

Jordan Investor Confidence Index

Update for Q1 of 2022

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.

Measuring changes in investor confidence quantitatively is never easy. However, the Jordan Strategy Forum (JSF) measures investor 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 increased by 21.2 points from 168.1 points (Q4 2021) to 189.3 points (Q1 2022).

1. On average, confidence in the Real Economy has increased from 165.0 points (Q4 2021) to 200 points (Q1 2022).

- The growth rate in GDP decreased from 2.6% (Q4 2021) to 2.5% (Q1 2022).
- The budget deficit decreased from JD 771.7 million (Q4 2021) to JD 345.8 million (Q1 2022).
- Foreign direct investment (FDI) inflows increased from JD 114 million (Q4 2021) to JD 262.8 million (Q1 2022); a 130.5% increase.
- The manufacturing quantity production index increased from 89.7 points (Q4 2021) to 90.3 points (Q1 2022).

2. Confidence in the Monetary System decreased from 200 points (Q4 2021) to 174.9 points (Q1 2022).

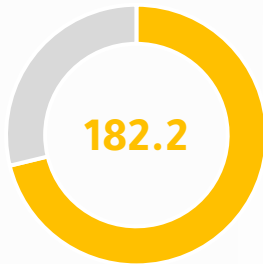
- The CBJ gross foreign reserves remained constant at JD 14.7 billion (Q1 2022) compared to the previous quarter.
- Interest rate differential between the Jordanian Dinar and the US Dollar increased to 2.55% (Q1 2022).
- The value of returned cheques increased from JD 306.3 million (Q4 2021) to JD 331.7 million (Q1 2022); an 8.3% increase.

3. Confidence in the Financial System increased from 142.4 points (Q4 2021) to 182.2 points (Q1 2022).

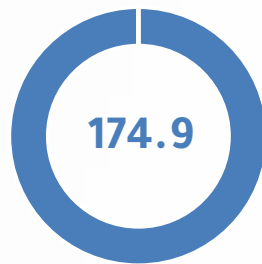
- The ASE Weighted Index reached 4,291.1 points (Q1 2022), thereby increased by 285.8 points from the previous quarter.
- "Purchased-to-Sold shares by Non-Jordanians" ratio in the ASE increased from 46.3% (Q4 2021) to reach 70.0% (Q1 2022).
- Private sector credit reached JD 28.9 billion; a 2.6% increase in the previous quarter.

JICI and its Pillars - Q1 2022 (Points - 200)

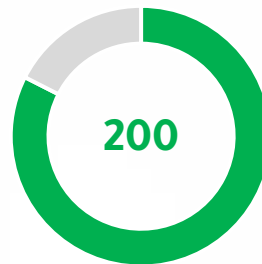
Confidence in the
Financial System



Confidence in the
Monetary System



Confidence in the
Real Economy



JICI

