



## **Jordan Investor Confidence Index**

# Update for the 1st Quarter (Q1) of 2025

Confidence in the economy, monetary system, and the financial system is the driver 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). The pillars are the real economy, monetary system, and the financial system. The results are presented between 100 - 200 points.

#### 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 and the Federal Reserve (Central Bank of the United States) rate.
- 3. Value of returned cheques.

#### **Sub-Pillars of the Financial System:**

- 1. Amman Stock Exchange's (ASE) weighted stock market index.
- 2. Foreign investment in the 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 Index increased by 6.2%. The Index increased from 147.6 points in Q4 2024 to 156.7 points in Q1 2025.

- 1. Confidence in the Real Economy Index decreased from 138.3 points in Q4 2024 to 128.7 points in Q1 2025.
- Real GDP Growth rate was 2.7% in Q1 2025, while last year's (2024) Q1 GDP growth rate was 2.0%. In Q4 2024, GDP growth rate was equal to 2.7%.
- The budget deficit stood at JD 537 million in Q1 2025. This
  deficit was around JD 681 million and JD 428.8 million in Q4
  2024 and Q1 2024 respectively.
- Foreign Direct Investment inflows stood at JD 227.2 million in Q1 of 2025.
- The Industrial Production Index decreased to 87.7 points in Q1 2025. This indicator was equal to 87.8 in Q4 2024.
- 2. Confidence in the Monetary System Index increased to 200 points in Q1 2025 compared to 199.2 points in the previous quarter.
- The CBJ gross foreign reserves increased from JD 14.9 billion (Q4 2024) to JD 15.61 billion (Q1 2025).
- The interest rate differential between the Jordanian Dinar and the US Dollar decreased from 2.1% in Q4 2024 to 2.0% in O1 2025.
- The value of returned cheques decreased from JD 367.6 million in Q4 2024 to JD 256.7 million in Q1 2025.
- 3. Confidence in the Financial System Index increased substantially from 114.3 points in Q4 2024 to 169.3 points in Q1 2025.
- Private sector credit grew by 0.1% in Q1 2025 compared to Q4 2024. Currently, it stands at JD 31.39 billion.
- "Purchased-to-Sold shares by non-Jordanians" ratio in the ASE reached 105.3% in Q1 2025, compared to 56.4% in the previous quarter.
- The ASE's weighted market index increased by 478.8 points in Q1 2025 compared to the previous quarter and reached 5,112.3 points.





### **IICI** and its Pillars - Q1, 2025

(Points - 200)

