

people living in Jordan's vast and underpopulated desert areas.

Qualitative improvement is especially necessary in health care for mothers and children and connected with the issue of population growth, as already mentioned. Assistance implementation in the south and other parts of Jordan where the natural growth rate is relatively high must be reviewed in the light of this issue. Japan is scheduled to start a mothers' and children's health care project before long; it is hoped that more and better assistance will be provided to further expand and improve maternal health care.

(3) Improvement of the basic information infrastructure

In aid activities of all kinds, including the priority areas described above, correctly understanding the social and economic context of each locality for which the aid is intended is a vital step toward facilitating future cooperation activities. Jordan's Department of Statistics is striving to collect and classify data by governorate, but the collected data are insufficiently accurate and the present state of affairs in many part of Jordan is far from clearly understood.

In response to a request from Jordan, Japan at one time was considering a master plan to develop "Badiya" (regions that are turning into deserts), but it had to abandon the plan due to the shortage of general information. Support for an information infrastructure would not only very effectively enable the Jordanian government to carry out well-adapted social policies but would also contribute to Japan's efforts to assist these parts of Jordan.

2-3 Assisting the Jordanian Economy to become a more Active Entrepôt Site in Prospect of the Regional Economy's Take-off

As mentioned in Chapter I, normalization of the economies in the regional economic zone including Israel, Palestine, and Iraq and achieving peace in the Middle East are both very important steps for Jordan toward revitalizing its own economy, because Jordan is an entrepôt site for other countries in the region as well as for Asia and Europe.

It has already been mentioned that entrepôt trade and service industries (such as distribution and tourism) should be regarded as priority industries in order to promote Jordan's development as a transshipment site in the regional economy.

For this reason, stable economic development in the entire region surrounding Jordan is vital for Jordan's industrial growth. In addition to backing the establishment of a Bank for Economic Cooperation and Development in the Middle East and North Africa, Japan should work within a multilateral cooperation framework to address the geographical and political problems that Jordan cannot solve alone in order to contribute to creating a favorable environment for the regional economy. For example, it should contribute to the future evolution of the MEMTTA (Middle East and Mediterranean Trade and Tourism Association), help to overcome the critical insufficiency of Jordan's water resources, and assist in maintaining economic development with due consideration to the protection of the environment, without which Jordan's sustainable development is impossible.

Jordan is now heavily in debt and its balance of payments situation remains uncertain. In order to stimulate Jordanian sustainable and steady economic growth in the regional economic context and build its foundations, it is absolutely vital that Jordan promote its industry systematically based on long-term economic forecasts.

Being directly responsible for fostering its own industry, the Jordanian government also has the responsibility for improving its ability to draft industrial policies, putting state and public enterprises on a sound footing through reforms, improving the necessary economic infrastructure, and presenting comprehensive industrial development plans.

Jordanian industry's stable growth also requires appropriate human resource development including the improvement of the ability of corporate managers.

In order to achieve stability and sustainable development—goals closely linked to the subject of section 2-2, "Supporting the stability and sustainable development of Jordan's domestic regional communities"—it is important for Jordan to prevent the spread of unemployment and poverty by creating jobs for the many Palestinians who returned to Jordan after the Gulf War, for the civil servants expected to be laid off or retired due to reforms in the public sector, and for young people, who are now a sizable part of the unemployed. The high unemployment rate among women must also be taken into consideration.

Taking these points into consideration, Japanese ODA is expected to focus on the following priority areas to permit Jordan to achieve economic development as an entrepôt site for the regional economy surrounding it:

(1) Economic infrastructure

Jordan's task is to strive to stimulate and develop its economy, bearing in mind that the "foundations for economic stability and growth" must be built by promoting the above-mentioned structural adjustments, and that the stability and sustainable development of Jordan's domestic regional communities must be supported by directing efforts at social development and basic human needs (BHN). Initially, this will call for short-term programs centering on domestic and Palestinian issues; later, they must evolve stagewise into medium- and long-term programs focusing on the development of the entire Middle East regional economy surrounding Jordan and on Jordan's role in this regional context. One especially important facet of economic infrastructure is electric power and transportation. Programs must be implemented based on this stagewise implementation scenario, taking care to consolidate Jordan's fiscal base and improve the organization of implementation structures.

(a) Electric power

Jordan's domestic electric power grid is relatively well equipped. Thanks to loans from the OECF, two thermal power units generating 130 megawatts each are now under construction in the Aqaba region. Upon their completion, Jordan's demand for electric power will be met for the time being.

Jordan's short- and medium-term goals in connection with electric power therefore focus on four areas: i) to improve the financial situation of utilities by raising electric power tariffs, to curb power consumption, and to improve the efficiency of electric power consumption, ii) to improve the management efficiency of utilities and to better organize their power supply operations, including measures for stronger management autonomy, iii) to carry out structural adjustments, including measures for private sector participation, and iv) to address the environmental impact in related areas.

Jordan is now pursuing efforts in each of these areas with the support of the "Energy Sector Adjustment Loan", co-financed by the World Bank and the

OECE. It is hoped that they will take effect as early as possible. Especially with regard to the environmental aspects, it is important that efforts be made to reduce the sulfur content of fuel and to desulfurize emissions from thermal power plants or other plants that burn high-sulfur crude oil, or to switch to natural gas which is a cleaner energy source.

In the medium and long term, Jordan will have to equip itself with facilities to generate, transmit, and distribute electricity in order to establish a regional electric power network linking it to Israel and other surrounding countries. The construction of a high-tension power line between Aqaba, Israel and Egypt is already under consideration, but an electric power grid covering the Aqaba and Eilat regions should have priority. Over a longer time scale, the feasibility of projects to build a canal to the Dead Sea in order to generate electricity and to desalinate seawater should also be considered.

(b) Transportation

Jordan's road network is, as already stated, relatively well developed. The sections which remain underdeveloped in the main sections of Aqaba and its surrounding regions are being built and repaired with loans from the World Bank or OECE.

