

Jordan Consumer Sentiment Index (Q2)

Jordan
September, 2019



Introducing the Jordan Consumer Sentiment Index

Ipsos's Jordan Consumer 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 Jordan Consumer 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 Jordan Consumer 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?

Demographics



Demographics

Gender



51.0%
Males



49.0%
Females

Age

18 - 24 23.0%

25-34 25.0%

35-44 21.0%

45-54 16.0%

55 + 15.0%

Regions

Amman 39.0%

Irbid 20.0%

Zarqa 14.0%

Balqa 6.0%

Almafraq 5.0%

Kerak 4.0%

Jerash 3.0%

Ma'an 2.0%

Aqaba 2.0%

Ajloun 2.0%

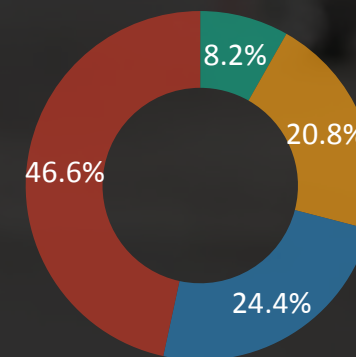
Madaba 2.0%

Altafielah 1.0%

Socioeconomic

Class*

A B C DE



*Based on Household Income
*Excluding Don't Know/ Refused To Answer



Jordan Consumer Sentiment Index

September 2019 (Q2) Summary

Prelude

Amidst worsening global and local economic conditions, Jordanians continue to be generally frustrated with the declining living standards brought about by austerity measures adopted by the government. Despite the Jordanian government's efforts in being more vocal and active in adopting measures that aim at spurring economic and social development, the second quarter was marked with stagnation on most measures with only a slight diffusion of the negativity that came as an aftermath of the Income tax law.

Whether in the form of implementing Ramadan measures, unveiling of the National Strategy for Social Protection, identifying alternative sources for energy or increased efforts to open new markets for Jordanian products; the government has been active in adopting/declaring strategies that aim to alleviate economic burdens on Jordanian citizens. But the results of these measures are yet to be captured in Ipsos' JCSI as Jordanian's views on the economy continue to be mostly negative with "caution" clearly marking their spending behavior.

6 months following the all-time-low sentiments that were registered in December of 2018, slight improvements are witnessed when it comes to Jordanians' sentiments towards the government and the economic situation in general, pushing the Ipsos' JCSI a few points up. This positivity came mainly from segments known to be economically inactive such as youth and females. Nonetheless, consumers continue to exhibit low confidence towards the state of their finances, with the majority citing high cost of living as a major concern. Furthermore, increased expenditure on household necessities due to rising prices has also led Jordanians to spend less on more luxury items leading to a drastic decrease in government tax revenue when compared to last year.

As global economy continues to struggle and Jordan's alike, Jordanians' uncertainty is driving more attention towards economic news. However, the majority of Jordanians are more likely to remember negative news about the economy. With only 16% of news recalled being positive, Jordanians' negative sentiments are still overshadowing the positive developments unravelling in the Kingdom.

JCSI Summary: September 2019

JCSI, Q2 2019

36.4

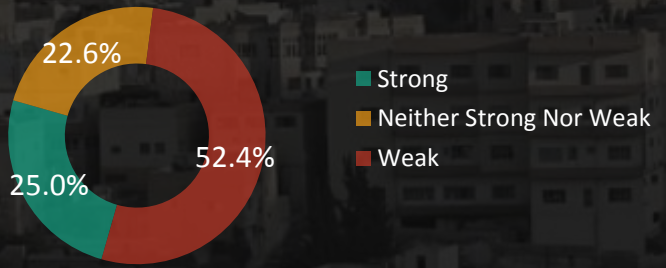


Versus
Previous
Wave

34.9

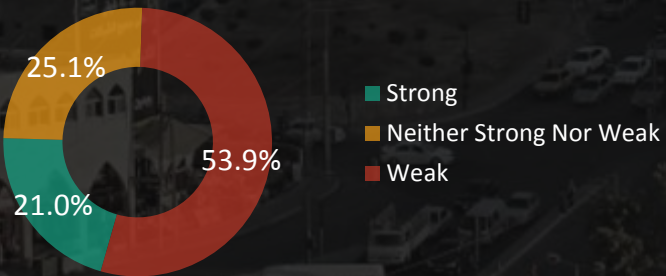
Country Economic Situation

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



54.0%
Inflation



51.6%
Unemployment



30.2%
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?

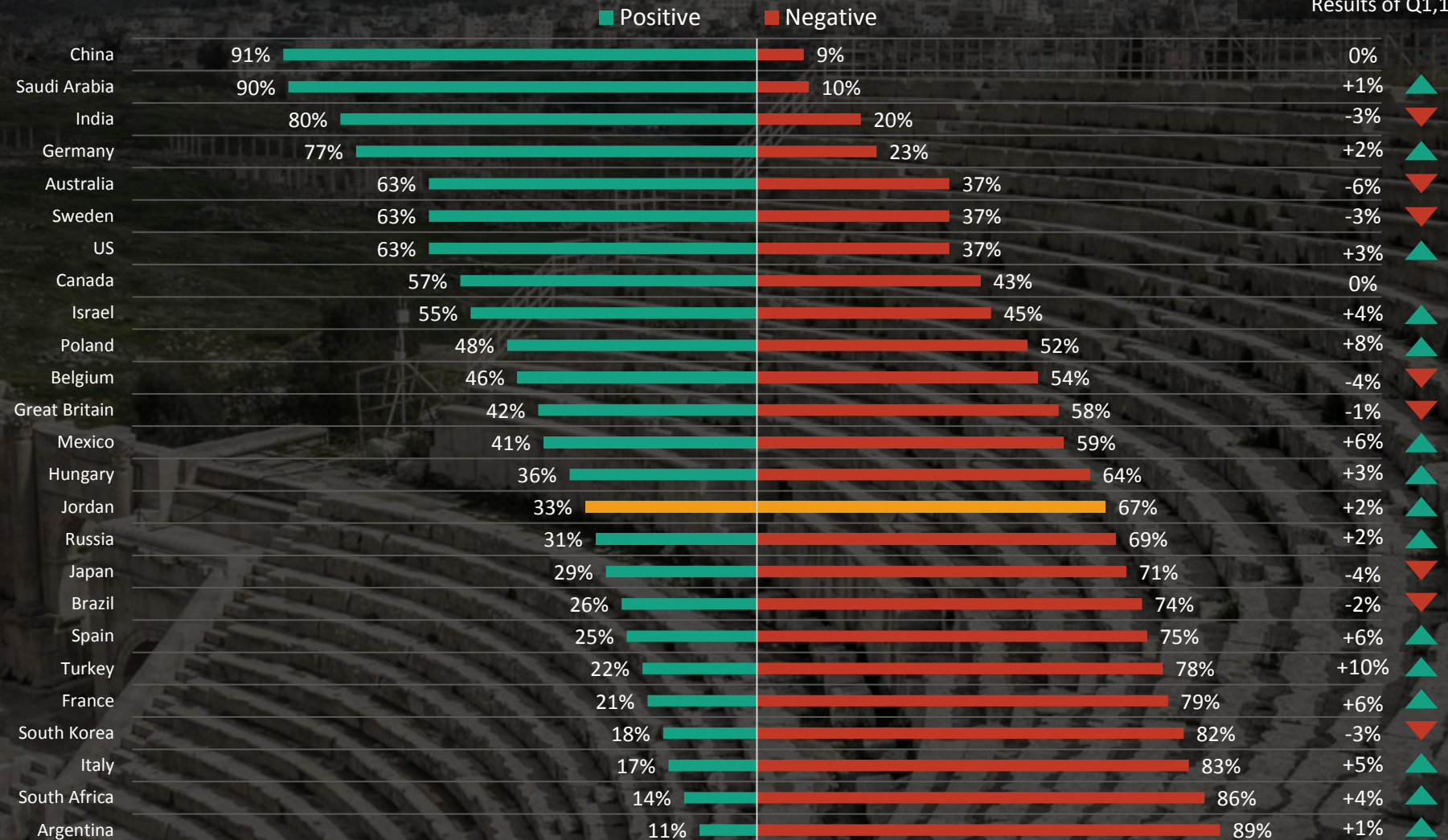


Current Economic Situation

Global Comparison

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

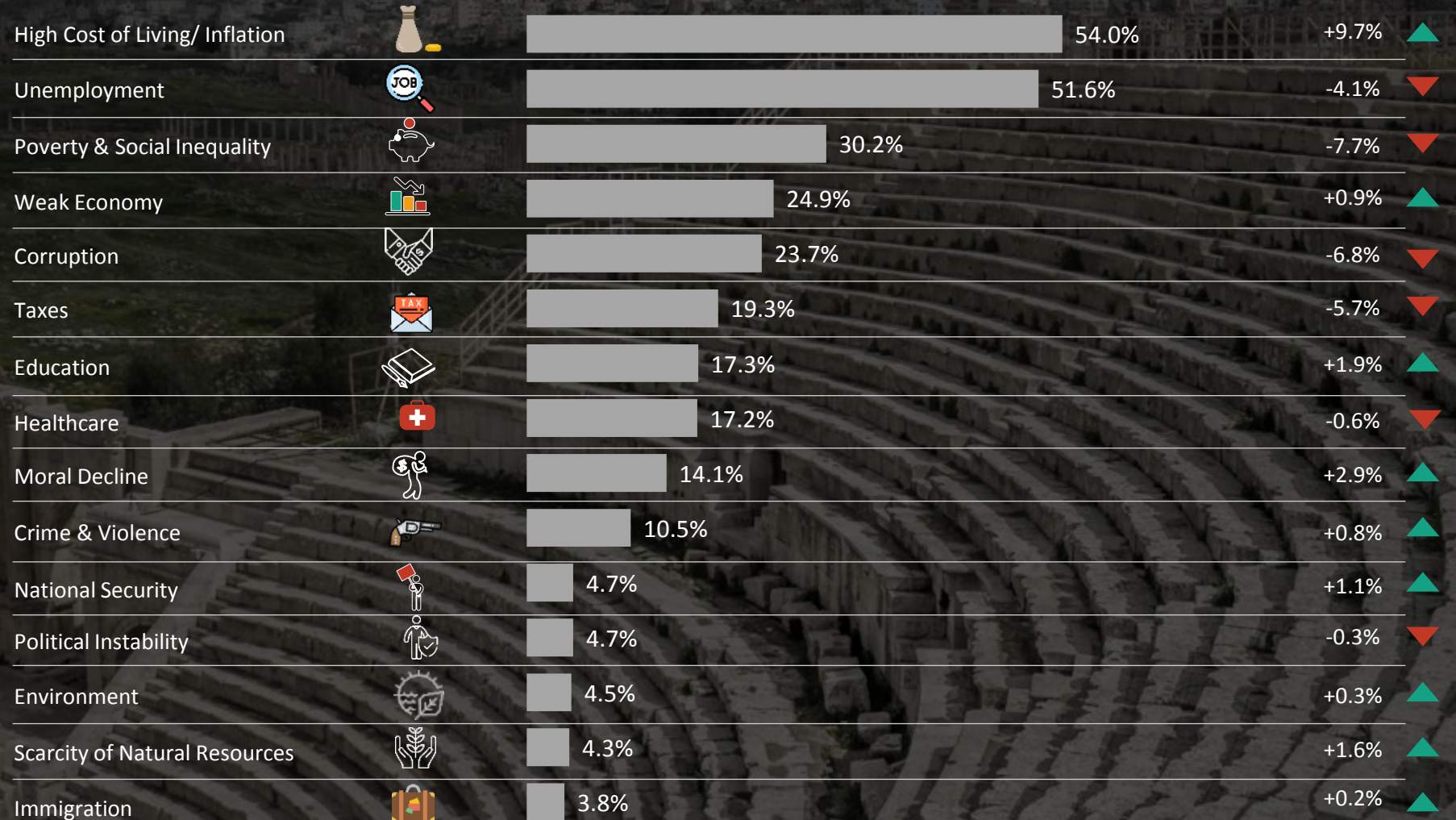
Compared to the Positive Results of Q1,19



