

In the Name of Allah, the Beneficent, the Merciful

Your Excellency Mr. Speaker,

Honorable Deputies,

It is my pleasure to present to you the General Budget Draft Law for 2011 that translates the governmental action program submitted to your esteemed House a few days ago. The General Budget Draft Law is consistent with His Majesty's directions aimed at adopting a prudent fiscal policy to contain the budget deficit, strengthening fiscal stability, contributing to enhancing the investment environment, enhancing self-dependence, and stimulating economic growth.

Because the general budget is considered one of the most outstanding tools used to achieve government policies and objectives, we committed ourselves to adopt a realistic approach that takes into consideration the bulk of responsibility entrusted to us. The General Budget Draft Law is based on tangible accomplishments achieved in 2010, as well as clear-cut programs that are either completed or still in progress. Those programs represent clear and stable controls to correct the course of the public finance. They direct public expenditure toward national priorities, and strengthen a reform approach based on solid institutional frameworks.

Your Excellency Mr. Speaker,

Honorable Deputies,

I am certain that you keep up with the latest developments in the global arena related to financial and economic developments, especially in the aftermath of the global economic and financial crisis. It is known that this crisis had a negative impact on the economies of the most developed countries. Its repercussions affected many countries in the world, including Arab countries like Jordan. Therefore, rigorous corrective actions and measures must be taken to fix imbalances produced by this crisis, especially considering that it was accompanied by a public expenditure increase that led to a major rise in the general budget deficit.

Despite unprecedented increase in the general budget deficit in 2009 that exceeded JD1.5 billion, or 8.5% of the Gross Domestic Product (GDP), the immediate actions and measures taken by the government in 2010 had a positive impact on our national economy during the same year.

The government took a set of measures in 2010 aimed at stimulating a number of economic sectors. Land registration fees and property sales tax decreased by 50%. This contributed to promoting the pace of activity in the real estate market, and increasing domestic and foreign investments in this sector that is strongly interrelated with various other national economic sectors. In the same context, residential real estates were exempted from fees for the first 150 m². The exemption was not confined to residential real estates executed by housing

companies, but it also covered sales operations conducted between the citizens. The retention period of a real estate was also reduced for investment companies with a view to enabling them to have liquidity needed for their businesses.

In the transportation sector, a minimum fee was established for transferring goods via trucks for six months in order to operate and organize the public transportation fleet. Moreover, in order to provide farmers with required funding, the capital of the Agricultural Credit Corporation was increased from JD 35 million to JD 50 million. In terms of exports promotion, the government extended full goods and services exemption from the income tax for an indefinite period. Various sectors benefited from this exemption, especially the industry as well as the IT and software sectors.

With a view to enhancing the standard of living for the citizens, the government took a number of measures that had a direct effect in this respect. For example, it transportation fees through subsidizing transportation for university students, and increased allocations for the Poor Student Fund and National Aid Fund. In addition, it reduced and unified the internet sales tax to 8%. Such actions reflected positively on the prices of internet services provided to various economic sectors and on the internet access in several governorates of the Kingdom. The government also connected the tax reduction for companies to the company's geographical coverage of internet services in the Kingdom and a decrease of respective service prices.

All those measures have formed, an important step in stimulating investments and creating a more attractive investment environment in the Kingdom, besides their positive impact on the citizens. The government is fully aware that attracting and stimulating investment is an initial step that opens horizons to achieve growth, and enhance the standard of living for the citizens. They also create new job opportunities for the labor force. Therefore, we will continue promoting investment into our national economy and removing any obstacles that may hinder its flow.

The government has controlled public expenditure during this year, especially current expenditures. This control was accomplished through committing all government institutions to decrease their current expenditures by 20% of their operating expenditures. Moreover, cars and furniture procurement was stopped. Furthermore, new recruitment was stopped except for the Ministry of Education and Ministry of Health. Travel and hospitality expenses were also limited, without negative effects on service levels provided to citizens.