In the short and medium term, Jordan must complete these projects as early as possible, and at the same time construct roads across the Jordan River and access roads to tourist attractions. From north to south, the Jordan River is crossed by the Jordan Valley Crossing Bridge, the Prince Mohammad Bridge, the King Hussein Bridge, and the King Abdullah Bridge, all of which were destroyed during the war with Israel and have not been repaired. Only temporary bridges are now in use. The first step in this area, and made increasingly necessary by the Middle East peace process, is to improve the bridges across the Jordan River and access roads connecting them to the main arteries. Secondly, because peace has brought a growing number of tourists, and tourism is one of the very few relatively quick sources of foreign currency, it is important for Jordan to attract tourists from overseas and compete with its neighbors' tourist attractions by improving the access roads to Jordan's tourist resorts, Petra and the Dead Sea region, and the streets in Amman that serve as gateways.

In the longer run, two road networks must also be improved, one from the southern region's main city, Aqaba, to Israel and Iraq, and the other starting from Israel and the Gaza Strip and crossing Jordan west-east. A long-term plan should be drawn up, and projects based on the plan are due to be phased in.

A related agreement on transport has been reached between Israel and Jordan; it addresses vehicular traffic between the two countries, the opening of border checkpoints, and transport standards. The construction of a regional highway between Aqaba and Eilat is under consideration. The maintenance system, as already mentioned, including funding for maintenance and repair, is to be strengthened.

As stated above on the subject of port facilities, it is important to develop Jordan's only port, Aqaba. For the present the port is being used for handling goods mostly to Jordan and in some cases to Iraq, but in the future it is destined to become a base for wider trade with Jordan's neighbors. Its port facilities require improvement with the long-term development of the whole Middle East region in mind. As the region containing Aqaba and Eilat deserves to be considered a development hub in the Middle East, a comprehensive regional development plan, including the construction of the Aqaba-Eilat Airport, should be prepared. JICA is now carrying out a Feasibility Study for Aqaba Port Expansion; its findings should be carefully studied and ample attention paid to the environment, including prevention of pollution in the Gulf of Aqaba.

Finally, three OECF loans in the past have funded the construction of telecommunications infrastructure, and in recent years in co-financing with the World Bank, the Export-Import Bank of Japan and others have paid for further improvement. Jordan's Telecommunication Corporation is in good financial condition, and the government of Jordan is considering privatizing it.

(2) Effective use of water resources

(a) Basic orientation

Water resources are, as already explained, scarce and very important not only for Jordan but also for its neighbors. Securing water supply is an essen-

tial element for the social and economic development of Jordan.

It is of fundamental importance for Japanese assistance to help Jordan reduce its water consumption. Japan has already implemented a development survey focused on this purpose; further assistance should always take related trends into account.

Second in importance only to water resource development is the improvement of waterworks management. Japan must demonstrate a willingness to give this aspect priority in its assistance. Jordan is already aggressively recycling water, a field where the government of Japan is promoting cooperation: for example, Japan will explore the possibilities of cooperation in the project for the improvement of a water supply system in Greater Amman.

(b) Assistance to encourage good management

It is important to improve waterworks management, as mentioned above. Jordan's waterworks can be effectively enhanced by involving the private sector and by adopting a water tariff structure to promote water conservation.

(c) Transfer of suitable technology

The transfer of suitable technology—specifically, technical assistance in controlling water supplies—will be beneficial, and Japan has already begun such assistance in the Zarqa District.

Solar energy can be used effectively for the desalination of saline water and is advised to be used in the future. In the sewerage field, technical assistance for small scale recycling as well as for treated waste water with high concentrations of organic substances and salt, making it reusable for irrigation, will be useful.

(d) Rehabilitation

In Jordan, nearly 100% of the population already have running water and nearly 50% have toilets connected to sewage systems but, as mentioned repeatedly in this report, there is still much room for improvement in Jordan's water supply situation. Assistance, especially with regard to water supplies, must

deal with unaccounted for water (over 50% of all water supplied). Assistance to prevent unaccounted for water and transfers of preventive maintenance technology is extremely important.

(3) Promotion of industry

Given Jordan's present industrial structure and considering also the above-mentioned points from a medium- and long-term viewpoint, it is evident that tertiary industry is the key to Jordan's industrial development and must be fostered. For this reason, the priorities in Japan's assistance to Jordan should be to foster first the service industry (tourism, trade, and distribution) and after that the manufacturing industry, including local industries.

Maintaining or increasing agricultural self-sufficiency in such staple foods as wheat is necessary from the standpoint of food security. Given Jordan's serious shortage of water resources, Japanese assistance in this area will be most effective if it is directed not at stimulating agriculture itself but at improving irrigation facilities' maintenance and management, fostering the food processing industry, and improving the distribution system, including farmers' cooperatives.

Fostering Jordan's small and medium enterprises will be a very important step toward the promotion of industry in the above-mentioned priority areas as well as reform of the government and public sector and state enterprises and activation of the yet immature private sector.

In services, tourism is the second most important source of foreign exchange, next to remittances from overseas. It has increased especially remarkably since the peace accord with Israel and deserves to be marked as a growth industry.

As pointed out repeatedly with reference to trade promotion, regional trade promotion must be centered around Aqaba, which, being Jordan's only seaport and a major geographical hub in Jordanian-Israeli trade, holds the key to regional economic development.

Taking these points into consideration, the following specific types of cooperation should be considered:

(a) Fostering small-scale businesses

It is necessary for Japan to help Jordan establish both government-sector and private-sector assistance structures, and to promote Jordan's small-scale businesses. Japan's know-how and experience can be utilized effectively in the planning of assistance to achieve many objectives: to increase small-scale businesses' access to loans by establishing institutional finance, to provide these small-scale businesses with appropriate marketing and technical information on which to base industrial planning, and to improve the economic infrastructure and the investment environment on which industrial development is based.

