

# Jordan Consumer Sentiment Index (Q1)

Jordan  
May, 2021

*Data Collected in March & April 2021*



## 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%

Al Mafraq 5.0%

Kerak 4.0%

Jerash 3.0%

Madaba 2.0%

Aqaba 2.0%

Ma'an 2.0%

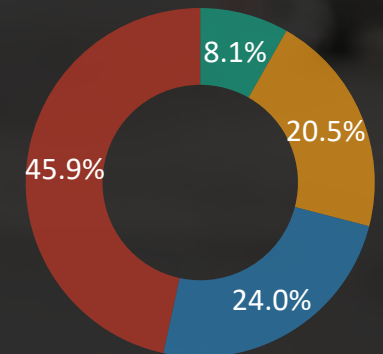
Ajloun 2.0%

Al Tafielah 1.0%

## Socioeconomic

### Class\*

A B C DE



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

# Jordan Consumer Sentiment Index

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Q1, 2021 Summary



## Ipsos' Jordanian Consumer Sentiment Index Sees a Decrease With The Surge In Coronavirus Cases and Tightened Restrictions causing Concerns about the Threat of the Virus to reach an all time high

One year into the pandemic and Jordanians' bleak economic outlook persists. Despite the slight uptake in positivity witnessed last quarter as a result of the government's financial relief measures, optimism this quarter has fallen once more, with the Jordanian consumer sentiment index dropping four points almost reaching its level at the start of the pandemic.

As cases surged and the health situation deteriorated, the government was compelled to impose further restrictions including the reinstatement of the Friday lockdown, extension of curfew hours and the closing down of additional vulnerable sectors. As restrictions were re-enforced, by the end of February, people's confidence that the virus will be short-lived dwindled, registering a 15% points drop when compared to last quarter. Furthermore, after recording a staggering high of 9.5K cases per day, it comes as no surprise that concerns about the intensity of the threat posed by the vaccine also registered an all time high since the beginning of the pandemic, meanwhile confidence in the government's ability to safeguard the country against the virus reached its lowest levels yet.

As Jordanians began to deal with the aftermath of the restrictions, concerns regarding high cost of living and inflation further intensified when compared to the previous quarter. In fact, this led to a 10% drop in Jordanians' confidence when it comes to the current state of the economy as well as a significant deterioration in people's outlook regarding the future state of the economy and their personal financial situation. Moreover, the drop witnessed in the overall index was primarily led by a decline across three main indices: Personal Financial conditions, Economic expectations and Investment climate. Although most of the other countries surveyed foresee an improved ability to invest in the future, Jordan ranks within the bottom 5 countries (out of 23). As such, Jordanians feel less confident about their ability to invest, as the negative outlook towards investment increased by 7%. This also holds true for job security, while people worldwide are somewhat more confident about their job security than last quarter, Jordan on the other hand is among the only 3 countries globally who showed lower confidence levels.

Finally, despite heightened negativity, this wave also revealed that almost 40% of Jordanians support the government's current measures, a 10%-point increase when compared to last quarter, which is expected given increased apprehension towards the threat posed by the virus. Nonetheless, as long as the virus continues to dictate the need for such precautionary measures, Jordanians' bleak economic outlook is bound to persist. Hope now lies in the aftermath of the government's nationwide vaccination rollout; and the acceleration of economic openness coinciding with the increase in demand for the vaccine, which will lead to an economic recovery, albeit slow.



# JCSI Q1 Summary

JCSI, Q1 2021

31.7

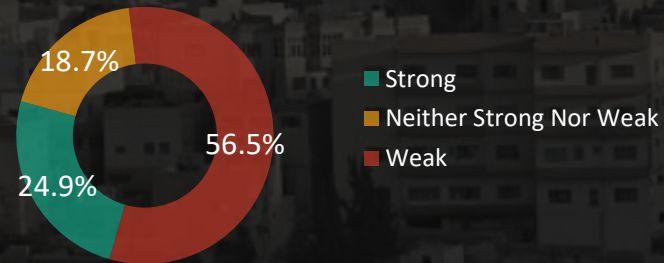


Compared  
to Q4 in  
2020

35.3

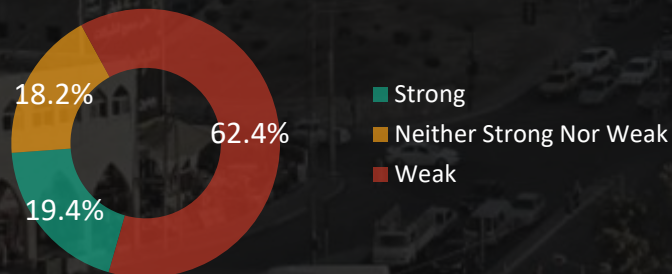
## Country Economic Situation

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



54.5%

Unemployment



47.8%

High Cost of  
Living/Inflation



36.5%

Poverty & Social  
Inequality



# Understanding Jordanians' Perceptions of COVID-19



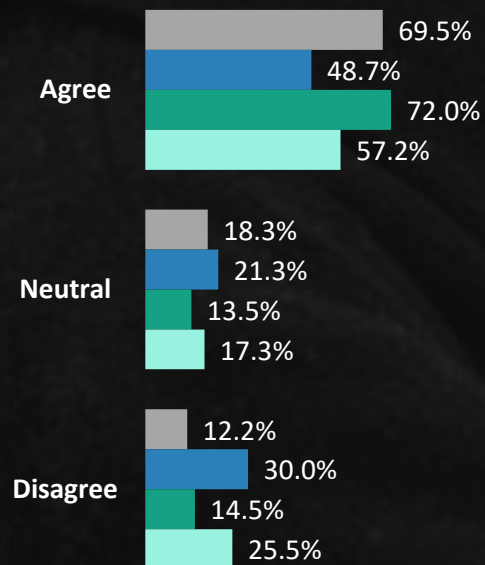


# Impact of COVID-19 On The Country

## Duration of COVID 19

Q: "COVID-19 is being contained and will soon be over", to what extent do you agree or disagree with the statement?

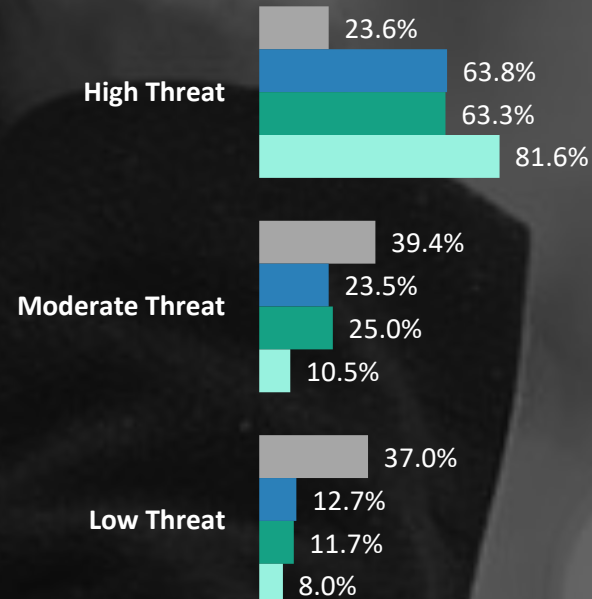
■ Q2, 2020 ■ Q3, 2020 ■ Q4, 2020 ■ Q1,2021



## Level Of Threat On Jordan

Q: What level of threat does the coronavirus pose to your country ?

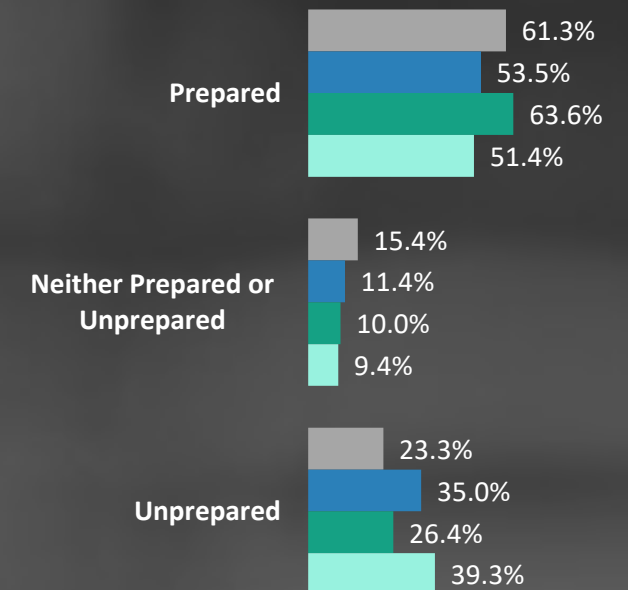
■ Q2, 2020 ■ Q3, 2020 ■ Q4, 2020 ■ Q1,2021



## Preparedness to Deal With COVID 19

Q: Based on what you have seen, how confident are you about the overall preparation to effectively deal with COVID-19?