Your Excellency Mr. Speaker,

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We believe that any fiscal or economic decision that does not consider social dimensions is improper. Such a decision is not only unfair but also has a negative future impact on the society's productivity. Therefore, the government has ensured the coherence of all measures taken, especially sales tax increases on some non-staple commodities, with the goal of protecting the poor segment of the population and expand the middle-income segment of the population. Bread and gas subsidies were increased in light of global price increases. Moreover, staple food commodities continued to be tax exempted as they have a direct impact on a large segment of the citizens. Furthermore, the new Income Tax Law, which decreased taxes on all categories of taxpayers, especially individuals, contributed to strengthening the purchasing power of citizens. Under this Law, about 98% of citizens are not subject to income tax.

The new Income Tax Law also contributed to promoting investment and addressing bottlenecks in some national economic sectors to enable them to achieve higher growth rates. This was accomplished through decreasing income taxes by different percentages for all companies working in several economic sectors. In addition, income derived from exportations continued to be exempted. The sales tax was also reduced for hotel rooms from 16% to 8% with a view to promoting the tourism sector and increasing its contribution to the GDP.

Your Excellency Mr. Speaker,

Honorable Deputies,

When reviewing the most outstanding economic and fiscal achievements in 2010, I would like to inform your esteemed House that solidarity demonstrated by the citizens, whether in the public or private sector, led to a clear positive result. This result is reflected in the continuous high growth rates of the GDP in the first three quarters of this year. The growth rate increased from 2% in the first quarter to reach 2.9% in the second quarter and 3.5% in the third quarter. It achieved an expected total growth of about 3.4% in 2010 compared to a 2.3% growth in 2009.

This clearly indicates that all measures taken to stimulate various economic sectors in 2010 have contributed to the beginning of our national economy's recovery from slowdown to growth. This is confirmed by the decrease in unemployment rate, which reached 13.5% during the third quarter in 2010 against 14% during the same quarter in the previous year.

The credit for improvement in consumption and investment in 2010 compared to 2009 goes to the improvement in the local investment environment and the increase in credit facilities granted by banks to the private sector. The growth rate of those facilities reached 6.8% at the end of October in 2010 compared to a percentage that didn't exceed 1.6% during the same period in 2009. It was also thanks to improvement in foreign demand for the

Kingdom's goods and services in light of the first signs of economic recovery in countries within the region in particular as well as world wide.

Domestic exports also registered a remarkable increase, reaching 15.9% during the first ten months of this year compared to their decrease by 20% during the same period last year. In addition, imports increased by 9.5% compared to their decline by 20.4% during the first ten months in 2009. Those are considered clear indicators and evidence of the improvements in the pace of economic activity and the national economic recovery from the consequences of the global financial crisis.

Your Excellency Mr. Speaker,

Honorable Deputies,

The current account of the balance of payments, however, has registered during the first half of 2010 a JD 547 million deficit compared to a JD 294 million deficit during the first half of 2009.

It is expected that the ratio of deficit to GDP reaches 7.6% in 2010 compared to 5% in 2009. This comes as a result of the increase in import prices for crude oil and its derivatives as well as food in 2010, which reflects a strong increase in global prices for those commodities.

According to available data, the Kingdom's bill for crude oil and its derivatives registered a JD 1586 million increase during the first ten months of 2010 compared to JD 1100 million during the same period in 2009, i.e. an increase of 44.1%. However, the bill for food imports has reached about JD 1467 million. The increase amounted to JD 90 million or 6.5% during the aforesaid period.

Those developments have reflected on the Kingdom's inflation rate that reached 4.9% during the first eleven months of 2010. Examining its components, food prices registered an increase of 4.8%, prices of "other goods and services" registered 6.3%, and housing prices registered 4.1%. Price increases for clothing and shoes didn't exceed 1.6%.