The exchange and publication of information between small-scale enterprises in Japan and in Jordan and assistance to Jordanian small-scale enterprises running publicity campaigns in Japan will also be useful and contribute to promoting cooperation at the non-governmental level.

Promotion of Jordan's manufacturing industry, including local industry, is also important in light of the need for job creation and the likelihood that this need will grow in the future. Specifically, Japan's quality control technology can be expected to contribute to improvements and greater uniformity in the quality of Jordanian manufactured products, enabling Jordan to foster and promote the fabrication of low-tech products, especially daily necessities for Iraq and other Arab states, as well as such long-established items as handicrafts and fabrics.

Future cooperation projects must also be considered in the field of software development and other high-tech industries, in addition to Jordan's traditional manufactures, drawing on Jordan's rich stock of human resources.

(b) Promotion of tourism

Tourism is the second largest source of foreign exchange next to remittances from overseas and has grown especially remarkably since the signing of the peace accord with Israel. Prompt measures are needed to exploit touristic resources and to preserve ruins, areas in which Japan is relatively skillful, not to mention the hardware aspects of economic infrastructure programs described in the previous section. Technical cooperation to improve marketing, hotel management, and accounting systems and skills should also be considered.

(c) Development of the South: the Aqaba hub and its environs

Aqaba is an important region for Jordan because it is Jordan's only seaport and a base for entrepôt trade with other countries in the regional economic zone, as well as a major junction of the Jordanian-Israeli trade route. Aqaba's port facilities are being improved, and an airport is now under construction. This and other transportation-related infrastructural improvement, not only within its borders but also in neighboring countries, is vital for Jordan to consolidate the foundations of its economy.

As Aqaba and its environs also have considerable potential as a tourist site, cooperation should also cover touristic aspects. Support for small-scale businesses of the region is a useful step toward improving the free trade zone of Aqaba itself and constructing and managing an industrial complex in its environs. As mentioned in 2-3(1), the environmental protection of the port's environs must be taken into consideration in all port improvements.

(4) Tailoring human resource development to real needs

Appropriate human resource development, both in the private sector and in the government and public sector, is an immense task on Jordan's agenda, with repercussions on Jordan's ability both to promote its industry and achieve stable growth and to carry out the reforms needed to stimulate its economy.

Though Jordan's organizations have a huge administration, the engineers, skilled workers, and middle management class workers that occupy the middle of the administrative hierarchy are in short supply. This social structure may hinder the public sector's sound management, the private sector's industrial promotion, and both sectors' future stable development.

Under these circumstances, Japan's support for the creation of a middle class—indispensable to stimulation of the economy in the long run—is both necessary and of crucial importance.

(a) Training of government and public sector staff

As we have mentioned many times already, Japan must cooperate with Jordan in strengthening the competence of Jordan's government and public

sector officials to achieve balanced development that harmonizes the effective implementation of structural adjustment policies, industrial promotion, and development of domestic regional communities. Especially strong support must be given to government staff training aimed at improving officials' ability to draw up and implement industrial policy, an area in which Japan is especially knowledgeable. Intellectual assistance through the dispatch of Japanese experts in this field must be considered.

Among other specific areas where support for suitable human resource development is necessary, we should note first the upgrading of vocational training instructors' and counselors' qualifications, including in the private sector, in order to respond more closely to society's real needs. It is also important to improve administering abilities in organizational reform and policy making, and coordinating abilities in the fields of agriculture, water, and irrigation. This kind of cooperation in human resource development aimed at building a basic information infrastructure additionally would make very useful contributions to the drafting of more appropriate social policies.

Because Jordan does not yet have a full set of environmental regulations and standards, the task of establishing pollution standards and monitoring systems also confronts Jordan at this juncture, and assistance for human resource development in these fields is also urgently needed.

(b) Training of staff to promote and foster private sector industry

Technical cooperation to improve quality control and production technology levels is useful to train staff directly engaged in manufacturing and thus to improve private sector industry's productivity. Two approaches to assistance for improving business management capability that should be studied are technology transfer by experts and training of Jordanian management staff in Japan.

Cooperation in the fostering of small and medium private enterprises must seek both to train and encourage entrepreneurs and skilled workers to pursue careers and to improve the investment environment and increase the chances of obtaining financing by setting up institutional finance systems.

Though Jordan is well endowed with people with higher education, it is

short of people whose talents meet enterprises' real needs. Improving technical education in schools is vital in order to provide vocational training that is better adapted to private industries' own human resource development programs. Specific measures need to be devised for better vocational education curricula through, say, linkage with corporate training programs.

