



Country Update

Covid-19 Impacts, Responses and Way Forward for a Sustainable Recovery in Jordan

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Introduction

Jordan, also known as 'Hashemite Kingdom of Jordan' is an Arab country located in the South-Western parts of Asia in the Desert of the Northern Arabian Peninsula. It covers an area of 89,342 square kilometres at the epicentre of countries in turmoil. Hence, it is highly exposed to the spillovers from regional conflict.¹

According to the World Bank Country classification, Jordan is an upper middle-income economy.² Table 1 below gathers key socio-economic indicators of Jordan from various references. All indicators are of the year 2019, unless another year is mentioned. According to the World Bank's 2020 report 'Jordan Economic Monitor: Weathering the Storm', the COVID-19 Pandemic severely impacted an already struggling Jordanian economy. For the fourth year in a row, in 2019, the economy continued to drift

around a tepid 2.0 per cent growth rate which is significantly lower than the 2.6 per cent growth achieved during 2010-2015.³ This stagnancy undermined employment creation in Jordan. The unemployment rate, which was at 19 per cent in 2019, increased from 18,6 per cent recorded in 2018.⁴

According to the World Bank report, Jordan's trade openness is around 60 per cent. The country has also been recording a steady growth in exports, tourism and remittances, contributing significantly to foreign currency reserves. However, fiscal policy remained expansionary and pushed the debt to GDP ratio to almost 100 per cent.⁵

Jordan is regarded as a food secure country notwithstanding the fact that the country is resource-poor with limited agricultural land, no oil resources and scarce water supply.

¹ World Food Programme, 'Jordan Food Security Update Implications of COVID-19' May 2020 available at https://docs.wfp.org/api/documents/WFP-0000119472/download/?_ga=2.167834337.1537825695.1607939068-755150807.1607939068

² World Bank Data Team. New Country Classifications by Income Level: 2018-2019, dated 1 July 2018 available at <https://blogs.worldbank.org/opendata/new-country-classifications-income-level-2018-2019>

³World Bank (2020). Jordan Economic Monitor: Weathering the Storm, available at <http://documents1.worldbank.org/curated/en/895901594653936142/pdf/Jordan-Economic-Monitor-Spring-2020-Weathering-the-Storm.pdf>

⁴ World Bank (2020a).

⁵ World Bank (2020a).

Table 1: Jordan's Key Indicators Socio-Economic Indicators before Covid-19⁶

Population (million) ⁷	10, 101, 694
Urban population (% of total population)	90,3%
Economy (GDP)⁸	
GDP (Billion current USD)	44,503
GDP per capita (thousand current USD)	4 405, 5
GDP Growth Rate (annual %,))	2
Structure of the Economy⁹	
Agriculture (% of Gross Value Added, GVA)	5,6
Industry (% GVA)	27,6
Services (% GVA)	68,8
Unemployment Rate (% of labour force) (2018)	0,83
Trade ¹⁰	
Exports of goods (million USD)	8, 313
Exports of services (million USD)	7, 709
Exports of goods and services (% GDP)	35,64
Imports of goods (million USD)	19,337
Imports of services (million USD)	4, 658
Imports of goods and services (% GDP)	50,4
Foreign trade (% GDP)	87.6
Major exports of goods	Garments, minerals or chemical fertilisers, medicaments
Major export destination	United States of America, Saudi Arabia, India, Iraq
Major imports of goods	Petroleum oils, natural gas, motor vehicles
Major import origins	Saudi Arabia, China, United States of America, Turkey, India
Other indicators	
Global Hunger Index ¹¹	112 (an indication of a food secure country)
HDI ¹²	0,729 (102 out of 189 countries)
Gender Development Index ¹³	0,875
Gender Inequality Index ¹⁴	0,450 (109 out of 162 countries)
Rule of Law Index ¹⁵	50 out of 128 countries

⁶ The coma (,) always represents the first decimal.

⁷ World Bank Data. Available at <https://data.worldbank.org/country/jordan?view=chart>

⁸ World Bank Data. Available at <https://data.worldbank.org/country/jordan?view=chart>.

⁹ World Bank Data. Available at <https://data.worldbank.org/country/jordan?view=chart>

¹⁰ World Trade Organisation; World Bank, latest available data available at <https://import-export.societegenerale.fr/en/country/jordan/trade-indicators>

¹¹<https://www.globalhungerindex.org/>

¹²<https://hdr.undp.org/en/countries/profiles/JOR>

¹³ Ibid, Ratio of female to male HDI values.

¹⁴ United Nations Development Programme. <https://hdr.undp.org/en/content/gender-inequality-index>

¹⁵ World Justice Project Rule of Law Index 2020 available at <https://worldjusticeproject.org/our-work/research-and-data/wjp-rule-of-law-index-2020>

COVID-19 trajectory and counter-measures

Since the outbreak of COVID-19 infections in China in late 2019 until Jordan recorded its first case on March 2 2020¹⁶, the virus had spread in many countries across the globe forcing them to take a series of protective measures following the recommendations and updates provided by the World Health Organisation (WHO). This section of the note describes the Pandemic's trajectory in Jordan and outlines the protective and response measures taken by the State to mitigate the spread of the virus and limit its impacts.

