
Construction activity in H1 slows down in Jordan

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According to the Central Bank of Jordan's website, the number of construction licenses issued during January to June 2008 period dropped by 13% YoY.

According to the published data, the number of licenses issued during the January to June 2008 period totaled 11,100 covering an area of 5.4 million square meters compared to 12,800 licenses issued during the same time last year for 6.3 million square meters. As per data, Amman accounted for 3,800 licenses compared to 4,400 during the first six months of last year while Irbid followed at 1,600 licenses compared to 1,900.

Mr Zuhair Omari president of Housing Investors Society attributed the decline in sector's activity to the recent increase in the prices of oil and construction materials. He said that the prices of steel have increased since the beginning of this year by 90% while cement prices went up by 20%.

He said that prices of other construction materials also shot up two or threefold, in addition to the increase of workers' wages. He pointed out that "Subsequently, the cost of constructing one square meter has increased since the beginning of the year by 35%."

He said the continued increase in prices caused several housing construction companies to temporarily halt their business to see how the market is going to react.

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