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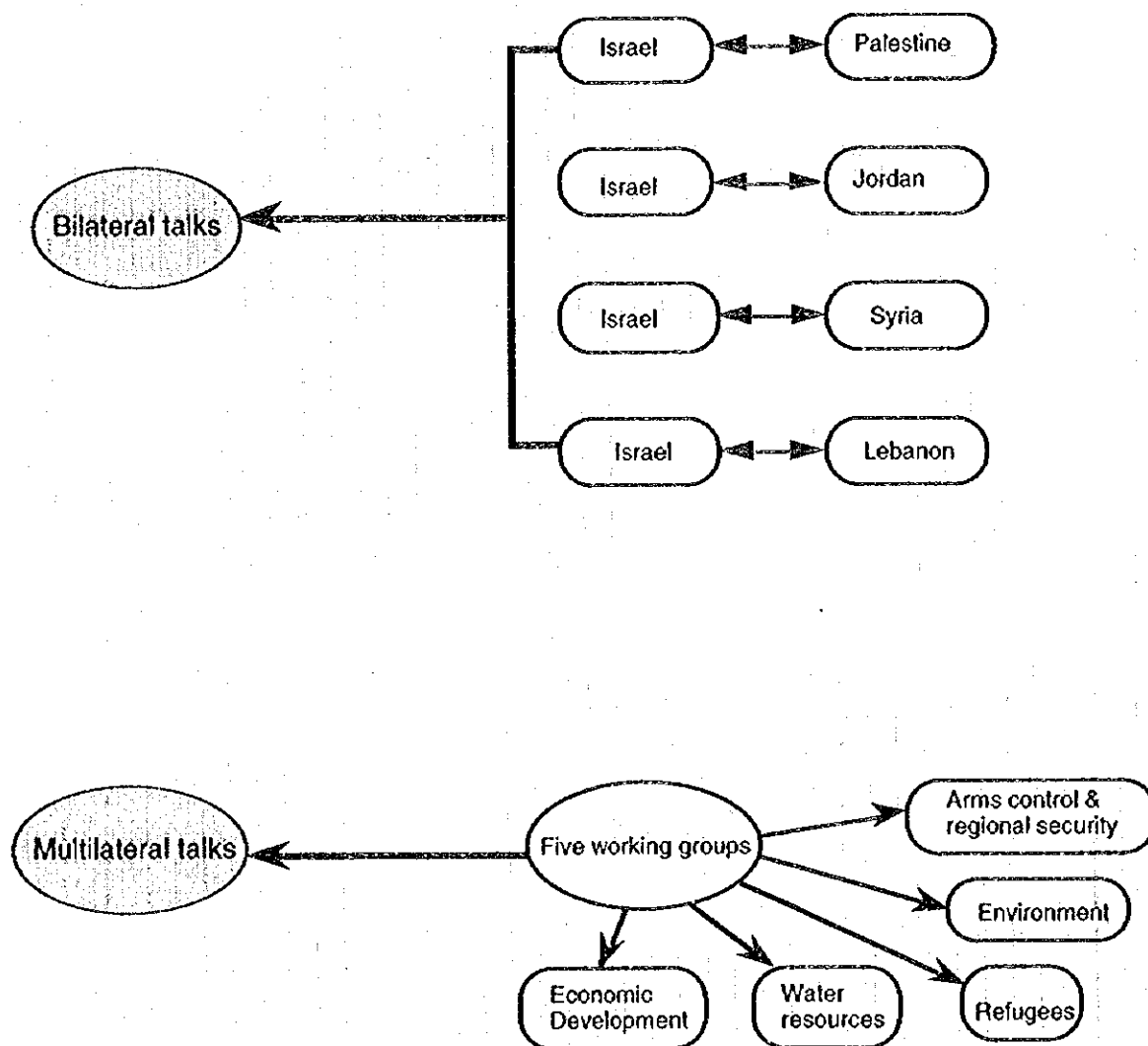
Related topic **Palestinian refugees**

Note: The statistical data above and in the text may differ slightly from each other due to differences among sources in data collection methods and other factors.

Figure 1 Milestones in the Middle East peace process

October 1991	Madrid Peace Conference
September 1993	Agreement between Israel and the PLO on interim self-government Agreement between Israel and Jordan on common agenda of peace talks
May 1994	Start of initial interim Palestinian self-government in the Gaza Strip and the Jericho Area (beginning of 5-year interim self-rule period)
July 1994	Declaration in Washington of termination of state of war between Israel and Jordan
October 1994	Peace treaty between Israel and Jordan First Middle East and North Africa Economic Summit in Casa Blanca
September 1995	Agreement to expand Palestinian self-government
October 1995	Second Middle East and North Africa Economic Summit in Amman
January 1996	Palestinian elections
May 1996	Beginning of talks on permanent status of the West Bank and the Gaza Strip
May 1999	End of interim self-government, transition to permanent status.

Figure 2 The Middle East peace process framework



ODA orientation and priority areas

(Philosophy underlying ODA)

< Jordan's role in the Middle East >

Direct party involved in Middle East peace process
Crossroads between the Gulf and Eastern Mediterranean

< Importance of Jordan's social and economic development >

Promotion of Middle East peace process
Economic underpinning for regional economic development and peace process
(In the strict sense: Israel, Palestine, Jordan)
(In the broad sense: Israel, Palestine, Jordan, plus Iraq, Syria, and the Gulf states)

(Basic orientation of development and ODA priority areas)

< Major goals >

< Orientation of development >

< Intermediate goals >

Laying of foundations for economic stability and development

Macroeconomic stability and structural adjustment

Government and public sector reform

- Ensuring growth
- Curbing inflation
- Balancing the budget and reforming the tax system
- Improving the balance of payments

- Reorganizing the government sector for greater efficiency
- Reforming and privatizing state enterprises
- Promoting private sector investment
- Improving statistical and other data infrastructure

Support of stability and sustainable development of domestic communities

- Improvement of the environment, primarily urban
- Improvement of basic medical services, especially in rural areas
- Establishment of basic data on Jordan's regions

Assisting the Jordanian economy to become a more active entrepôt site in prospect of the regional economy's take-off

Economic infrastructure improvement programs

Effective use of water resources

Industrial promotion programs

- Electricity
- Transport

- Promotion of better water management
- Transfer of appropriate technology
- Rehabilitation work

- Programs to foster small-scale businesses
- Promotion of tourism
- Development of the south, with Aqaba and its environs in a regional hub
- Appropriate human resource development

< Important points and considerations >

< General Considerations >

- Coordination among donors
- Stress on responses to moral hazards and self-help efforts
- Future projects involving regional cooperation with Israel and their effects
- Respect for the ODA Charter
- Concern for the most disadvantaged
- Promotion of people's participation in programs both by Japanese and Jordanians

< Support for structural adjustments >

- Attention to the debt situation and mounting debt service burden
- Support for the framework for peace
- Promotion of reform in balance of international payments and national budget
- Concern for social safety nets (ties to grants and technical cooperation)

< Social development >

- Attention to disparities between rural and urban areas, especially between northern and southern areas
- Efforts to ensure the efficient use of water resources
- Promotion of tie-ups with local NGOs and grassroots participation

< Industrial development >

- Efforts to ensure the efficient use of water resources (tied to promotion of agriculture and industry)

