

Jordanian Consumers Sentiment Index

Jordan
October, 2018



Introducing the Jordanians Consumers Sentiment Index

Ipsos Jordan's Jordanians Consumers Sentiment Index (JCSI), is a quarterly national survey of consumer attitudes on the current and future state of the local economy, personal financial situation, as well as confidence to make large investments and ability to save.

Consumer sentiment is a key predictor of purchase trends in the market. Despite it being a lagging indicator, if consumer sentiment is high, people will make more purchases and the economy will expand.

Businesses and Policy Makers can monitor changes in the index to factor the data in their decision-making processes. A wave-on-wave decreasing trend suggests consumers have a negative outlook on their ability to spend. Thus, manufacturers may expect consumers to avoid retail purchases, particularly items that require financing. Likewise, banks can anticipate a decrease in lending activity, mortgage applications, and credit card usage.

Introducing the Jordanian Consumers Sentiment Index

The quarterly JCSI result is driven by the aggregation of four, weighted, sub-Indices



JCSI Current Personal Financial Conditions



JCSI Economic Expectations



JCSI Investment Climate



JCSI Employment Confidence

Overall Jordanian
Consumers
Sentiment Index

Overall JCSI Survey Questions

1. Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.
2. Looking ahead six months from now, do you expect the economy in your local area to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?
3. Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.
4. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?
5. Compared to 6 months ago, are you NOW more or less comfortable making a major purchase, like a home or car?
6. Compared to 6 months ago, are you NOW more or less comfortable making other household purchases?
7. Compared to 6 months ago, are you NOW more or less confident about job security for yourself, your family and other people you know personally?
8. Compared to 6 months ago, are you NOW more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?
9. Thinking of the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?
10. Now look ahead at the next six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?

Jordanian Consumers Sentiment Index

October 2018 (Q3) Summary

Prelude

In June 2018, Jordanians took to the streets in angry anti-austerity protests that clearly rejected the newly proposed government tax legislation. As the protests boiled, a new government was appointed bringing about high hopes of prosperity and better economic reforms. With that, the public's anger subsided in anticipation of a better economic future.

However, almost three months following the appointment of the new government, the public's sentiments towards the economic situation has witnessed a clear shift. With tax laws still being debated and no tangible change expected on the horizon, Jordanians' optimism has dwindled and their outlook towards their future in the country has become bleak to say the least. That said, while Jordanians' actual ability to invest could not have changed considerably within the last 3 months, their sentiments towards such major steps in their lives have altered.

Negative outlooks coupled with the diminishing faith in the government's ability to affect change, has had a visible impact on this quarter's JCSI- with the index witnessing a 10-point drop when compared to last quarter. With the economic burden experienced by Jordanians showing no signs of subsiding, Jordanians' sentiments towards their ability to spend is sure to continue to decline in the near future.

JCSI Summary: October 2018

JCSI, Q3 2018

39.0

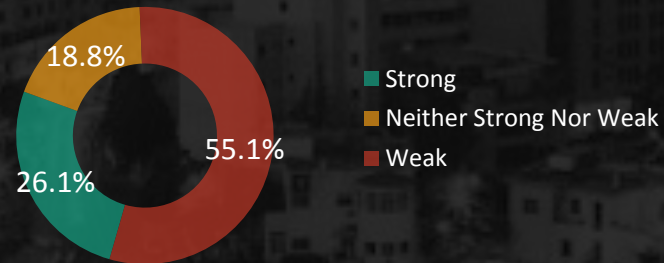


Versus
Previous
Wave

49.7

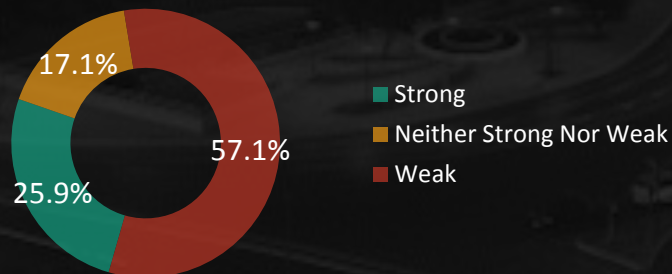
Country Economic Situation

Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.



Personal Financial Situation

Q: Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.



Top 3 Concerns For Jordanians



49.1%
Unemployment



47.7%
Inflation



35.4%
Poverty & Social
Inequality

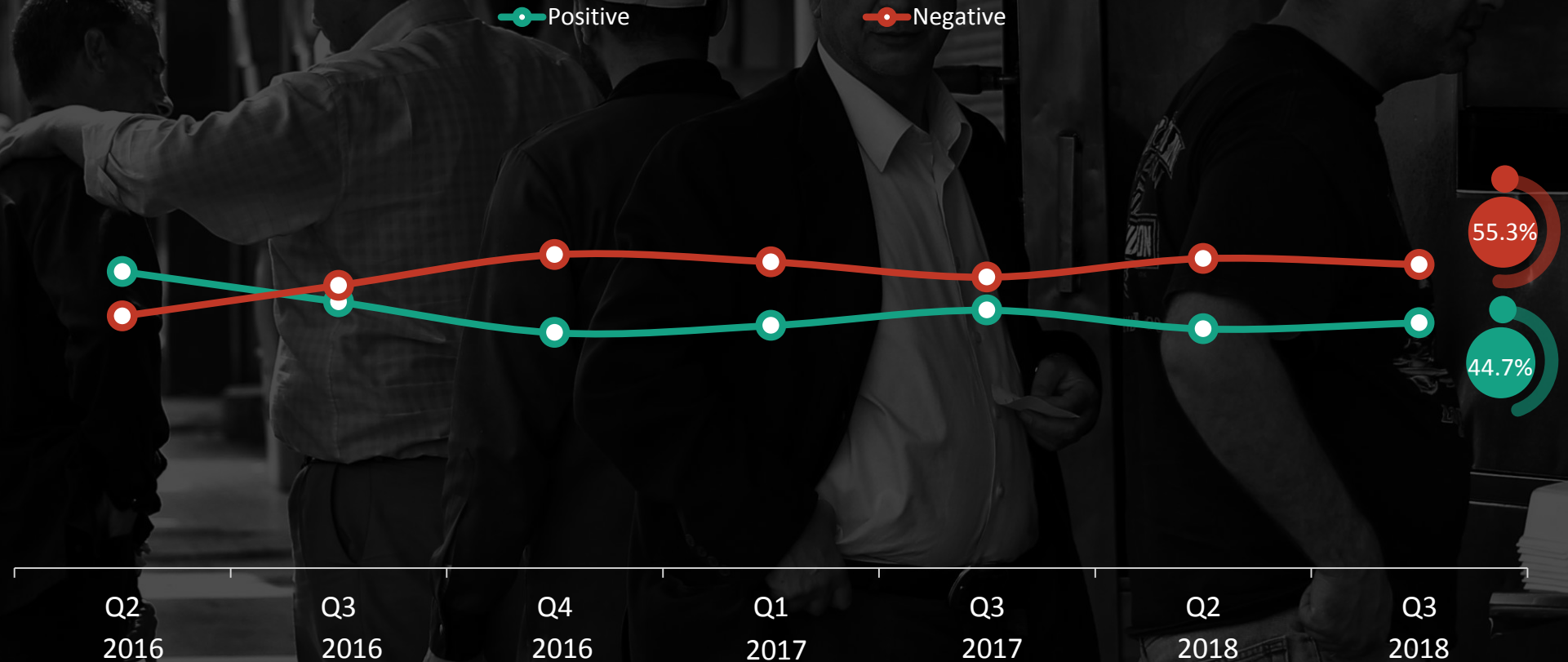
Country's General Situation



Current Economic Situation

Trending

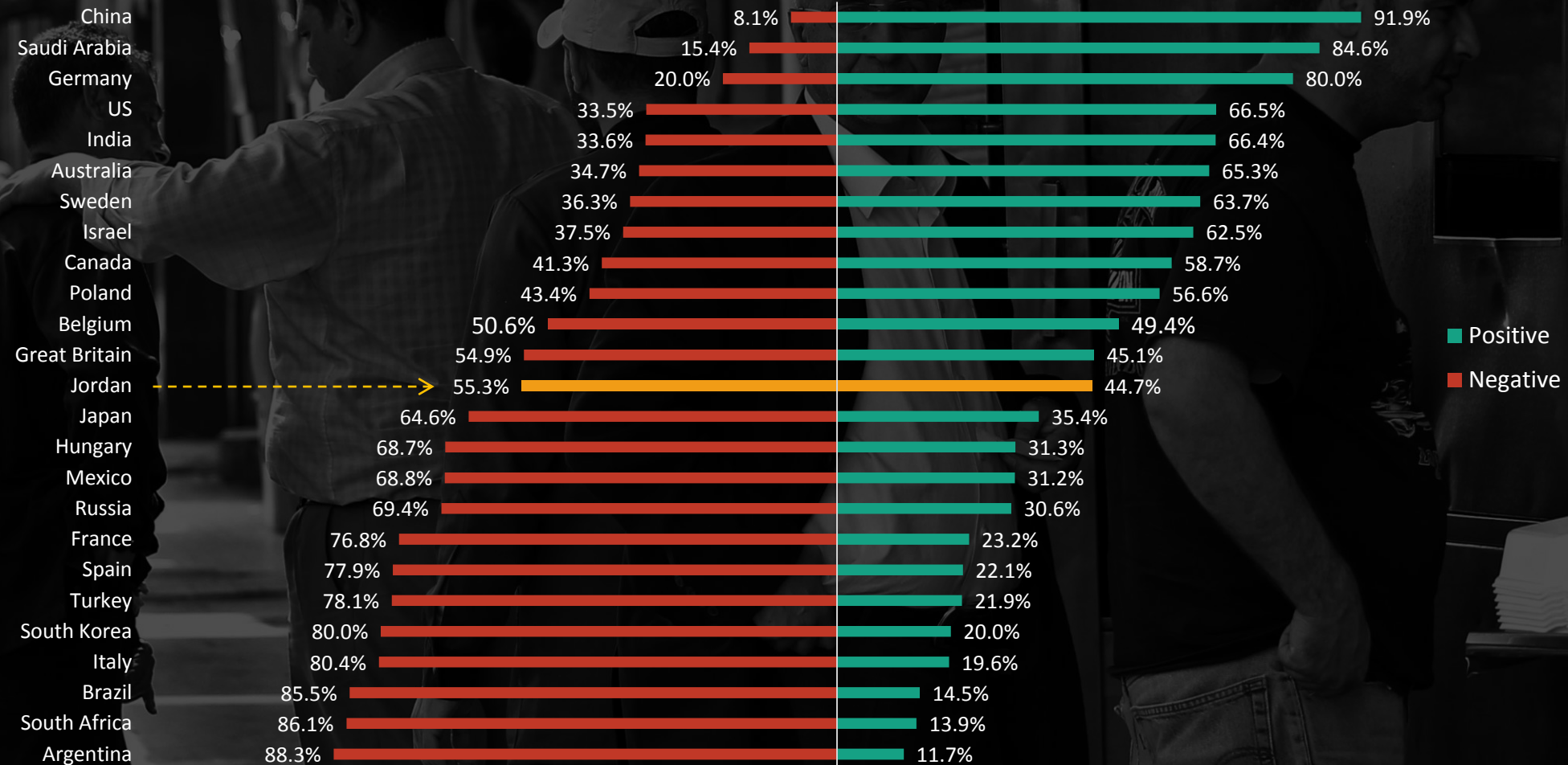
Q: Now, thinking about our economic situation, how would you describe the current economic situation in Jordan?