Regarding monetary developments, the data issued by the Central Bank indicate that local liquidity grew by 9.6% by the end of October 2010 compared to 8.1% during the same period in 2009. Domestic liquidity growth in 2010 was primarily supported by an increase in net domestic assets of 11.2%, unlike 2009 when it registered a 0.6% decrease. This reflects an increased banking sector contribution to fund several economic activities through credit facilities provided to several economic sectors in 2010.

The Central Bank continued maintaining a sufficient level of foreign currency reserves that increased to reach more than JD 12 billion in the 20th of this month. The increase

amounted to US\$ 368 million or 3.4% compared to reserves level in 2009. It, thereby, covered more than 8 months of the Kingdom's imports of goods and services.

Your Excellency Mr. Speaker,

Honorable Deputies,

In terms of public finance and public debt, the government gave this area a great deal of weight in order to restore public finance equilibrium. Public finance is considered a primary pillar of sustainable growth, especially after the deficit in 2009 reached more than six times as much as the amount in 2004, i.e. exceeding JD 1500 million, or 8.5% of GDP. Therefore, it was necessary to take strict measures to deal with this deficit through a governmental program that took various economic and social dimensions into consideration.

We realize that the unhealthy public finance we have today was not suddenly developed. However, it is the result of a cumulative process over the last few years. Expenditure, especially current expenditures, witnessed a steady rise. Therefore, we believe that in order to get the public finance back on track, we should work in twofold directions: first, take immediate measures to curb increasing expenditure. Second, deepen the fiscal reform approach within the medium term through institutionalizing fiscal reform and developing a foundation needed to sustain it, in accordance with national interests.

Your Excellency Mr. Speaker,

Honorable Deputies,

As a result of the urgent measures taken, the general budget deficit has decreased by about JD 500 million in 2010 compared to 2009. It formed 5.3% of GDP, registering a more than three percentage points decrease of GDP compared to its level last year. There is no doubt that such an unprecedented achievement was not accomplished by accident. However, it is a result of hard institutional work on various levels. It is unlikely that any other country would be able to accomplish such an achievement in terms of deficit control during one year only.

According to re-estimates, public expenditures decreased in 2010 by 2.6% from their last year's level to reach JD 5875 million, or 30.5% of GDP compared to 33.9% in 2009.

This decrease is a result of the capital expenditure decline that amounted to 31.6% and a 6.5% increase in current expenditures compared to their levels in 2009. It is note-worthy that the capital expenditure decline during 2010 reflects the fact that those expenditures returned to their normal level, in absolute numbers as well as in percentage of GDP.

However, the increase in current expenditures in 2010 is attributed to the inflexible nature of these expenditures. They are, for the most part, comprised of salaries, wages, pension,

and debt service. On the other hand, the budget for 2010 has included new items that were not included in former budgets, such as subsidies for municipalities and other entities. In addition, the government incurred a substantial increase in subsidy appropriations for bread and gas cylinders. Teacher salaries also increased by 25%, and financial appropriations were allocated to cover study costs for teachers' children at universities. Accordingly, it can be said that without expenditure control measures taken in 2010, current expenditures would have scored a higher growth percentage.

According to re-estimates, domestic revenues increased in 2010 by 5.6% compared to their level in 2009. This is mainly a result of the 22% increase in revenues from the sales tax compared to 2009. On the other hand, there was a decrease in income tax and profits by 12.5%, as well as revenues deriving from the property sales tax and land registration fees by 17.7%.

The main reason behind the decrease in income tax outcome in 2010 is the decrease in the profits of public shareholding companies in 2009 due to the consequences of the global financial crisis. The profits were calculated according to the former income tax law. However, the increase in sales tax outcome is attributed to the outcome of measures taken in 2010. The most outstanding measure was the increase in the special sales tax imposed on non-staple commodities like tobacco, cigarettes, alcoholic drinks, and cell phones. In addition, the replacement of the municipality fee by a special sales tax on oil derivatives and gasoline was also important. Gasoline taxation contributed to developing a clear and transparent formula that explains to citizens the composition of the price they pay.