Table 1 Population

Year	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993
Population (in thousands)	1,810	2,181	2,644	2,744	2,846	2,948	3,056	3,278	3,644	3,949	4,102

Source: World Bank, World Tables, 1995

Table 2 Gross National Product

Year	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993
GNP (million JD)	187.7	377.5	1,183.6	1,965.1	2,097.3	2,112.5	2,129.9	2,206.4	2,375.9	2,559.1	3,135.8	3,459.2

Source: IMF, International Financial Statistics Yearbook, 1994

Table 3 Gross Domestic Product per capita

Year	1985	1986	1987	1988	1989	1990	1991	1992	1993
Per capita GDP (US\$)	1,890	2,090	2,250	2,220	1,530	1,250	1,060	1,130	1,190

Source: World Bank, World Tables, 1995

Table 4 Foreign trade and balance of payments

(Unit: million JD)

Year	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Domestic Exports	120.1	255.3	225.6	248.8	324.8	534.1	612.3	598.6	633.8	691.3	793.9
Re-Exports	51.3	55.5	30.4	66.9	56.7	103.5	93.8	172.1	195.5	173.4	201.3
Imports	716.0	1,074.5	850.2	915.5	1,022.5	1,230.0	1,725.8	1,710.5	2,214.0	2,453.6	2,362.6
Trade Balance	-543.3	-761.6	-591.8	-596.9	-638.5	-585.3	-1,008.6	-994.1	-1,461.7	-1,585.2	-1,362.4
Services Balance (Accrual Basis)	256.2	346.7	337.8	279.3	300.7	319.1	326.4	368.9	614.0	878.7	855.6
Jordanian Workers Remittances	236.7	402.9	414.5	317.7	335.7	358.3	331.8	306.3	573.1	720.7	763.7
Current Account, Net (Accrual Basis)*	111.6	-99.9	-16.0	-118.4	-105.5	104.9	-272.8	-288.1	-568.7	-435.3	-279.2
Capital Account, Net (Accrual Basis)	32.0	137.6	51.0	75.9	32.8	-212.1	-45.0	396.2	158.8	-122.0	111.1
Reserves** Net (Surplus -)	-111.2	-18.5	-18.3	36.6	120.3	-317.8	-268.7	-734.1	-33.2	34.1	-33.7

*Trade + services balance + unrequited transfers

**Current account + capital account + financing + errors & omissions

Source: Central Bank of Jordan, Monthly Statistical Bulletin, August, 1995

Table 5 Current balance

(Unit: million US\$)

	1973	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993
Exports of Goods & Services	189.0	414.6	1,781.5	2,075.7	1,903.8	2,283.0	2,471.0	2,390.0	2,579.3	2,559.0	2,778.9	2,921.0
Imports of Goods & Services	417.9	951.2	3,318.2	3,912.0	3,566.0	3,517.0	4,112.0	3,657.0	4,135.0	3,885.0	4,633.7	4,729.8
Private Current Transfers, net	55.4	172.0	594.4	845.0	985.0	744.0	803.0	562.0	453.0	410.0	872.0	997.0
(Workers' Remittances)	44.7	166.7	714.6	1,021.0	1,184.0	939.0	894.0	623.0	500.0	450.0	800.0	1,040.0
Current A/C Balance before Official Transfers	-173.5	-364.6	-942.3	-991.3	-677.2	-499.0	-838.0	-705.0	-1,147.7	-876.0	-928.8	-811.8
Net Official Transfers	186.0	409.3	1,311.0	739.0	633.0	599.0	550.0	599.0	393.0	164.0	0.0	0.0
Current A/C Balance after Official Transfers	12.5	44.7	368.7	-252.3	-44.2	109.0	-288.0	-106.0	-754.7	-712.0	-928.8	-818.8

Source: World Bank, World Tables, 1995

(Data for 1993 are estimates)

Table 6 Bilateral trade volumes

(Unit: million US\$)

Year	1986		1987		1988		1989		1990		1991		1992	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
Industrial Countries	1,942.4	79.7	1,408.6	76.7	1,453.6	91.2	1,111.5	82.4	1,420.4	58.9	1,351.6	102.0	1,681.9	154.5
Developing Countries	29.9	2.3	4.6	3.6	27.1	35.4	0.4	33.0	46.4	52.3	96.9	35.8	71.0	53.6
Africa	175.0	169.2	122.0	139.3	226.0	280.7	83.2	209.7	233.1	370.5	331.8	335.4	424.7	298.8
Asia	14.2	97.8	4.3	66.6	7.5	143.4	14.9	174.9	33.3	194.5	78.5	161.8	45.9	142.2
(of which, India)														
Europe (Eastern Europe, Cyprus, and Turkey)	173.7	63.6	220.5	79.9	207.6	84.7	117.5	93.5	161.3	45.2	175.1	37.2	246.7	44.4
Middle East	567.1	265.9	716.2	963.9	706.5	344.6	591.2	383.1	668.7	378.5	526.4	406.2	670.4	454.0
(of which Iraq)	232.3	121.5	297.4	174.5	319.4	172.9	373.3	212.3	411.6	178.6	257.8	132.0	434.6	102.5
Latin America	26.0	10.1	30.8	6.1	36.3	2.9	25.5	.	33.2	14	46.7	3.4	57.6	7.1
(Total, Developing countries)	971.8	511.0	1,094.0	592.7	1,203.4	743.4	817.8	719.3	1,132.7	847.8	1,176.0	818.1	1,470.4	857.9
Others	130.3	153.0	207.4	249.2	145.0	180.5	206.8	295.8	47.2	157	115.7	241.1	104.4	200.4
World Total	2,444.4	743.2	2,708.0	918.6	2,802.1	1,020.1	2,136.1	1,097.6	2,600.3	922.5	2,643.3	1,161.2	3,256.8	1,219.9

Source: IMF, Direction of Trade Statistics Yearbook, 1993

Table 7 Trade volumes by commodity

(Unit: 1000JD)

