

The Most Prominent Foundations Relied Upon by Budget 2013

Within the commitment to the National Program of the financial and economic reform to ensure the rebalance of the public finance and stimulate investment in the Kingdom, leading to the enhancement of trust in the investment environment and pushing the pace of economic activity through the provision of more job opportunities for our workforce, the government seeks to realizing more financial discipline on both overall and sectoral levels and allocation of available financial resources sectorally and geographically optimally and improve the public spending efficiency and productivity to reach a transparent and healthy budget accommodating the public indebtedness with a view to re-enforcing the credibility and seriousness of reform process in the Kingdom and improving the level of creditworthiness of Jordan at the regional and international financial institutions which helps our economy to realize a sustainable and real growth within the medium term with rates exceeding the population increase ensuring the distribution of development benefits on all the kingdom's governorates fairly.

In parallel with the implementation of financial discipline policies and tackling the distortions in the general budget which become a burden, notably oil derivatives subsidy, the enhancement of social safety net will preside the government's priorities through the provision of subsidy to its beneficiaries instead of providing subsidy to goods covering all citizens with limited and medium income to ensure a decent life and fortify the medium layer which is considered as the real lever for the success of the integrated economic reform in the Kingdom.

A number of integrated political, social and economic reforms will form fundamental pillars to re-enforce the principles of accountability, transparency and evaluation follow up and deepen the application of ROB concept which would enhance the balanced local development efforts based on the participation of local communities in identifying their development needs and priorities which contribute to increasing the trust in the economic reform process.

The estimates of 2013 Budget relied on a number of foundations among the most prominent of which are:

- 1- Commit to the application of the National Program for the Financial and Economic Reform financial aiming at enabling the national economy to deal in efficient and flexible manner with the regional and international economic and political developments. The National priorities entail at the current phase the adoption of a national program to reduce the government financial deficit and public indebtedness and reach safe levels to guarantee strengthening the pillars of economic stability and improve the investment environment as well as re-enforcing the credit worthiness of the national economy in the international & financial markets.
- 2- Re-enforce the Social Safety Net through delivering subsidy to those who deserve it of limited and medium income instead of direct subsidy method of oil derivatives with a view to ensure decent life for the poor categories and to ensure fortifying the medium layer which is considered as the main pillar in the success of comprehensive reform process in the Kingdom.
- 3- More reliance on our local revenues in covering our current expenditure alongside with the improvement of the public expenditure and its productivity to ensure the improvement of government services provided to citizen as well as the distribution of development benefits on different governorates of the Kingdom. As well, intensification of efforts towards the deepening the adoption of government units on self-revenues in financing expenditure and minimizing adoption on public treasury subsidy.
- 4- Emphasis on developmental projects with social and economic return with national priority especially related to power, water sectors and governorate development and the allocation of required appropriations including the new capital projects associated with the obtaining of foreign grants.
- 5- Re-enforce the pillars of local investment environment through completing the legislations aiming at promoting local investments and attracting foreign investments which lead to the increase of private sector contribution in the economic activity in the Kingdom through the enhancement of both public and private sectors partnership to implement the major developmental projects in the main sectors in line with citizens needs in all over the kingdom on

one hand, and ensure the alleviation of financial burdens from the general budget on the other hand.

- 6- Solidification of follow-up, evaluation and accountability concepts to realize the optimal exploitation of the available financial resources and maximization of social and economic returns and benefits in all the governorates of the Kingdom to ensure the promotion of citizen's standard of living and alleviate the burdens on citizens in the framework of deepening the ROB concept within the medium framework.
- 7- Intensive follow-up of public debt development in absolute numbers and in percent of GDP and the adoption of a clear-cut timeline to manage public debt and preserve its levels within levels of the public debt in order to re-enforce the Kingdom's credibility on both international and regional levels to continue on the financial reform path in a manner which reduces the local and international borrowing costs of the Kingdom.
- 8- The Allocation of the available financial resources to ensure the circulation of development benefits on all over the Kingdom to realize the social equality and equal jobs to reflect the activation of local communities' participation in identifying their development needs and priorities in each governorate of the Kingdom's governorates.