Jordanians' Top Concerns

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

Compared to Q1,19

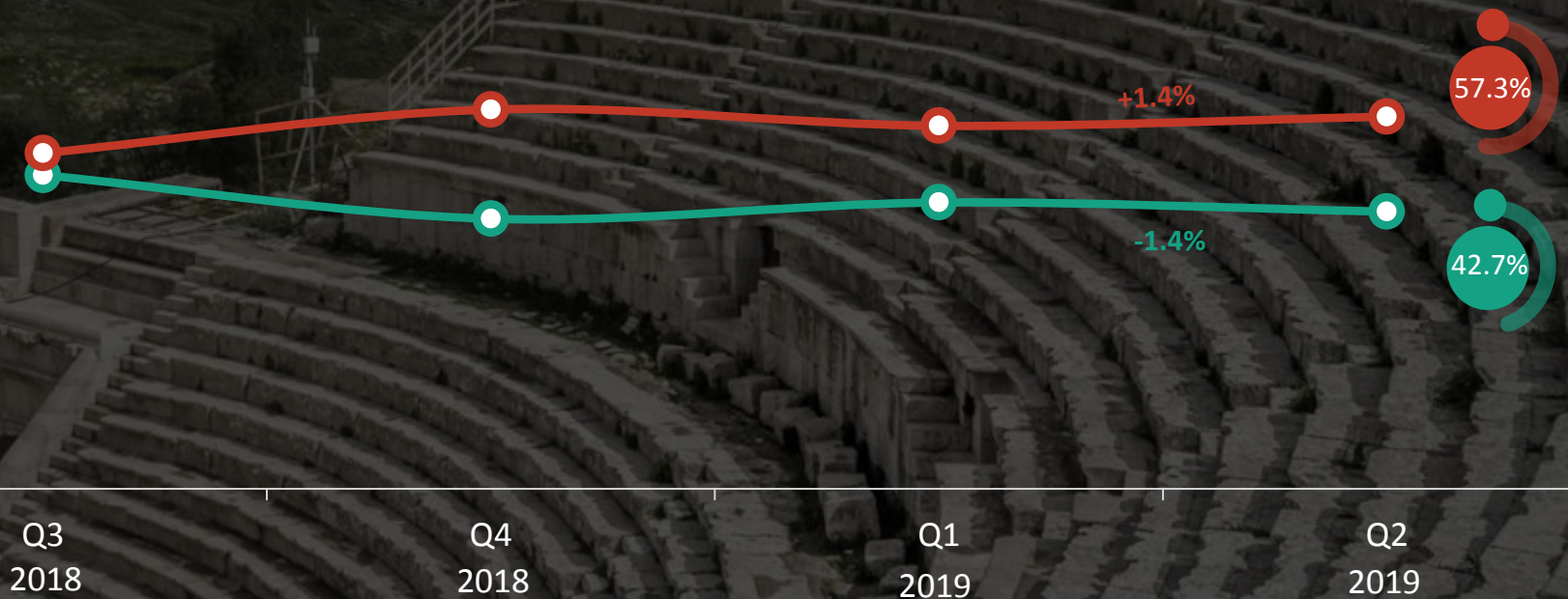


Stance on the Country's Future Situation

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

● Heading in the Right Direction

● Heading in the Wrong Direction





Jordanians' Engagement With the News

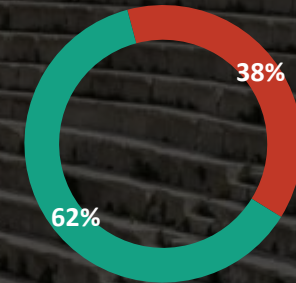
Most Heard of/ Read News Items

Q: Thinking about the last 3 months, what was the latest most important piece of news that you recall hearing/reading?



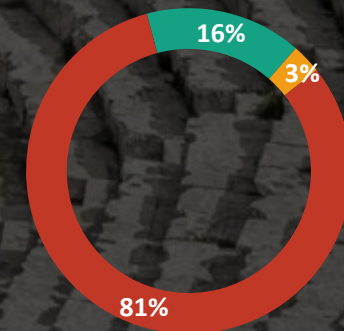
Involvement With News

■ Haven't Read/Heard Any News Lately
■ Heard/ Read News Lately



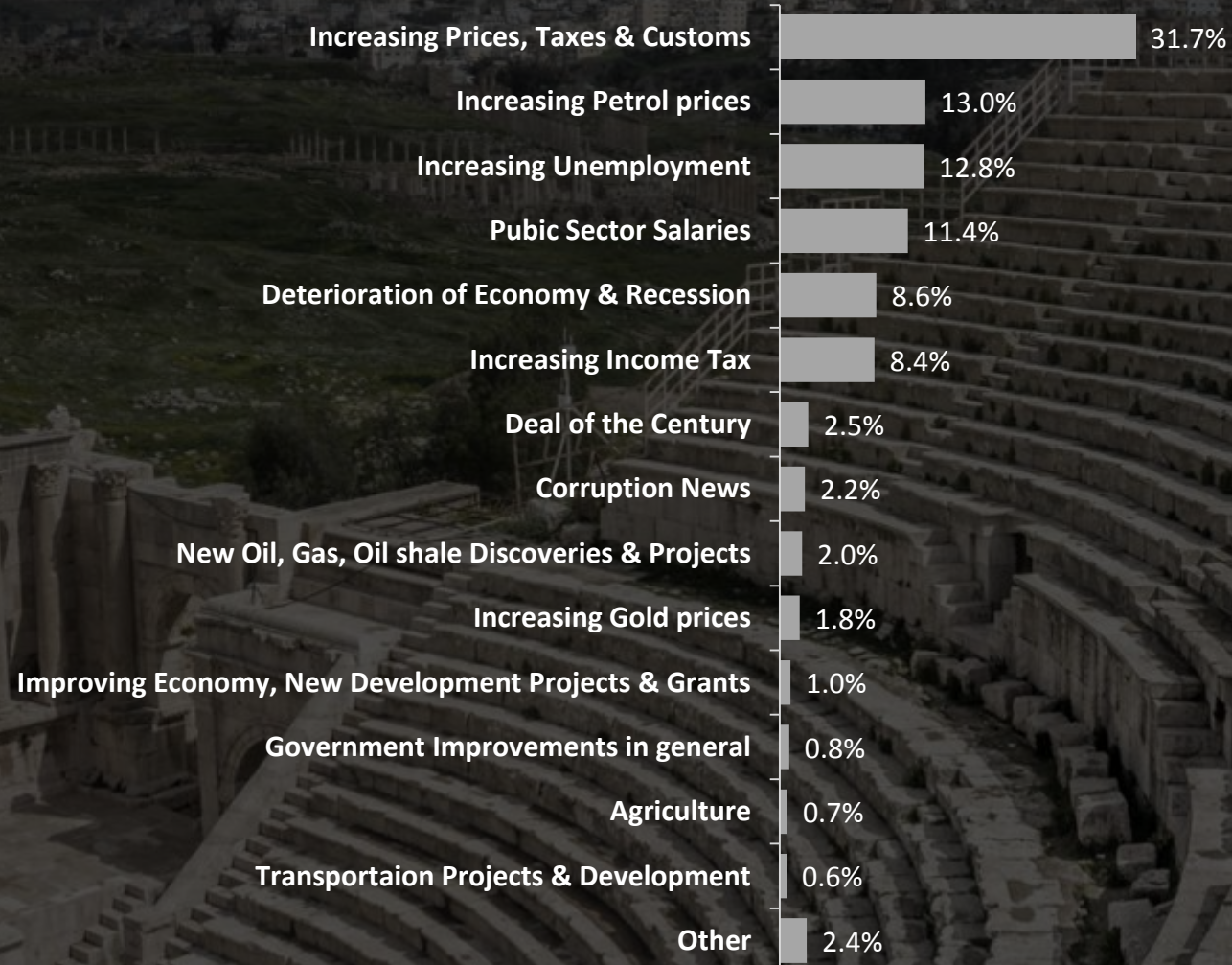
Most Read/ Heard of News

■ Positive ■ Neutral ■ Negative



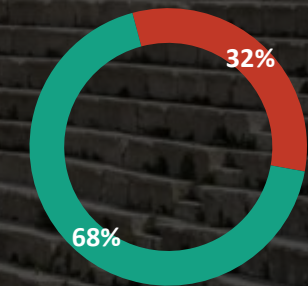
Most Discussed Economic News

Q: What is the latest economic news in Jordan have you recently discussed with your family or friends?



Involvement With Economic News

■ Haven't Discussed Any Economic News
■ Discussed Economic News



Economic News Discussed

■ Positive
■ Neutral
■ Negative

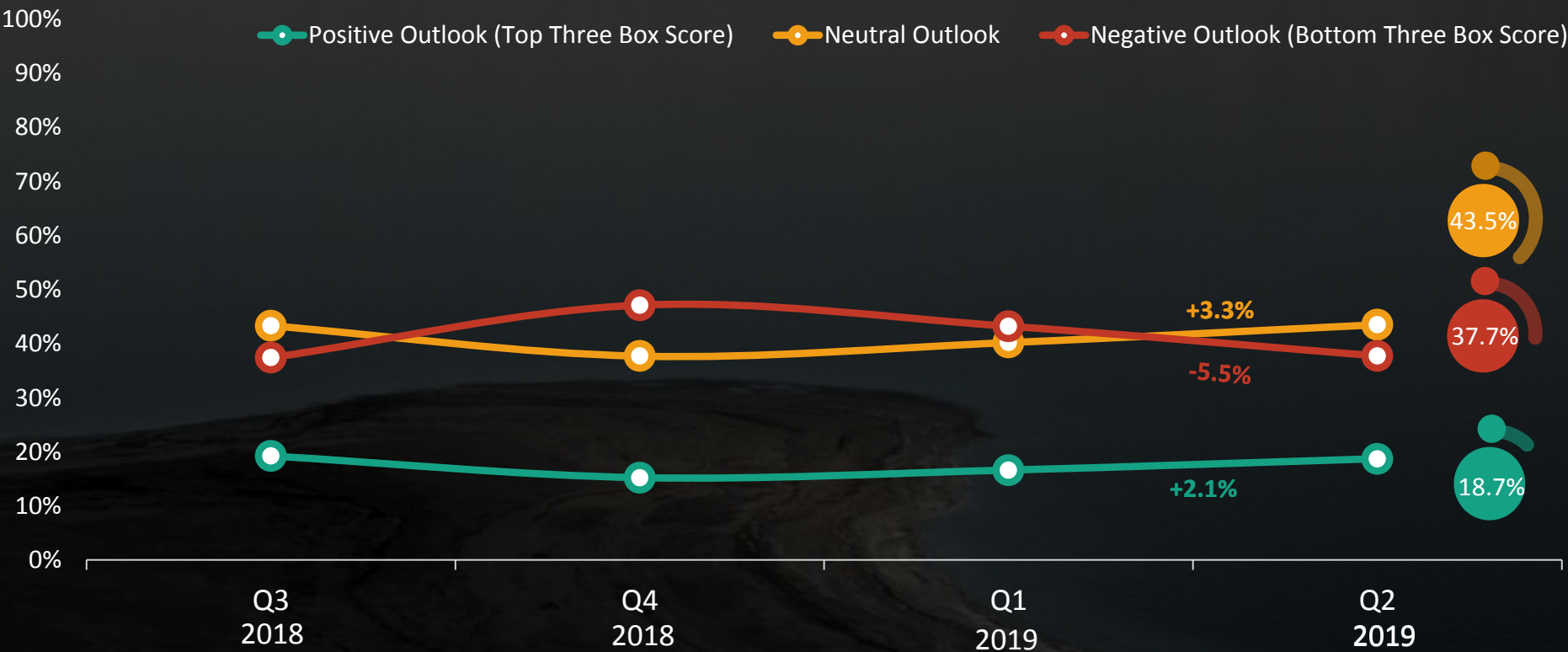




Sentiments Towards the Current Government

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?