■ Q2, 2020 ■ Q3, 2020 ■ Q4, 2020 ■ Q1,2021

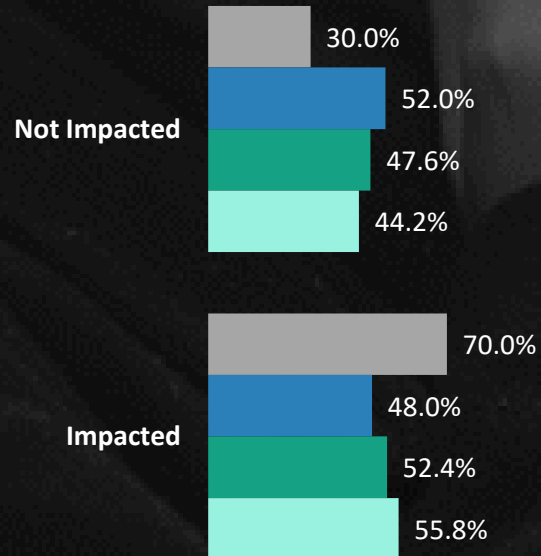


# Impact of COVID-19 on Employment

(Out of Those Employed Only, N= 420)

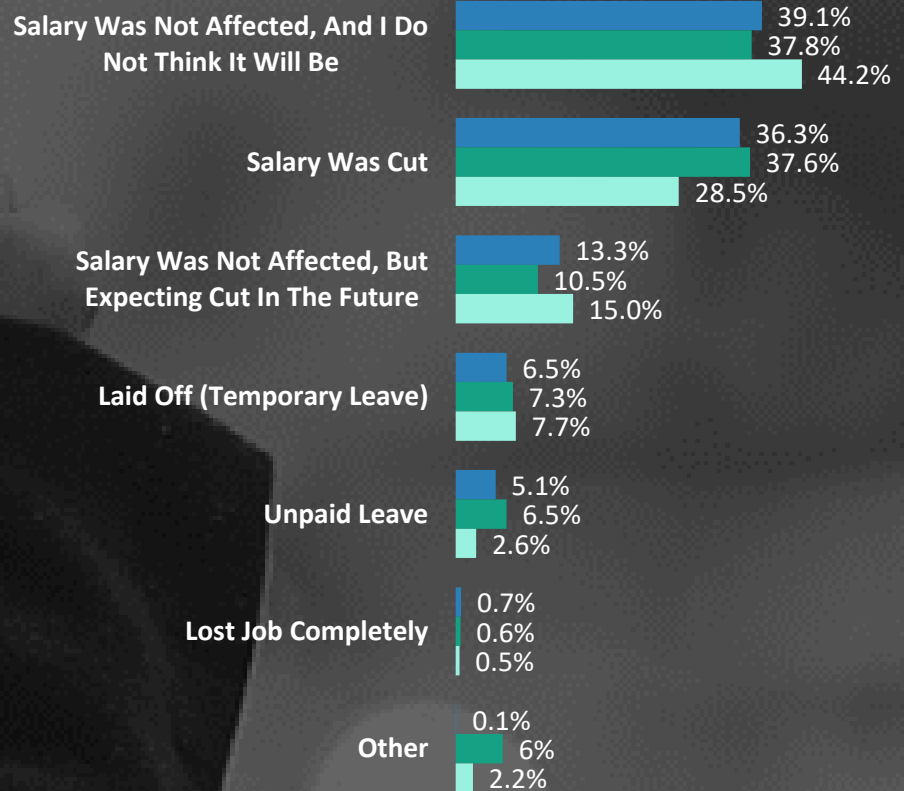
## % of Those whose Employment was Impacted due to the Pandemic

■ Q2, 2020 ■ Q3, 2020 ■ Q4, 2020 ■ Q1,2021



Q: Which of the following statement apply to you? Please select all that apply.