Your Excellency Mr. Speaker,

Honorable Deputies,

Public debt is one of the main themes that is given special attention by the government. Increase in indebtedness has an impact on several aspects of the national economy, and debt is directly correlated with the budget deficit. When the government faces a budget deficit, it shall need debts. The government believes that a reasonable deficit in the general budget is fine, provided that it is within the safety limit of 3% of GDP, according to international criteria. Therefore, the first step to deal with indebtedness is to consider fiscal policies that control public spending and minimize the deficit. Such a step has a positive effect on reducing the burden of the public debt service on the national economy.

However, in light of the developments of the public finance in 2009, it was expected that the net public debt increased at the end of last October to about JD 10964 million, i.e. 56.9% of GDP. Despite such an increase, this percentage falls within the legal ceiling of the public debt, in accordance with the Public Debt Management Law. The percentage is considered reasonable according to international criteria. The public debt reached JD 9660 million or

54.2% of GDP in 2009. It comprised of 63% net domestic debt and 37% foreign debt. This ratio between domestic and foreign debts reflects an increase in domestic borrowing during recent years. Domestic debt more than tripled during the last five years. This may affect bank willingness to provide facilities to the private sector, in addition to its effect on interest rates for treasury bonds and bills.

In this regard, the government borrowed about US\$ 750 million in November this year through floating bonds in the international market. The coverage surpassed the volume of bonds floated by 324%, and the interest rate didn't exceed 3.875%. This reflects foreign investors' trust in the Jordanian economy, fiscal policies, and attractiveness of the local investment environment.

There is no doubt that such borrowing, in addition to its positive effects on foreign investments flow to the Kingdom, contributes to help the private sector to obtain funding from the local banking system, and avoid competition with the public sector in this area. This is highlighted by the expansion of credits granted to the private sector in recent years. I would like to emphasize that the flotation of international bonds was not an isolated measure, but part of the public debt strategy in the Kingdom. Through this strategy we are trying to present several funding alternatives, including getting benefit from liquidity available at the Islamic banks. This can be accomplished through issuing Islamic Sukuk that are taken into serious consideration these days. The availability of multiple options enables the government to choose the best alternative in terms of cost or effect on the national economy and its several sectors.

Your Excellency Mr. Speaker,

Honorable Deputies,

On the sectoral level, the government was able to realize a series of important achievements in 2010, especially in sectors of national priority as follows:

In the education and higher education sector, the top national priorities as central pillar to achieve sustainable development, 16 schools were built in several governorates, 72 kindergarten class rooms were created in 41 schools, and about 200 schools were connected to a fiber-optic network. The percentage of schools connected to this network increased to 88% of all public schools. In addition, the first and second stages of Her Majesty's initiative ("My School") for maintaining and developing 200 schools at a total cost of JD 10 million, were implemented. The School Nutrition Program benefitting about 115,000 students also

continued to be implemented. The Scholarship Regulation for Teachers' Children at Universities was passed and enforced.

In the higher education sector, 22,000 scholarships and loans were granted to students for the academic year 2009-2010 at a cost of JD 20 million. In addition, the admission process became electronic, with a view to facilitating the procedures of admission at universities and reducing the time needed to go through such a process. The regulations and instructions of the Scientific Research Support Fund were also passed.

In the health sector, Prince Hussein Hospital in E'n AlBasha was completed. However, construction of the Prince Hashem Hospital in Aqaba and Children Hospital in Amman are in progress. Moreover, a tender for the Salt Hospital was awarded. In addition, the establishment of the North Badia, Jerash and Ajloun, and Mafraq hospitals began. A number of hospitals and health centers were also expanded and modernized in several governorates. A heart and arteries surgery center and a kidney transplant center were opened in Prince Hamzah Hospital. In addition, the expansion of citizen coverage in the health insurance program is still in progress. The number of individuals insured is now 2.5 million. Also, 98% of children under age one were provided with vaccines.