Current Economic Situation

Global Comparison

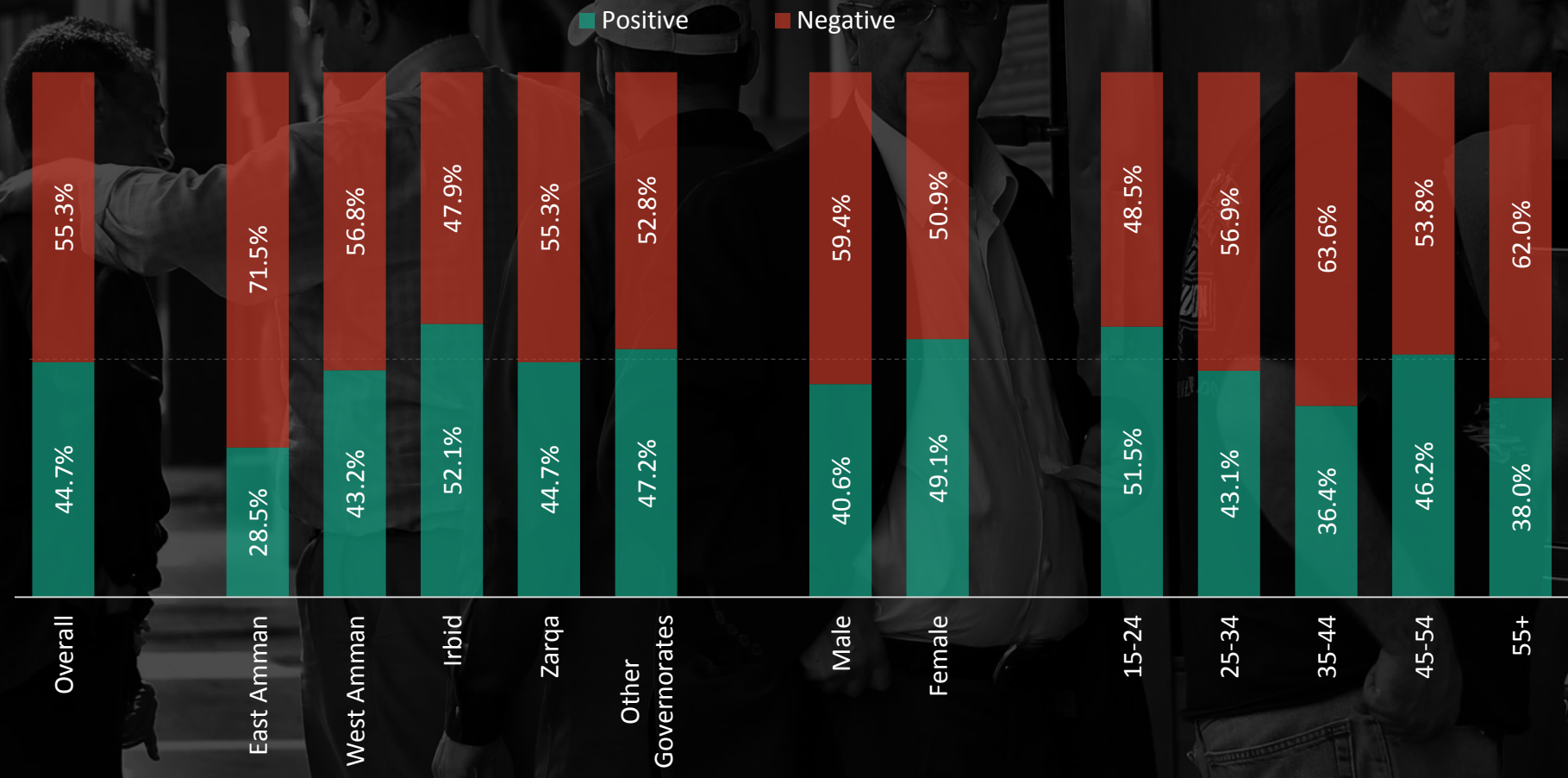
Q: Now, thinking about our economic situation, how would you describe the current economic situation in Jordan?



Current Economic Situation

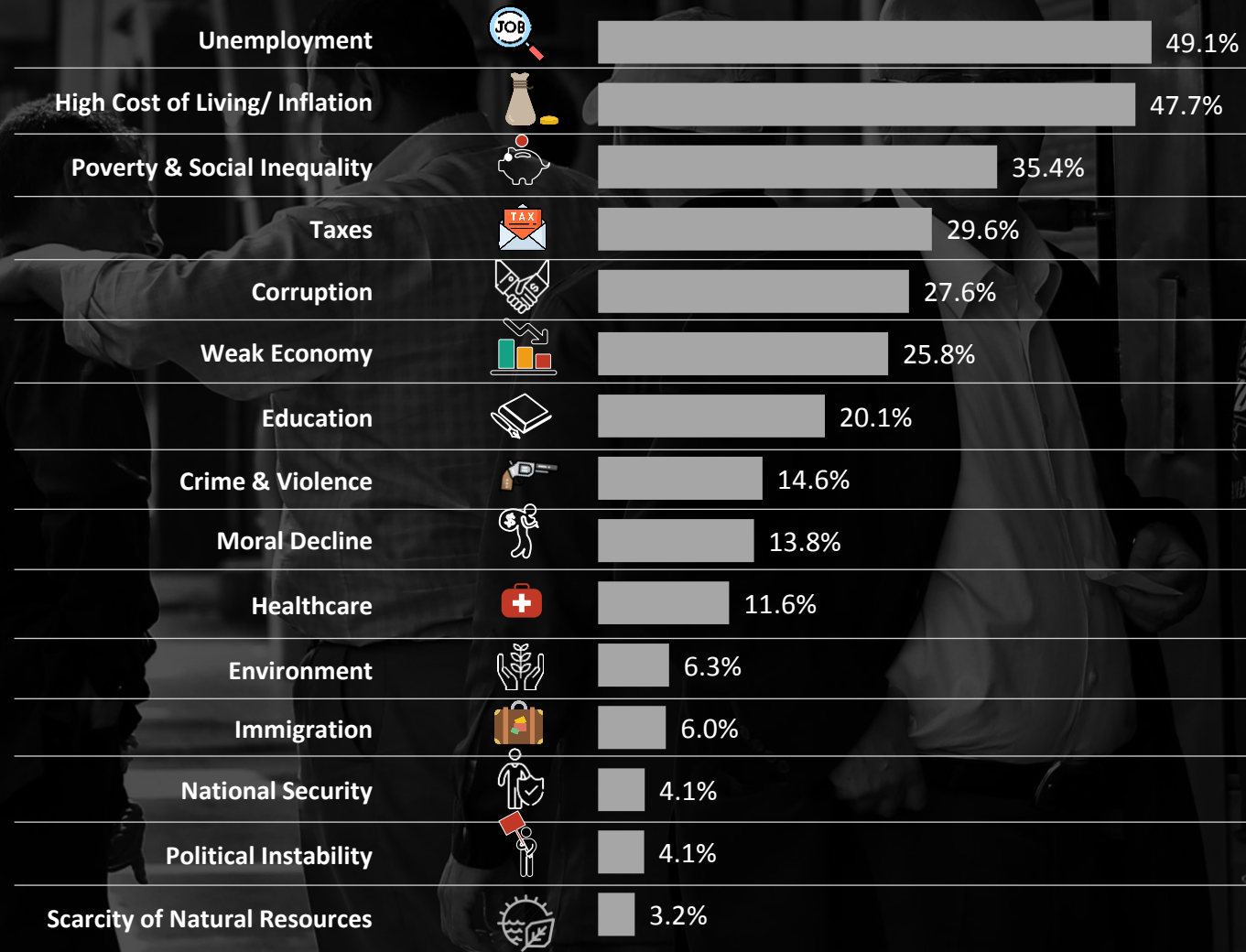
By Demographics

Q: Now, thinking about our economic situation, how would you describe the current economic situation in Jordan?



Jordanians' Top Concerns

Q: Which of these are your top three biggest concerns as a Jordanian citizen, whether they are economic, social or political?



Stance on the Country's Future Situation

Q: Generally speaking, would you say things in this country are heading in the right direction, or are they off on the wrong track?