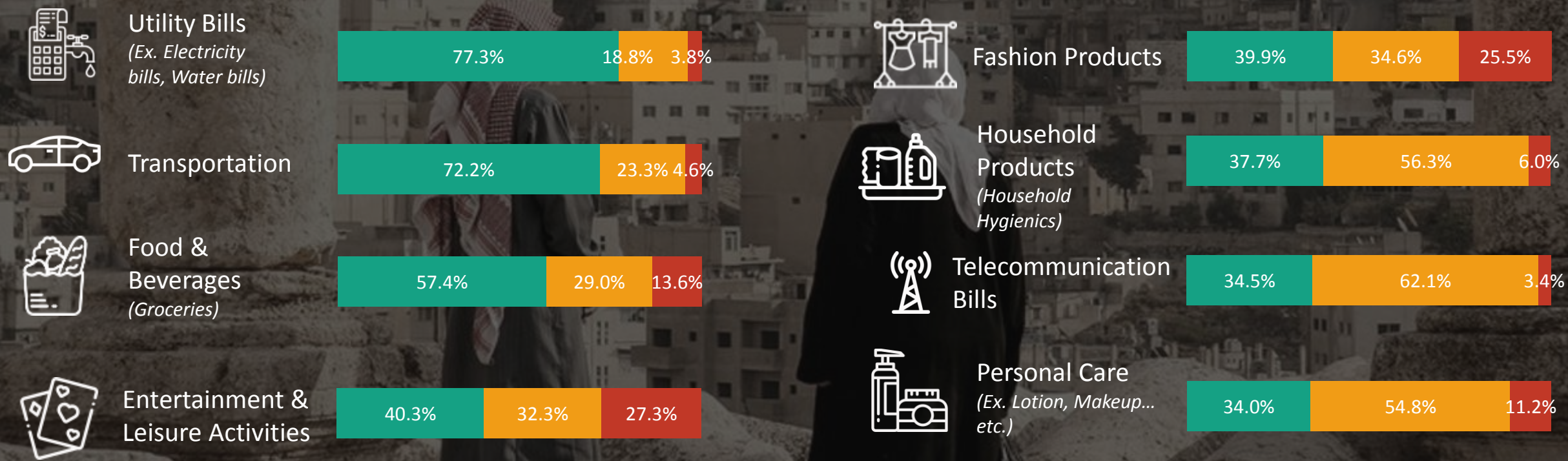


Personal Financial Situation

Jordanian Spending

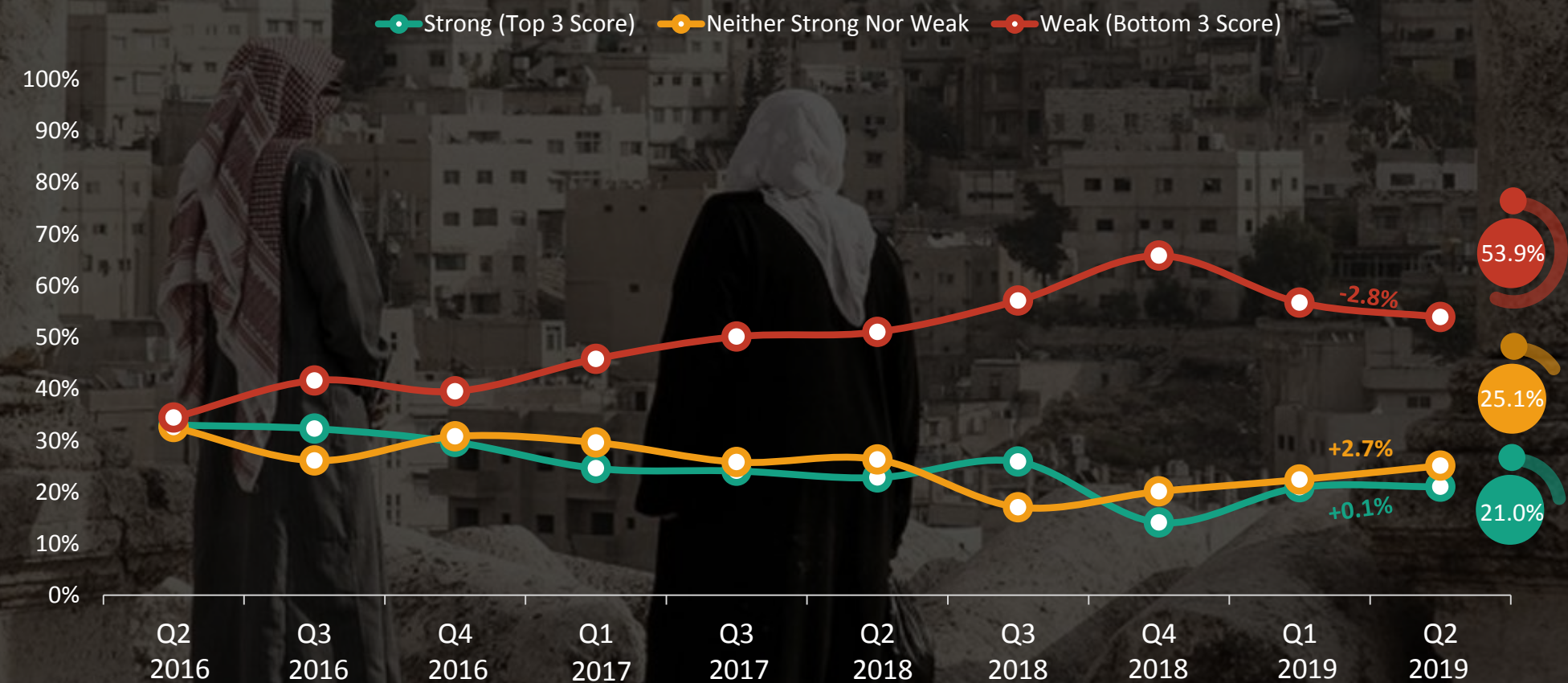
Q: Compared to 12 months ago, has your expenditure on the below increased, decreased or stayed the same?

■ Increased ■ Stayed The Same ■ Decreased



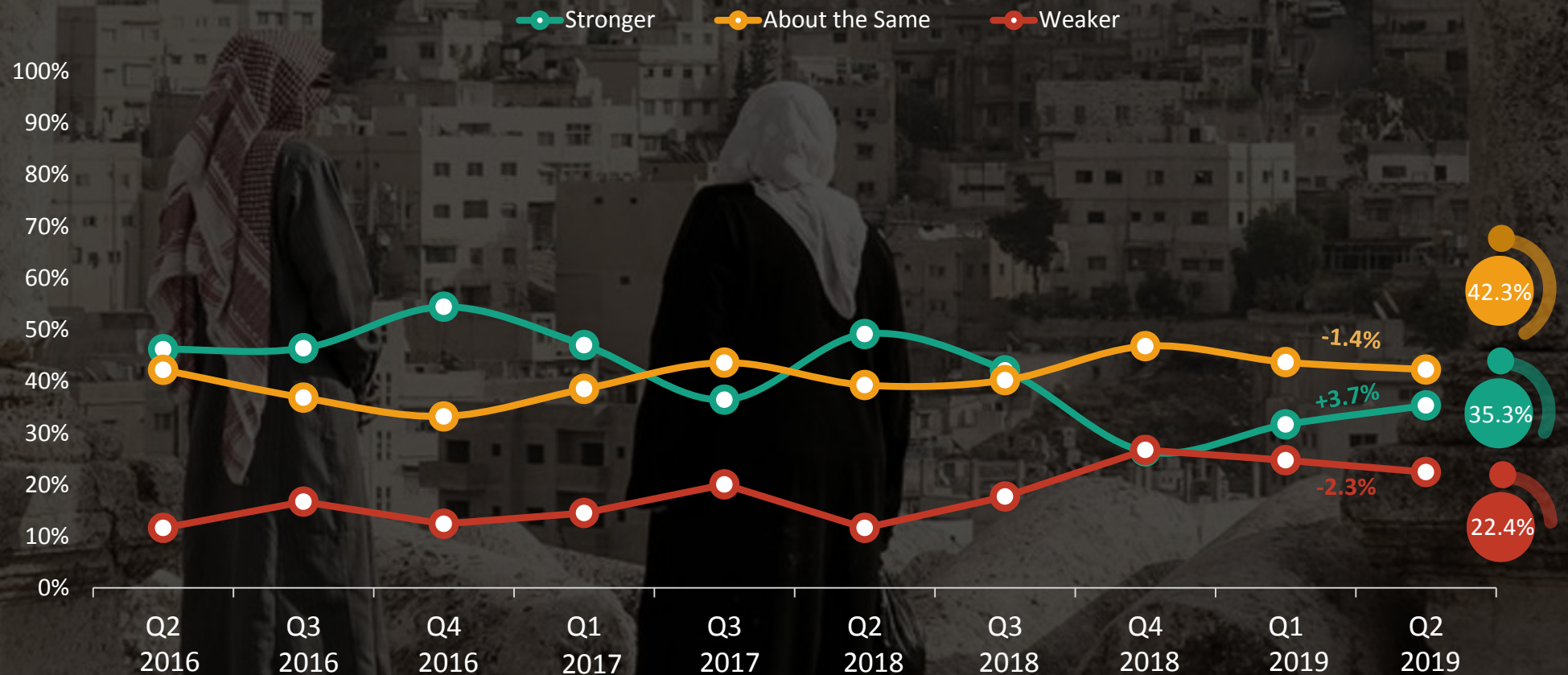
Current Personal Financial Situation

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?



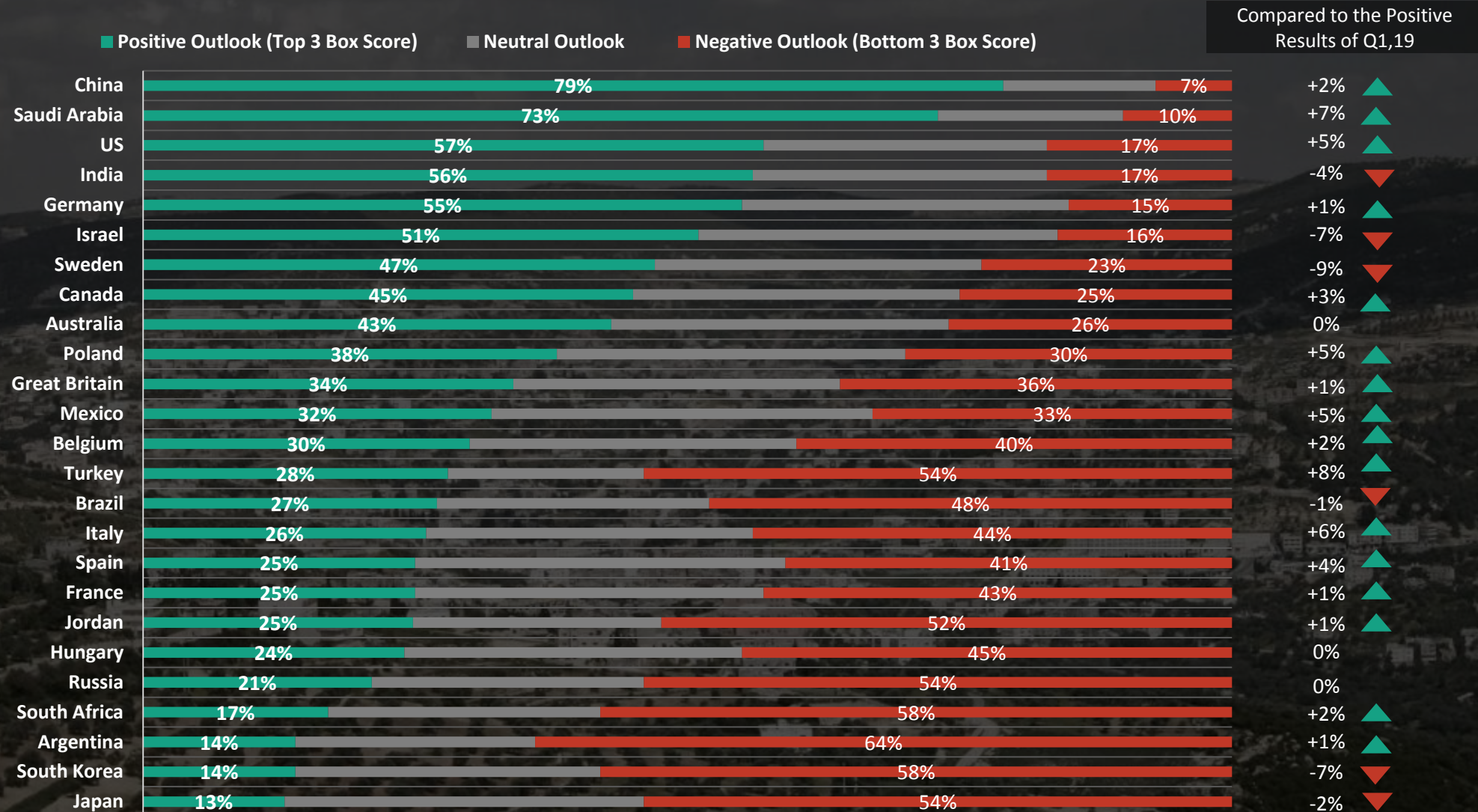


Jordan's Economic Situation

Current State of the Economy

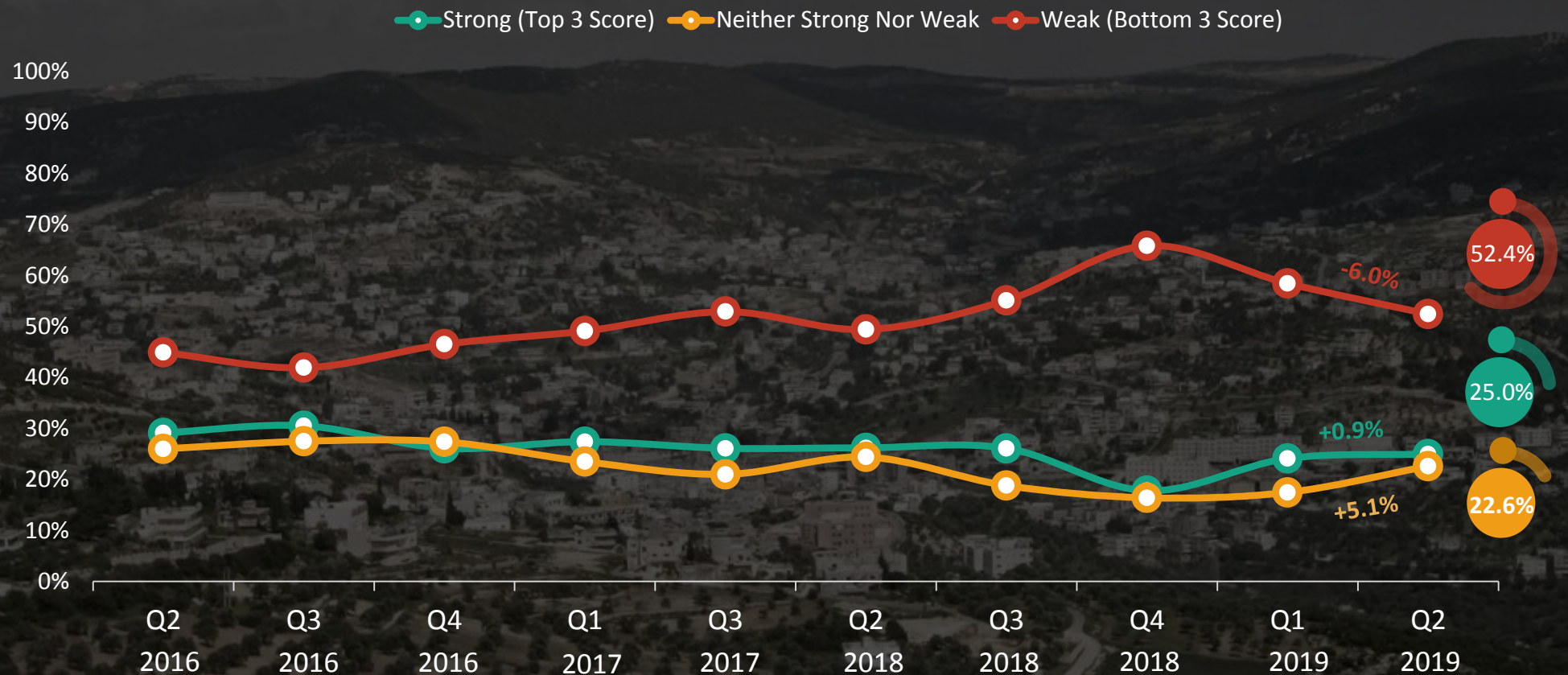
Global Comparison

Q: Now 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.