In the water and sanitary drainage sector, the implementation of Disi Water Conveyance Project was started with the participation of the private sector at a total cost of JD 670 million. It is expected to complete the project and start water pumping in 2013.

Moreover, an agreement with the Millennium Challenge Unit was signed. Under this agreement, a US\$ 275 million grant will be given to the Kingdom to implement the expansion of the AlKhirbeh AlSamrah station projects, as well as water system rehabilitation and sanitary drainage projects in Zarqa.

The Water Authority also implemented several projects for reducing water losses, transfer lines, network improvement and rehabilitation, as well as dam constructions in several governorates in the Kingdom. A number of projects for sanitary drainage networks and waste water treatment stations were also implemented. In addition, the implementation of a dam project in Ma'an and another one in Tafileh was completed. The awarding of Kufranjeh dam tender will be completed early next year.

In the housing sector, 137 projects of various Royal initiatives were also completed in several governorates at a cost of JD 77 million. Moreover, the implementation of the second stage of poor family housing was completed. The project has 1100 housing units at a cost of JD 21

million. An integrated system for managing and maintaining government buildings was also developed, in cooperation with the private sector.

In addition, the implementation of the royal initiative project “Decent Home for a Decent Living” was completed in terms of its two themes: housing apartments and lands receiving services. The initiative’s orientation was re-directed when the government has recently issued a decision that aims to reduce apartment prices for beneficiaries by 15% below quoted prices, and support public service implementation by providing JD 10 million .

In the transportation sector, the government began obtaining lands for the national railway network. Preliminary designs, necessary studies, and the environmental impact study were completed. In addition, studies for a potential express buses project between Amman and Zarqa, in cooperation with Amman Greater Municipality and Land Transport Regulatory Commission, as well as the project of Queen Alia International Airport rehabilitation and expansion, were embarked on.

In the communication and information technology sector, electronic services were developed for a number of government ministries and institutions. Citizens were served through the National Contact Center and SMS technology. Furthermore, 719 graduates were hired in the private sector through the Training and Employment Program. In addition, strategic agreements were also signed with a number of international IT companies to increase the efficiency of the public sector staff, and obtain software and device licenses for preferential prices.

Your Excellency Mr. Speaker,

Honorable Deputies,

I shall now talk about the General Budget Draft Law for 2011. As it is known to you, the Draft reflects the government’s objectives and its future aspirations. It was developed based on a new methodology that comes in line with the requirements of the status quo. This new methodology is in harmony with contemporary international practices. The General Budget Draft Law also translates His Majesty’s directions with a view to approaching a “modern Jordan” in terms of all aspects, which provides a decent life for its citizen in all governorates in the Kingdom.

The General Budget Draft Law in front of you is a real manifestation of the governmental plan for 2011, in accordance with the seven work themes approved. Those themes shall form a solid ground for sustainable development requirements, as pillars for a better kick-off for our national economy in 2011-2013.

I would like to point out that the budget for 2011 is developed at the same time as we start implementing a new public funds control system. This system provides an efficient and effective control system able to fix weaknesses and failure in public funds control systems. It shall assist in moving from formal control to actual control, and enables us to use and benefit most from available assets and public resources.

The Kingdom is the first country in the region that developed a legislative framework for internal financial control based on international control standards in public funds control. This development comes in the context of a comprehensive financial reform, including the general budget preparation, execution, and monitoring as well as improvement in financial management in several government units.

