

Ministers Express Views on New Economic Measures

Finance Minister Explains Steps

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[Text] Amman (PETRA)—Finance Minister Hanna 'Awdah said Sunday the recent economic measures adopted by the government were aimed at restoring economic balance, enhancing national self-reliance and ensuring a shift from a consuming society to a productive society through changing patterns of consumption and maintaining Jordan's credibility in honouring its financial commitments.

In an interview with Jordan Television and the Jordan News Agency, PETRA, 'Awdah said that the new measures "represent a new national approach that warrants the contribution and cooperation of all citizens to overcome the current stage and rectify its economic and financial situations and ensure the restoration of economic growth at high rates."

'Awdah said the components of Jordan's balance of payment and revenues come mainly from commodity exports, expatriate remittances, travel and tourist services and financial aid. In 1987, revenues from commodity exports totalled approximately JD 316 million while expatriates' transfers amounted JD 317 million, and travel and tourist services revenues totalled JD 196 million, he said. In addition, Jordan received JD 167 million in the form of financial aid to the government, he said.

Jordan's imports in 1987 amounted to JD 915 million while debt service payments exceeded JD 300 million, transfers of non-Jordanians working in Jordan totalled approximately JD 62 million, expenditure of Jordanians abroad for tourism purposes totalled more than JD 151 million in foreign currency, the minister said.

"If we compare Jordan's revenues in foreign currency with its payments we'll find that the revenues in such currency is less than the payments, indicating an imbalance that needs to be corrected," 'Awdah said.

Jordan's foreign payments fall under three categories—consumable commodities, raw materials and capital goods—'Awdah said.

Consumer products accounted for JD 334 million—of which JD 132 million were for food stuffs—raw materials accounted for JD 341 million and capital investments account for JD 240 million, the minister said.

"It will be difficult to reduce our imports of raw materials and capital goods, which have been exempted from customs duties because they are imported for use in local industries," 'Awdah said.

The minister also said that the government had no intentions to reduce its imports of foodstuffs.

He pointed out that the government measures banned imports worth JD 200 million in some consumer and durable products.

Asked whether the government would increase customs duties on some cars and electric equipment currently stored at ports and customs centres, 'Awdah said: "These will not be subject to any increase in customs duties if they are cleared before any new increases are imposed."

Goods whose imports are banned under the recent government measures, should meet the criteria provided in the import licences—that is, to have their letters of credit opened prior to Nov. 6—or those already shipped prior to that date, 'Awdah said.

On other items that will be taxable in accordance with new measures, the new tariff will be in force as of Nov. 6, he said.

The minister said that the Cabinet had set up a special office for price complaints at the Interior Ministry. The Cabinet also entrusted the ministers of industry and trade and finance to study the actual cost of commodities with a view to maintaining price control, he noted.

Non-Jordanian workers' transfers and expenses incurred by Jordanians who travel abroad for touristic purposes are, to a large extent, the main drain on foreign currency and that was why fees for issuing work permits have been raised," the minister said. [no open quotation marks as published]

Explaining the new measure to levy 10 per cent on all bills of four and five-star restaurants and hotels, 'Awdah said the government was concerned with reconsidering the public sector expenditure. The government's decision in this regard was taken to give the public sector a leading role in efforts to reduce the budget deficit, he said.

'Awdah noted that the recent measures apply to both the private and public sectors.

'Awdah also said that the government, after noting private sector investments at a given time, had resolved to maintain the investment levels at a certain point to enable the restoration of economic growth.

The government also adopted measures to rectify the situation of share-holding companies with the ultimate goal of increasing investments and providing a proper investment climate, he said.

'Awdah attributed the heavy financial burden on the national budget partly to exemptions and facilities offered by the government and to the support it provides

to local and municipal councils to improve their financial status. Despite all these measures, the government has always honoured its financial commitments towards debt servicing, he said.

"All these burdens have inevitably left their impact on the balance of payment and on Jordan's reserve of foreign currency," he said.

"All the economic, financial and monetary policies adopted recently by the Cabinet have been designed to encourage savings and investment and local production," Awdah said. "All these measures will pay off in the near future," he said.