■ Q3, 2020 ■ Q4, 2020 ■ Q1,2021





# Country's General Situation

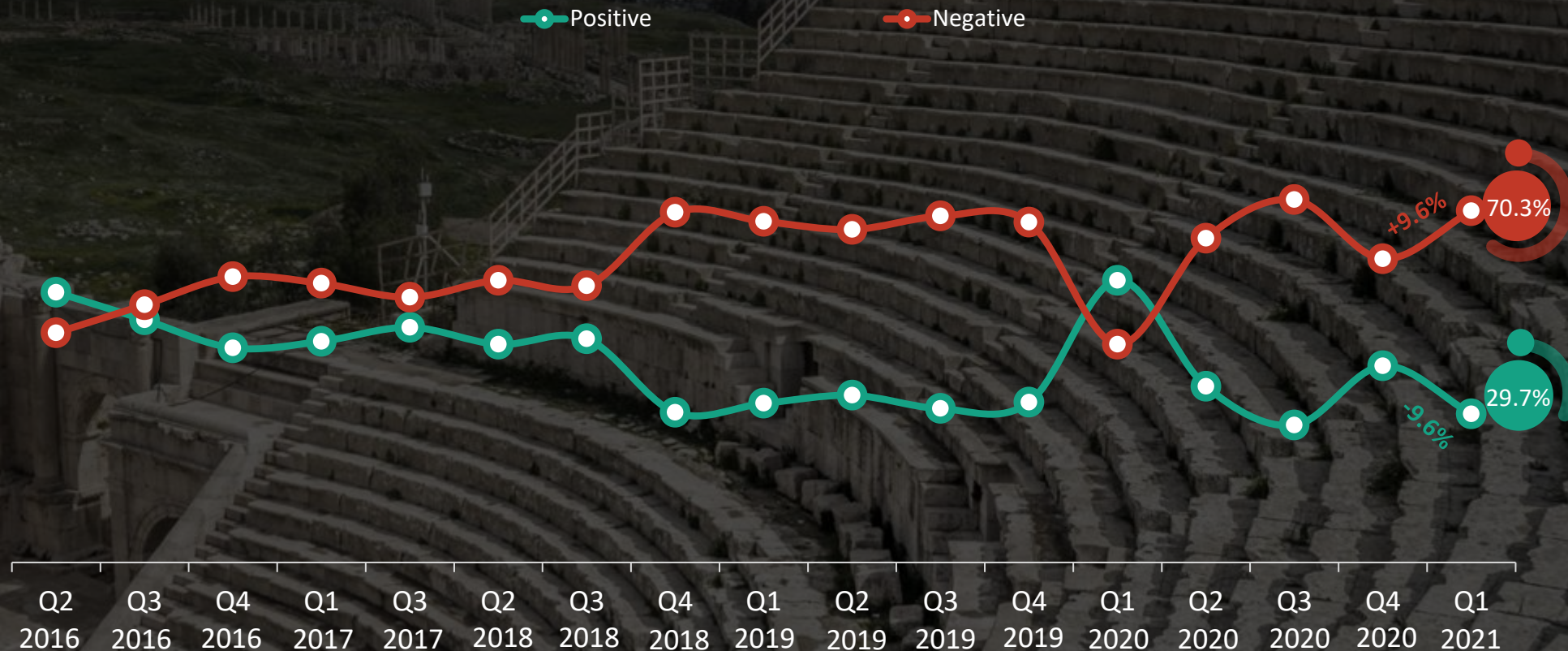




# Current Economic Situation

## *Trending*

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



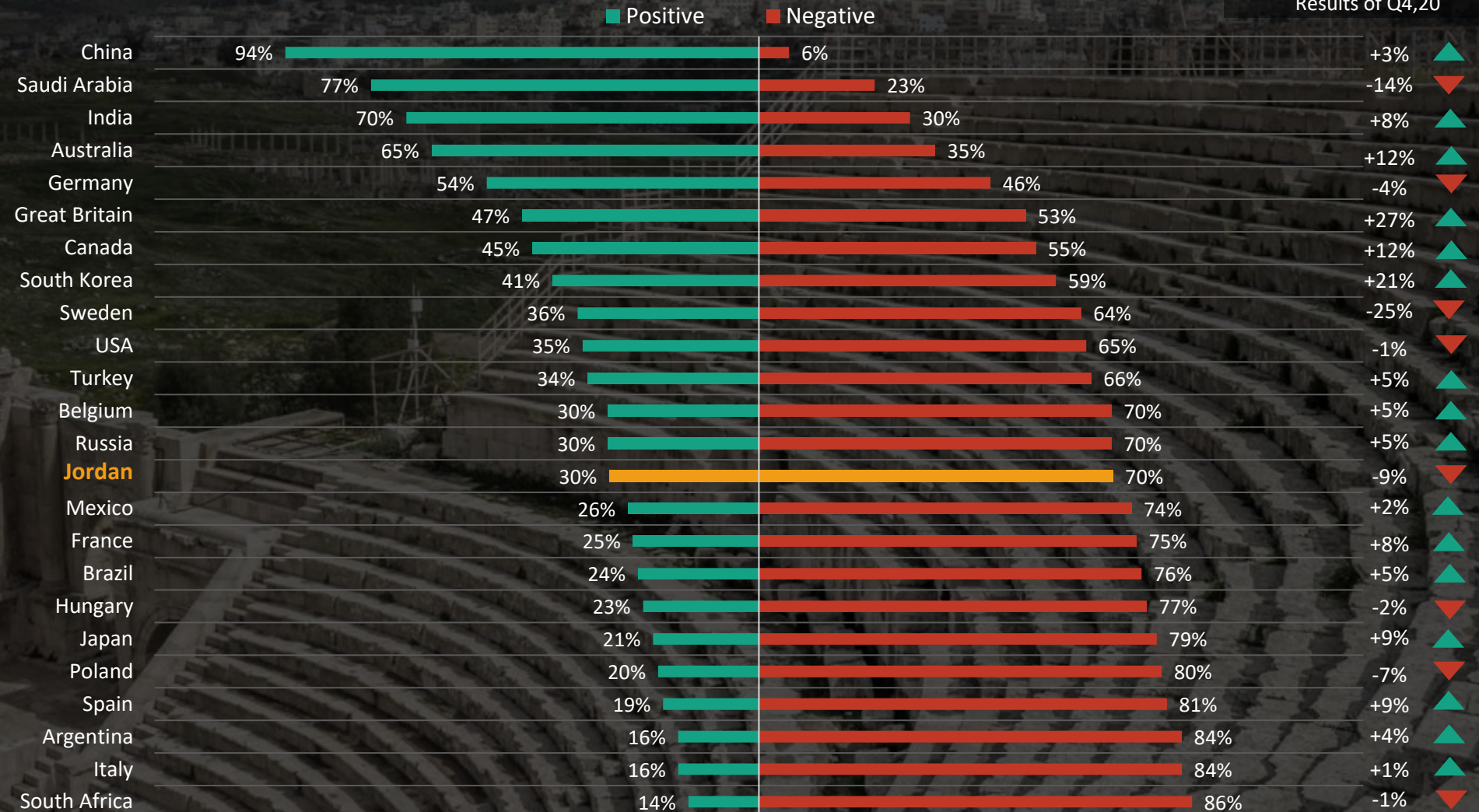


# Current Economic Situation

## 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 Q4,20

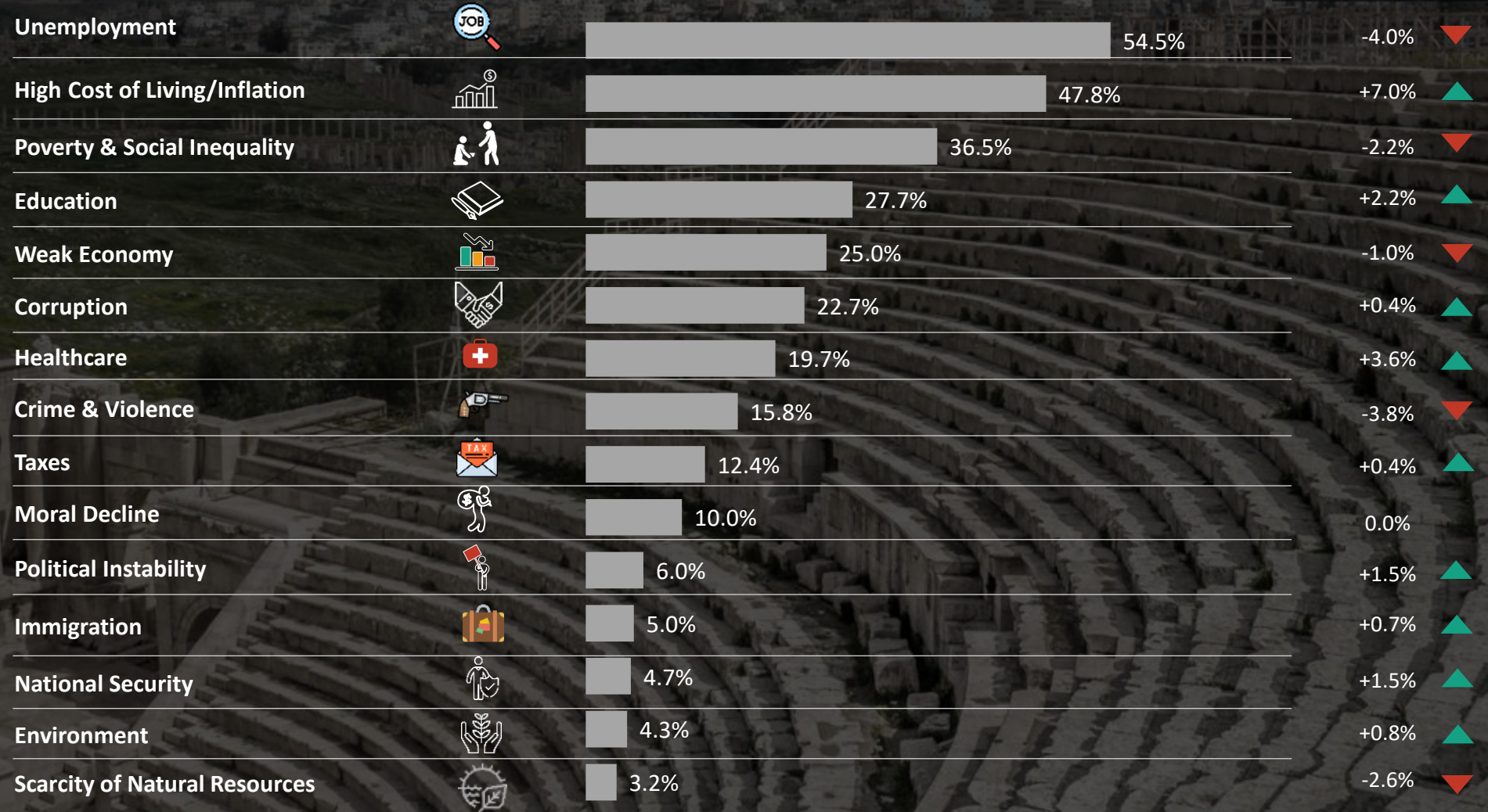




# Jordanians' Top Concerns

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

Compared to Q4,20