48.3%

Of Jordanians Think that
the Country is Heading
in the **Right** Direction



51.7%

Of Jordanians Think that
the Country is Heading
in the **Wrong** Direction

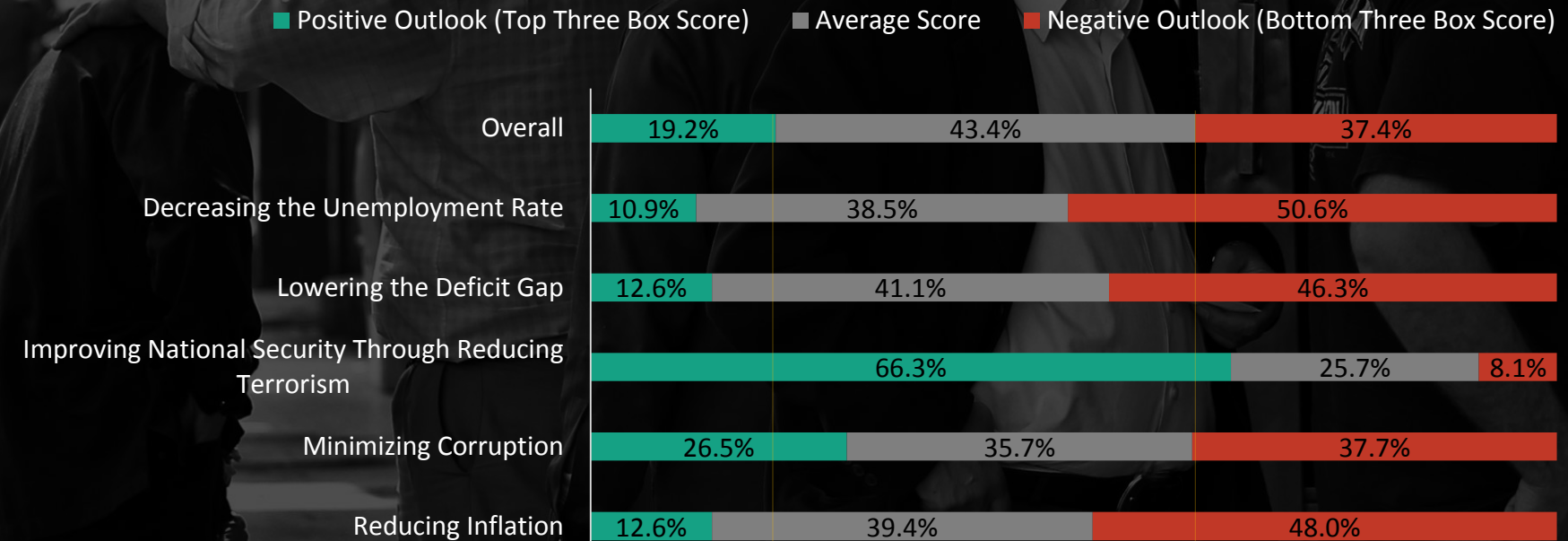


Sentiments Towards the New Government

Confidence in the Government's Role

Q: How confident are you on a scale of 1 to 10, where 1 is not confident at all and 10 is extremely confident, with the new government's overall ability to improve the situation in Jordan?

Q: Rate your confidence level, on a scale of 1 to 10 where 1 is not confident at all and 10 is extremely confident, in the government's ability to achieve each of the following: Lowering the Deficit Gap, Improving National Security Through Reducing Terrorism, Minimizing Corruption, Reducing Inflation & Decreasing the Unemployment Rate.

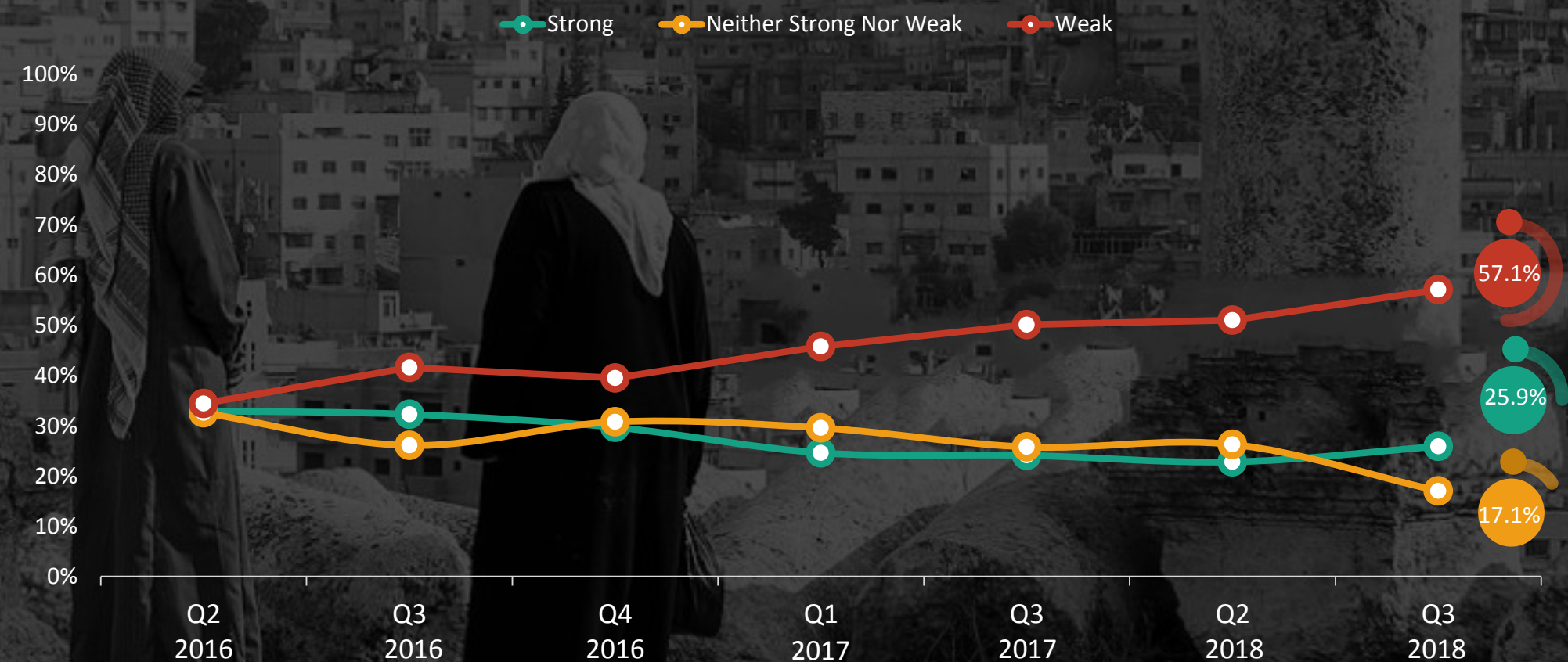




Personal Financial Situation

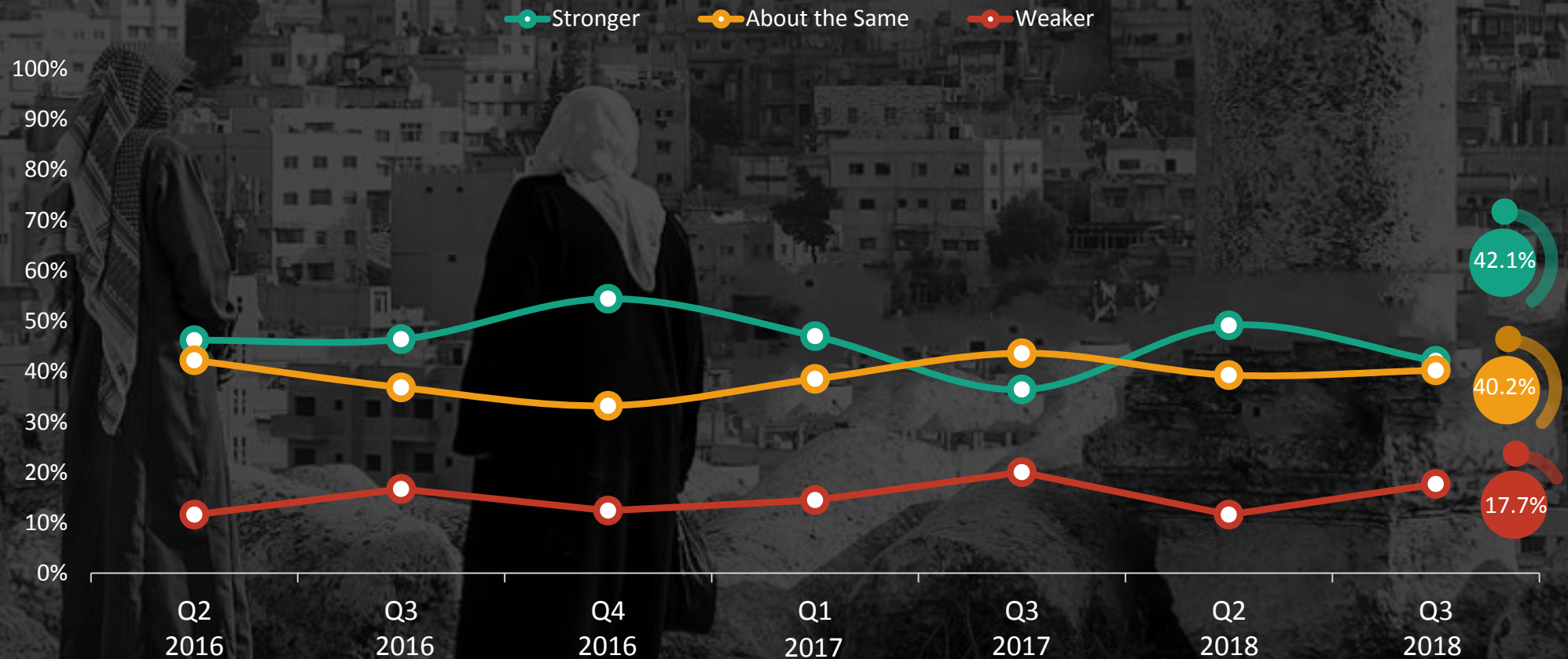
Current Personal Financial Situation

Q: Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.



Future Personal Financial Situation

Q. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?

