

Jordan Investor Confidence Index

Update for December 2016

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 Amman Stock Exchange (ASE).

The index aims to measure 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 a higher quality of living for all Jordanians.

December 2016: Jordan Strategy Forum's *Jordan Investor Confidence Index* continued to increase in December 2016 to reach 96.37 points in comparison with 91.75 points in November.

The confidence in the real economy sub-index reached its highest since the beginning of the year with 111.86 points, an increase of 2.24 points from the previous month. The manufacturing quantity production index increased to reach 137.5 points. Furthermore, the number of construction permits increased significantly in December to reach 7823 in comparison to the 3442 permits of the previous month. The capital of the Jordanian registered companies increased to reach JD9.8 million compared to JD8.7million in the previous month although its number dropped by 264 to reach 406 companies in December. The tax on the monthly real estate volume however decreased to reach JD7.8 million from JD10.6 million in November.

The confidence in the ASE sub-index continued to recover from the decrease it witnessed since August 2016 with a 3.28 points increase to reach 97.52 points in comparison to 94.23 points of the previous month. Despite the ASE index witnessing a slight decrease of 0.7 points to reach 2170.29, the ratio of inflow to outflow of foreign investment in ASE witnessed a significant increase from 151% to 321%.

The confidence in the monetary system sub-index on the other hand had continued decreasing to reach its lowest since the beginning of the year with a drop of 0.91 points reaching 86.99 points in December. Although there was an increase in CBJ's foreign reserves by JD191.20 million to reach JD12,115 million in December, the sub-index stayed under its expected value.

Changes in JICI and its Sub-Indices: October 2016 to December

Index Value	October 2016	November 2016	December 2016
JICI	89.45	91.75	96.37
Monetary	88.66	87.90	86.99
Real Economy	107.66	109.61	111.86
Stock Exchange	93.11	94.23	97.52

Jordan Investor Confidence Index and its Sub-Indices since January 2015