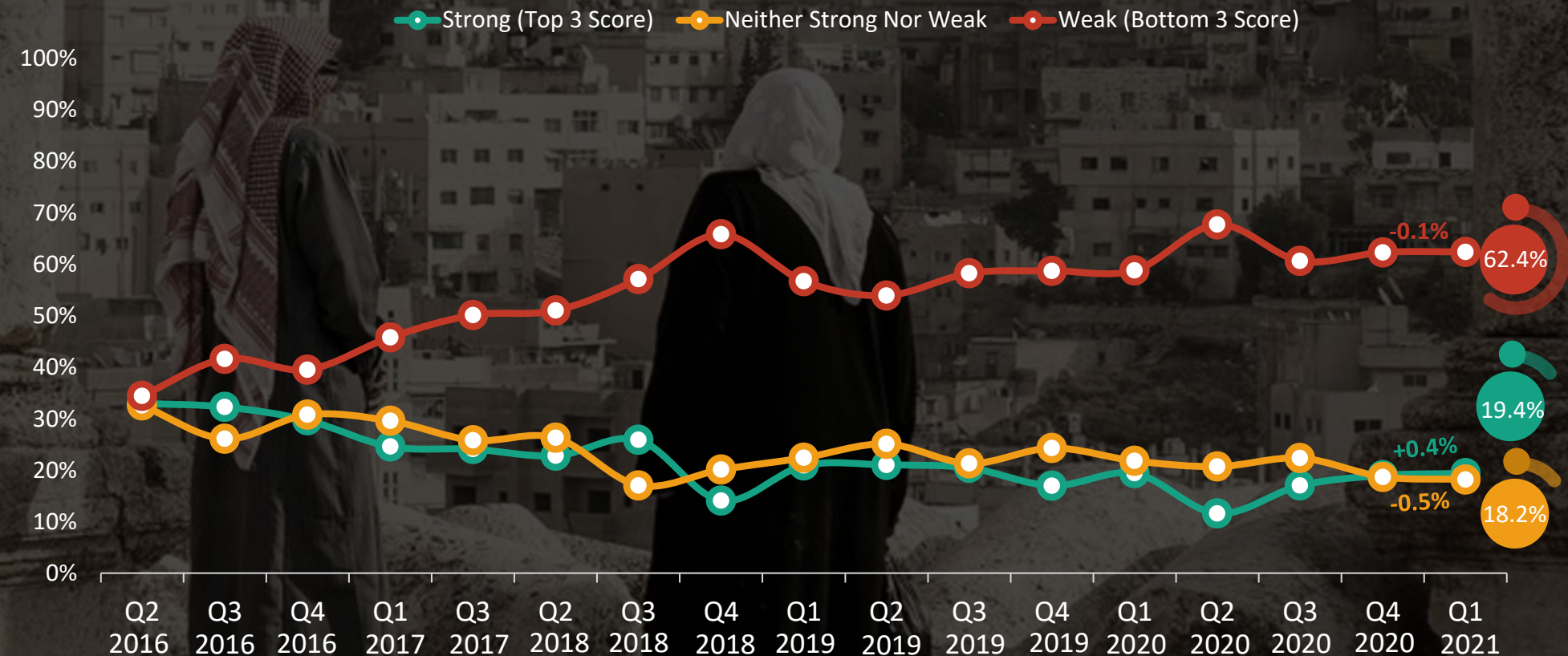
# Personal Financial Situation

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# Current Personal Financial Situation

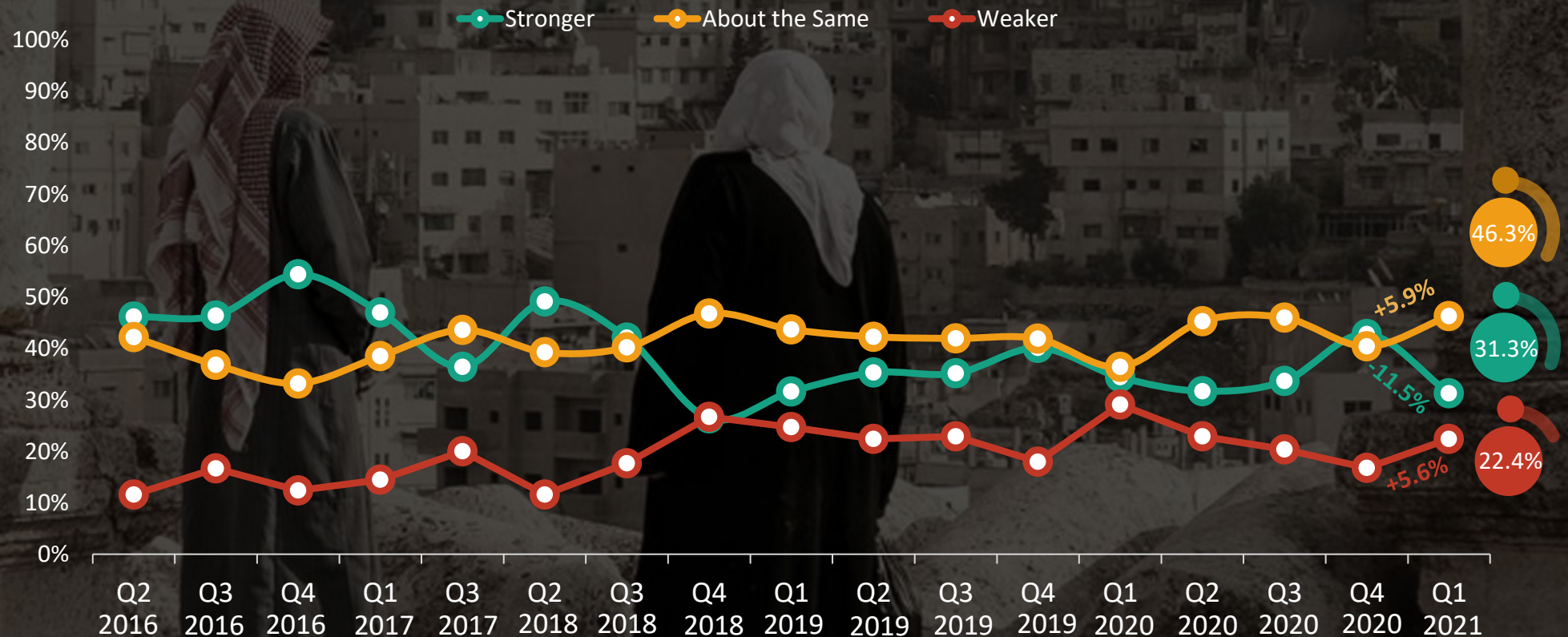
Q: Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.





# 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?







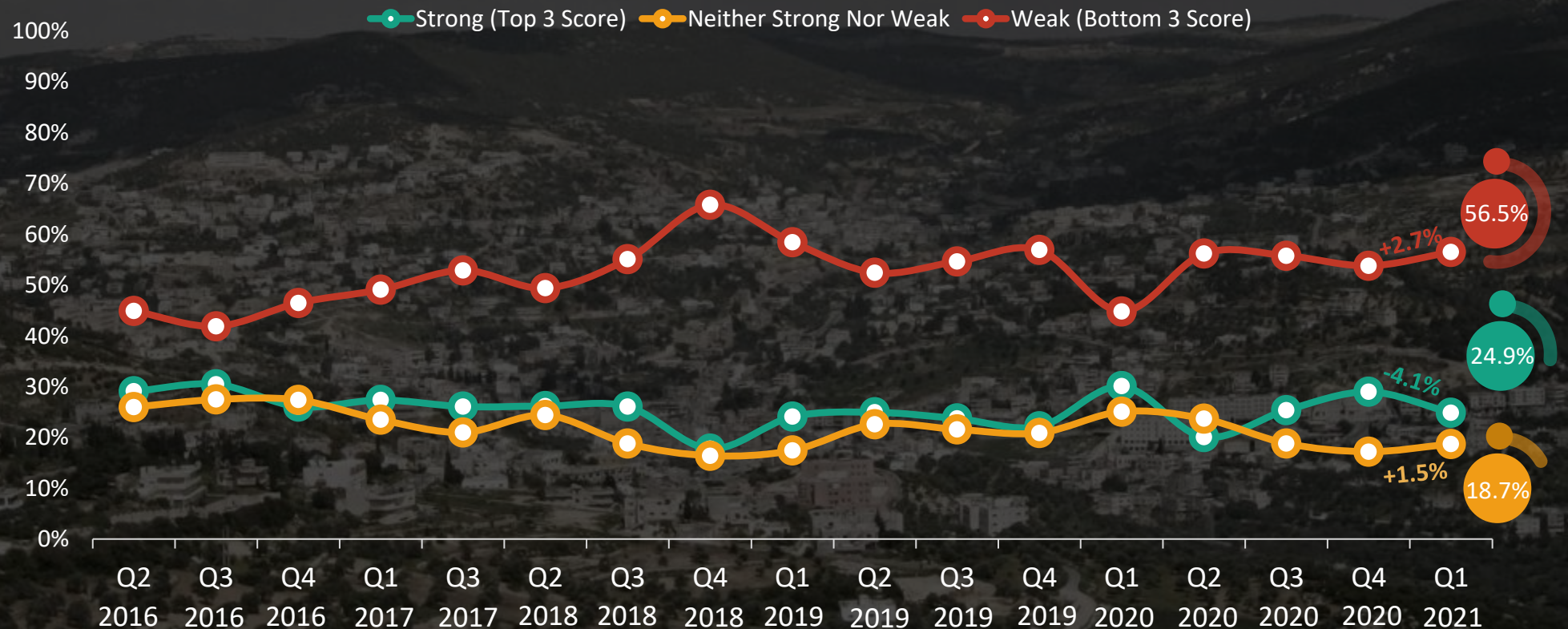
# Jordan's Economic Situation

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# 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.