Covid-19 trajectory

Jordan recorded its first case on March 2 2020. The person who tested positive had previously travelled from Italy a few days before developing flu-like symptoms. Upon testing, the COVID-19 patient was quarantined.

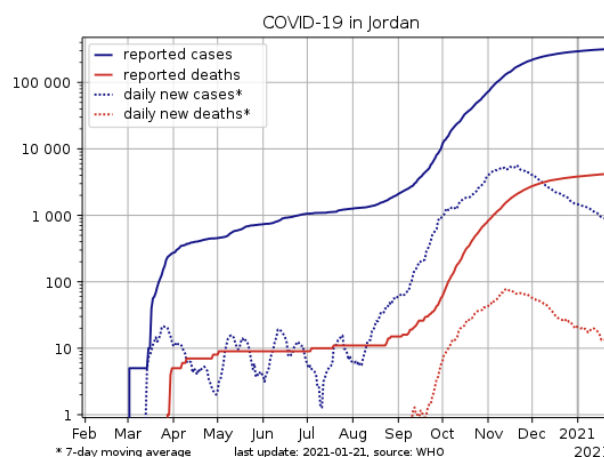
According to Johns Hopkins University Coronavirus Resource Centre (2020) reports, no new cases were recorded from March 3 to March 14 2020.¹⁷ According to the same reports, the country recorded seven new cases later on March 15 2020. Jordan's first COVID-19 related death was recorded on March 28 2020.¹⁸ By then, the total number of infected people had reached 235.¹⁹ Between March 15 and August 18 2020, daily new recorded cases ranged from 7 to 40, the highest recorded on August 18.²⁰ By then, the cumulative COVID-19 related deaths were 11.²¹

Between August 19 and September 21, the country witnessed a steady increase in daily infections until

it hit 279 on September 22.²² In a week, the number of newly recorded cases spiked to 1000 cases on September 30.²³ The increase was recorded during a period in which the government had relaxed COVID-19 related restrictions; businesses were fully operational, and the lockdown had been lifted.²⁴

As depicted in the graph below, Jordan reached its peak of infections in November 2020. The Ministry of Health reported about 4 658 new cases in 24 hours on November 3 2020.²⁵ The country also recorded 62 COVID-19 related deaths which was the highest daily average recorded since the Pandemic.²⁶ On November 18 2020, Jordan recorded 7 733 new cases which is the highest daily average since the Pandemic started.²⁷

Figure 1: COVID-19 Pandemic in Jordan



Source: World Health Organisation, last update 2021.01.24

According to Reuters Covid-19 tracker, COVID-19 infections are nowadays decreasing in Jordan with an average daily record of 815 cases which is 14%

¹⁶ Al Arabiya, 'Jordan confirms first coronavirus case: Health Ministry' 02 March 2020, available at, <https://english.alarabiya.net/en/News/middle-east/2020/03/02/Jordan-confirms-first-coronavirus-case-Jordan-News-Agency>

¹⁷ Johns Hopkins University Coronavirus Resource Centre. Coronavirus Cases- Jordan, report dated 26 January 2021 available at <https://www.indexmundi.com/coronavirus/country/jo>

¹⁸ <https://www.aa.com.tr/en/latest-on-coronavirus-outbreak/joran-confirms-first-death-from-covid-19/1782742>

¹⁹ Ibid.

²⁰ John Hopkins Coronavirus Resource Centre (2020).

²¹ Ibid.

²² John Hopkins Coronavirus Centre (2020).

²³ John Hopkins Coronavirus Centre (2020).

²⁴ Al Arabiya (2020).

²⁵ Reuters. Jordan Records 62 COVID-19 deaths dated 3 November 2020 available at

<https://www.reuters.com/article/uk-health-coronavirus-jordan-deaths/jordan-records-62-covid-deaths-highest-daily-rate-since-start-of-pandemic-idUKKBN27K2HM>

²⁶ Ibid.

²⁷ Ministry of Health- Jordan. COVID-19 Updates in Jordan. Press Release dated 22 November 2020 available at <https://corona.moh.gov.jo/en/MediaCenter/1456>

of the peak recorded on November 18 2020.²⁸

Protective measures

The fight against COVID-19 in Jordan is led by a collaborative multi-disciplinary team at the National Center for Security and Crisis Management.²⁹ The team provides evidence-based recommendations for COVID-19 control strategies to the government. Information on the number of confirmed cases and deaths is publicly announced daily through government official reports.³⁰ The following are key protective measures taken by the government to slow down the Pandemic's progression; some are still operational until publishing this note amidst the threats of a worse second wave of infections.

