



## Jordan Investor Confidence Index

### Update for September 2017

The **Jordan Investor Confidence Index**<sup>®</sup> is a monthly-issued index published by the **Jordan Strategy Forum** that aims to measure the confidence of investors operating in the Jordanian market through three aspects: confidence in the Jordanian Dinar and the monetary system, confidence in the real economy, and confidence in the Amman Stock Exchange (ASE).

The index measures the impact of policy decisions and exogenous developments on investor confidence. Furthermore, it aims to facilitate a better understanding for investors and promote a strong decision-making process, be it in policy-making by the public sector or investing decisions by the private sector.

The production of this index complements Jordan Strategy Forum's consistent effort to promote higher levels of investment in Jordan, and a more competitive business environment that can facilitate higher quality of living for all Jordanians.

Jordan Strategy Forum's **Jordan Investor Confidence Index**<sup>®</sup> has declined in September 2017 to reach 90.92 points in comparison to 93.7 points in August, as it decreased by 2.75 points.

Confidence in the ASE sub-index observed a 2.1 points decrease to reach 93.33 points in September, as the ASE index decreased noticeably by 35.74 points to reach 2121.52 points in September. Whereas the ratio of inflow to outflow of foreign investment in ASE decreased to reach 91% in comparison to 120% in August.

The confidence in the monetary sub-index observed a decrease of 0.69 point from August to reach 77.07 points in September as the CBJ Gross Foreign Reserves decreased by 3.5 Million JDs to reach 10972.5 Million JDs for this month.

The confidence in the real economy sub-index, decreased as well, to reach 119.88 points, a 0.58 points decrease since August. The manufacturing quantity production index decreased from 104.1 points in August to reach 98.70 points in September. Furthermore, the number of construction permits decreased to reach 2076 permits in comparison with 2365 permits in August. In addition, tax on the monthly real estate volume decreased by 1.4 Million JDs to reach 8.4 Million JDs for this month. The number of companies registered in September decreased to reach 455 companies in comparison with 583 companies registered in August, additionally; the capital of companies' registered witnessed a noticeable decrease as it reached 10.40 Million JDs in September, in comparison with 136.2 Million JDs last month.

Based on the change in the values of the JICI sub-indices, the main reasons behind the drop in the JICI for September 2017 – according to importance – are the decline in ASE index and the manufacturing quantity production index, in addition to the decrease in the number of

companies registered and its capital, as well as the decline in the number of construction permits and tax on the monthly real estate volume. These indicate that the Jordanian economy is still suffering from weak economic growth rate.

It is worth mentioning that the Investor Confidence Index aims to measure the level of confidence investors have in its three sub-indices based on the sub-indices expected values according to its trends since 2007 up until now. A decrease in the value of one of the sub-indices despite increases in its indicators means that the indicators values fell below its expected values according to the trend. Similarly, an increase in any sub-index despite decreases in its indicators means that the indicators' values stay above its expected values according to the trend.

Changes in JICI and its Sub-Indices: July 2017 to September 2017

Index Value	July 2017	August 2017	September 2017
<b>JICI</b>	93.36	93.67	90.92
<b>Monetary</b>	78.60	77.76	77.07
<b>Real Economy</b>	118.33	120.46	119.88
<b>Stock Exchange</b>	96.43	95.45	93.33

Jordan Investor Confidence Index and its Sub-Indices since January 2016