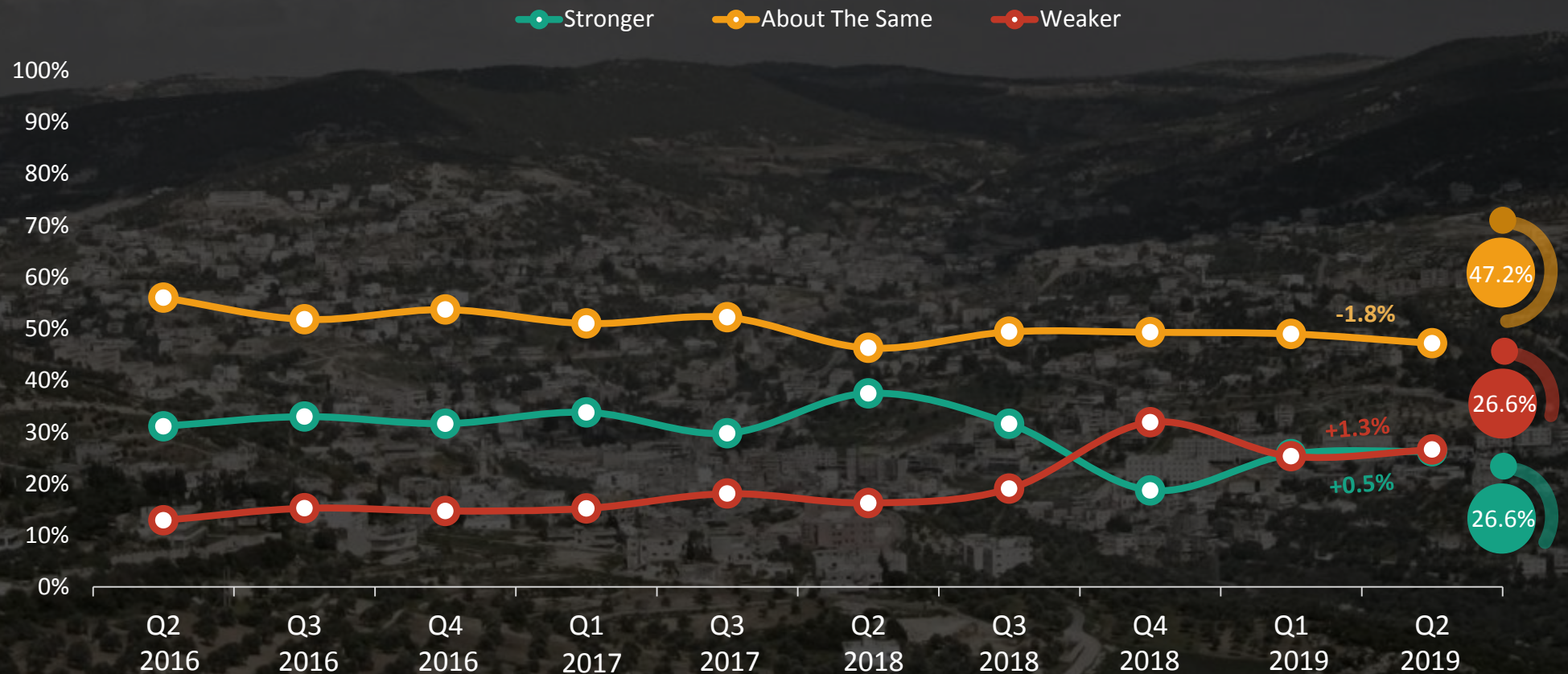
Current State of the Economy

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, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?



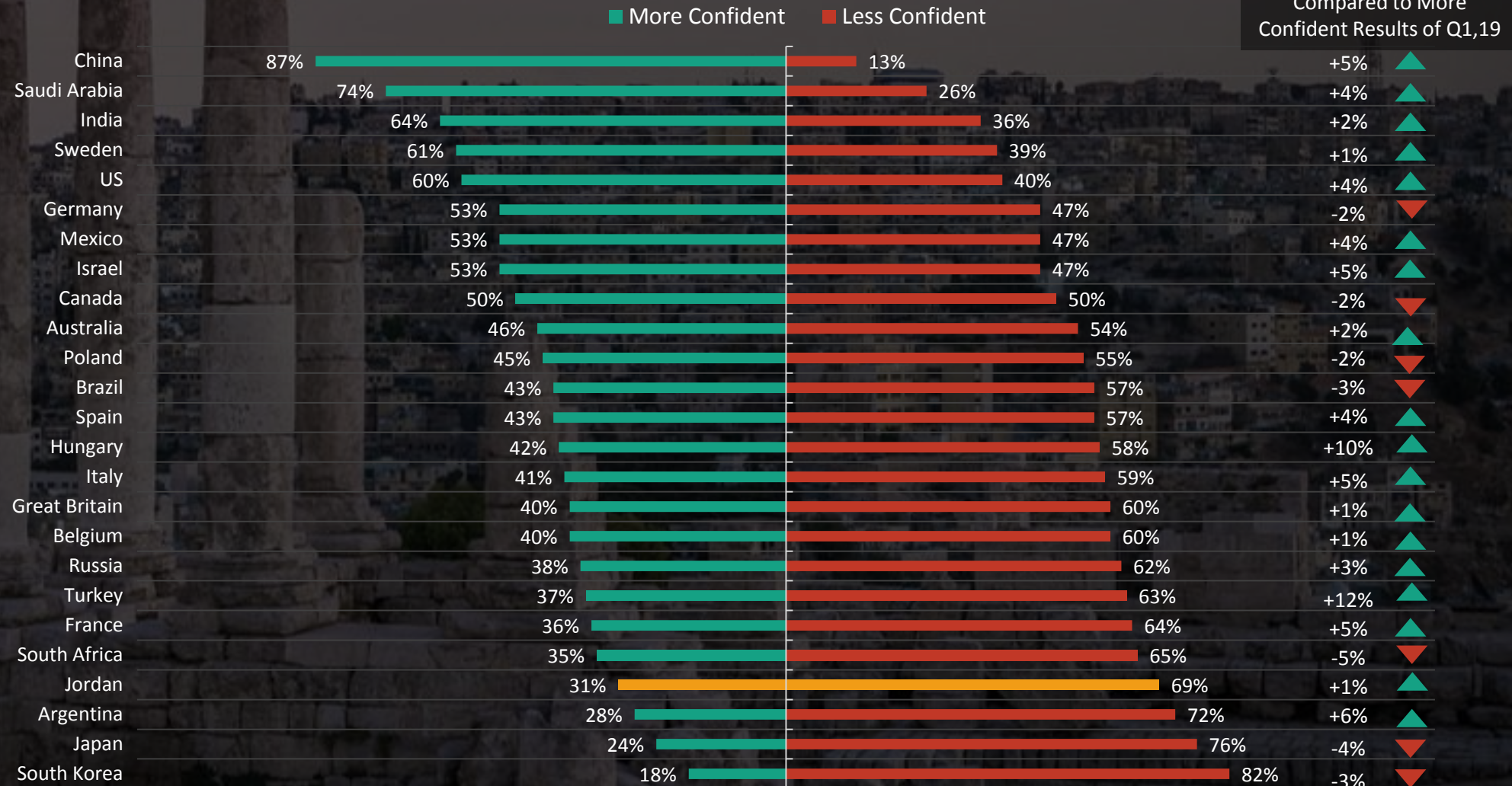
Employment



Job Security

Global Comparison

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?