International travel ban

Jordan implemented a travel ban on February 23, 2020, before the country even recorded its first COVID-19 case.³¹ The government restricted the entry into Jordan of non-Jordanian citizens from specific countries; China, Italy, South Korea and Iran on February 23 2020.³² The list was periodically reviewed as the virus continued to spread globally. Returning Jordanians were subjected to temperature screening and mandatory quarantine at government facilities for 14 days.

First Nationwide lockdown

On March 17 2020, the Jordanian government declared a state of emergency and activated the National Defense Law No. (13) of 1992 to mitigate the spread of COVID-19.³³ The law grants the Prime Minister sweeping powers to curtail fundamental rights including restrictions on freedom of

expression and movement.³⁴ A total country lockdown was announced on March 20, 2020, with rules restricting mobility and imposing hefty fines for violation movement until further notice.³⁵ The government gave the commercial cargo an exception and allowed them some movement.³⁶ On the first day of lockdown, around 400 people were apprehended and taken into police custody for violating the lockdown directive.³⁷

Closure of Schools

The government closed all schools, including tertiary institutions. As a result, the teaching and learning process had to convert to distance learning forms.³⁸

A ban on social events and public gatherings

Social events and public gatherings of more than ten people were banned. Weddings, funerals, social visits to prisons and hospitals, also, prayers at all Mosques and Churches were banned until further notice.³⁹ All sports facilities, cinemas and youth centres were closed. Only grocery stores could open between 10 am and 8 pm.⁴⁰

Inter-city travel ban and curfews

The directive from the Jordanian government further banned inter-city travel and public transport. All work duties in public and private sectors were suspended until further notice. Only vital industries such as healthcare, food, energy and the risk task force remained fully operational.⁴¹

Curfews were imposed with stringent rules on individual mobility was enforced by hefty fines for

²⁸ Reuters. World Coronavirus Tracker data of 29 January 2021- Jordan available at <https://graphics.reuters.com/world-coronavirus-tracker-and-maps/countries-and-territories/jordan/>

²⁹ The National Centre for Security and Crisis Management is a task force comprising of expert decision makers from different ministries, sectors and organisation. It was established in 2015 to coordinate and unify the efforts of national institutions during national crises. Al-Tammemi(2020) 2, <https://corona.moh.gov.jo/en>

³⁰ Al- Tammemi (2020) 2.

³¹ Al Arabiya, 'Jordan confirms first coronavirus case: Health Ministry' 02 March 2020, available at, <https://english.alarabiya.net/en/News/middle-east/2020/03/02/Jordan-confirms-first-coronavirus-case-Jordan-News-Agency>

³² <https://corona.moh.gov.jo/en>

³³ Al Arabiya (2020).

³⁴ Human Rights Watch. Jordan: State of Emergency Declared. Dated 20 March 2020 available at <https://www.hrw.org/news/2020/03/20/jordan-state-emergency-declared>

³⁵ Ibid.

³⁶ Prime Ministry of Jordan. *Official Reports*. (2020). Available online at: <http://www.pm.gov.jo/category/7603/?????.html>

³⁷ KFW. Jordan: The toughest lockdown in the world dated 06 May 2020 available at <https://www.kfw-entwicklungsbank.de/s/enzBEVKr>

³⁸ Al-Arabiya (2020).

³⁹ Prime Ministry of Jordan. *Official Reports*. (2020). Available online at: <http://www.pm.gov.jo/category/7603/?????.html>

⁴⁰ KFW. Jordan: The toughest lockdown in the world dated 06 May 2020 available at <https://www.kfw-entwicklungsbank.de/s/enzBEVKr>

⁴¹ KFW (2020).

violations.⁴² Only essential workers were given an exception. The first 24 hours nationwide curfew was imposed between March 21 and March 24 2020.

Second nationwide lockdown

By the end of April, the Jordanian government was making strides towards the gradual relaxation of some restrictive measures, until October 10 2020, when the government imposed a nationwide 48 hours lockdown for the first time in months.⁴³ The directive indicated that the lockdown would be during every weekend and was motivated by the exponential increase in COVID-19 cases. Also, schools that had resumed physical classes were closed. The country had recorded about 10 000 cases in just one week, and measures had to be reintroduced to flatten the curve.

Monitoring Citizens' Compliance

On October 20 2020, the Ministry of Interior (homeland security), Ministry of Health and the Office of Government Accountability issued new executive directives to monitor Jordanian citizens' compliance with a number of preventive measures to combat the spread of the coronavirus.⁴⁴

Articles 1-3 of the Ministry of Interior's directive empower specific security personnel to monitor compliance among stores and restaurants' owners.⁴⁵ Article 4 enables the security personnel to either issue tickets for non-compliance or shut down establishments if need be. Store and restaurant owners are said to be in violation of the decree if they fail to maintain social distancing for their customers or fail to obligate customers to wear masks.