Commodity/Year	1990		1991		1992		1993		1994	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Food and Live Animals	59,756	403,896	86,041	417,668	92,033	416,023	140,033	435,146	91,200	409,673
Beverages and Tobacco	4,450	9,777	7,370	9,505	4,935	9,324	3,662	9,652	4,070	13,878
Crude Materials, except Fuels (Phosphates)	235,242	43,210	228,356	58,916	218,157	45,518	192,816	55,508	207,686	71,580
(Potash)	138,668		123,092		122,464		97,884		100,390	
	88,526		96,764		86,220		86,023		92,573	
Mineral Fuels and Related Materials (Crude Oil)	5	312,110	23	247,454	5	303,425	39	314,785	71	300,657
		236,076		193,663		228,845		236,804		232,323
Animal and Vegetable Oils and Fats	643	21,896	2,312	23,676	1,856	37,628	1,717	42,653	62,698	82,501
Chemicals (Medicaments)	138,967	190,205	177,045	218,764	196,932	245,544	195,462	248,566	262,361	279,917
(Fertilizers)	40,323	37,221	34,547	38,593	54,991	55,656	70,478	67,371	91,297	67,234
	79,350	5,296	86,471	6,822	72,456	12,225	55,623	7,623	89,205	7,099
Manufactured Goods (Textile)	77,792	299,724	63,411	327,848	66,990	444,884	81,367	506,728	85,921	432,165
(Cement)	19,499	70,773	11,852	76,953	15,286	94,408	19,311	94,995	20,897	87,674
(Iron and Steel)	22,206	97	26,103	13	22,214	478	17,962	1,018	27,334	377
		70,240		84,520		133,580		157,995		130,770
Machinery and Transport Equipment	14,292	327,206	7,442	299,085	11,838	543,781	23,904	660,862	39,443	600,334
Miscellaneous Manufactured Articles	31,105	92,136	26,627	98,958	41,009	151,110	52,282	150,734	40,469	151,637
Others	0	25,668	0	13,589	0	16,765	0	28,991	0	20,241
Total	612,252	1,725,828	598,627	1,710,463	633,755	2,214,002	691,282	2,453,625	793,919	2,362,583

Source: Central Bank of Jordan, Monthly Statistical Bulletin, September, 1995

Blank cells lack corresponding items

Table 8 External debt

(Unit: million JD)

	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993
Long-Term Debt	345.9	1,489.5	3,319.3	4,120.1	4,957.6	5,400.1	6,318.0	7,117.5	7,541.7	7,025.6	6,906.1
Short-term Debt	2.1	485.7	692.5	764.7	1,322.1	833.2	154.5	167.9	252.4	130.8	50.9
External Debt (Total)	348.0	1,975.2	4,011.8	4,884.8	6,279.7	5,733.3	6,472.5	7,285.4	7,794.1	7,156.4	6,957.0

Source: World Bank, World Tables, 1995

Data for 1988 are estimates

Table 9 Government deficit or surplus

(Unit: million JD)

	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992
Current Revenue	179.4	414.6	599.2	612.9	589.5	629.8	766.3	861.8	990.4	1,261.6
Current Expenditure	121.9	305.4	523.4	556.1	561.2	644.9	713.9	803.0	854.1	884.9
Current Budget Balance	57.5	109.2	75.8	56.8	28.2	-15.1	52.4	58.8	136.4	376.7
Capital Receipts	0.0	2.8	0.7	1.4	0.5	0.3	0.4	0.2	1.4	0.5
Capital Payments	79.3	221.8	229.6	188.2	276.6	193.5	190.3	153.5	215.3	196.3
Government Deficit or Surplus	-21.8	-109.9	-153.1	-130.0	-276.6	-208.3	-137.5	-94.4	-77.6	-180.9

Source: World Bank, World Tables, 1995

Table 10 Central government revenues and expenditures

Revenue

Unit: million JD

		1990	1993
Tax Revenues	Income & Profits	114.0	118.8
	Custom Duties	116.7	237.7
	Sales Tax	90.4	174.3
	Other Taxes	62.8	112.6
Total		383.9	643.4
Nontax Revenues	Licences	36.3	62.0
	Fees	71.9	113.3
	Post, Telegraph & Telephone	75.0	135.9
	Interests & Profits	86.4	64.5
	Other Revenues	90.5	172.4
Total		360.1	548.1
Grand Total		744.0	1,191.5

Source: Central Bank of Jordan, Monthly Statistical Bulletin, September, 1995

Central government expenditures

Unit: million JD

		1990	1993
Current Expenditures	General Administration	9.1	12.8
	Defence	205.0	236.0
	Security & Internal Order	58.2	74.2
	International Affairs	8.6	11.3
	Fiscal Administration	385.6	454.9
	Economic Development Services	18.7	22.9
	Social Services	124.7	187.5
	Cultural and Information Services	10.8	15.2
	Communication and Transport Services	20.7	29.5
Total		841.4	1,044.3
Capital Expenditures	General Administration	0.0	0.0
	Defence	0.0	0.0
	Security & Internal Order	8.4	16.3
	International Affairs	0.1	1.0
	Fiscal Administration	125.2	374.1
	Economic Development Services	129.1	159.2
	Social Services	10.4	31.5
	Cultural and Information Services	2.0	6.2
	Communication and Transport Services	3.5	15.2
Total		278.7	603.5

Source: Central Bank of Jordan, Monthly Statistical Bulletin, September, 1995

Table 11 Sectoral origin of gross domestic product

Sector/Year	1980	1990	1994
Agriculture, hunting, forestry and fishing	7.8	9.8	10.9
Industry	18.8	17.3	16.2
Electricity and water	1.9	3.2	3.0
Construction	11.0	4.9	7.5
Trade	18.7	3.5	3.5
Transport and communication	9.0	16.2	15.2
Finance, real estate and business services	11.9	20.2	19.7
Government services	19.2	23.2	21.4
Other services	2.2	1.7	2.6
Gross domestic product (%)	100.0	100.0	100.0