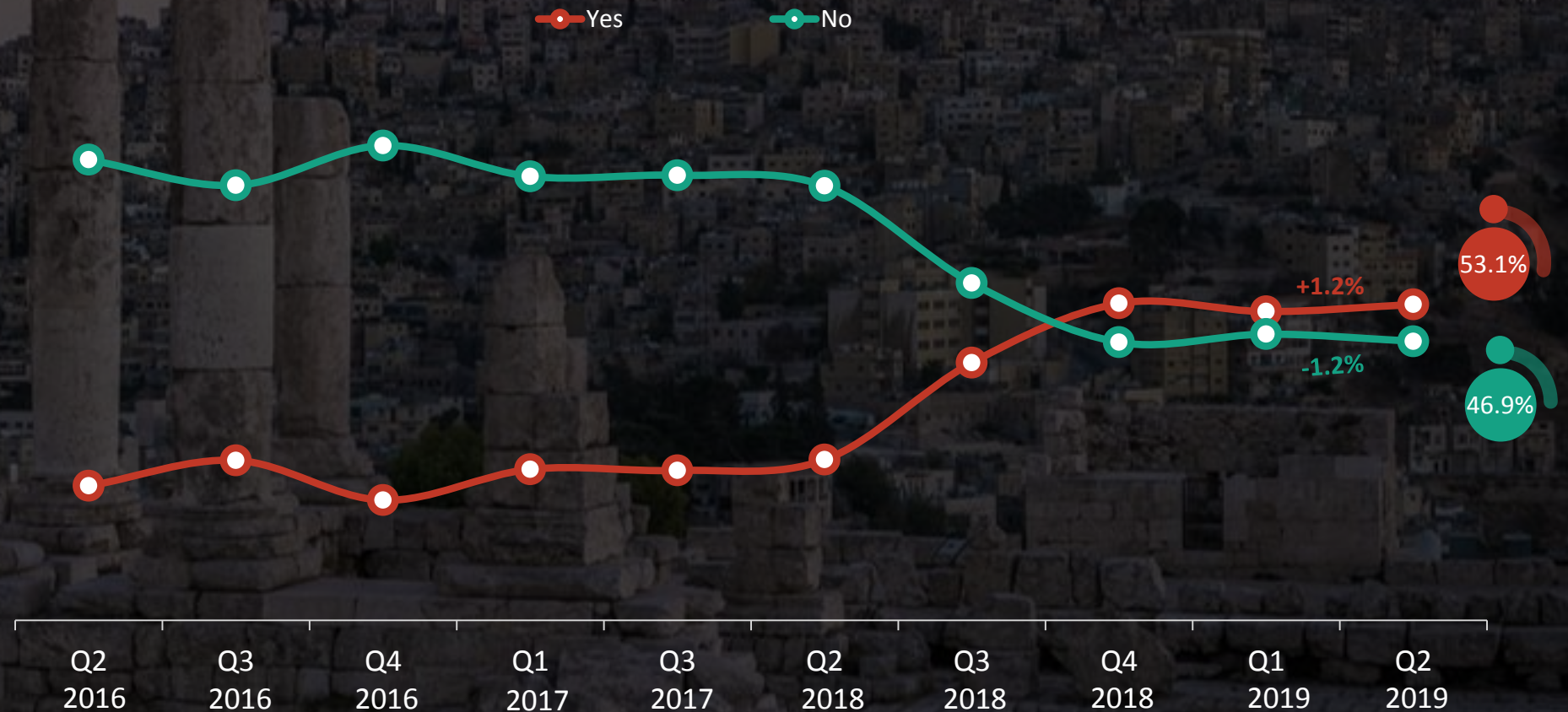
Job Security

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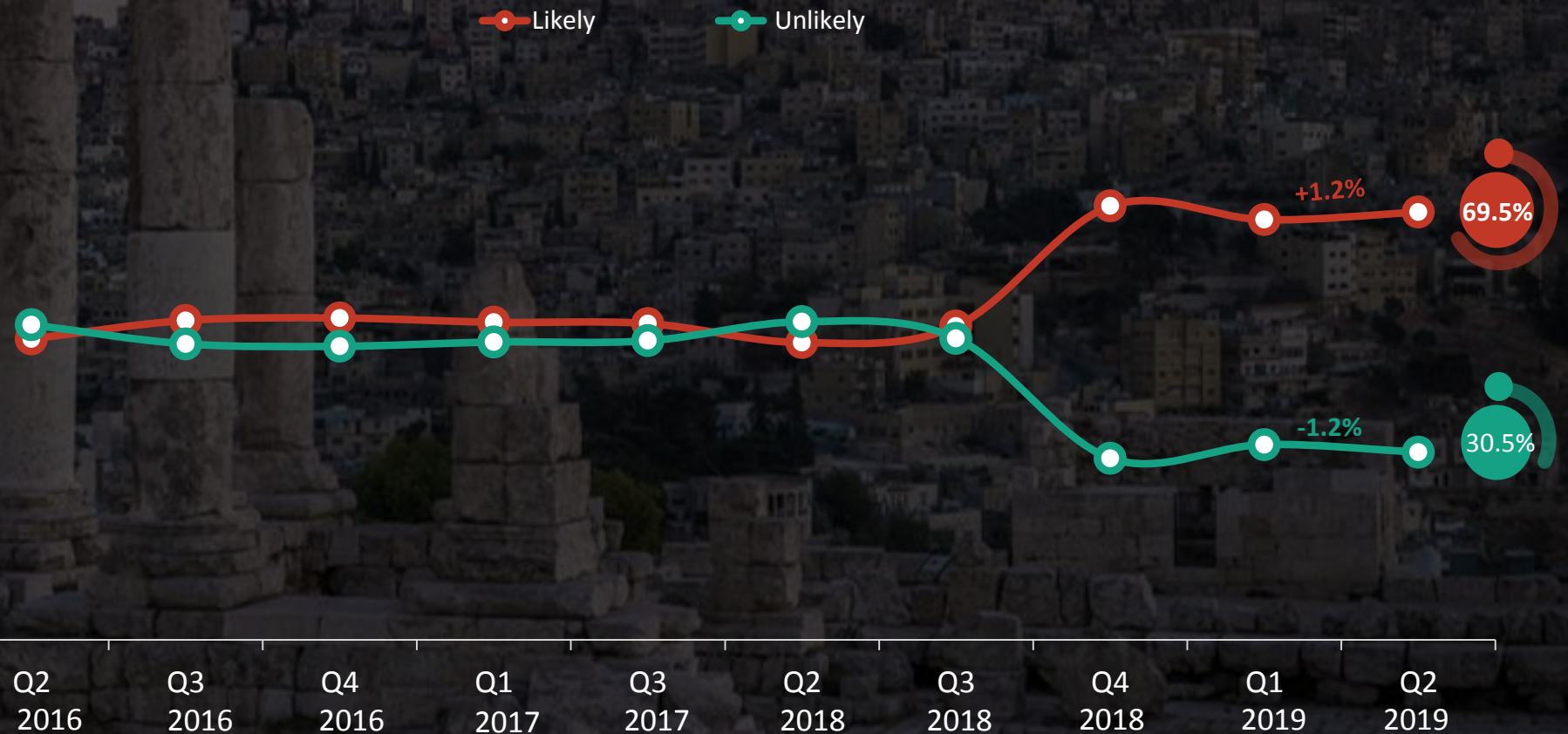
Job Losses in the Past Six Months

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?



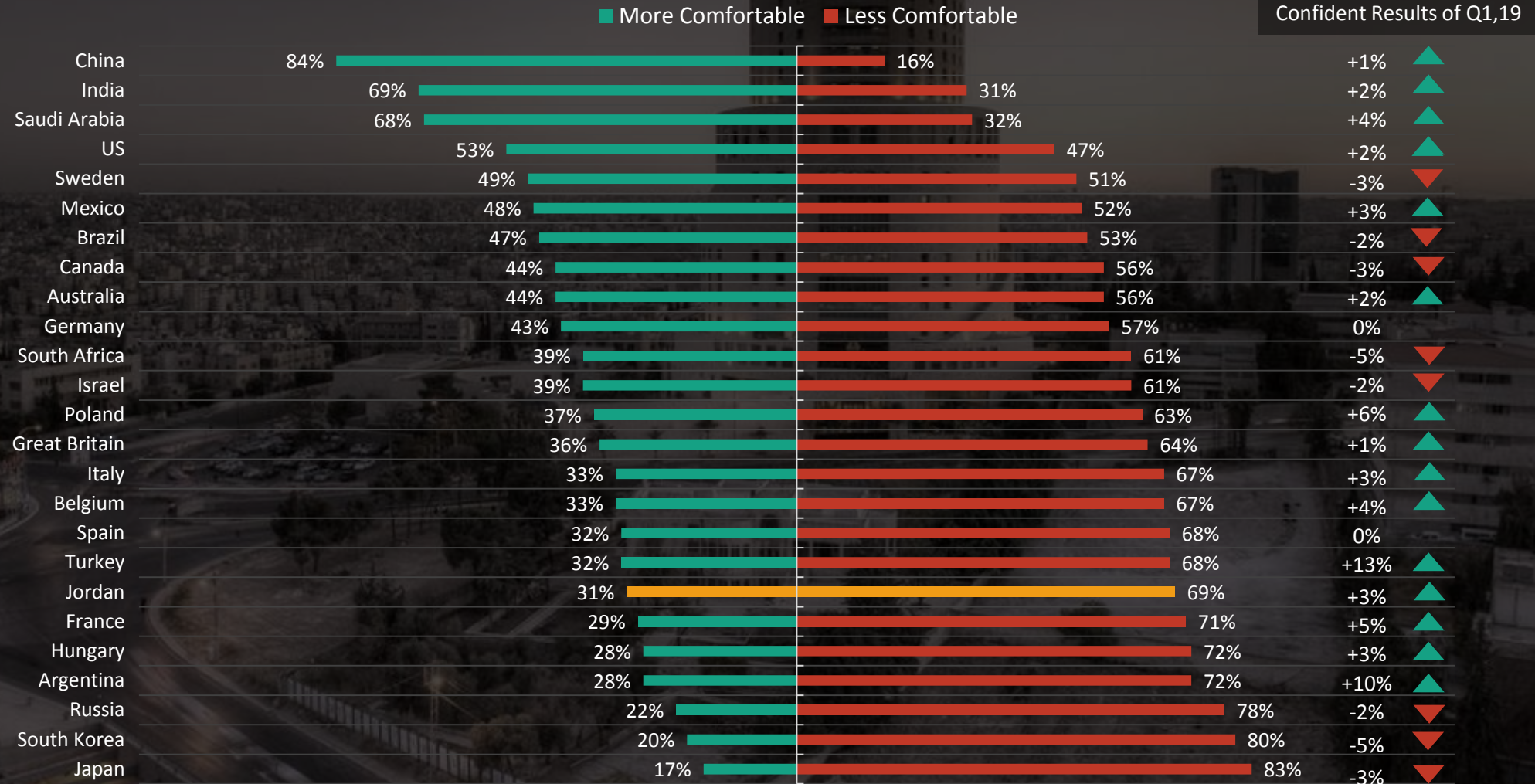


Investment Climate

Ability to Invest in The Future

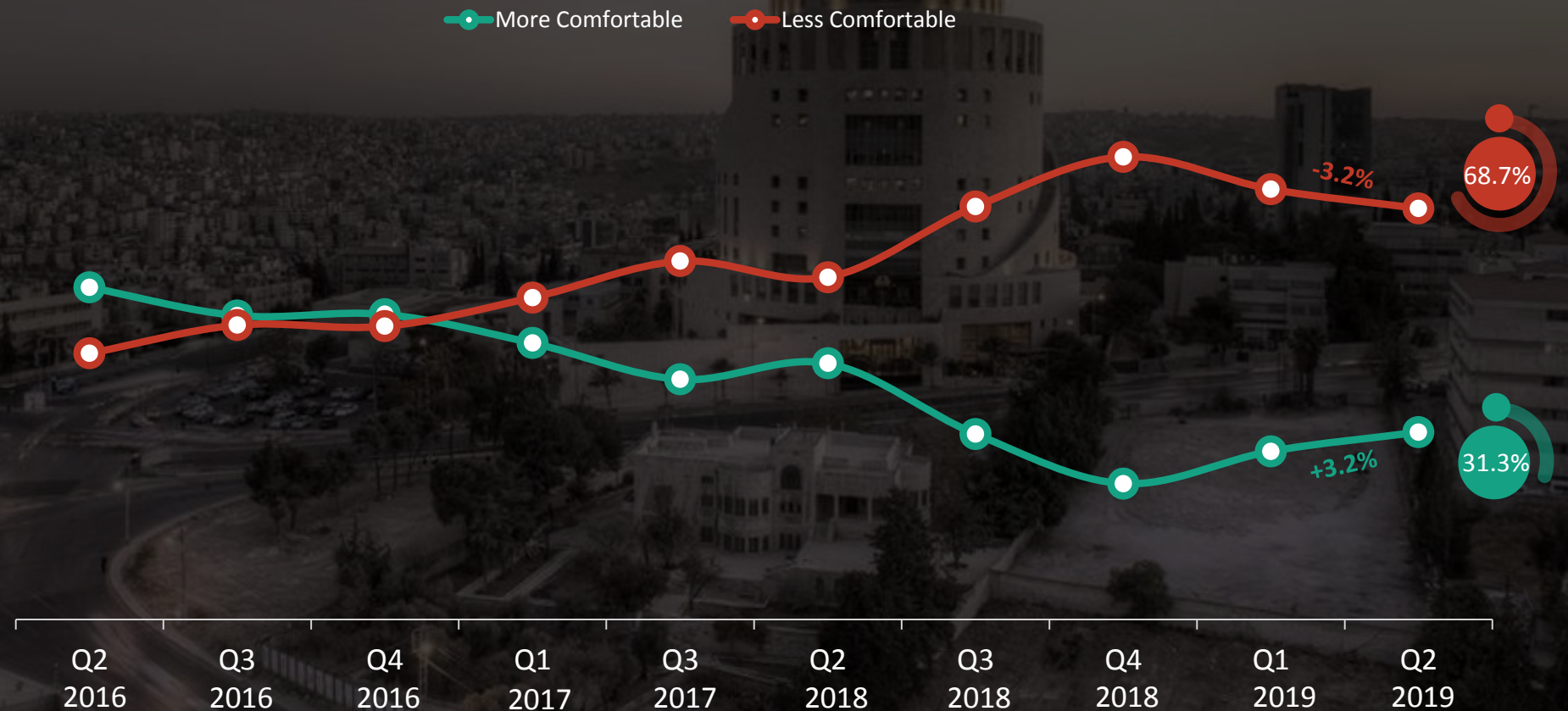
Global Comparison

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?



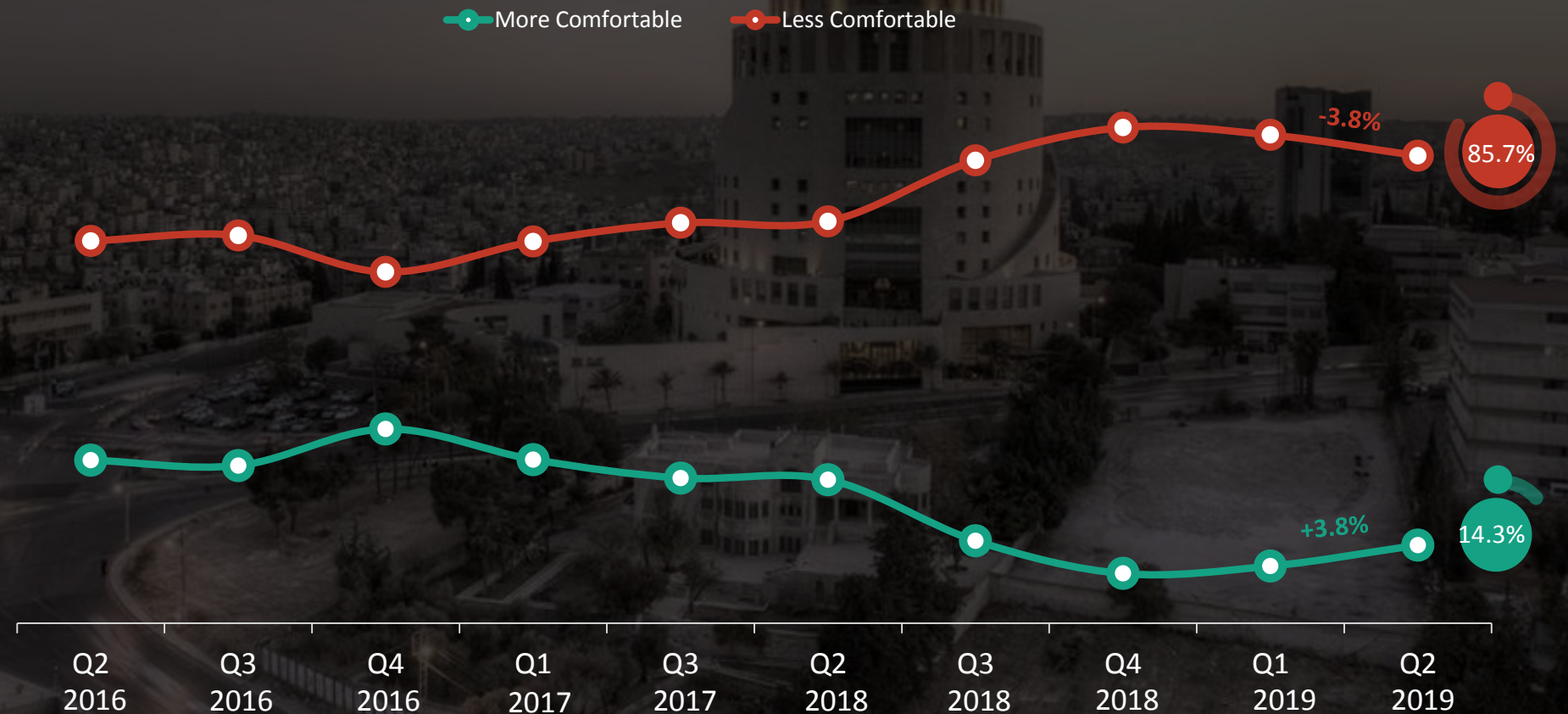
Ability to Invest in The Future

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?