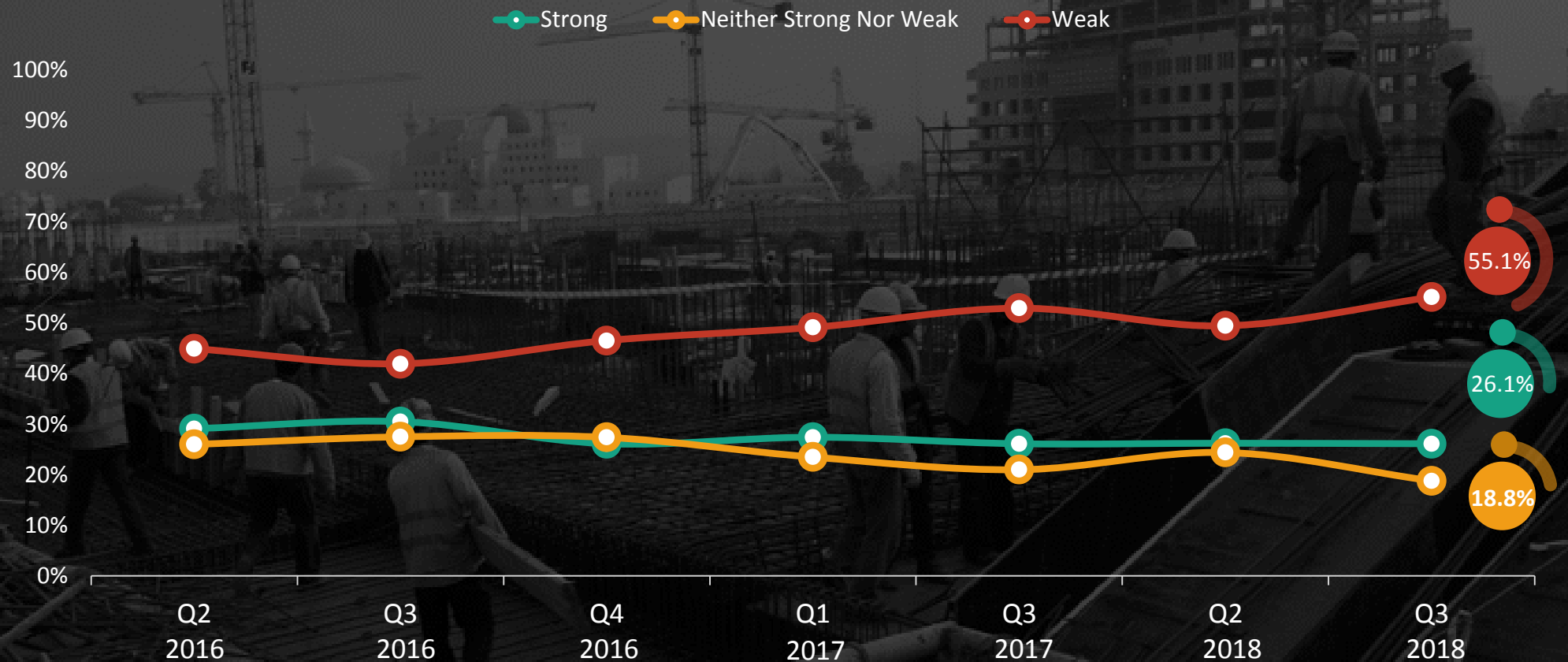




Jordan's Economic Situation

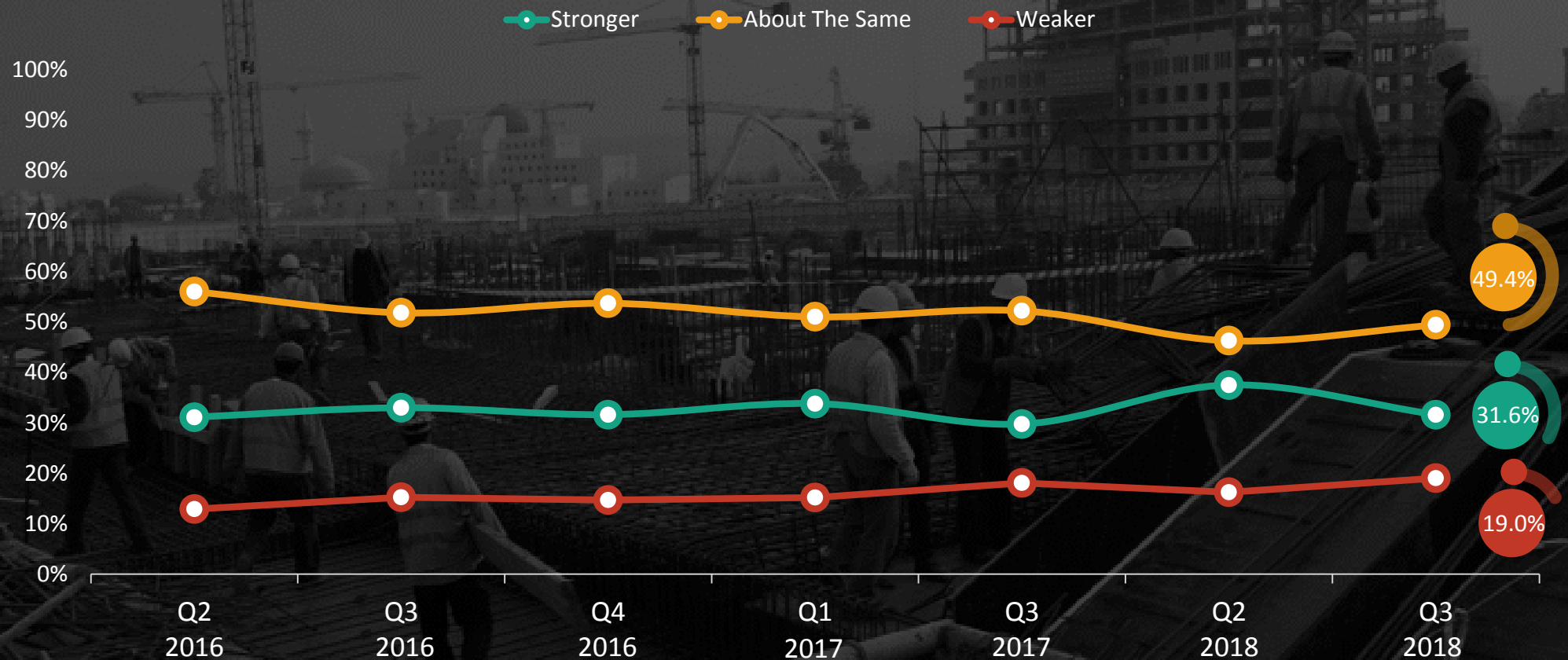
Current State of the Economy

Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.



Future State of the Economy

Q: Looking ahead six months from now, do you expect the economy in your local area to be stronger, about the same or weaker than it is now?



Employment

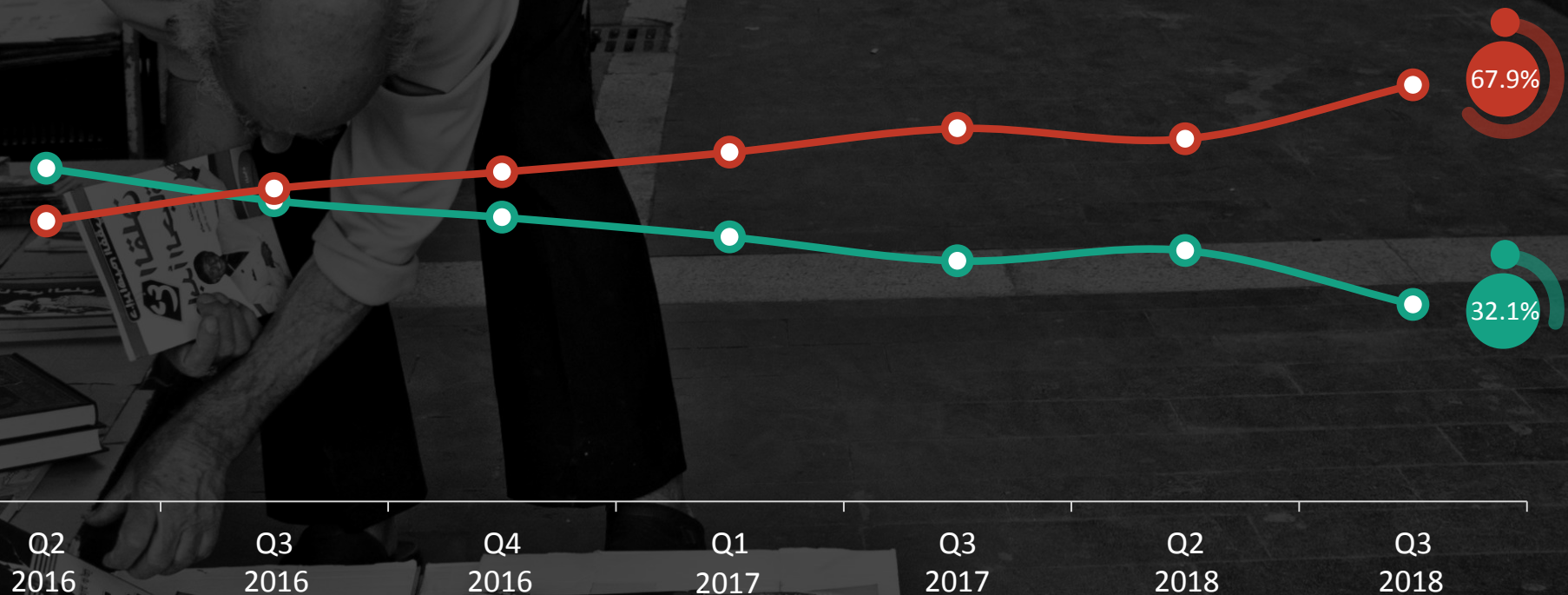


Job Security

Q. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?