The General Budget Draft Law for 2011 has been distinguished for the absence of new taxes and the presence of many positive features as follows:

I. The General Budget Draft Law for 2011 pursues a new methodology in budget preparation. The government formed, for the first time this year, sectoral ministerial committees. Those committees are tasked to identify continuous, committed, and new capital projects listed in the General Budget Draft Law for 2011, in accordance with our national priorities. This methodology ensures consistency between capital projects in the General Budget Draft Law and projects of the Executive Development Program approved by the government;

II. Estimates, whether revenues or expenditures, are distinguished for being realistic. Local revenues expected to be obtained and guaranteed foreign grants to be received by the Kingdom are estimated. Then, the targeted fiscal deficit is identified. The sum forms the ceiling of public expenditures;

III. Financial appropriations allocated to the government ministries' and departments' programs concerned with women issues, as well as indicators and activities concerned with children issues are indicated in the General Budget Draft Law for 2011. The Kingdom is, thereby, a pioneer among the countries in the region in terms of the implementation of a gender-responsive budget;

IV. This year the government will implement a set of major strategic capital projects that assist the national economy to be prosperous, for which needed financial appropriations were allocated. The construction of the national railway network project tops the list. Such capital projects also include development projects with economic and social benefits, creation of job opportunities, and stimulation of national exports, in accordance with national priorities stated in the National Agenda and "We Are All Jordan".

V. National security requirements are given more attention due to national security's clearly positive effects on strengthening stability for Jordan to remain a secure country within the region. National security is considered a main cornerstone to achieve a comprehensive and sustainable development all over the Kingdom;

VI. Each governorate's share of public expenditures is indicated, paving the way for the implementation of decentralization. This methodology shall strengthen the participation of local communities in making development decisions according to their priorities and needs for capital projects, in line with His Majesty's directions to the government;

VII. The Kingdom depends more on its own revenues to cover public expenditures in light of reduced flow of foreign grants given to the Kingdom. This is accompanied by controlling, improving, and enhancing the productivity of public expenditure. It should also ensure government service improvement and distribution of development gains and benefits to all governorates on equal footing. This comes with a view to implement His Majesty's directions that aim at expanding the frame of development gains, expanding the middle-income segment of the population, and protecting the poor. Within this framework, the government is committed to continue subsidizing staple commodities, including bread, fodder, and gas cylinders as stated in the action program submitted by the government to your esteemed House;

VIII. The local investment environment is strengthened through: First, providing an integrated legislative system that aims at attracting domestic and foreign investments to expand the scope of the private sector contribution to the economic activity in the Kingdom. Second, deepening the public and private sector partnership to implement vital mega development projects in core infrastructure sectors. Such an effort aims, on the one hand, to meet the needs of the citizens all over the Kingdom. On the other hand, the aim is to reduce financial burdens on the public treasury. Economic growth, as known to you, is the resultant of a positive interaction between the public and private sectors whose partnership has been recently more strengthened and deepened; and

IX. Priority sectors such as education, health, transport, social development, and water and sanitary drainage are given more attention in the General Budget Draft Law for 2011. Financial appropriations allocated to those sectors form about one-third of the total public expenditure. Total appropriations for all of those sectors increased to more than JD 2 billion, i.e. about 18% increase compared to 2010.

Your Excellency Mr. Speaker,

Honorable Deputies,

According to the latest data available, the General Budget Draft Law for 2011 is based on a number of main economic indicators as follows:

- 1- Achieve real growth rates between 4%-6% during 2011-2013.
- 2- Reach a 5% inflation rate in 2011 that drops by 0.5% annually in 2012-2013.
- 3- Achieve an 8% growth in domestic exports in 2011 and a 10% growth in 2012-2013.
- 4- Achieve a 7% growth of imports in 2011 and an 8.5% growth in 2012-2013.
- 5- Decrease the deficit of the current account of the balance of payments as a percentage of GDP from 7.6% in 2010 to 7.4% in 2011 and reach less than 7% in 2012-2013.
- 6- Increase the volume of credit facilities granted by commercial banks to the private sector by 7% in 2011 and 9% in 2012-2013.
- 7- Maintain a sufficient level of foreign currency reserves at the Central Bank to cover more than eight months of the Kingdom's exports of goods and services during 2011-2013.