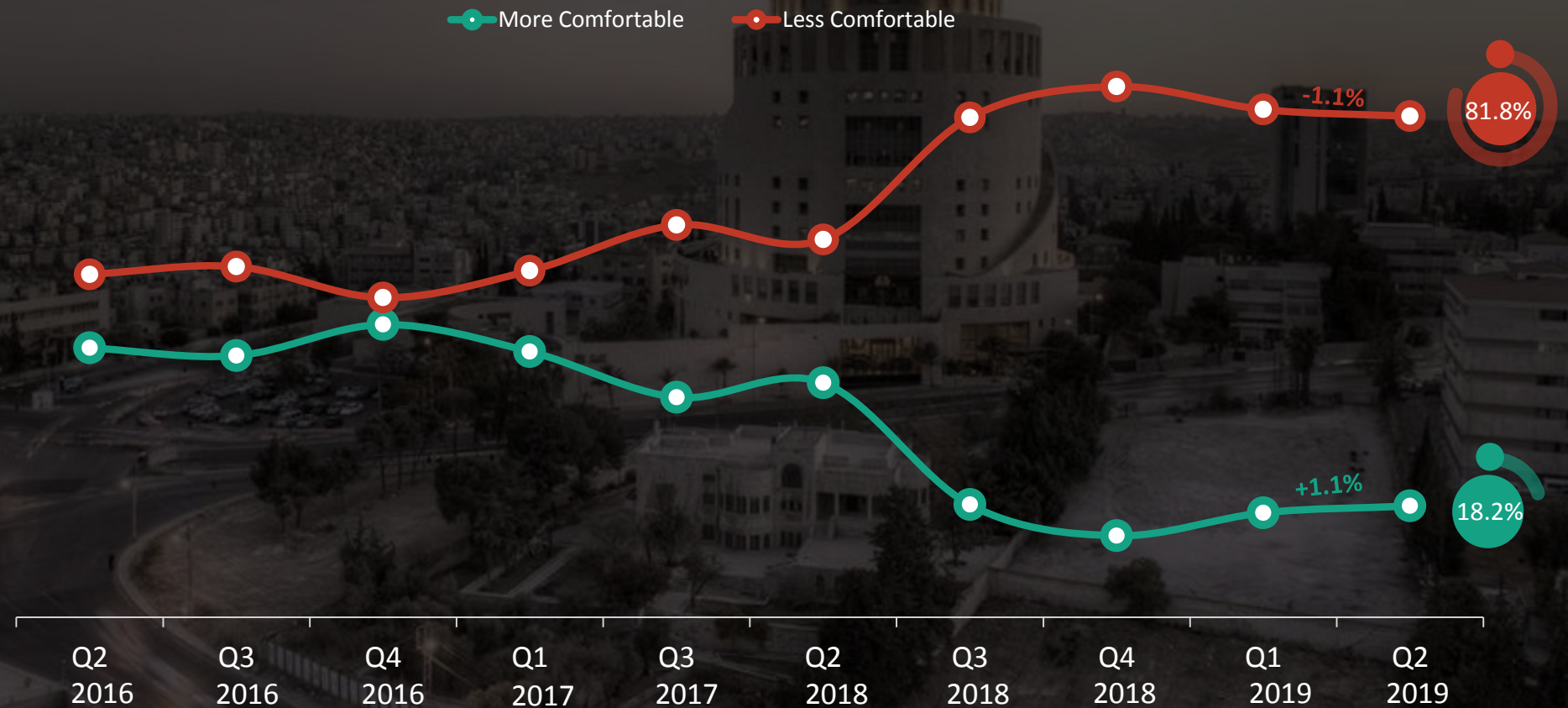
Ability to Make a Major Purchase

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?