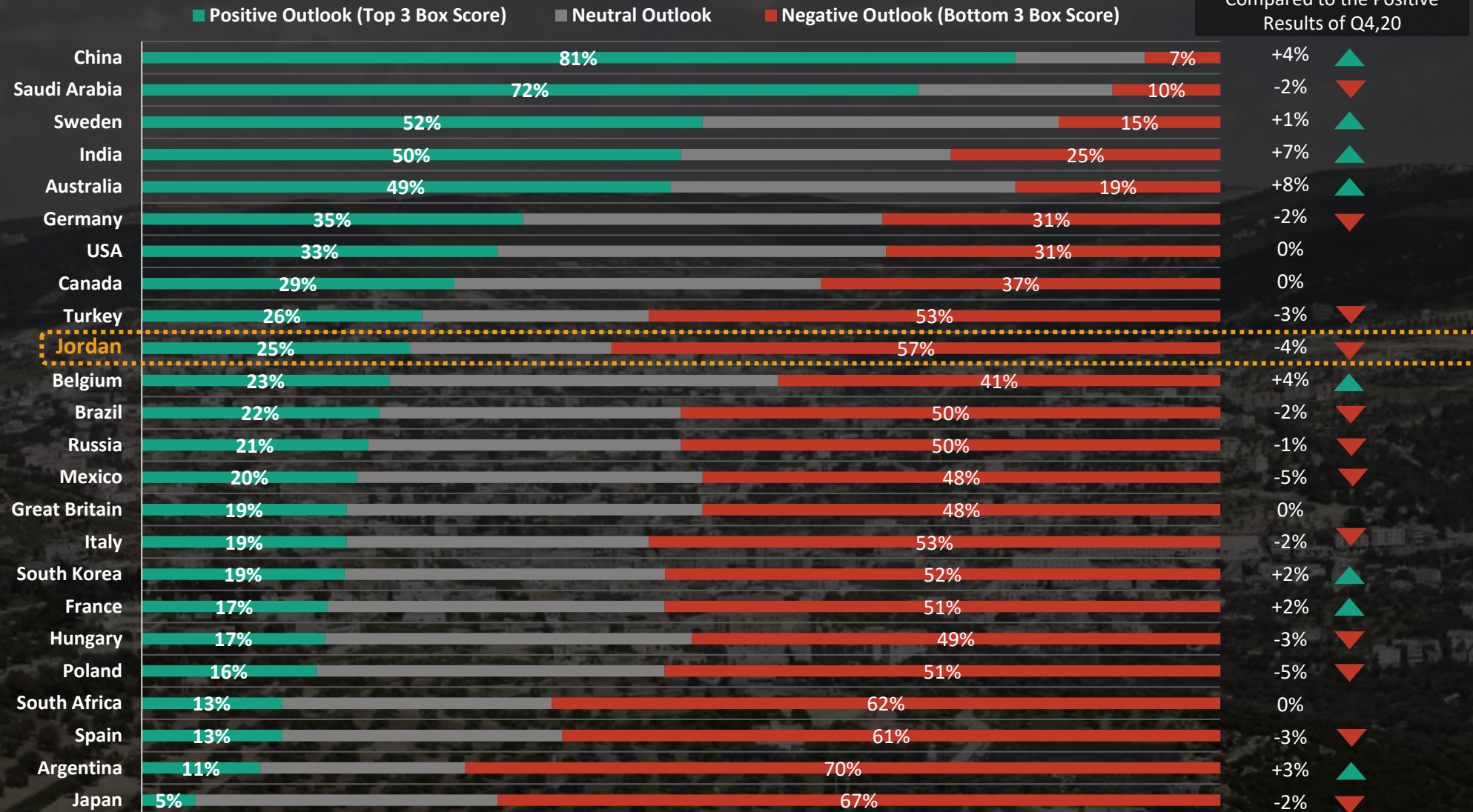




# Current State of the Economy

## Global Comparison

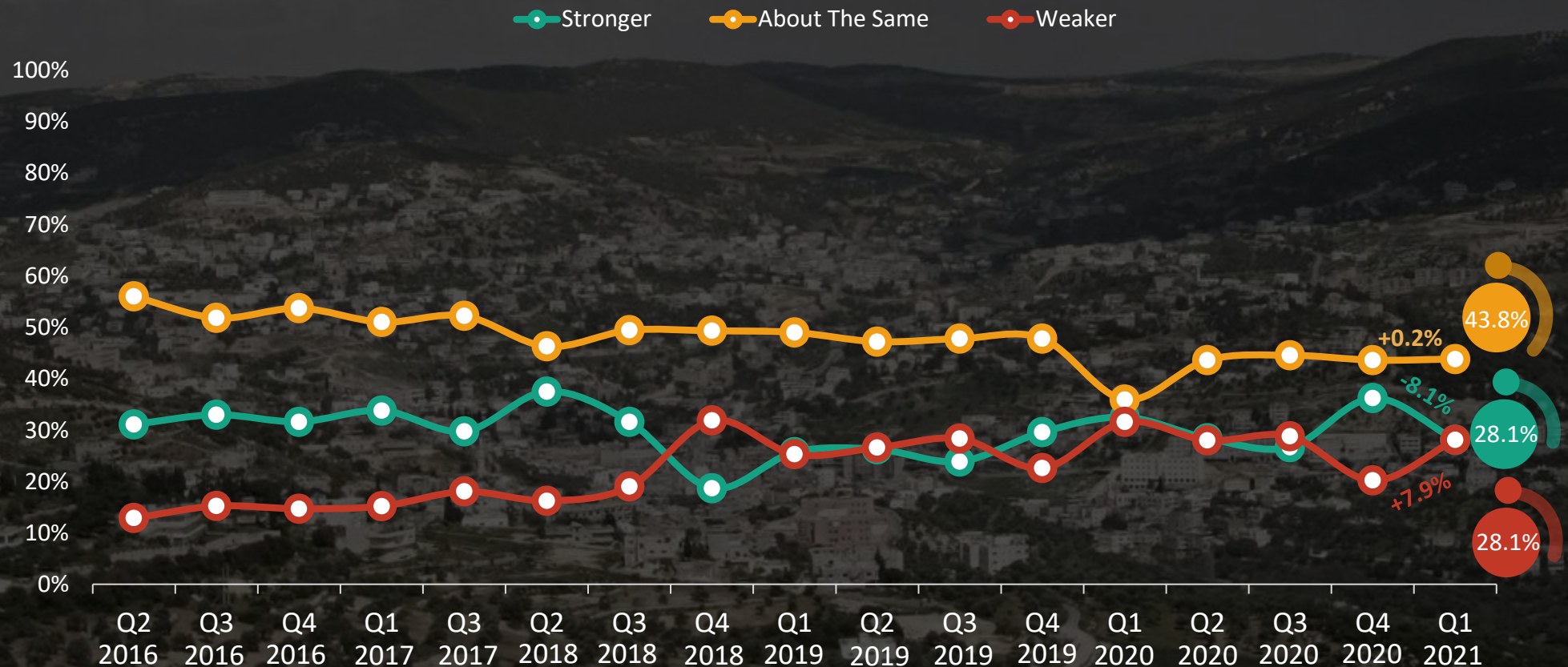
Q: Now Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.





