5	0.2	0.6

Source: World Bank, Fiscal Policy & Growth Department. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Including the Adjustment on receivables and payables (use of cash) as per IMF Country Report No. 23/49.
2/ Consolidated debt coverage refers to debt excl. the holdings of the Social Security Corporation (SSC) investment arm.