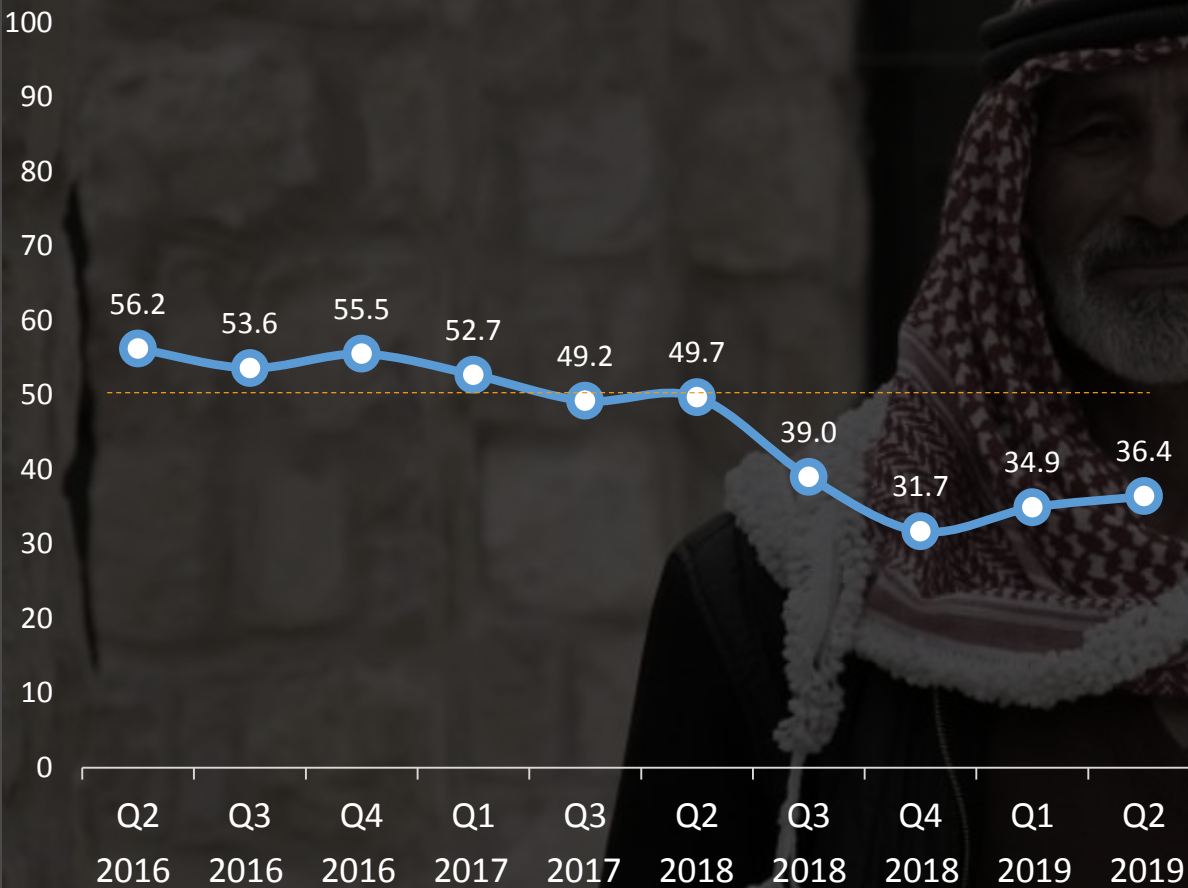


JCSI Deep Dive

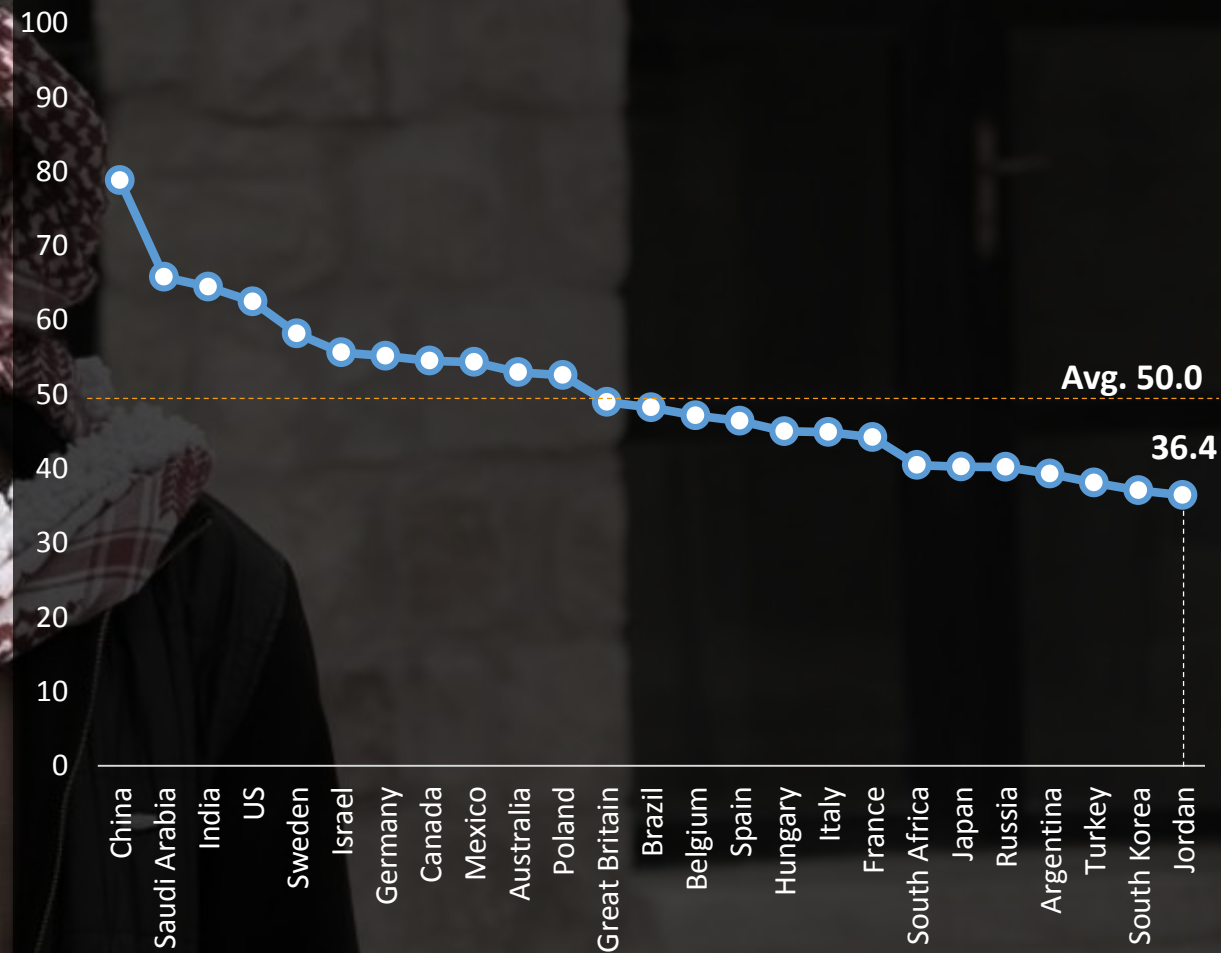


Overall JCSI

JCSI- Trending



JCSI- Global Comparison

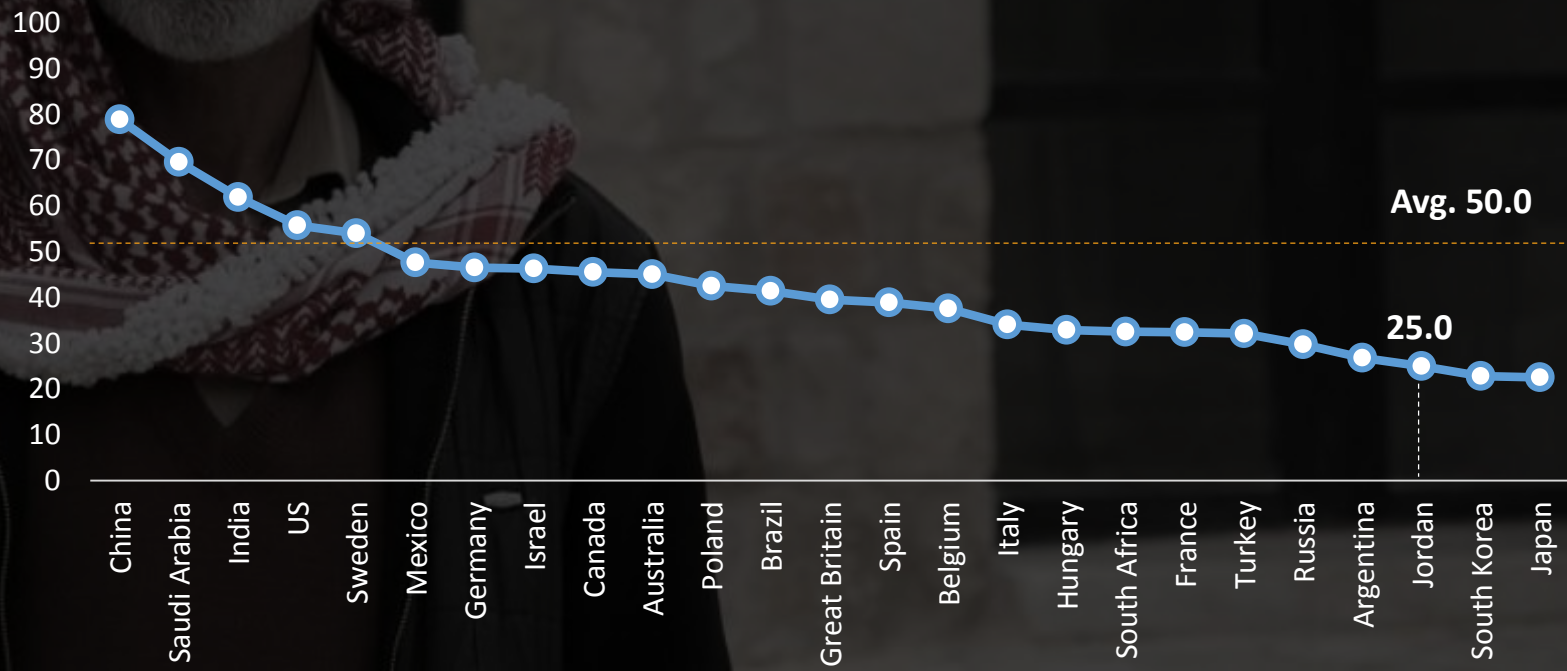
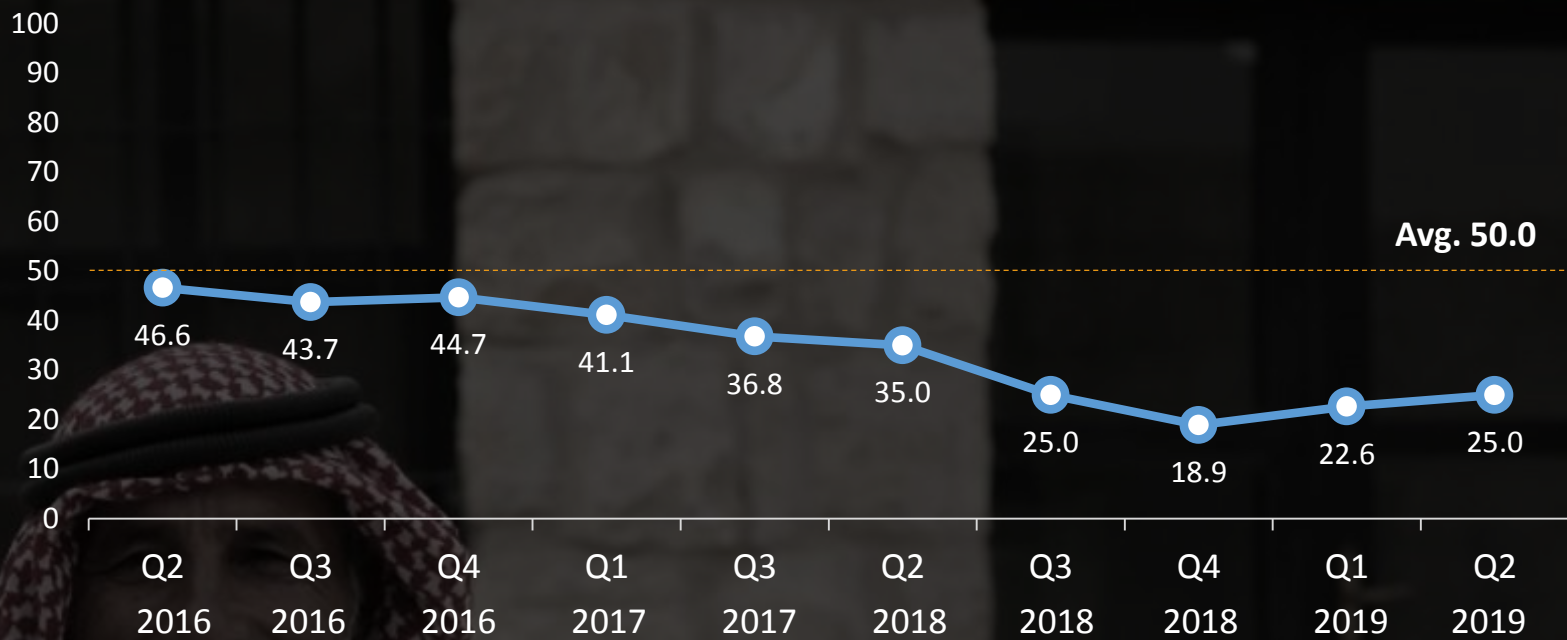




JCSI Personal Financial Conditions

This quarter's index on financial conditions has seen a **2.4** increase in comparison to last quarter. This increase has caused Jordan to jump a position amongst other countries, leaving it in the 23rd position.

1. Compared to 6 months ago, are you NOW more or less comfortable making other household purchases?
2. Compared to 6 months ago, are you NOW more or less comfortable making a major purchase, like a home or car?
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.

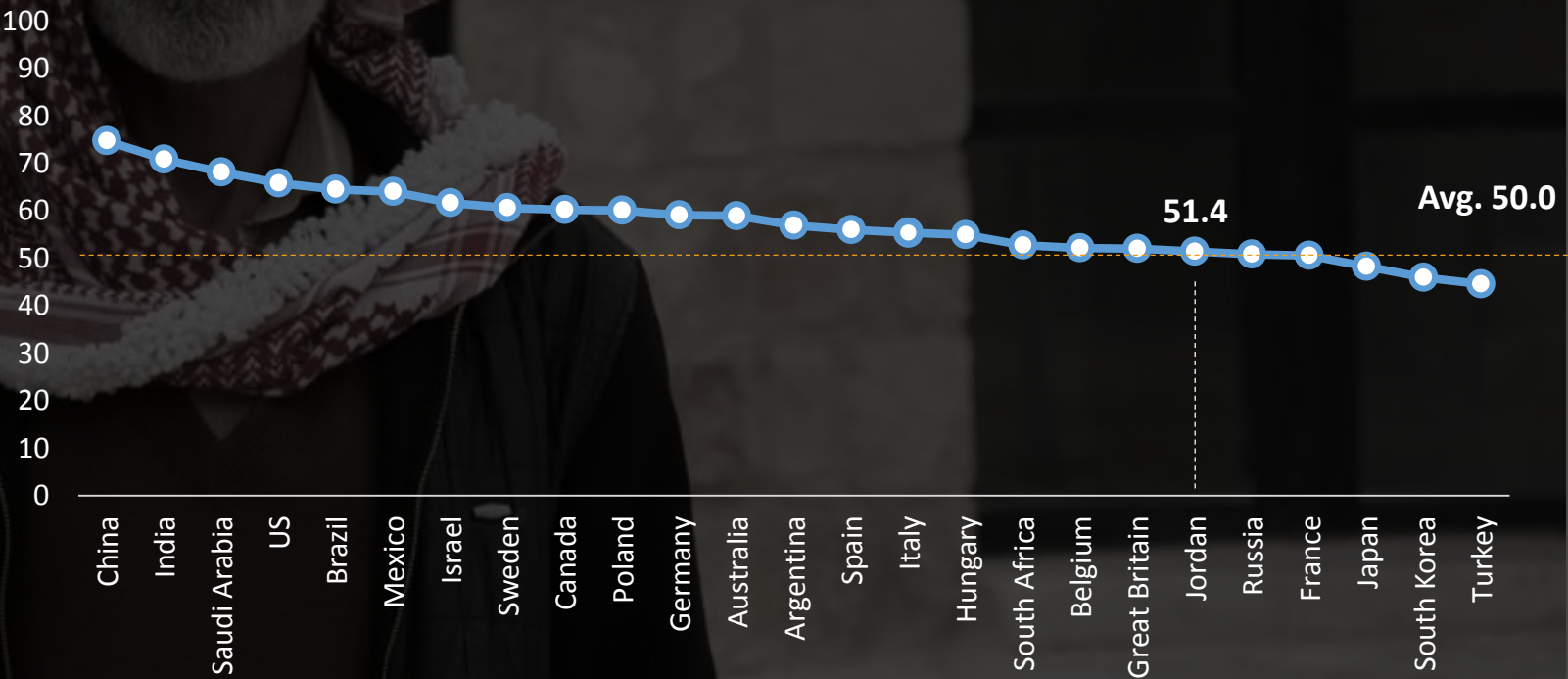
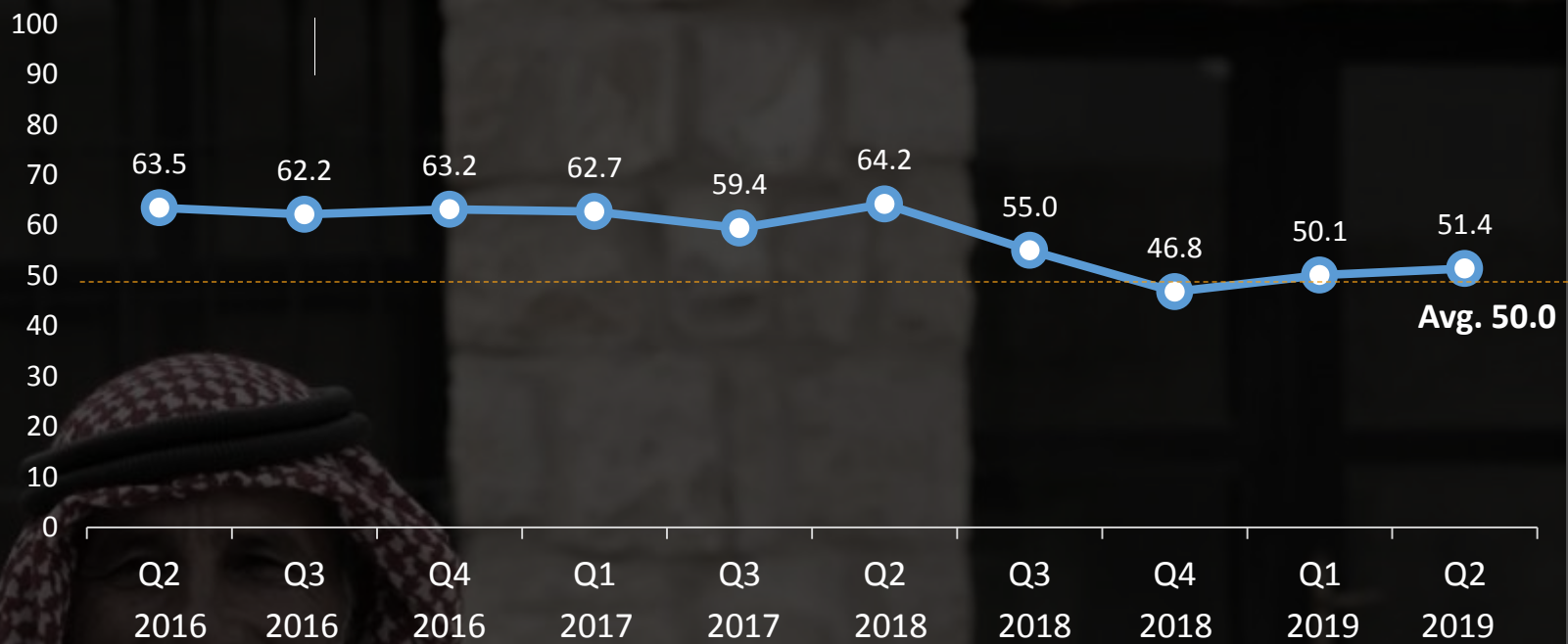




JCSI Economic Expectations

Jordanians' expectations regarding the future of their country's economy and their own finances is more positive this quarter. Their positivity has repositioned Jordan to be the 20th country out of 25 countries.

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?