Awdah also said Jordan's imports of the items whose importation is banned until the end of 1989, amount to \$200 million broken down as follows:

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| Vehicles | \$85 million |
| Televisions and antennas | \$20 million |
| Video sets and cameras | \$ 8 million |
| Refrigerators and freezers | \$ 8 million |
| Air conditioners | \$ 6 million |
| Tiles, marble, granite, ceramic, and wall decoration paper | \$20 million |
| Household furniture, kitchens, offices, excluding medical surgery and veterinary equipment | \$45 million |
| Chandeliers | \$ 3 million |
| Microwave ovens | \$ 1 million |
| Decorations and ornaments | \$ 3 million |
| Artificial flowers | \$ 1 million |

Supply, Labor Ministers' Views

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[By Ahmad Shakir]

[Excerpts] The ministers of labor, finance, and supply yesterday talked about the recent economic measures and their role in supporting the national economy and providing job opportunities. They also talked about providing basic commodities at their normal prices. [passage omitted]

Supply Minister 'Abd al-Salam Kan'an said that the government has decided to allocate 33,252,000 dinars in the 1989 budget to subsidize basic supply commodities in order to maintain their current prices without any change despite the increased world prices of these commodities and the changes in the dollar exchange rate.

In an exclusive statement to AL-DUSTUR, Kan'an said that all foodstuffs are available in the market and that the Ministry has a strategic reserve of these foodstuffs. He affirmed there is no intention to increase the prices of commodities fixed by the Ministry of Supply. These include: flour, bread, bread sticks, vermicelli and pasta, sugar, rice, lentils, vegetables, fresh fruits, ghee (Al-Ghazal), imported fresh meat, frozen meat, frozen fish, chickens, eggs, powdered milk, sesame oil, halvah, coffee, tomato juice, table salt, natural fruit juice, and beans sold by the Ministry.

Kan'an said that a committee has been set up comprising representatives from the Ministry of Supply and the Ministry of Industry and Trade to study the true costs of imported and domestic products in order to fix their prices. He said this study will be completed in the next few days. He said the committee will contact the Customs Department to learn about the true prices of imported items according to the bills of lading. It will also contact importers. Afterward, the Ministry will fix the prices of these items officially and will prosecute any merchant who does not abide by the fixed prices, as with basic commodities. [passage omitted]

Labor Minister Marwan Dudin told AL-DUSTUR that the government measure of increasing annual fees for work permits granted to Arab and foreign workers in sectors other than agriculture and nursing is aimed at reducing expenditure and transfers of hard currencies abroad, and at providing job opportunities for Jordanians.

He said the implementation of this decision began yesterday. He said every foreign worker or maid will be charged 300 dinars instead of 150. He said this decision includes workers who arrived in the country and have not yet paid fees. He said this also applies to the renewal of work permits.

He said the decision also applies to Arab workers. The annual fees for their work permits will be 100 dinars instead of 30.

The labor minister estimated the non-Jordanian manpower in Jordan at 100,000 Arab and foreign workers holding work permits, while there are tens of thousands of Arabs who do not hold such permits. He said there are 16,000 Sri Lankan and foreign maids. [passage omitted]

Industry Minister on Measures

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[Text] Industry and Trade Minister Hamdi al-Tabba' has affirmed that we in Jordan are able to adapt ourselves to the recent developments that face our economic situation. This is not the first time the citizens are tested regarding their affiliation, awareness, and ability to shoulder the burden of responsibility.

In an interview with PETRA-JNA and the Jordanian television, he said: The new developments require citizens and officials alike to adopt a new lifestyle so to overcome this crisis. The circumstances under which we lived in ease and luxury have resulted in faulty consumer habits that do not suit our economic situation. He also pointed out that many of the banned commodities are available in the market in large quantities and that the measures will save \$200 million a year—a sum which will be used to buy basic commodities for the citizens.