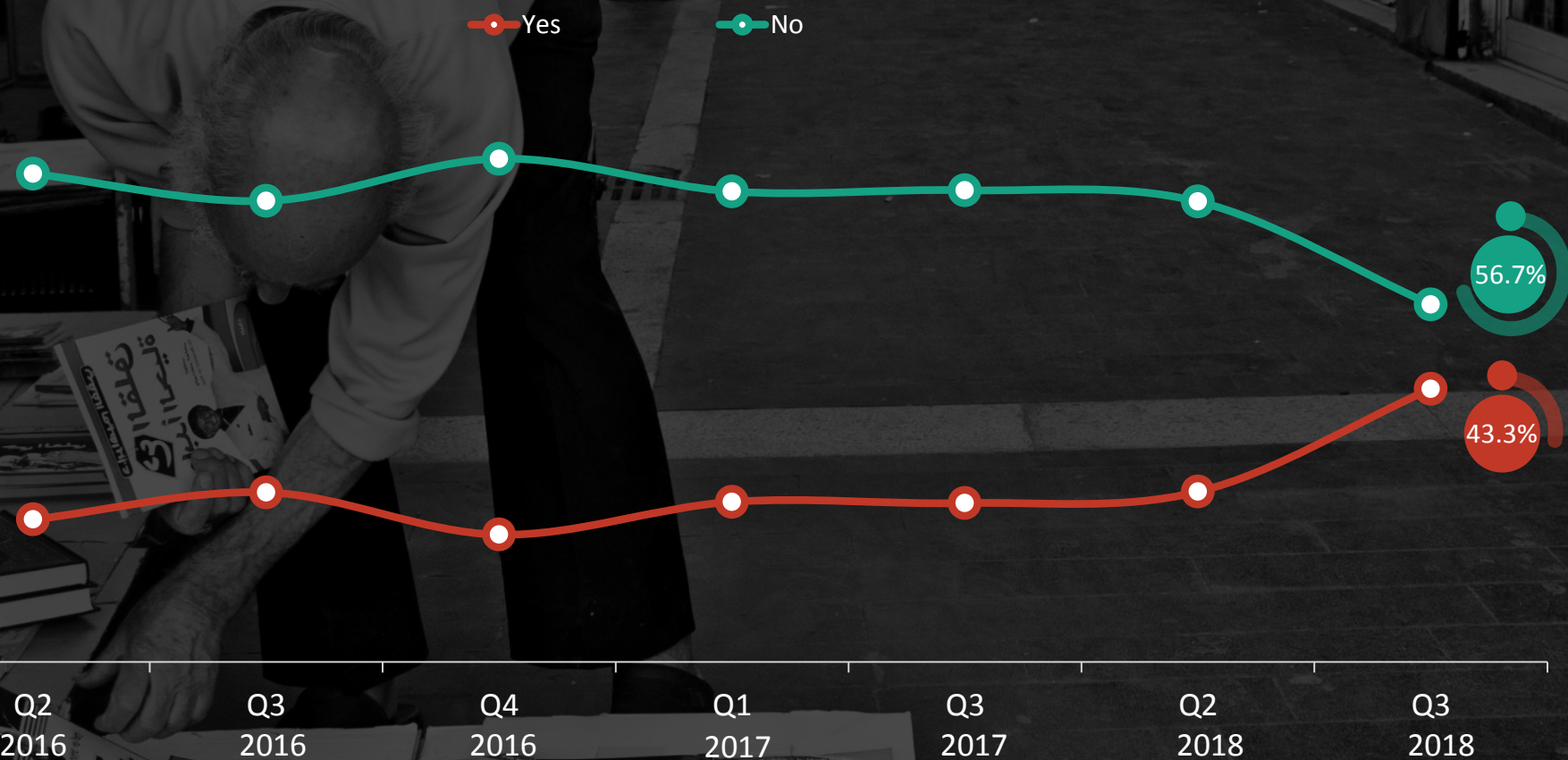
More Confident

Less Confident



Job Losses in the Past Six Months

Q. Thinking about the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?

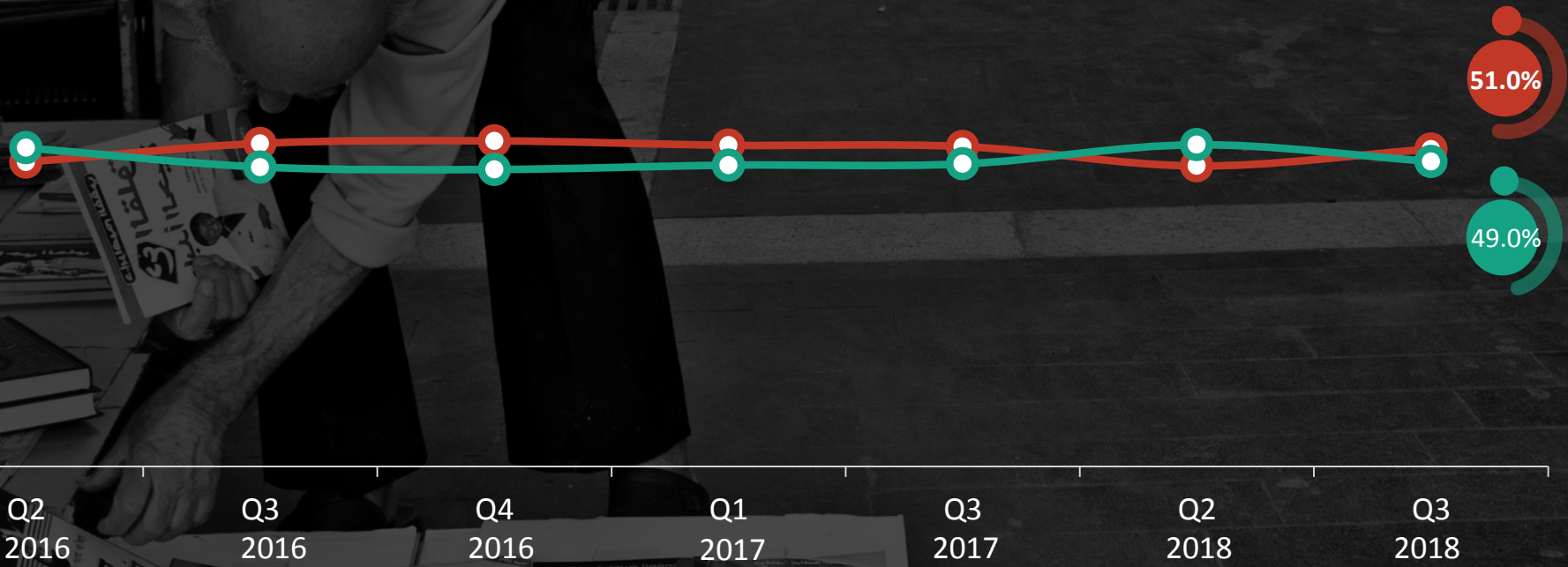


Job Losses in the Next Six Months

Q. Looking ahead at the *next* six months, how likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?

● Likely

● Unlikely





Investment Climate

Ability to Invest in The Future

Q. Compared to 6 months ago, are you NOW more or less comfortable about your ability to invest in the future, including your ability to save money for your retirement and your children's education?



