

Jordan Investor Confidence Index

Update for Q4 of 2021

Confidence in the economy, monetary system, and the financial system are drivers of business fluctuations. When confidence increases, consumers and investors would want to buy and invest at prevailing market prices and vice versa.

Quantitatively, measuring changes in investor confidence is never easy. However, the Jordan Strategy Forum (JSF) measures confidence (quarterly) directly by assessing three pillars (and their sub-pillars) with the results presented as a value of 100 - 200 points. The pillars are the real economy, monetary system, and the financial system.

Sub-Pillars of the Real Economy:

1. GDP growth rate.
2. Government Budget (Including Grants).
3. Foreign direct investment inflows.
4. Manufacturing quantity production index.

Sub-Pillars of the Monetary System:

1. Foreign reserves held at Central Bank of Jordan.
2. Difference between the deposit interest rate of the Central Bank of Jordan deposit rate and the Federal Reserve Bank rate.
3. Value of returned cheques.

Sub-Pillars of the Financial System:

1. Amman Stock Exchange (ASE) Weighted Stock Market Index.
2. Foreign investment in ASE.
3. Growth in private sector credit.

The publication of this index complements the JSF's efforts in promoting higher levels of investment in the Jordanian economy and its business environment.

For the technical reader, and if interested, the methodology is explained in the Forum's website.

The Jordan Investor Confidence has decreased by 18.0 points from 186.1 points (Q3 2021), reaching 168.1 points (Q4 2021).

1. On average, confidence in the Real Economy has decreased from 194.5 points (Q3 2021) to 165.0 (Q4 2021).

- The growth in GDP decreased from 2.7% (Q3 2021) to 2.6% (Q4 2021).
- The budget deficit increased from JD 127.2 million (Q3 2021) to JD 771.7 million (Q4 2021).
- Foreign direct investment inflows decreased from JD 132.7 million (Q3 2021) to JD 114 million (Q4 2021), which is equivalent to -14.1%.
- The manufacturing quantity production index decreased from 92.9 points (Q3 2021) to 89.7 points (Q4 2021).

2. Confidence in the Monetary System remained constant at 200 points (Q4 2021).

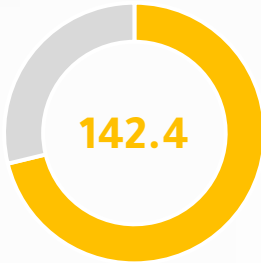
- The CBJ gross foreign reserves increased from JD 13.9 billion (Q3 2021) to JD 14.7 billion (Q4 2021).
- Interest rate differential between the Jordanian Dinar and the US Dollar remained at 2.42%.
- The value of returned cheques increased from JD 292.5 million (Q3 2021) to JD 306.3 million (Q4 2021), which is equivalent to 4.7%.

3. Confidence in the Financial System decreased from 155.3 points (Q3 2021) to 142.4 points (Q4 2021).

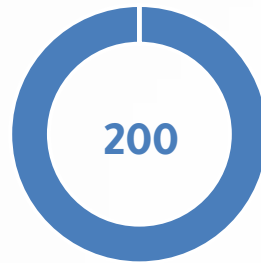
- The ASE Weighted Index reached 4,005.3 points (Q4 2021), thereby increased by 16.3 points from the previous quarter.
- "Purchased-to-Sold shares by Non-Jordanians" ratio in the ASE decreased from 76.4% (Q3 2021) to reach 46.3% (Q4 2021).
- Private sector credit reached JD 27.4 billion, whereby it increased by 0.5% from the previous quarter.

JICI and its Pillars - Q4 2021 (Points - 200)

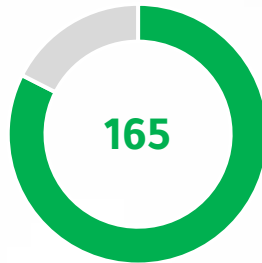
Confidence in the Financial System



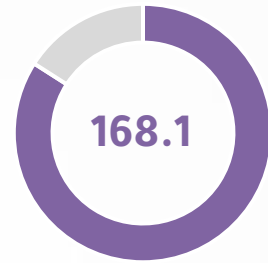
Confidence in the Monetary System



Confidence in the Real Economy



JICI



Jordan Investor Confidence Index and its pillars since 2019