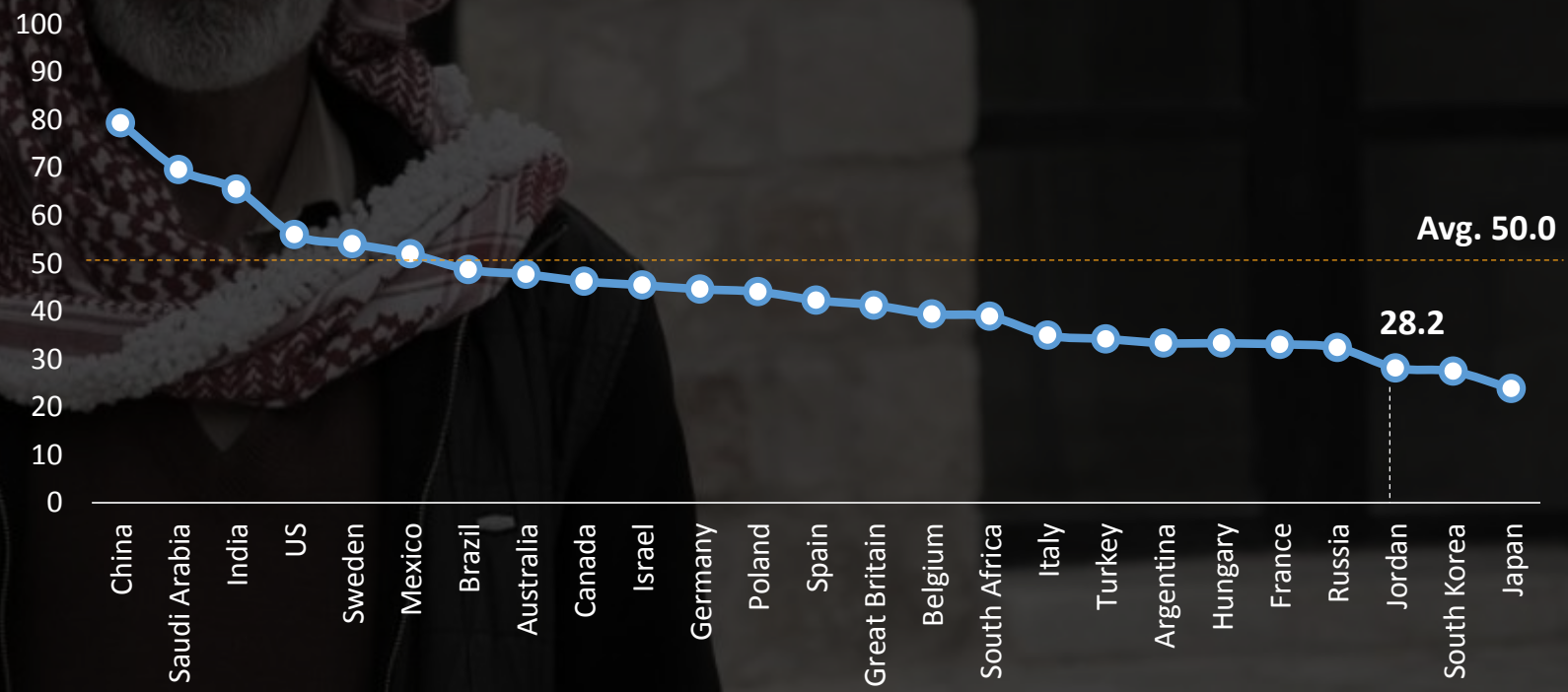
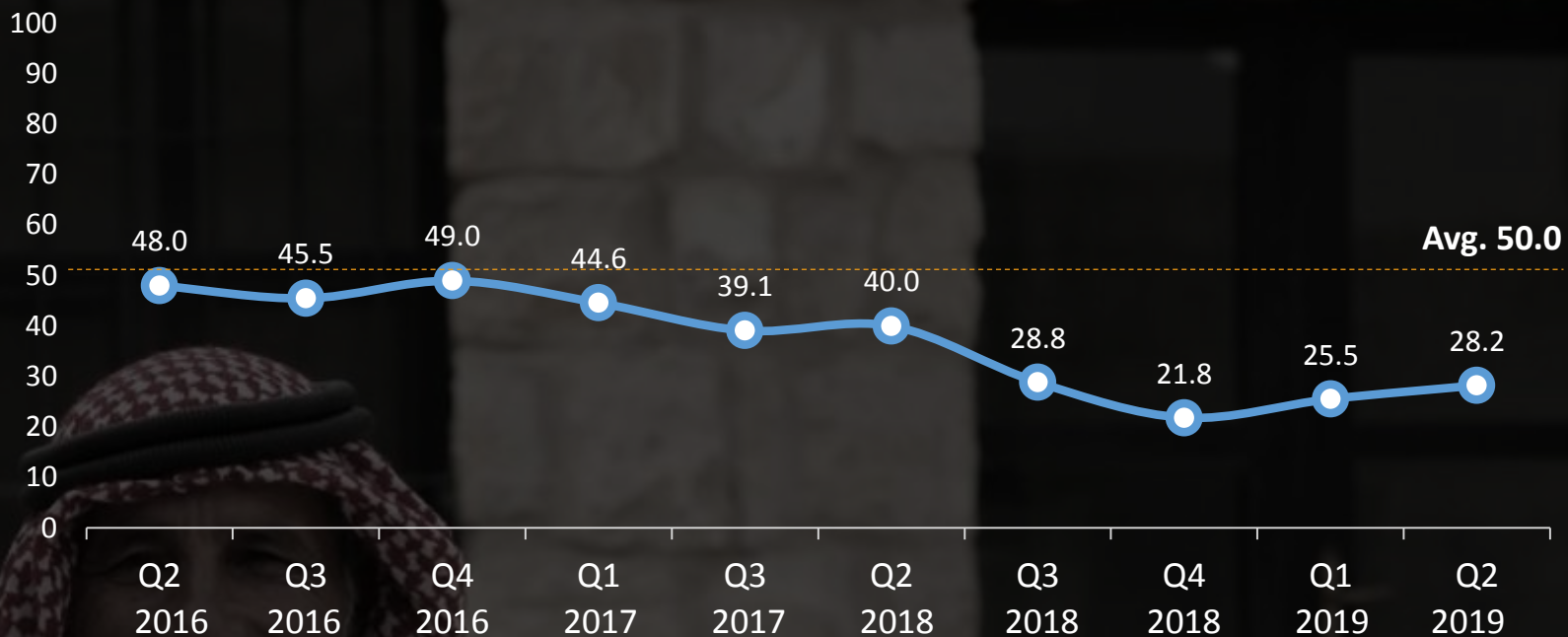




JCSI Investment Climate

Jordanians' positivity towards their ability to invest has increased even more this quarter, reflecting on an increase by 2.7 for this index.

1. Compared to 6 months ago, are you NOW more or less comfortable making a major purchase, like a home or car?
2. Compared to 6 months ago, are you NOW more or less comfortable making other household purchases?
3. 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?
4. 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.
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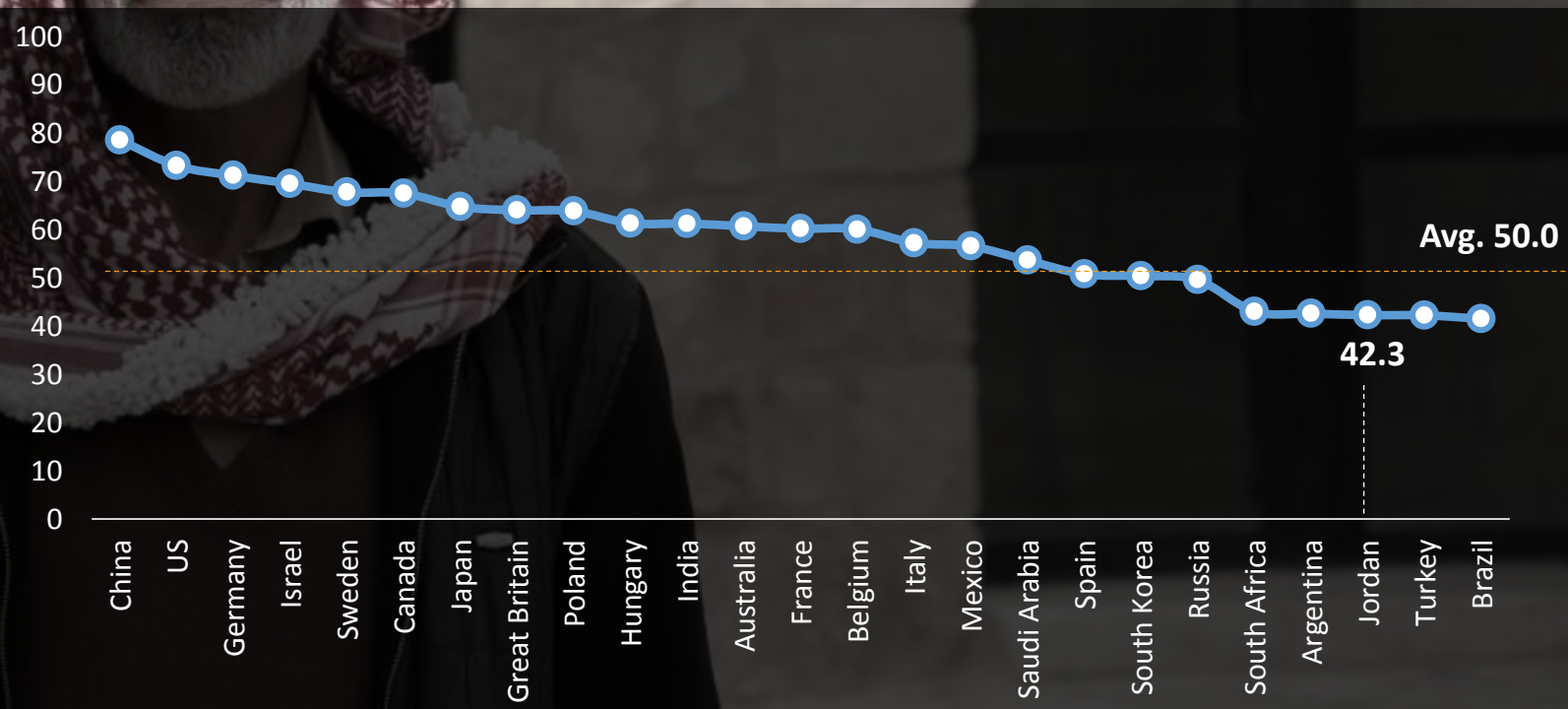
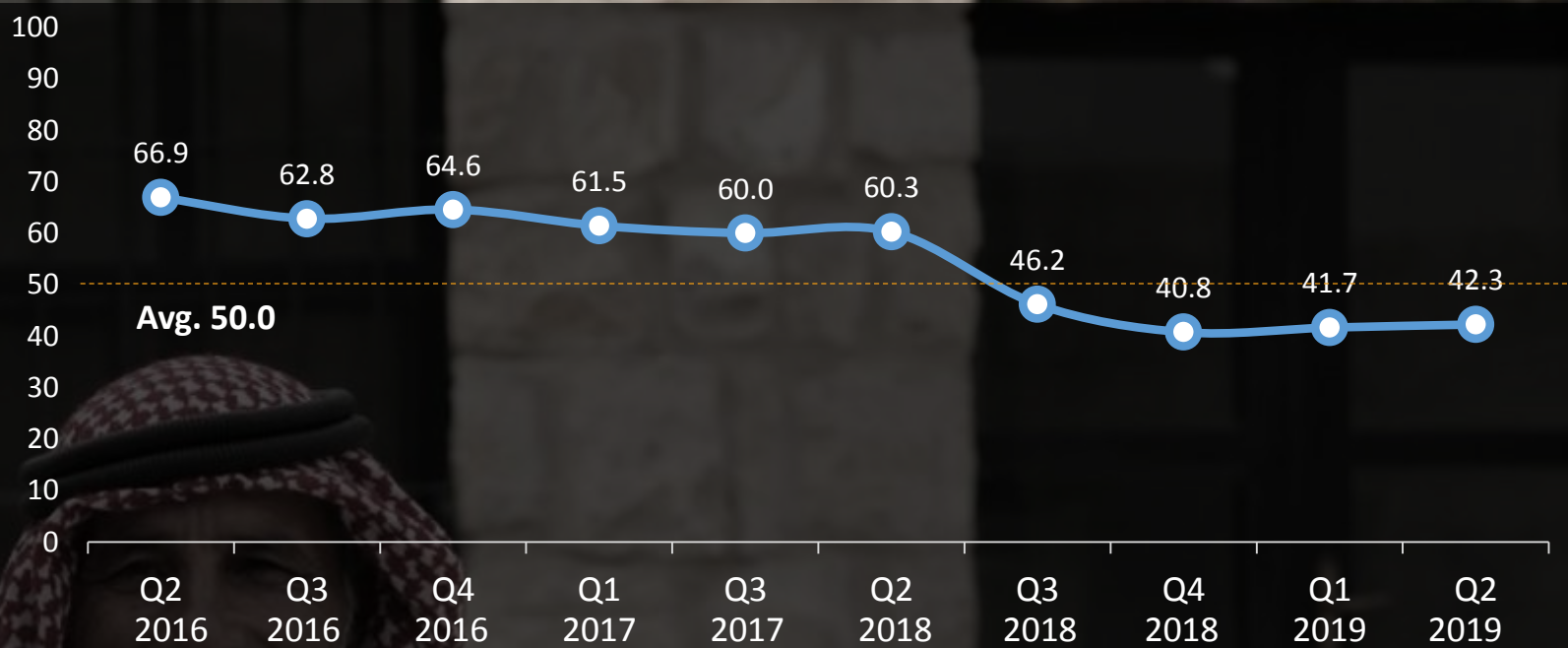




JCSI Employment Confidence

The employment index has seen the least improvement in comparison to other indices this quarter. But this slight improvement did not have an effect on Jordan's position in comparison to last wave.

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?
3. 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?



JCSI Methodology



Methodology

Methodology – Computer Assisted Telephone Interviews (CATI)

Sample Size – 1000 Respondents

Age – 18 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: $\text{Importance} \times (\text{Top Box Wt} \times \text{Top Box \%}) - (\text{Bottom Box Wt} \times \text{Bottom box \%})$.



GAME CHANGERS

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We are Game Changers

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