Source: Central Bank of Jordan, Annual Report

Table 12 Net ODA to Jordan

(Unit: million US\$)

	1989	1990	1991	1992	1993
(Bilateral)					
Japan	12.2	145	430.7	126.4	45.5
Germany	29	174	119.8	63.5	29.2
Great Britain	7.9	9.9	5.5	5.5	7.3
U.S.A.	63	58	33	59	52
Total bilateral aid	130.7	435	682.7	313	181.1
(Multilateral)					
CEC	4.2	6.6	193.2	40.7	40.9
IBRD					
IDA	-1	-1	-1	-1.3	-1.5
WFP	7.8	9.8	16.2	4.4	4.5
UNDP	2.9	3.1	2.9	2	2.1
Total from Arab countries	128.7	425.9	4.4	-1.7	0.1
Grand total	276.6	888.1	920.7	420.8	311.6

Source: OECD 1995

Table 13 Gross ODA to Jordan

(Unit: million US\$)

	1989	1990	1991	1992	1993
(Bilateral)					
Japan	14.3	165.9	443.1	126.4	45.5
Germany	29.5	174.7	128	64.1	29.2
Great Britain	8.4	10	5.5	5.5	7.3
U.S.A.	70	66	38	64	57
Total bilateral aid	147.4	481.1	710.1	328	194.1
Total from Arab countries	174.7	456.1	4.4	2	0.1

Source: OECD 1995

Table 14 Grant ODA to Jordan

(Unit: million US\$)

	1989	1990	1991	1992	1993
Japan	7.4	8.5	6.7	5.1	7.9
Germany	15.9	141.8	105.8	20.6	19.9
Great Britain	4.1	9.2	4.9	5.4	7.3
U.S.A.	63	61	36	44	32
Total bilateral aid	108.6	274	221.6	118.2	105.9
Total from Arab countries	159.8	440.5	1	2	0.1

Source: OECD 1995

Table 15 Japan's ODA to Jordan (net outlays, unit: million US\$)

Year	Donations			Government loans		
	Grant-in-aid	Technical cooperation	Total	Total outlays	Net outlays	Total
1990	2.2	6.32	8.53	157.37	136.51	145.03
1991	0.35	6.38	6.72	436.39	423.94	430.67
1992	0.36	4.7	5.06	121.3	121.3	126.36
1993	0.08	7.85	7.93	37.57	37.57	45.5
1994	1.23	9.95	11.19	95.49	95.49	106.67
Cumulative total	10.15	70.32	80.49	1010.4	953.96	1034.45

Source: Japan's Official Development Assistance, Vol.2, Japanese Ministry of Foreign Affairs, 1995

Table 16 Japanese ODA, by year and type of aid, 1990-1994

Fiscal year	1990	1991	1992	1993	1994
Loan aid					
Emergency commodity loan	14,556	59,486	3,781	1,231	Aqaba power station construction plan 4,745
Industry and trade policy adjustment plan	10,917				Energy sector adjustment plan 8,393
	total: 25,473 billion (1)	total: 59,486 billion (1)	total: 3,781 billion (1)	total: 1,231 billion (1)	total: 13,138 billion (2)
Grant aid					
(Cultural grant 1)			(Cultural grant 1)	(Cultural grant)	(Cultural aid 1)
Educational program production equipment 0.047		University language center audiovisual equipment 0.45	Library audiovisual equipment 0.027	Culture center sound and audiovisual equipment 0.041	National Radio and Television Corporation television programming software 0.024
				(General grant 2)	(General grants 4)
				Improvement of solid waste management in Greater Amman 0.504	Water supply repair equipment improvement plan 0.66
				Aid for increased food production 0.4	Medical equipment and supplies improvement plan 0.8
				(Grant Assistance for Grass Roots Projects 4)	In-project aid 1.0
					Aid for increased food production 0.5
					(Grant Assistance for Grass Roots Projects 7)
				total: 0.027 billion	total: 3.032 billion
Technical cooperation					
(Acceptance of participants for training 31)		(Acceptance of participants for training 40)	(Acceptance of participants for training 42)	(Acceptance of participants for training 42)	(Acceptance of participants for training 50)
(Dispatch of experts 2)		(Dispatch of experts 9)	(Dispatch of experts 6)	(Dispatch of experts 6)	(Dispatch of experts 13)
(Dispatch of JOCVs 9)		(Dispatch of JOCV 11)	(Dispatch of JOCV 10)	(Dispatch of JOCV 16)	(Dispatch of JOCV 21)
(Project-type technical cooperation 1)		(Project-type technical cooperation 1)	(Project-type technical cooperation 1)	(Project-type technical cooperation 1)	(Project-type technical cooperation 1)
<Electric Power Training Center : 1986-1991>					
<Computer Technology Development and Training Center : 1990-1992>					
(Development studies 1)				(Development studies 1)	(Development studies 5)
Agricultural Development for the Karakoram Development Region				Brackish Groundwater Desalination	Brackish Groundwater Desalination
					Improvement of the Port of Aqaba
					Improvement of the water supply system for the Zarga District
	total: 0.662 billion	total: 0.762	total: 0.613 billion	total: 0.74 billion	total: 1.472 billion

Sources: Japan's Official Development Assistance, Vol.2, Japanese Ministry of Foreign Affairs, 1995;

Japan International Cooperation Agency Annual Report, 1991-1995.

*Japan Overseas Cooperation Volunteers

Related topic Palestinian refugees

The term "Palestinian Refugees" refers primarily to the Palestinians fleeing the territories which are now part of the State of Israel during the time of inter-communal fighting between Jews and Palestinians, preceding the declaration of independence of Israel in May 1948 and the following war between Israel and Arab states. They are still unable to return to their homes. It is not known how many Palestinians fled during the time. This group is commonly referred to as the "1948 refugees".