# 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?



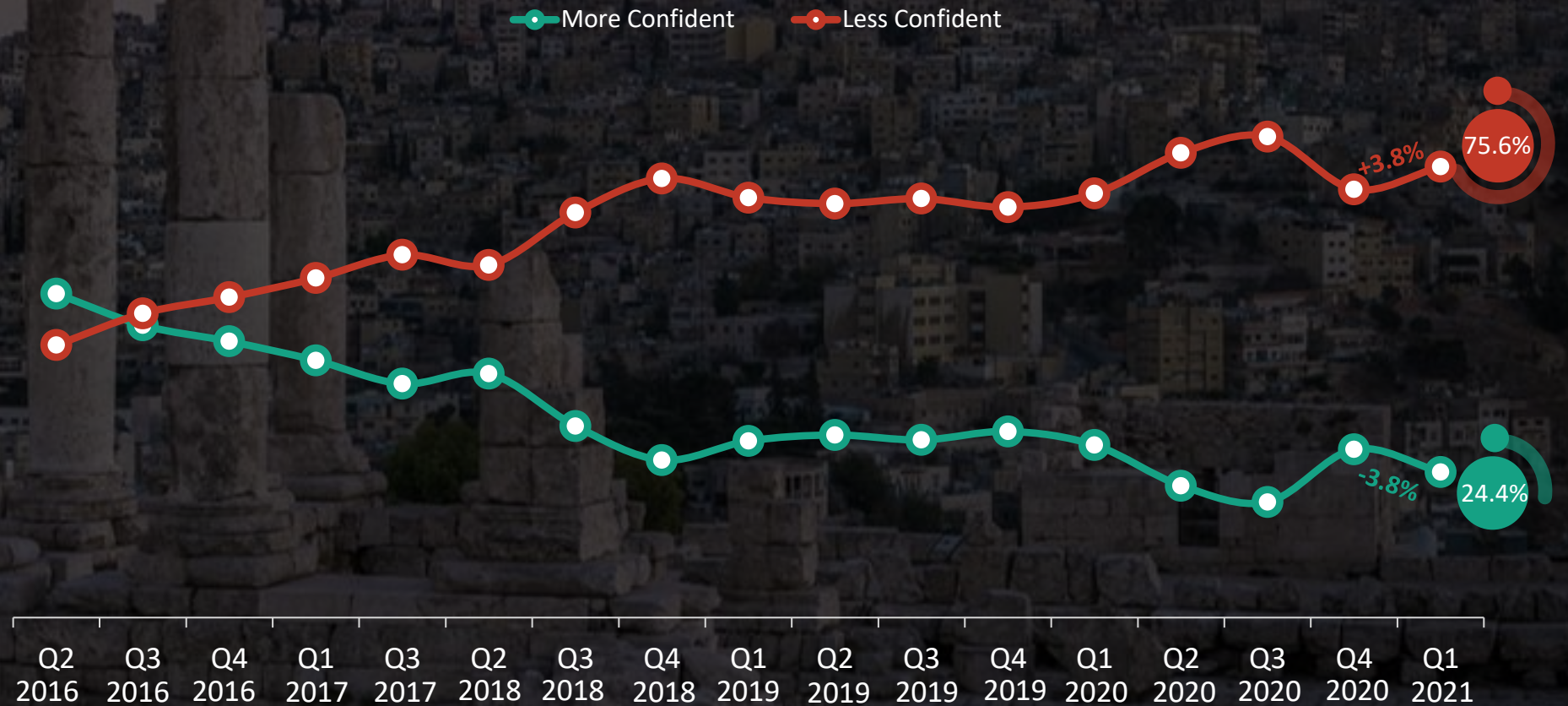
# Employment





# Job Security

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?

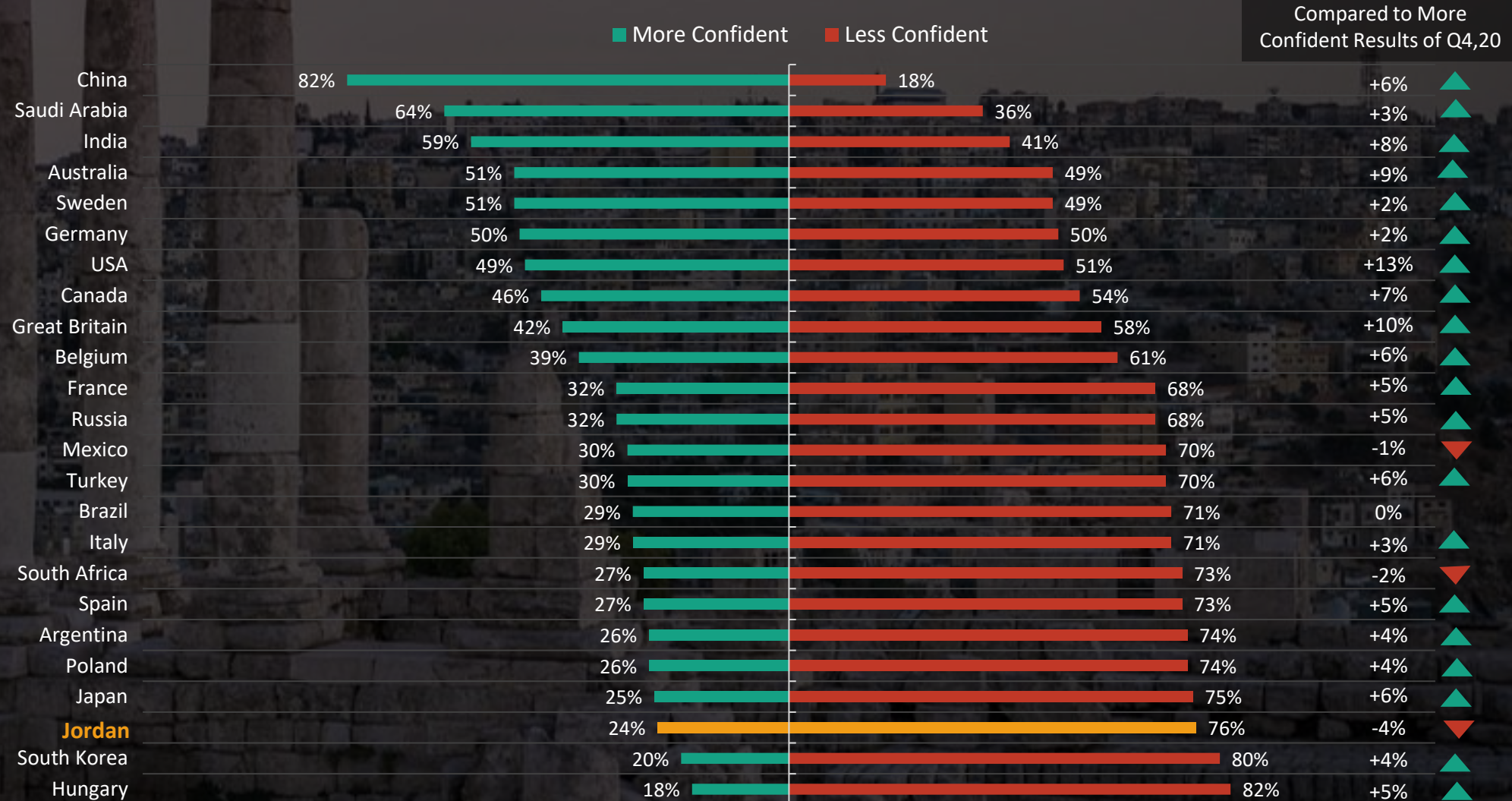




# Job Security

## 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 Losses in the Past Six Months

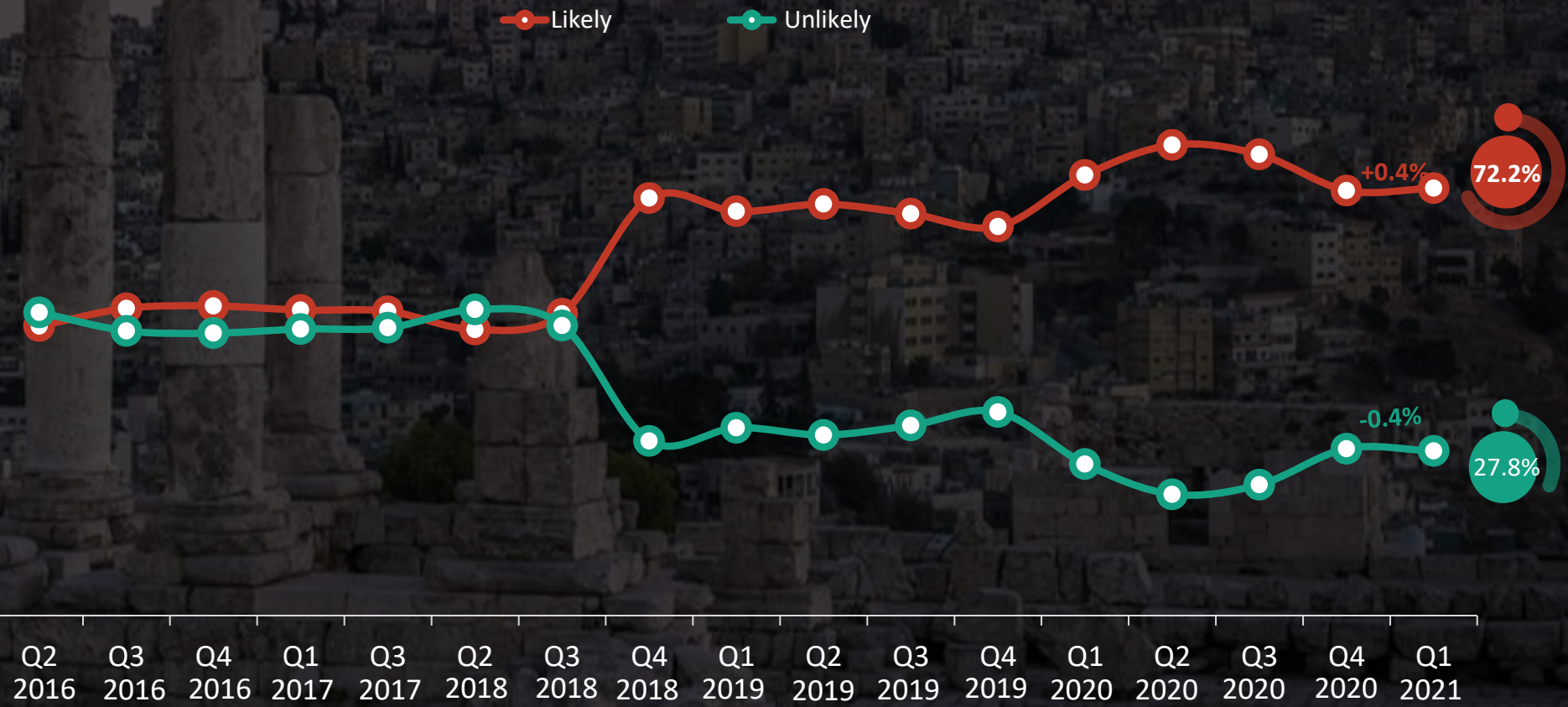
Q. Thinking about the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?





