JPRS-NEA-86-005

Hopeful Signs of Growth (JORDAN)

Dubayy KHALEEJ TIMES in English 10 Dec 85 p 4

[Text]

THE year is ending, and the draft budget presented to the Jordanian parliament this week by Minister of Finance Hanna Odeh reflects the planners' optimism about the outlook for the coming year.

The budget shows an overall rise of 12.8 per cent on last year's figure and expectations of a 14.6 per cent rise in local revenue.

While presenting the budget, Mr Hanna Odeh acknowledged that the global recession was continuing but he said that he saw hopeful signs that things were improving. He cited the drop in interest rates and the increase in industrial production in the developed countries as positive signs.

On the national scene, he pointed out that Jordan had to cope with a daunting array of difficulties that included not only the world recession but also the country's position as a front-line state and its own meagre national resources. Despite all this, he said, the Jordanian economy was managing quite well.

Preliminary figures show a growth in GNP for 1985 of five per cent and a 10 per cent growth in exports while imports maintained their 1984 level. The government has also managed to reduce its expenses and boost internal revenue during 1985.

Mr Hanna Odeh himself says that the budget is essentially an extension of this year's policies in all sectors. Agriculture, industry, water and irrigation, energy, construction, tourism, transport and services all get their share in much the usual proportions.

Farmers who were fortunate enough to repay loans to the Agricultural Credit Corporation this year will enjoy a small windfall as they are to be exempted from the interest due for 1985. A sum of one million dinars has been allocated for boosting the tourism industry. Studies will be done for the construction of dams throughout the country; the energy-saving campaign for big industry will get under way; and the transport authorities will go on with their increasingly successful promotion of Jordan as a transit centre. One important move in this direction is the strengthening of the Iraq-Jordan-Egyptian link.

However, despite the feeling of continuity, there is also a new message coming through quite clearly. The message says that it is time for Jordanians to stop seeing themselves as a country whose economy must always depend on outside support.

For several years now, Arab aid and remittances from Jordanians working abroad have compensated for the imbalance caused by the country's heavy dependence on imported food, raw materials and manufactured goods and its low level of exports. But Arab aid is not steady and, although remittances have remained fairly stable, the government cannot afford to depend on them in view of the fact that the Gulf states continue to cut back on their foreign work forces.

The only choice for Jordanians is to make an effort to develop an economy which can survive on its own resources, however limited they may seem.

This means that agricultural and industrial production must rise, exports must be promoted and the potential of the transport, tourism and other service sectors of the economy must be exploited more thoroughly. Less appealing perhaps for the average Jordanian, it also is obvious that government revenue collection procedures must be tightened up.

To put it simply, Mr Hanna Odeh has just told the nation that if you want a budget that balances and an independent economy, it is up to you to produce more and pay your taxes.

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CSO: 4400/78