Your Excellency Mr. Speaker,

Honorable Deputies,

Based on the narrative above, I shall present to you the most outstanding features of the General Budget Draft Law for 2011 as follows:

I. Public revenues

Public revenues for 2011 are estimated at about JD 5,189 million. They form 24.7% of GDP against 25.2% in 2010. It is expected that this percentage shall be maintained in 2012-2013. Public revenues are divided as follows:

1- Domestic revenues

Domestic revenues for 2011 are estimated at about JD 4,889 million. They register a growth that amounts to 10.6% compared to their level in 2010. The ratio of local revenues to GDP is about 23.3% compared to 22.9% in 2010.

Based on this data, it is expected that the coverage ratio of local revenues to current expenditures shall increase from 90% in 2010 to about 97% in 2011. It is also expected that it shall continue rising in 2012-2013 to cover all current expenditures along with an increasing portion of capital expenditures for 2012-2013. This demonstrates the expected improvement in self-reliance.

2- Foreign grants

Foreign grants for 2011 are estimated at JD 300 million compared to JD 430 million in 2010.

In this respect, allow me to acknowledge the brotherly and friendly countries for their continuous support to the Kingdom.

II. Public expenditures

Public expenditures for 2011 are estimated at about JD 6,249 million compared to JD 5,875 million in 2010. The increase amounts to JD 374 million or 6.4%. They form 29.8% of the GDP compared to 30.5% in 2010. It is expected that this percentage shall continue decreasing in 2012-2013. Public expenditures are divided as follows:

1- Current expenditures

Current expenditures for 2011 are estimated at about JD 5,025 million. The increase shall not exceed JD 140 million or 2.9% compared to its level in 2010. They form about 23.9% of GDP against 25.3% in 2010. It is expected that this percentage shall decrease to 22.7% and 21.7% in 2012 and 2013 respectively.

2- Capital expenditures

Capital expenditures for 2011 are estimated at about JD 1,223 million or 5.8% of GDP. Thereby, they register a JD 235 million increase or 23.7% compared to their level in 2010.

It is expected that the ratio of those expenditures to GDP shall increase in 2012 to 5.9% and 6% in 2013. Thereby, their share to total public expenditures shall reach about 21.7%.

3- Fiscal deficit

Based on developments in revenues and expenditures, it is expected that the fiscal deficit for 2011, including foreign grants, shall reach about JD 1,060 million or 5% of GDP compared to a 5.3% deficit in 2010. It is also expected that the fiscal deficit shall decrease gradually during the following years to reach safety limits known at the international level. This confirms that the General Budget Draft Law for 2011 is considered a major milestone to restore public finance balance , and reinforce financial and monetary stability in the Kingdom. Such a stability is a guarantee to maintain an environment that stimulates local investments and attracts foreign investments.

Your Excellency Mr. Speaker,

Honorable Deputies,

By presenting the General Budget Draft Law for 2011 to your esteemed House, the government seeks more fruitful and constructive cooperation between the legislative and executive authorities. The study of this General Budget Law Draft conducted by your esteemed House, paving the way for its passage, shall present a good support to our developmental course. We seek through this course to achieve national objectives and aspirations represented in more growth and prosperity, as well as a solid financial and monetary stability positively reflected in citizens' standard of living.

In conclusion, I would like to emphasize that this government will fully cooperate and coordinate with your esteemed House to serve our precious Jordan and proceed rigorously in advancing substantial reforms. In addition, we shall add new milestones to what was built during previous years so that we achieve His Majesty King Abdullah's aspirations represented in a comprehensive development that guarantees to upgrade citizens' standard of living in all Governorates.

May God bless us with success to serve our beloved country under the solid Hashemite leadership.

Thank you,

Dr. Mohammad Abu Hammour

Minister of Finance

December 29, 2010

Amman