# 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?







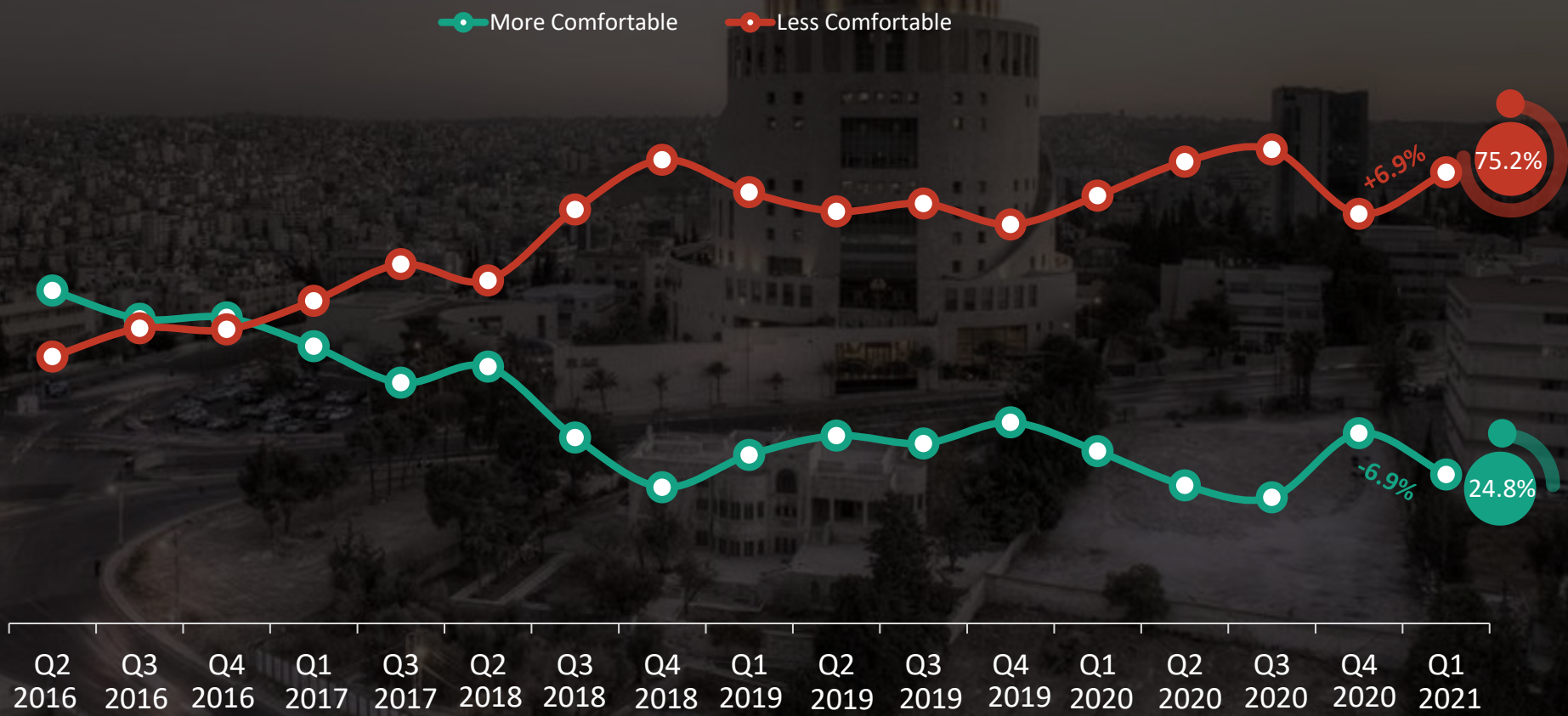
# Investment Climate

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# 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?