The Ministry of Health directive contained instructions to monitor cases of new infections. It mandated the Ministry of Health's employees to monitor hospitals and clinics to check if they are correctly reporting cases and complying with health procedures in handling COVID-19 cases.

Lastly, the Office of Government Accountability directive sets preventive measures only for government workers, for example, to check their temperatures daily before they report for work. It imposes a fine for non-compliance, which is deducted from the worker's salary.

The "AMAN" COVID-19 mobile tracking app

A group of Jordanian IT volunteers developed the Mobile App to support the Jordanian Ministry of Health's efforts to control and combat COVID-19.⁴⁶ The AMAN App allows people who tested positive to notify their recent person-to-person contacts using digital technology anonymously.⁴⁷ The aim is to inform the relevant contacts about the possibility of being infected as early as possible.⁴⁸

Mobilising Health Care

According to the World Bank, medical expenditures in Jordan represent 7.6 % of the GDP, of which 29 % are out of pocket expenditures.⁴⁹ The United Nations Development Programme (UNDP) carried a study in April – May 2020 based on an online survey of 12084 respondents to assess the impact of Government measures during Covid-19 on Households and Businesses. The survey revealed that 69% of the respondents reported challenges concerning access to basic healthcare during the Pandemic.⁵⁰

The Ministry of Health has been galvanising the healthcare system to support the Citizens during the Pandemic. COVID-19 related testing and treatment were made free for both Jordanians and non-Jordanians. When the Pandemic started, the Ministry of Health designated seven public hospitals for COVID-19 cases management, and ten public and private laboratory facilities nationwide to diagnose COVID-19.⁵¹ The designated public hospitals had 2,515 beds, 86 quarantine rooms, 69 isolation rooms, and 106 intensive care unit (ICU) beds.⁵² The Prime Minister was empowered by the

⁴² KFW (2020).

⁴³ <https://www.loc.gov/law/foreign-news/article/jordan-new-executive-regulations-on-preventive-measures-to-combat-covid-19-issued/>

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ <https://amanapp.jo/en/page/17/AmanTeam>

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ World Bank (2020) 5.

⁵⁰ UNDP (2020) 'COVID-19 Impact on Households in Jordan: A rapid Assessment' UNDP.

⁵¹ World Bank (2020) 6.

⁵² Ibid.

National Defense Law to take over the private hospitals in the country. The spike in COVID-19 cases between October and November 2020 prompted the government to increase the health system's capacity by designating additional hospitals, wards and ICU beds to treat COVID-19 patients.⁵³

The government allocated spending of JD 50 million (USD 71 million) to purchase health equipment such as ventilator supplies and rentals of hotels to be used as quarantine centres.⁵⁴ It also invested in setting field hospitals.⁵⁵ On January 25 2021, the government opened a field hospital in Aqaba built with the United Arab Emirates' help. The field hospital has 216 beds, including 56 for intensive care.⁵⁶

COVID-19 impacts

Economic impacts

The World Bank projected a 3.5% decline in Jordan's GDP in 2020.⁵⁷ The economic contraction is the first in a decade as Jordan has managed to record an average growth rate of 2% annually despite the regional and international economic shocks.⁵⁸ Not all businesses and economic sectors could adapt to social distancing measures and the virtual operation during lockdowns and curfews. Some had to cut down working hours while others were forced to shut down.

Tourism and Hospitality

According to the World Tourism Organisation (UNWTO), tourism and hospitality sector in Jordan

is projected to suffer the Pandemic's brunt through all of 2021.⁵⁹ As COVID-19 shows no signs of slowing, tourism is unlikely to rebound until a vaccine is mass-produced and distributed globally.⁶⁰ This situation negatively impacts Jordan's economy since the tourism and hospitality industry is critical for growth. In 2019, the sector generated USD 5.8 billion in revenues out of a nominal GDP of USD 43 billion.⁶¹ Such revenue is not expected in the nearest future due to the Pandemic.

Foreign investment flows

Foreign investments are likely to decline over the coming months as businesses remain hesitant to initiate new projects amid the continued uncertainty over the pandemic trajectory.⁶² Capital flows from the Arab Gulf countries will likely remain low due to the crash in oil prices in 2020.⁶³

Exports and Imports

Cross-border trade was also affected by the outbreak of the Pandemic. Imports decreased as a result of trade-restrictive measures that were implemented by governments globally.⁶⁴ The Ministry of Industry, Trade and Supply issued a ban on all exports of coronavirus detection and prevention products.⁶⁵ The bans were then terminated at a later stage.