Ability to Make a Major Purchase

Q. Compared to 6 months ago, are you now more or less comfortable making a major purchase, like a home or car?



Buying Household Durables

Q. Compared to 6 months ago, are you now more or less comfortable making other household purchases?

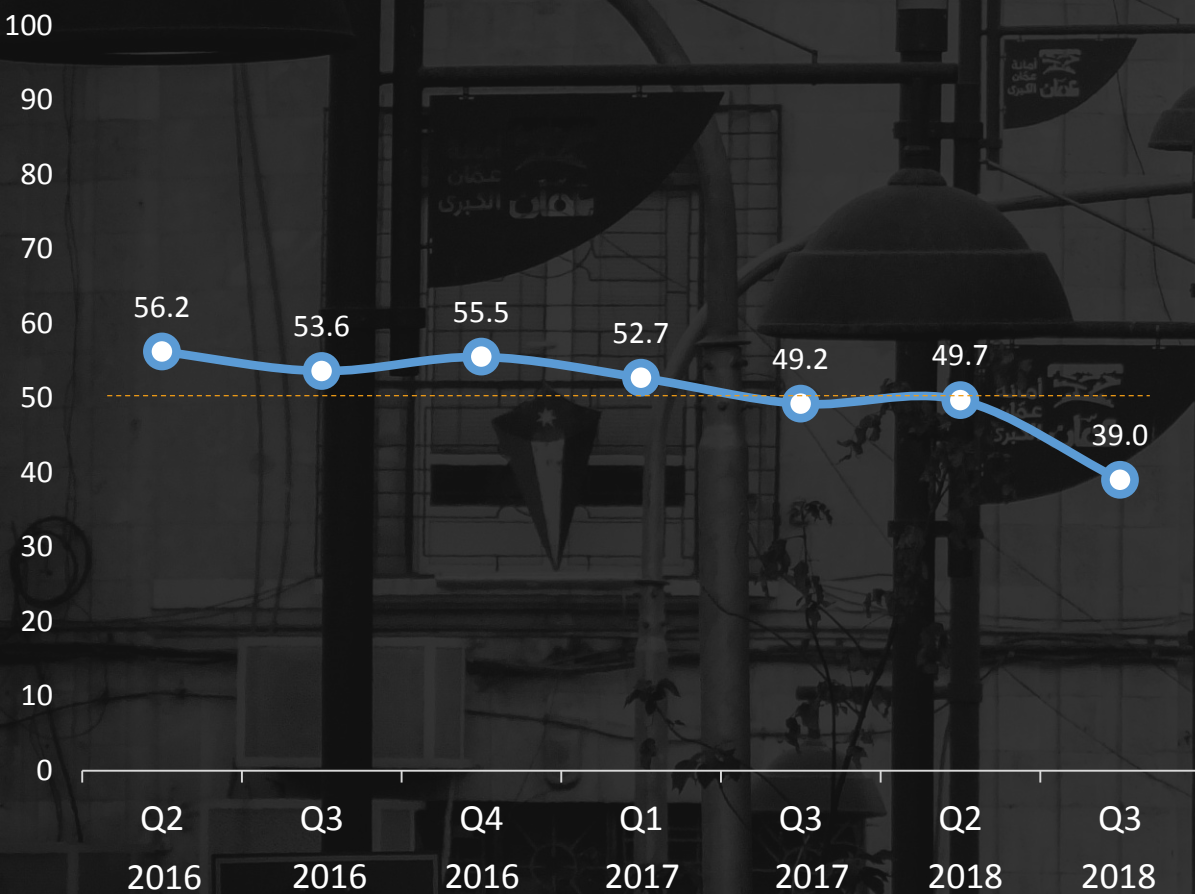


JCSI Deep Dive

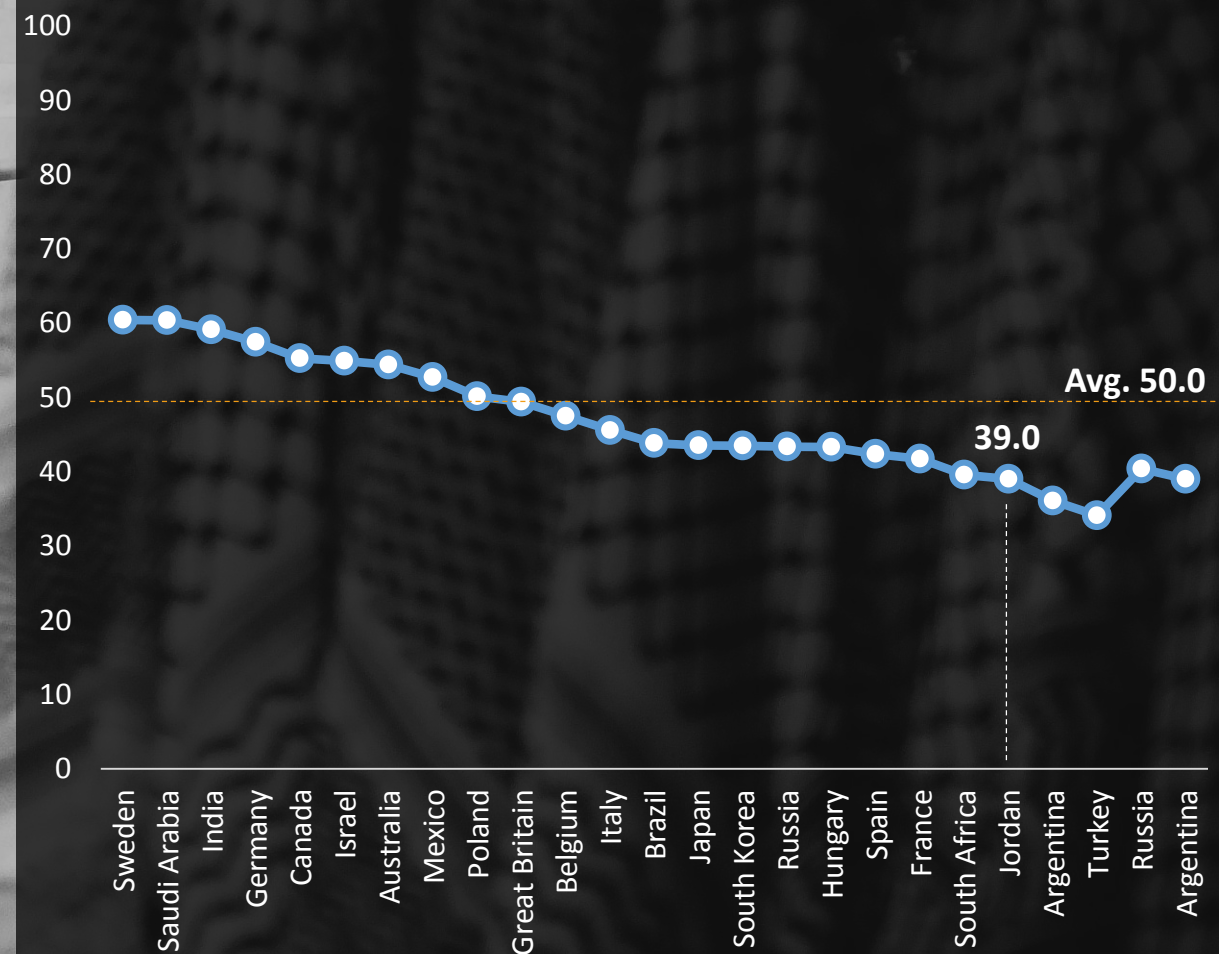


Overall JCSI

JCSI- Trending



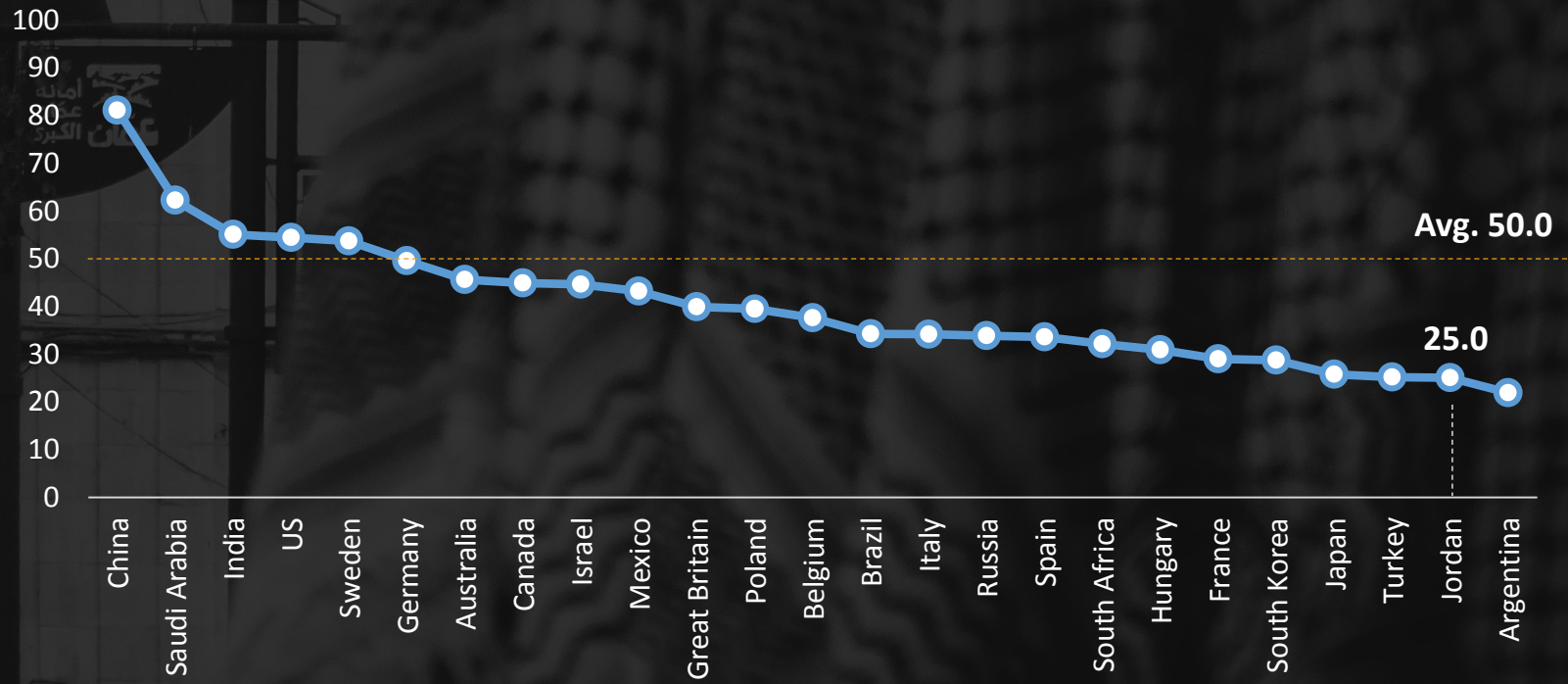
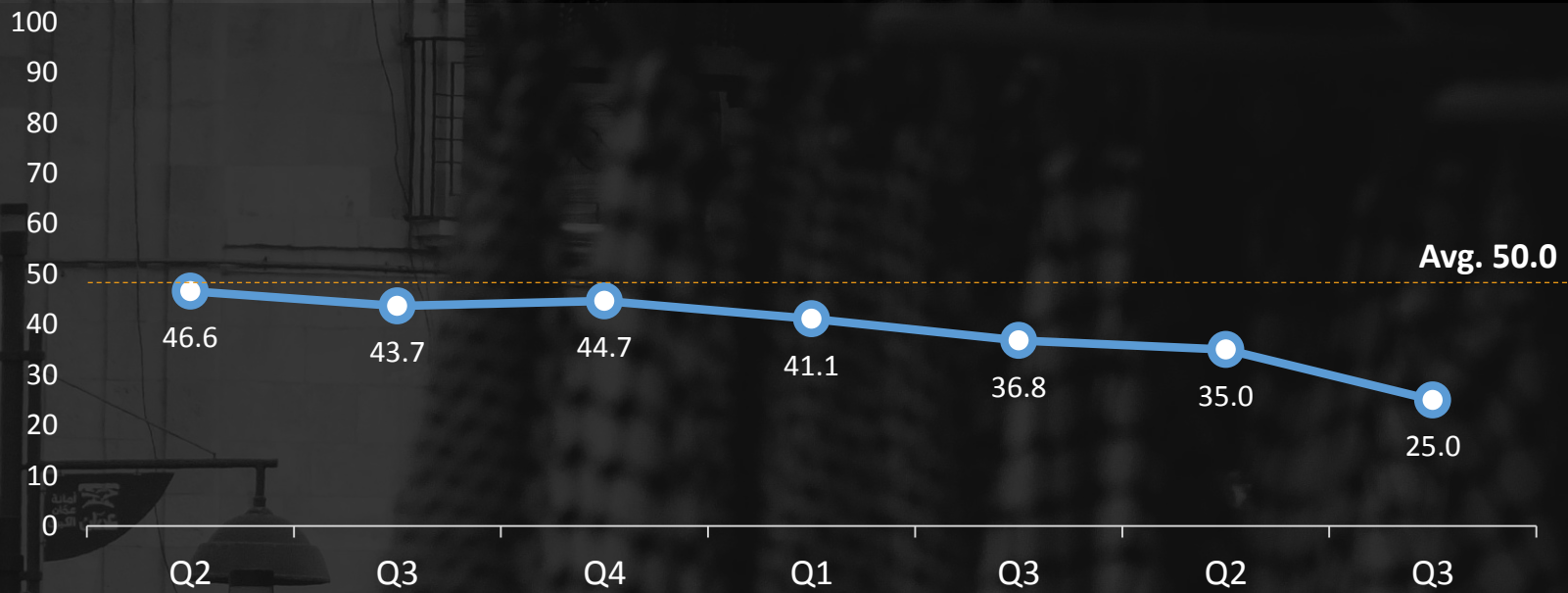
JCSI- Global Comparison