AL-DUSTUR Lauds Ban on Certain Imports

JN0611115588 Amman AL-DUSTUR in Arabic
6 Nov 88 p 1, 17

[Editorial: "To Activate the Elements of Strength in Our National Economy"]

[Text] The government yesterday did very well in taking economic measures to activate the elements of strength in our national economy and move our society from a consumer stage to a stage of investment, saving, and fruitful production on the way to self-reliance.

The measures agreed on yesterday evening by the Council of Ministers are historic decisions in our economic life. They are also highly welcomed by every citizen in our country due to their noble aims and because these measures will move our national economy to a sound qualitative stage and elevate the elements of strength. Thus, it will double its level of independence and self-reliance.

The measures harmonize with the general national trend to move from a stage of great consumption to a stage of saving, investment, fruitful production, and changing the styles of wanton consumption of goods and services in our society; consumption which has created habits and lifestyles abnormal to us and turned us into a people that consume more than we produce. We squander our resources without thinking about the consequences on our life as individuals, a society, and government. The faults in these consumption values should be rectified and set on the right and sound path. The measures taken by the Council of Ministers yesterday evening definitely come within this framework.

Naturally, these measures will achieve the noble national goals for which they were set through real and active participation of the citizen who bears a large responsibility equal to that of the government in rectifying the situation to benefit the citizen and nation. The responsibility of the citizen lies in understanding the economic situation prevalent in the entire region and the necessity to develop the national economy in Jordan through effecting radical change in consumer trends which have exhausted our resources to the extent that we started to believe that we were living a reality, which does not express our reality as citizens in a country with limited possibilities.

Now that the mistakes committed by each of us have become clear, we must join hands with the government to participate in activating our economy, placing our economic life within its correct and true framework and leading a life in accordance with our country's circumstances.

Banning the importation of certain luxuries and increasing the import tax on other types of consumer goods to limit their importation and guide their uses, in addition to increasing our exports, will definitely lead to decreasing the Kingdom's payments in hard currency. Imports—especially luxuries—have caused pressure on the Kingdom's foreign currency revenues.

We will undoubtedly notice here that the measures taken by the Council of Ministers consider the abilities of the low-income group. The Council of Ministers decided to decrease the electricity and water consumption tariffs thereby enabling our citizens to face the demands of daily life. This is something we appreciate from our wise government.

Undoubtedly, the measures taken yesterday have given our economy a strong push to allow it to adapt to the prevalent circumstances in our region as a result of circumstances beyond our control and thus, to plan and control the state general budget in the coming years. This control aims to decrease the deficit in this budget while honoring the financial commitments of the country to preserve its good reputation and trust among the international financial circles. This is a trust we pride ourselves on, and we must preserve it under all circumstances and conditions because it manifests the trust in Jordan under its wise and pioneering Hashenite leadership.

Praises Steps Against Violators

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5 Nov 88 pp 1, 23

["Today's Word" column: "Those Who Cheat Us Do Not Belong to Us"]

[Text] It was natural and expected for the government to stop the recent violations in the market by some people. A group of merchants, industrialists, and clearing agents

have taken advantage of the passing circumstances in the region that affected our national economy and begun raising prices and tampering with specifications, weights, and customs declarations.

Such shameful practices and conduct are far removed from the ethics and lofty traditions of our people—characterized by solidarity and cohesion in hard times. Therefore, it was inevitable for Prime Minister Zayd al-Rifa'i to use his role as general military governor to refer all these tamperers and adulterators, who departed from the norms of our society, to the military court.

The establishment of a special office at the Interior Ministry to receive citizens' complaints is yet another deterrent, so that such phenomena, alien as they are to our economic and social environment, can be followed

up and contained. It will also prevent the expansion of these isolated violations. Indeed, it will stop them and allow the adoption of the strongest measures against those who might consider perpetrating such violations—alien to the nature and ethics of our society.

As we support the government in its measures and pay tribute to its determination to punish severely all those who practice adulteration against our citizens and tamper with our daily bread, we hope that the sons of this homeland will demonstrate concerted efforts against the violations of that small group, which departed the norms of our society, through boycotting them, reporting their cheating, and intensifying their social isolation. This will perhaps deter all who enjoy harvesting illegal gains and profits.