Due to reduced demand for products, exports of the garment sector suffered a low point in April with a 42% reduction, amounted to USD 45 million.⁶⁶ However, exports and imports returned to positive growth in June following contractions in April and May 2020, showing an early sign of recovery.⁶⁷

⁵³ United Nations High Commission for Refugee. UNHCR Jordan COVID-19 response, dated 10 December 2020 available at <https://reliefweb.int/report/jordan/unhcr-jordan-covid-19-response-10-december-2020>

⁵⁴ International Monetary Fund. Policy Responses to COVID-19- Policy Tracker: Jordan available at <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

⁵⁵ UNHCR (2020)

⁵⁶ The National. Coronavirus: UAE helps Jordan set up field hospital with more than 200 beds, dated 25 January 2021 available at <https://www.thenationalnews.com/uae/government/coronavirus-uae-helps-set-up-field-hospital-with-more-than-200-beds-1.1152927>

⁵⁷ World Bank (2020).

⁵⁸ International Monetary Fund Country Focus, 'Inside Jordan's fight to tackle COVID-19' July 2020 available at <https://www.imf.org/en/News/Articles/2020/07/16/na071620-inside-jordans-fight-to-tackle-covid19>

⁵⁹ World Tourism Organisation (2021). Secretary General's Policy Brief on Tourism and COVID-19 available at

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² Ibid.

⁶³ World Food Programme (2020) 9.

⁶⁴ A comprehensive list of these measures can be found on the International Trade Centre Market Access Map available at <https://www.macpamp.org/covid19>

⁶⁵ <https://www.macmap.org/covid19>

⁶⁶ <https://betterwork.org/portfolio/infographic-covid-19-and-the-jordanian-garment-sector/>

⁶⁷ World Bank (2020b).

Remittances

Remittances represent about 8% of the country's GDP.⁶⁸ With lockdowns and curfews enforced in many countries worldwide, the World Bank projects a sharp decline in remittances from the MENA region into Jordan of about 19.6%.⁶⁹ Jordanian workers in the MENA region are the main source of remittances into Jordan.⁷⁰

Historically, remittances have been counter-cyclical where workers send money home in times of crisis and hardships, but the Pandemic's almost global spread and subsequent uncertainties caused a reverse action. The World Bank expects the remittances to recover once economies start opening up again, albeit at a slow pace of around 1.6%.⁷¹

Debt servicing

The government of Jordan heavily relies on foreign aid and grants. During the Pandemic, the country went to the debt market for emergency loans which will likely push the government's debt to GDP ratio from around 96% to 110%.⁷² Which increases the burden of debt servicing on the government's budget and spending. According to the World Bank (2020), the increased external debt is likely to force the government to introduce austerity measures and reduce social welfare.⁷³

Unemployment

COVID-19 exacerbated unemployment in Jordan which was already a growing concern. Before the global Pandemic, unemployment was on the rise and in 2019, it was at 19% compared to 18.6% in 2018.⁷⁴ According to a study by the Phenix Center for Economics & Informatics Studies, 9% of workers

left the labour market amidst the Pandemic⁷⁵

According to Trading Economics global macro models, 'the unemployment rate in Jordan increased to 23 per cent in the second quarter of 2020 from 19.2 per cent a year earlier. It is the highest jobless rate since 2005. The unemployment rate rose for both males (21.5 per cent from 17.1 per cent) and females (28.6 per cent from 27.2 per cent)'.⁷⁶ Trading Economics expects the unemployment rate to decline in 2022 due to the gradual post-COVID-19 economic recovery.

Food Security

The measures put in place to contain the spread of COVID-19 had little effect on food security in Jordan. Food security among Jordanian households has remained mostly stable, with only 15% of households showing a poor or borderline Food Consumption Score in 2020 compared to 16% in 2018.⁷⁷ However, the UNDP study showed that there was an overall perception among Jordanians that food prices had gone up regardless of government efforts against that.⁷⁸

Education

As stated above, the government ordered schools' closure, including tertiary institutions as a COVID-19 containment measure. The government was quick to introduce delivery methods for distance learning through television and an online portal.⁷⁹ It also established an online teacher-training portal to improve teachers' proficiency in e-learning. However, the new learning methods are exclusionary for most poor and vulnerable children who cannot access the internet or afford the needed hardware.⁸⁰

⁶⁸ World Bank (2020b).

⁶⁹ World Bank (2020) 'World Bank Predicts Sharpest Decline of Remittances in Recent History' available at <https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history>

⁷⁰ World Bank (2020c).

⁷¹ Ibid.

⁷² Werman (2020).

⁷³ Ibid.

⁷⁴ World Bank (2020) 7.

⁷⁵ <https://en.royanews.tv/news/21528/Expert-warns-unemployment-rate-could-surpass-30-in-Jordan-amid-COVID-19-crisis/>

⁷⁶ Trading Economics. Jordan-Economic Indicators available at <https://www.tradingeconomics.com/jordan/indicators>

⁷⁷ Inter-Sector Working Group (2020) 3.

⁷⁸ UNDP (2020).