JCSI Personal Financial Conditions

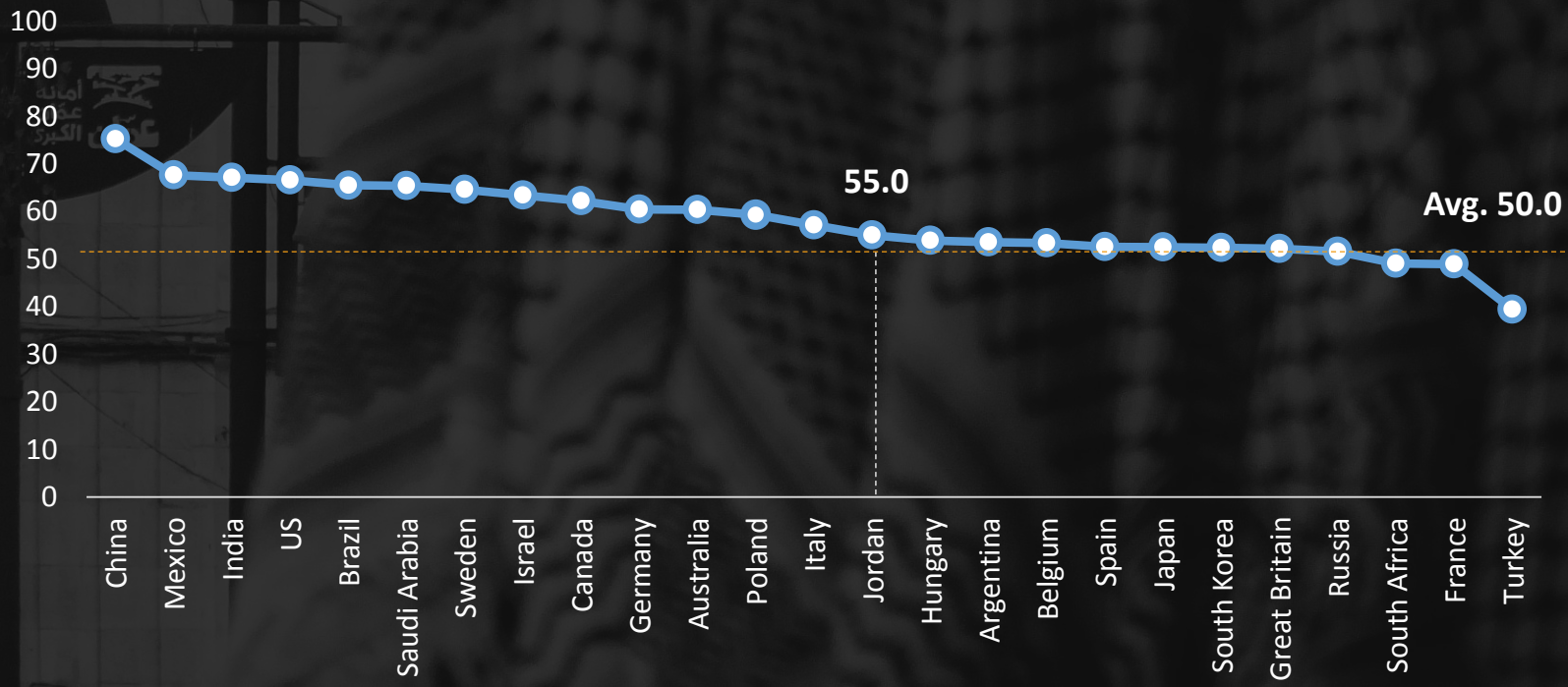
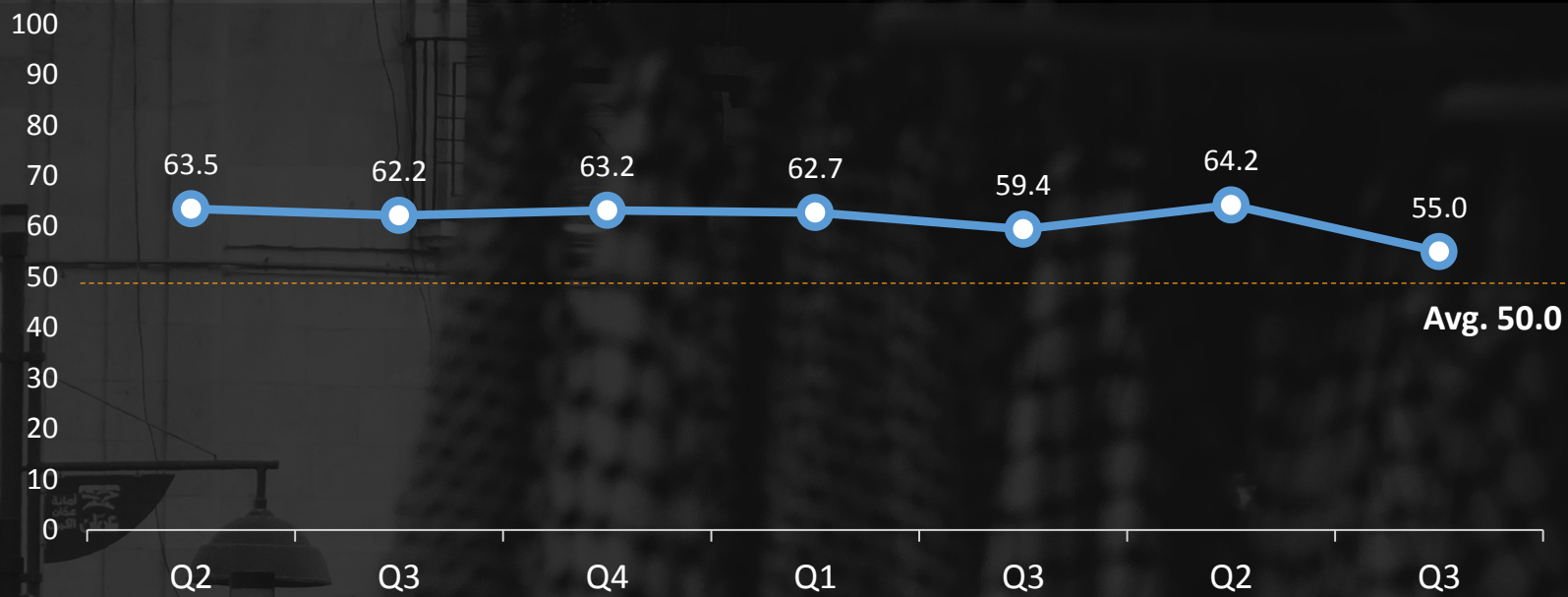
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3. Compared to 6 months ago, are you NOW more or less confident about job security for yourself, your family and other people you know personally?
4. Compared to 6 months ago, are you NOW more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?
5. Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.
6. Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.





JCSI Economic Expectations

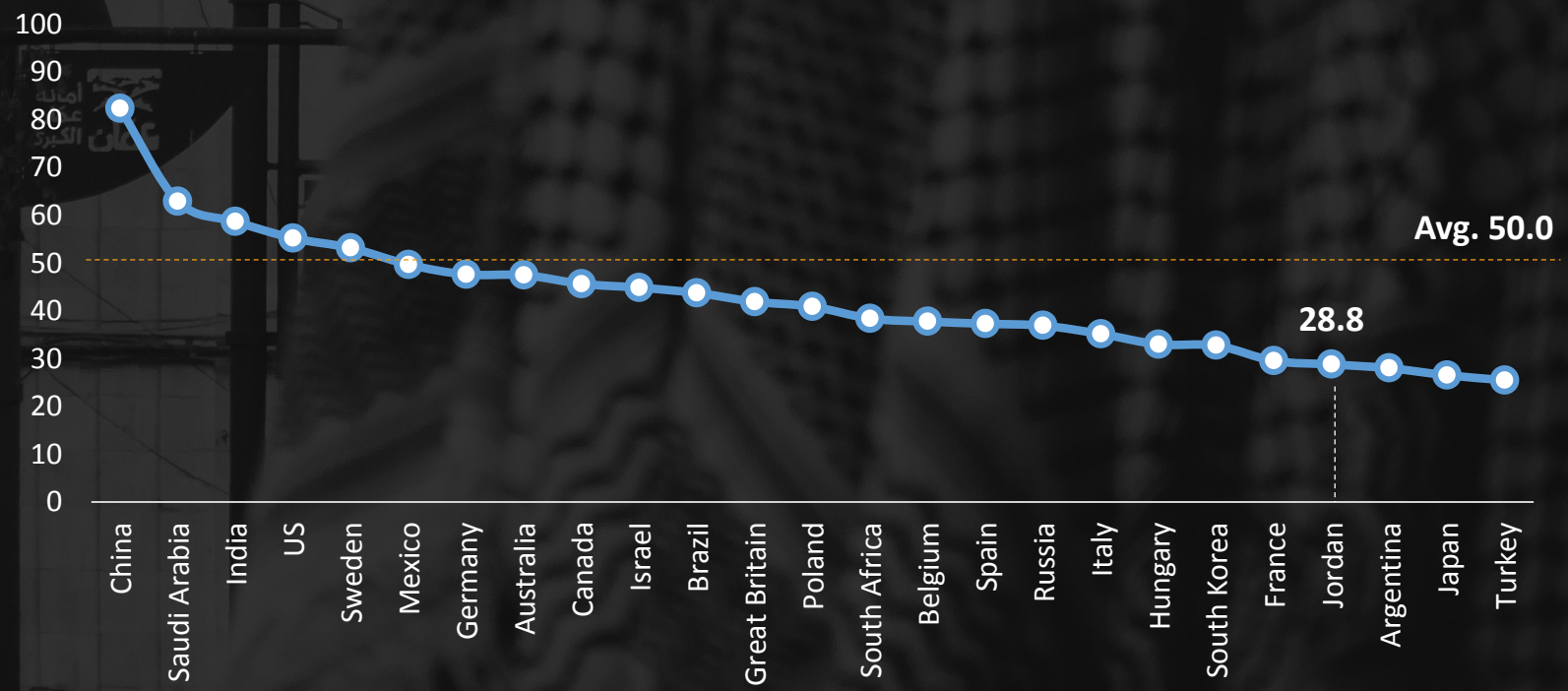
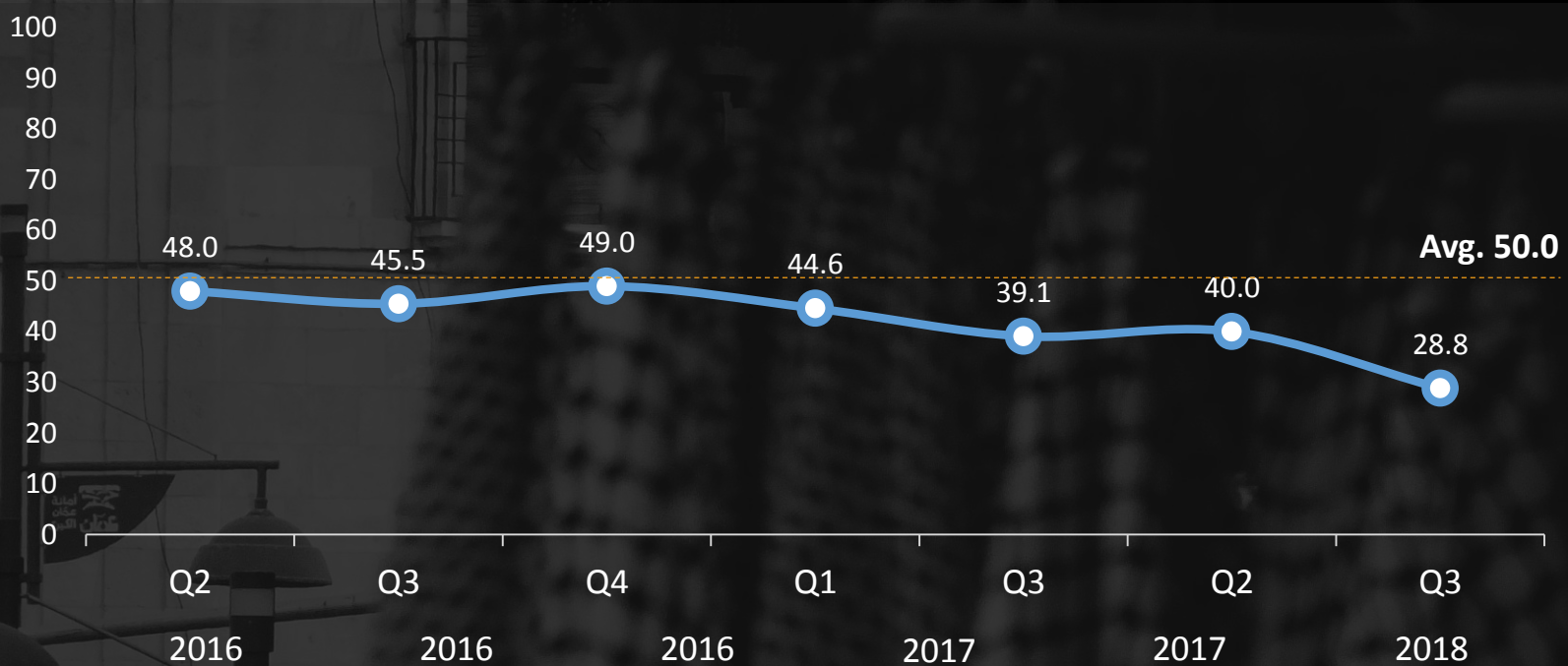
1. Now look ahead at the *next* six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?
2. Looking ahead six months from now, do you expect the economy in your local area to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?
3. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?