In December 1948, the United Nations General Assembly passed a resolution (197-III) declaring that all Palestinian refugees had the right to return to their homes and that refugees who did not wish to return should be compensated for the houses, lands, and other property they had lost. In May 1950, the United Nations' Relief and Work Agency for Palestinian refugees in the Near East (UNRWA) was established. UNRWA now provides education, health, social welfare, and other basic services to Palestinian refugees in Lebanon, Syria, Jordan and from the two occupied territories (the West Bank and the Gaza Strip). They and their children and dependents are eligible to receive UNRWA services only if they are registered with the UNRWA and reside in UNRWA fields of operation. Presently, the number of UNRWA-registrants is as shown in the table.

Number of UNRWA-registered refugees (as of June 30, 1995)

	Number of refugees	Number of camp inhabitants	Number of camps
Lebanon	346,164	185,581 (53.6%)	12
Syria	337,308	94,866 (28.1%)	10
Jordan	1,288,197	252,089 (19.6%)	10
West Bank	517,412	132,508 (25.6%)	19
Gaza Strip	683,560	379,778 (55.6%)	8
Total	3,172,641	1,044,822 (32.9%)	59

Source: UNRWA data.

As the table shows, Palestinian refugees live in different countries and territories; their legal status differs accordingly. West Bank and Gaza refugees are now subject to Palestinian interim self-government. Jordan is the only country that has granted citizenship to the Palestinian refugees living within its borders.

When the War of 1967 broke out in June and Israel occupied the West Bank and Gaza, there was a second massive wave of Palestinian emigration, mostly into Jordan. These refugees are generally known as the "1967 refugees"; their number at the time was estimated at 250,000. The "1967 refugees" include both "1948 refugees" who fled to the West Bank and Gaza in 1948 and then to Jordan in 1967, and indigenous inhabitants of the West Bank and Gaza who became refugees for the first time when they fled to Jordan during the 1967 war. The former are registered UNRWA refugees, the latter are normally not UNRWA registrants but come under the authority of the Jordanian government.

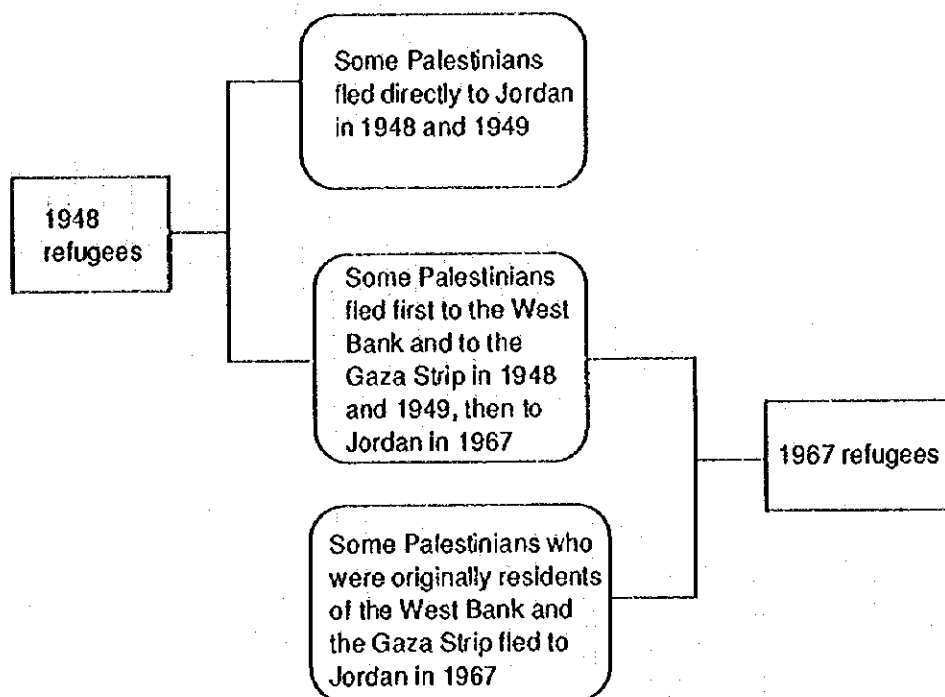
With the agreement reached between Israel and the PLO on interim self-government in 1993 and the peace treaty signed between Israel and Jordan in 1994, the refugee problem will be dealt with in two stages. The first is designed to accommodate the "1967 refugees"; their return to the West Bank and Gaza during the period of interim self-government is expected to be authorized. However, neither the criteria nor the modalities of their return have been decided yet. Presently, this is being discussed among Israel, PLO, Jordan, and Egypt, but for the time being, no agreement has been reached, not even on a definition of "1967 refugee," and when they will be able to return is unknown. As for the "1948 refugees," their problems are scheduled to be dealt with during negotiations between Israel and the PLO over the permanent status of the Palestinians. No one can tell how the talks will be placed or what will be done to finally resolve the refugee problem.

Whatever happens elsewhere, the Palestinian refugees are a domestic problem for Jordan. First of all, even the UNRWA registrants alone (about 1.3 million) account for one-third of Jordan's population, and to their number must be added the non-UNRWA-registered Palestinian refugees (roughly half of the "1967 refugees"). Jordan's demographic structure, politics, and social life will all be heavily influenced by how their status is handled in the process of interim self-government and in the negotiations on permanent status and on the final solution to the refugee problem. UNRWA has a \$70 million annual budget in Jordan alone, where it hires 6,200 teachers and other local staff (for the most part, Palestinian refugees). If the refugee problem were solved, UNRWA would be dismantled and its services and personnel would be taken over by the Jordanian government, greatly increasing Jordan's costs. The issue of redevelopment of the refugee camps that now make up a part of

Amman and other Jordanian cities will have to be dealt with at the last stage of the peace process.

Incidentally, Japan contributes almost \$30 million a year to UNRWA (\$27.6 million in 1994, \$29.1 million in 1995 (calendar year)).

Palestinian refugees' two waves of emigration to Jordan



Note: Normally, 1948 refugees are officially registered by the UNRWA and receive UNRWA services

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