⁷⁹ UNICEF (2020) 'Jordan's national social protection responses during COVID-19' UNICEF available at <https://www.unicef.org/jordan/reports/jordans-national-social-protection-response-during-covid-19>

⁸⁰ Audau, M., M. Capek and A. Patil, 'COVID-19 and Digital Learning Preparedness in Jordan,' World Bank Blogs, 21 May 2020.

Gender

The measures implemented to deal with the Pandemic have triggered negative economic implications for women and men. However, the sting has been more on Jordanian women due to the magnitude of pre-existing gender economic divides. The gender disparity in Jordan in terms of time allocation to paid versus unpaid work is substantial: Jordanian women spend 17.1 times more on unpaid work than men while men spend 6.5 more time on paid work than women (vs a global average of 1.8).⁸¹ According to UN-Women, time spent by women on unpaid work is likely to undergo a dramatic increase under the pandemic conditions in Jordan, such as school closures (increased childcare demands), suspension of market services (lack of access to market substitutes to household production, and hence increased demand for domestic production of goods and services), the higher vulnerability of the elderly and risk of illness (increased elderly and ill care demands).⁸²

UN Women also predicts an increase in unemployment statistics, of which most of the victims will be women. UN Women reports that employees were quick to lay off female employees, citing their domestic care duties during the initial stages of lockdowns. It further states that during the post-COVID economic recovery, recessions and austerity measures will continue to widen the gender gap in Jordan as women will increasingly be forced to provide unpaid labour.⁸³

Support response measures

Government's relief measures

The government of Jordan introduced a number of COVID-19 relief measures to try and cushion the

population and businesses from the brunt of the Pandemic. According to the International Monetary Fund (IMF) report, on March 18 2020, Jordan's Ministry of Finance announced COVID-19 response measures which included the following⁸⁴:

- 'Sales tax exemption on sanitisers, face masks and medical equipment;
- Allocation of 50% of maternity insurance revenue (JD 16 million –about USD23 million) to material assistance for the elderly and the sick;
- Introduction of price ceilings on essential products; and
- Postponement of 70% of customs duty collections due from selected companies'

On March 19, the government issued the Defense Order No.1 under the National Defense Law of 1992 which sought to suspend some of the social security contribution measures from the 2014 Social Security Law. In terms of the Order, private sector entities were given the option to suspend old-age insurance payment in relation to private-sector employees for three months. For those who insist on paying, the subscriptions were reduced from 21.75% to 5.25%.⁸⁵

On March 31 2020, the Prime Minister of Jordan issued the Defense Order No.4 under the National Defense Law of 1992 establishing a COVID-19 relief fund under the name 'Himmat Watan' (a nation's effort) to which local and foreign donations were deposited to support efforts against the Pandemic.⁸⁶

Regarding the payment of taxes, the government issued Defense Order No. 5 on March 31 2020. According to KPMG, the following decisions were taken;⁸⁷

⁸¹ UN Women, 'COVID-19 and Women's Economic Empowerment: Policy Recommendations for Strengthening Jordan's Recovery.' 2020 available at <https://reliefweb.int/report/jordan/covid-19-and-women-s-economic-empowerment-policy-recommendations-strengthening-jordan>

⁸² Ibid.

⁸³ UN Women, 'COVID-19 and Gender: Immediate Recommendations for planning and response in Jordan.' March 2020 available at <https://jordan.unwomen.org/en/digital-library/publications/covid19-and-gender-in-jordan>

⁸⁴ International Monetary Fund (2020).

⁸⁵ KPMG (2020) 'Jordan: Government and Institution Measures in Response to COVID-19.' Available at <https://home.kpmg/xx/en/home/insights/2020/04/jordan-government-and-institution-measures-in-response-to-covid.html>

⁸⁶ International Monetary Fund (2020).

⁸⁷ KPMG, 'Jordan: Tax Developments in response to COVID-19, 14 May 2020 available at <https://home.kpmg/xx/en/home/insights/2020/04/jordan-tax-developments-in-response-to-covid-19.html>

- 'General Sales Tax and Excise Sales Tax returns that must be filed during the official holiday scheduled during the period of application of the Defense Law No. (13) for the year 1992.
- All periods and deadlines necessary to take any action with any ministry, government department, official public institution or public institution shall cease to apply in accordance with any legislation in force.
- The validity of all periods and dates stipulated in the applicable legislation shall be suspended, whether they are statute of limitation periods, lapse or failure or to hear a case or periods for taking any action of litigation in all types of courts in the Kingdom, public prosecution departments, arbitration bodies, enforcement departments, wages authority and any council of conciliation Mediation, discipline.'