JCSI Investment Climate

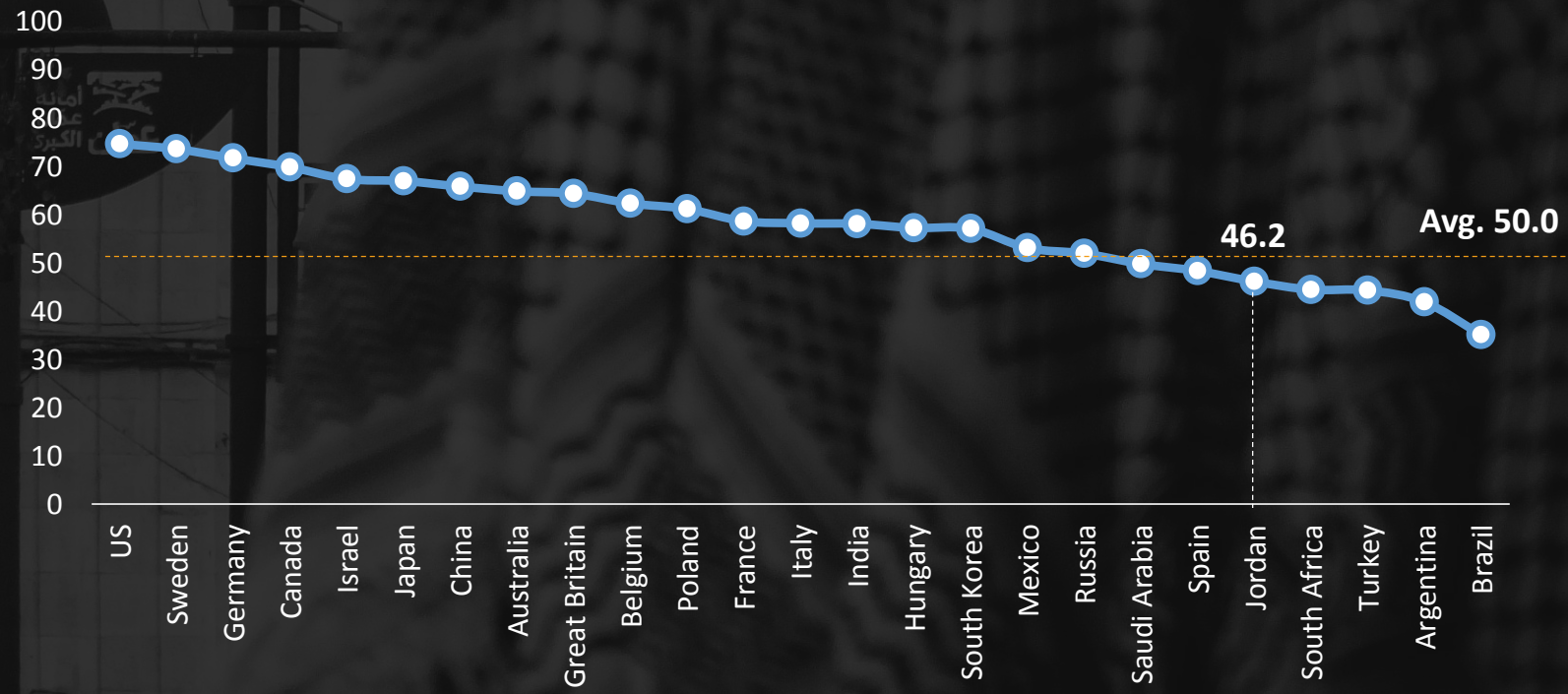
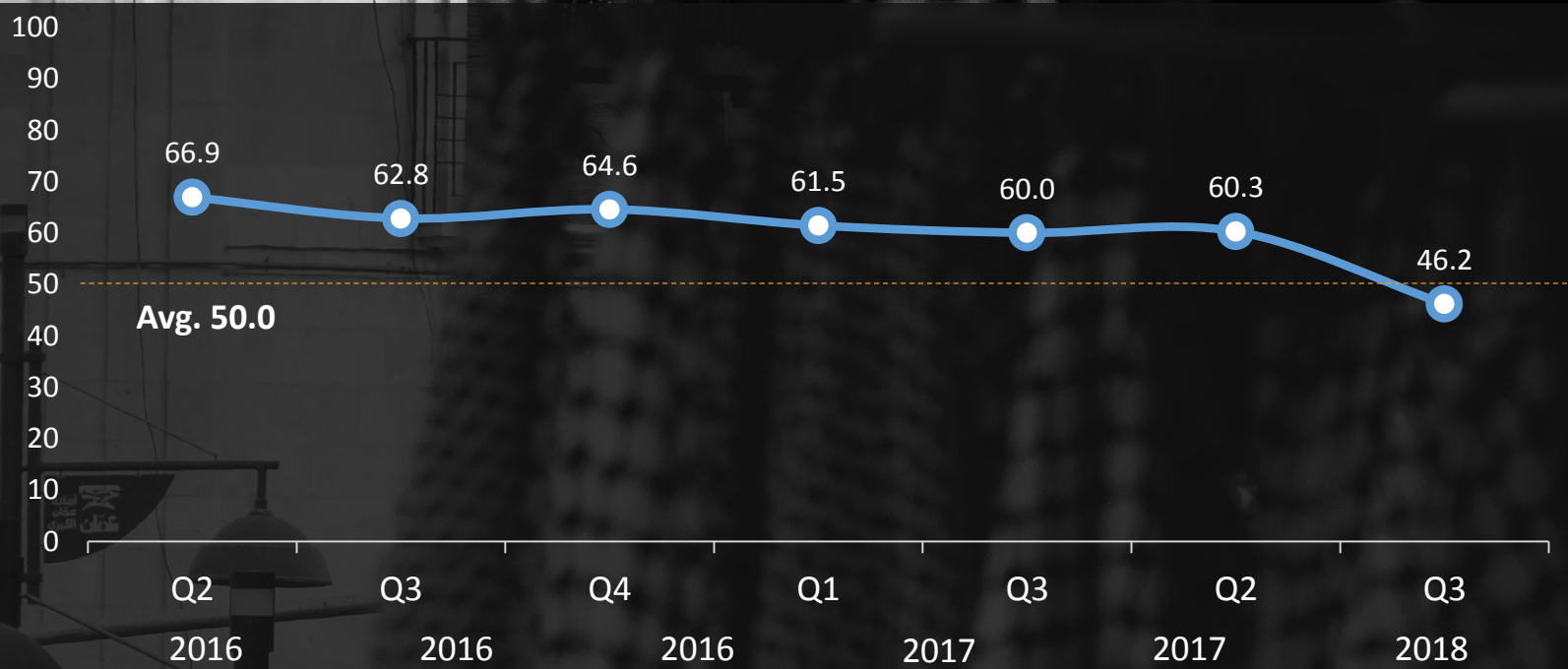
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JCSI Employment Confidence

1. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?
2. Thinking about the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?
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Methodology

Methodology – Computer Assisted Telephone Interviews (CATI)

Sample Size – 1000 Respondents

Age – 15 years old and above

Sample Criteria – Nationally Representative Sample of Jordanians

The JCSI Index is calculated by utilizing data from the survey results. Responses are divided into aggregated Top Box (Reward) numbers and Bottom Box (Penalty) numbers. Using Shapely Value Analysis, values were generated for the penalty and reward for each question. The magnitude of each question is the difference between the reward and penalty. An Importance factor, which the ultimate weight of the particular question in the index, is the magnitude of each question divided by the total magnitude of all questions. A Top Box Weight for each question is calculated by dividing the Reward by the magnitude of each question. Similarly, the Bottom Weight for each question is calculated by dividing the Penalty for each question by magnitude of the same. The Index Value for each question is calculated by using the formula: $\text{Importance} \times (\text{Top Box Wt} \times \text{Top Box \%}) - (\text{Bottom Box Wt} \times \text{Bottom box \%})$.



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We are Game Changers

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