

## Jordan Investor Confidence Index

### Update for August 2019

The **Jordan Investor Confidence Index** 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 Financial System.

The index measures the impact of policy decisions and exogenous developments on investor confidence. Furthermore, it aims to facilitate a better understanding of investors' challenges and promote a strong decision-making process, be it in policymaking 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 life for all Jordanians.

Jordan Strategy Forum's **Jordan Investor Confidence Index** has decreased in August 2019 to reach 118.0 points in comparison to 130.6 points in July 2019 (12.62 points).

Confidence in the **Real Economy Sub-Index** saw a decrease of 38.47 points, to reach 104.0 points, as the capital of registered companies witnessed a decrease from 54.40 to reach 6.20 Million JDs in August 2019, and the manufacturing quantity production index decreased by 6.30 points to reach 87.10 points. The number of companies registered in August 2019 decreased to reach 344 companies in comparison with 505 registered companies in July 2019. In addition, the number of construction permits decreased to reach 1,497 permits in August 2019 in comparison with 1,866 permits in July 2019, and the revenues from tax on the monthly real estate volume decreased by 1.50 Million JDs to reach 6.00 Million JDs in August 2019.

The **Monetary Sub-Index** increased by 15.06 points to reach 152.7 points in August 2019, as the CBJ Gross Foreign Reserves increased by 119.4 Million JDs to reach 11,836 Million JDs for this month. In addition, the interest rate differential between the Jordanian Dinar and the US Dollar increased from 2.35% to 2.37% since July 2019. As for returned cheques, the value experienced a 34.6 Million JD decrease from the previous month to reach 101.1 Million JDs in August 2019.

Confidence in the **Financial Sub-Index** observed an increase by 11.40 to reach 111.4 points in August 2019, as the ASE Weighted Index decreased by 103.28 points to reach 3,535.68 points in August 2019. In addition, the growth in credit to the private sector has increased by 0.4%, in comparison to the previous month in which the growth marked by 0.1%. The ratio of inflows to outflows of foreign investment in ASE increased to reach 107% in August 2019.

The Investor Confidence Index measures the level of confidence investors have in the national economy. The index is composed of three sub-indices: (1) Real Economy (50%). (2) Monetary System (25%). (3) Financial System (25%). For these sub-indices, a value of 100 entails the minimum level of confidence in comparison to the previous months since 2007, while a value of 200 entails the maximum level of confidence in comparison to the previous months since 2007.



### Changes in JICI and its Sub-Indices: June 2019 to August 2019

Index Value	June 2019	July 2019	August 2019
JICI	108.7	130.6	118.0
Real Economy	100.0	142.5	104.0
Monetary	133.7	137.6	152.7
Financial	101.1	100.0	111.4

### Jordan Investor Confidence Index and its Sub-Indices since January 2017