The government further issued Defense Order No.10 under the National Defense Law which extended the filing of Personal Income Tax and Corporate Income Tax returns to June 30 2020.⁸⁸

The Ministry of Agriculture announced an online application portal for imports and export licenses on April 17 2020. The online portal simplifies procedures for exporters, importers and all transit orders.⁸⁹ Licenses are issued on the same day for requests received electronically.⁹⁰

Further, the Ministry of Agriculture postponed debt repayments for April without penalties. The Agricultural Credit Corporation opened applications for interest-free loans from the JD 10 million that had previously been allocated for windstorm damage relief.⁹¹

The Ministry of Trade, Industry and Supply put in place mechanisms to actively monitor consumer prices and ensure that citizens are not made to pay

more for foodstuffs.⁹²

The government also developed a new emergency programme specifically designed for informal workers in which they received financial assistance from the government through electronic wallets.⁹³ The programme was allocated to about JD 81 million (USD 114 million).⁹⁴ On December 3 2020, the government announced an expansion of the cash transfer programme to cover 100 000 new families and daily workers.⁹⁵

The Ministry of Health launched an e-platform for Jordanians residents who wish to register to receive a COVID-19 vaccine and prioritise people with non-communicable diseases.⁹⁶ The platform provides steps to receiving the vaccine, such as how to register and the procedure thereafter.⁹⁷

The response of the Central Bank of Jordan

The Central Bank of Jordan announced a package of measures to contain the repercussions of the Pandemic's impact on the country's economy.⁹⁸ The measures included the following;

- 'allowing banks to postpone loan repayments clients in the impacted sectors;
- injecting additional liquidity of JD 550 million (USD 776 million) by reducing the compulsory reserve ratio on deposits from 7 per cent to 5 per cent and JD 500 million (USD705 million) by redeeming its CDs held by banks;
- expanded the sectoral coverage and reduced interest rates on its refinancing program from 1.75% to 1% in Amman and from 1% to 0.5% in other governorates, while increasing loan tenors and volume limits;
- reduced the cost and expanded the coverage of guarantees provided by the Jordan Loan Guarantee Corporation on SME loans, including a JD 150 million (USD 211 million)

⁸⁸ KPMG (2020a).

⁸⁹ World Food Programme (2020) 10.

⁹⁰ Ibid.

⁹¹ World Food Programme (2020) 11.

⁹² Ibid.

⁹³ UNICEF (2020) 4.

⁹⁴ International Monetary Fund (2020).

⁹⁵ Ibid.

⁹⁶ Department of Foreign Affairs: Jordan, General COVID-19 Travel Advisory in Operation, available at <https://www.dfa.jo/travel/travel-advice/a-z-list-of-countries/jordan>

⁹⁷ The COVID-19 vaccination platform is found at <https://vaccine.jo/cvms/>

⁹⁸ Central Bank of Jordan Press Release dated available at <https://www.cbi.gov.jo/DetailsPage/CBJAR/NewsDetails.aspx?ID=276>

credit facilities made available for the tourist sector.⁹⁹

International Community

Jordan has been receiving assistance from the International Community towards alleviating the impact of the COVID-19 Pandemic.

Assistance to Health Care Sector

Jordan has been receiving assistance from the United Nations Children's Fund (UNICEF) since the beginning of the Pandemic. The Ministry of Health received critical health supplies, including Personal Protective Equipments and sanitisers for healthcare facilities worth around USD 3 million.¹⁰⁰ On September 17 2020, UNICEF further donated 40 ventilators to the Ministry of Health suitable for paediatric and adult use.¹⁰¹

Emergency Financial Assistance

The IMF approved Jordan's request for emergency financial assistance of about USD400 million under the Rapid Financing Instrument.¹⁰² It rolled out a USD 3 billion facility, an extended arrangement under the Extended Fund Facility (EFF) and USD 396 million in emergency assistance to ensure that the emergence of health and economic needs does not affect the balance of payments.¹⁰³ On December 14 2020, the IMF Executive Board approved the completion of the first review of the EFF, which made about USD148 million immediately available for Jordan's government.¹⁰⁴

Education facilities

The United Nations High Commission for Refugees (UNHCR) assisted with a digital educational platform, which benefited more than 1000 learners in refugee camps.¹⁰⁵ It helped ensure the continuity

in learning as classes had resumed online.

Food Security

As part of COVID-19 emergency response, the World Food Programme (WFP) has been assisting more than 15 000 individuals from refugee camps in Jordan to ensure secure and sustainable food is available.¹⁰⁶

Post-COVID-19 challenges and recovery priorities

The unprecedented economic shock of COVID-19 Pandemic has exacerbated existing structural weaknesses in the economy and unresolved social challenges, putting pressure on Jordan's fragile macroeconomic stance.¹⁰⁷ Therefore, the post-pandemic recovery presents the country's opportunity to address these inherent challenges and foster sustainable economic transformation and structural changes. Socio-economic recovery policies and incentives should aim for greater resilience to withstand health and economic shocks and create jobs.¹⁰⁸

Affordable and accessible Health Care

On November 19 2020, amid an unprecedented spike of infections, the prime minister indicated Jordan in a press statement that the country's health sector was still holding on despite the need for increasing hospital bed capacity.¹⁰⁹ Furthermore, the Pandemic created a shortage in outpatient care and a struggle in accessing essential medicines.¹¹⁰

There is, therefore, need for the government to enhance the readiness of the health care sector at

⁹⁹ International Monetary Fund (2020), Policy Responses to COVID-19, Policy Tracker, available at: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

¹⁰⁰ UNICEF (2020).

¹⁰¹ Ibid.

¹⁰² International Monetary Fund (2020).

¹⁰³ World Economic Forum (2020) 14.

¹⁰⁴ World Economic Forum (2020) 14.

¹⁰⁵ World Food Programme Report (2020) 13.

¹⁰⁶ World Food Programme (2020) 11.

¹⁰⁷ World Bank. The World Bank in Jordan dated 10 October 2020 available at

<https://www.worldbank.org/en/country/jordan/overview>

¹⁰⁸ Raouf M, et. at (2020) 2.

¹⁰⁹ Al-Khalidi S. Jordan races to expand hospitals to cope with COVID-19 surge. Reuters, dated 19 November 2020 available at <https://www.thechronicleherald.ca/news/world/jordan-races-to-expand-hospitals-to-cope-with-covid-19-surge-522211/>

¹¹⁰ United Nations Report (2020).

times of crisis and ensure sustainable access to routine services and treatments related to chronic illnesses, reproductive health and immunisation.

It is worth mentioning that the government started COVID-19 vaccinations as of January 14, 2020.¹¹¹ It is also one of the first countries to start COVID-19 vaccinations for refugees.¹¹² Another short-term challenge is for the government to ensure the vaccine is available for all citizens and refugees.

Mitigate the risk of food insecurity

Domestic agricultural production plays a significant role in Jordan's food security. Although currently, the index shows that food security is moderate, there is a high risk it deteriorates in the near future. The harvest was already forecasted to be less due to the windstorms in March 2020. The threat is further exacerbated by the lockdowns that affected land preparation activities.¹¹³ Consequently, the harvest of 2021 is expected to be negatively affected.

Food security is further threatened by export bans imposed by other countries—for instance, the ban on wheat exports and imports' limits by countries like Russia. The current stocks are estimated to be covering around six months of consumption.¹¹⁴ This shows that there is a need for the government to come up with urgent measures to ensure food availability in the coming seasons. The government may consider measures and policies to promote agricultural sector investments and support innovative local initiatives.

Digitalisation and access to the internet

Another short-term challenge relates to the digital divide. For example, the deficit in e-learning tools and the digital divide between students threatens to exacerbate social and economic gaps. Digitalisation and increasing affordable access to the internet are vital to ensure sustainable and inclusive recovery.

Making e-learning equipment readily available for disadvantaged communities is particularly a priority. The World Bank in September 2020 mobilised USD 200 million for the Jordan Education Reform Support Programme to improve conditions for Jordanian children and Syrian refugee children.¹¹⁵

Economic Diversification and Job creation

The prolonged decline in economic activities due to COVID-19 containment measures hit Small and Medium-sized Enterprises (SMEs) the most due to limited cash reserves and led to downsizing and closure of business operations.¹¹⁶ The situation is likely to escalate high unemployment levels already witnessing an exponential increase before the Pandemic.¹¹⁷

The recovery strategies are dependent on the evolution of the Pandemic and whether reforms planned under the Five-Year Reform Matrix, developed by the government in collaboration with the World Bank and other development partners in 2019, are put into effect.¹¹⁸ The Five-Year Reform Matrix aims to reorient Jordan's economy towards export-led growth. There may be a need for the government to review the Matrix in light of the COVID-19 impacts to promote a diversified and resilient economy that creates jobs and alleviates the socio-economic implications of the Pandemic.

¹¹¹<https://www.arabnews.com/node/1793296/middle-east>

¹¹² UNHCR. Refugees receive COVID-19 vaccinations in Jordan, dated 14 January 2021 available at

¹¹³ Raouf, Mariam; Elsabbagh, Dalia; and Wiebelt, Manfred. 2020. Impact of COVID-19 on the Jordanian economy:

Economic sectors, food systems, and households. MENA Policy Note 9. Washington, DC: International Food Policy Research Institute (IFPRI).

<https://doi.org/10.2499/p15738coll2.134132> .

¹¹⁴ World Food Programme (2020) 17.

¹¹⁵ World Bank(2020b).

¹¹⁶ Zeitoun A (2020). COVID-19 Pandemic Challenges and Opportunities: The Case of Jordan. EUROMESCO available at <https://www.uromesco.net/publication/covid-19-pandemic-challenges-and-opportunities-the-case-of-jordan/>

¹¹⁷ World Bank (2020b).

¹¹⁸ Ibid.



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