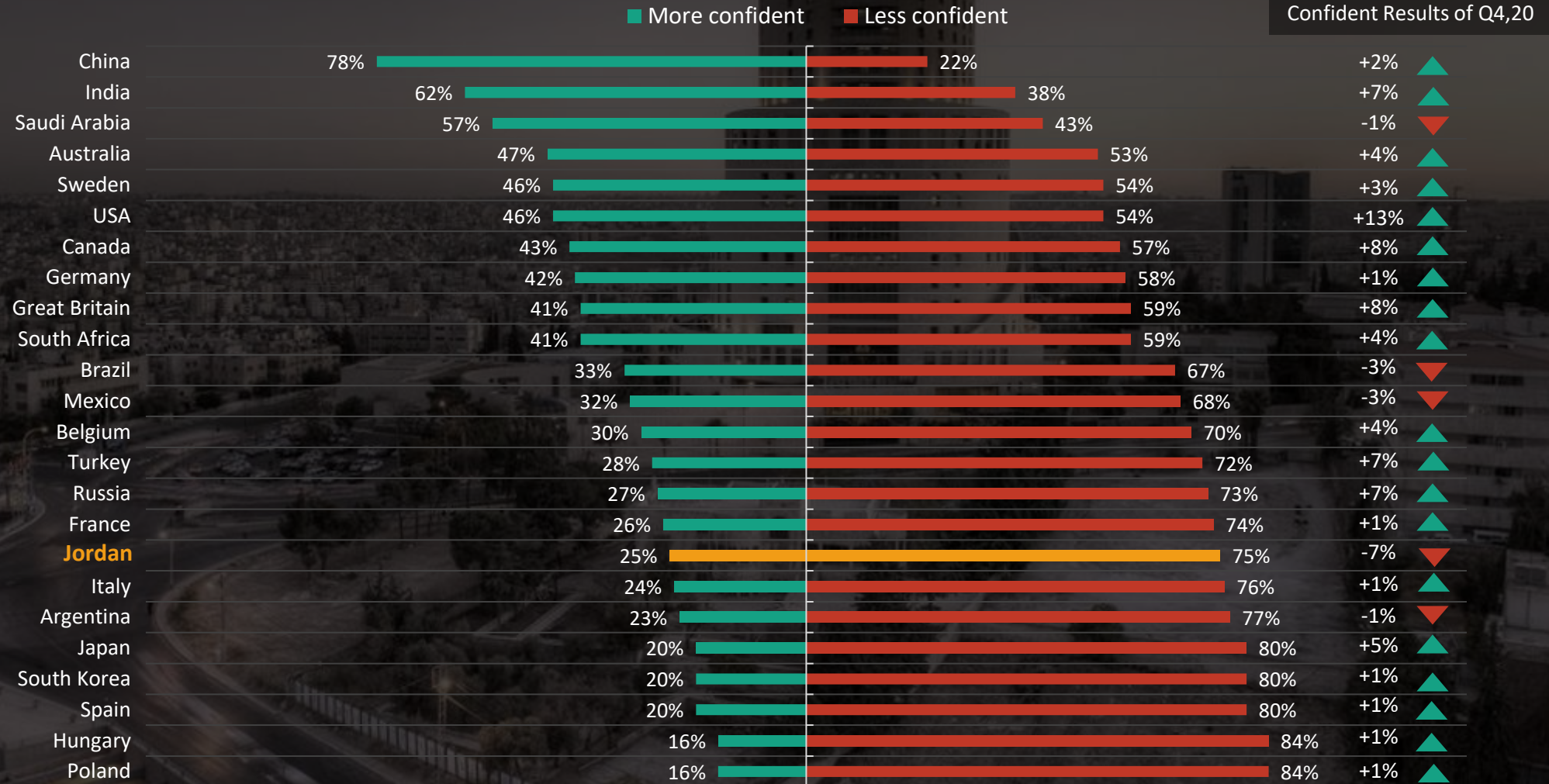




# Ability to Invest in The Future

## Global Comparison

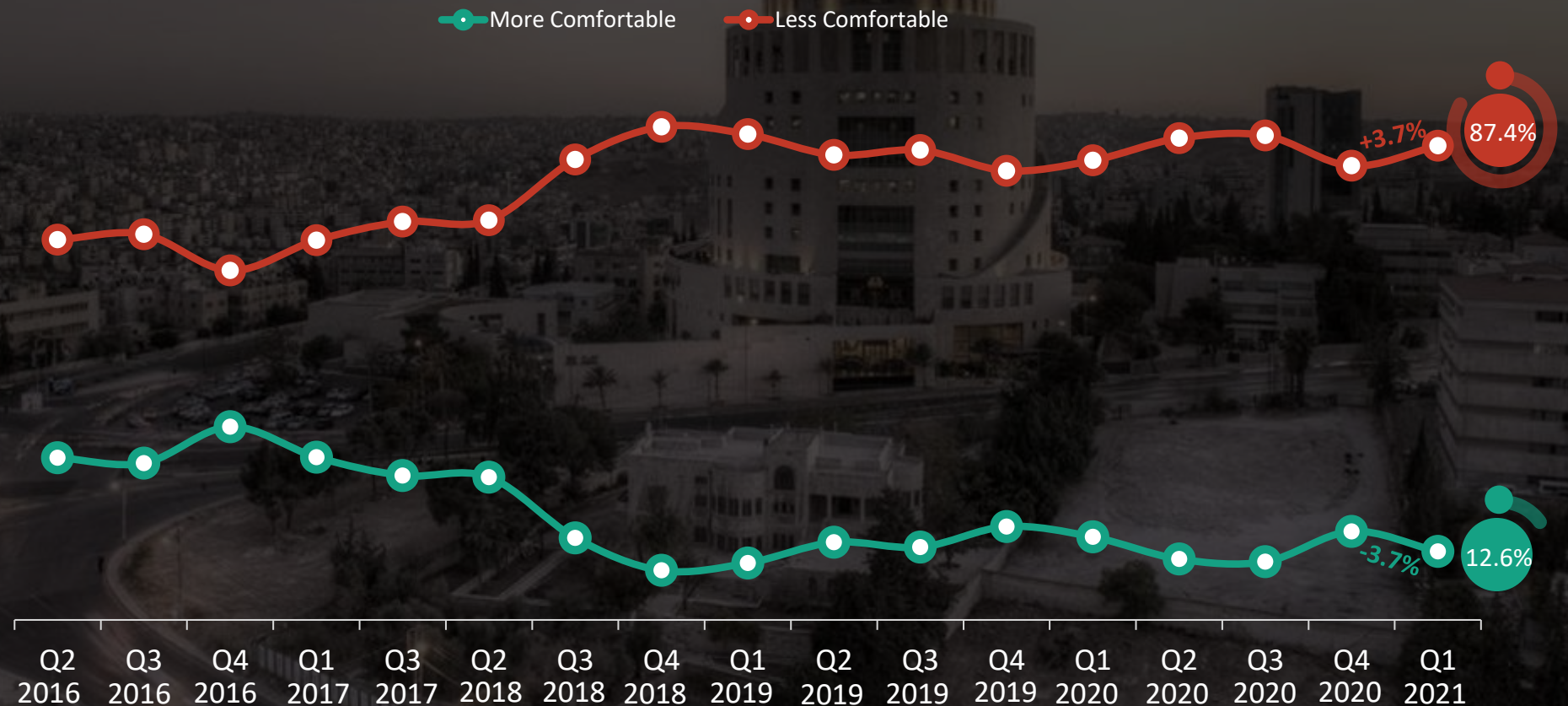
Q. Compared to 6 months ago, are you NOW more or less comfortable about your ability to invest in the future, including your ability to save money for your retirement and your children's education?





# Ability to Make a Major Purchase

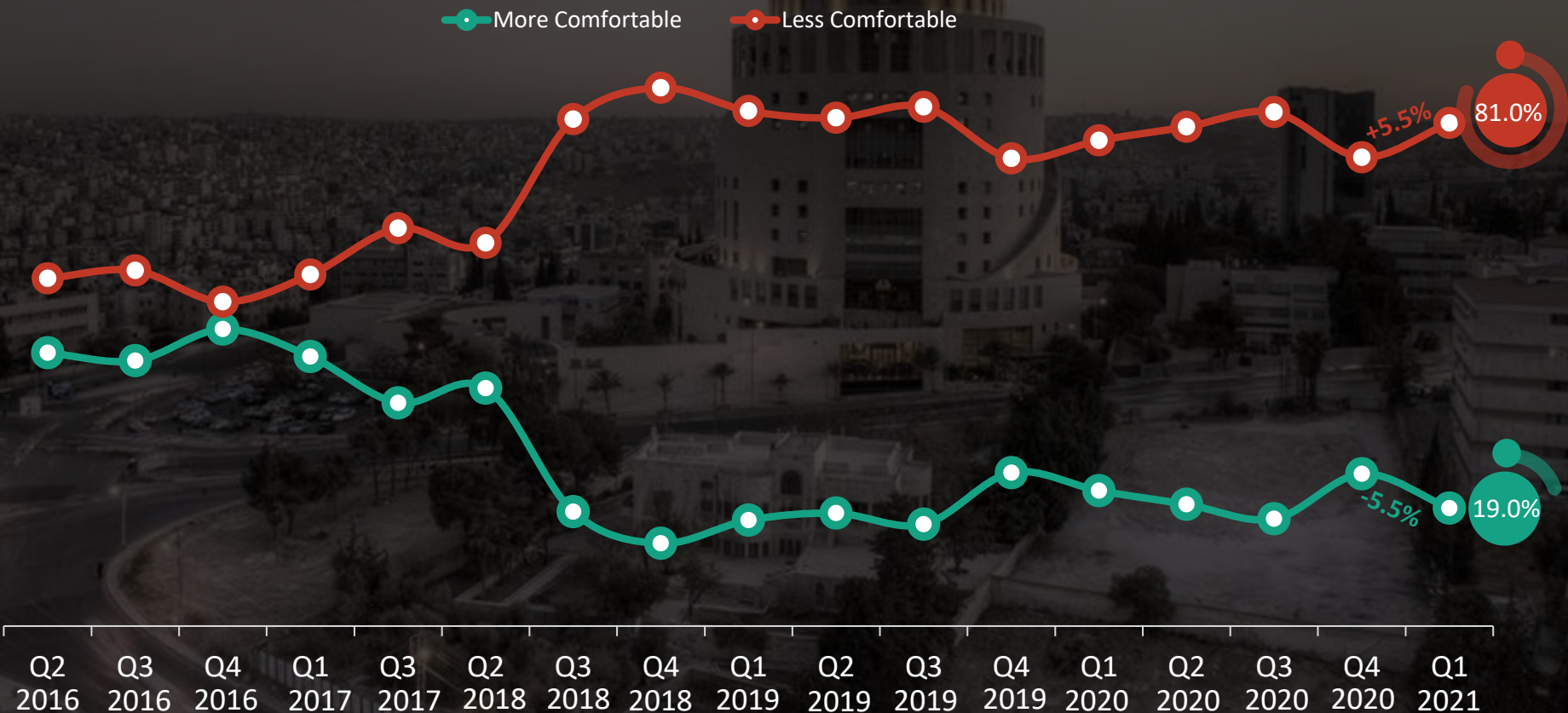
Q. Compared to 6 months ago, are you now more or less comfortable making a major purchase, like a home or car?





# Buying Household Durables

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



+5.5%

81.0%

-5.5%

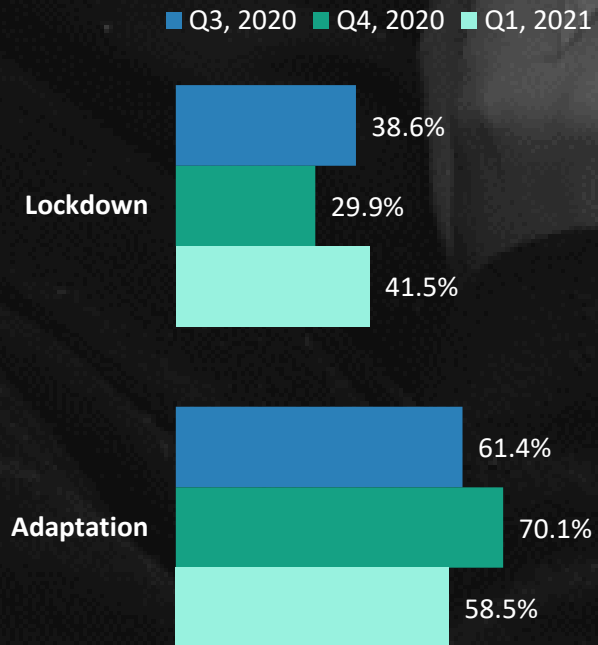
19.0%



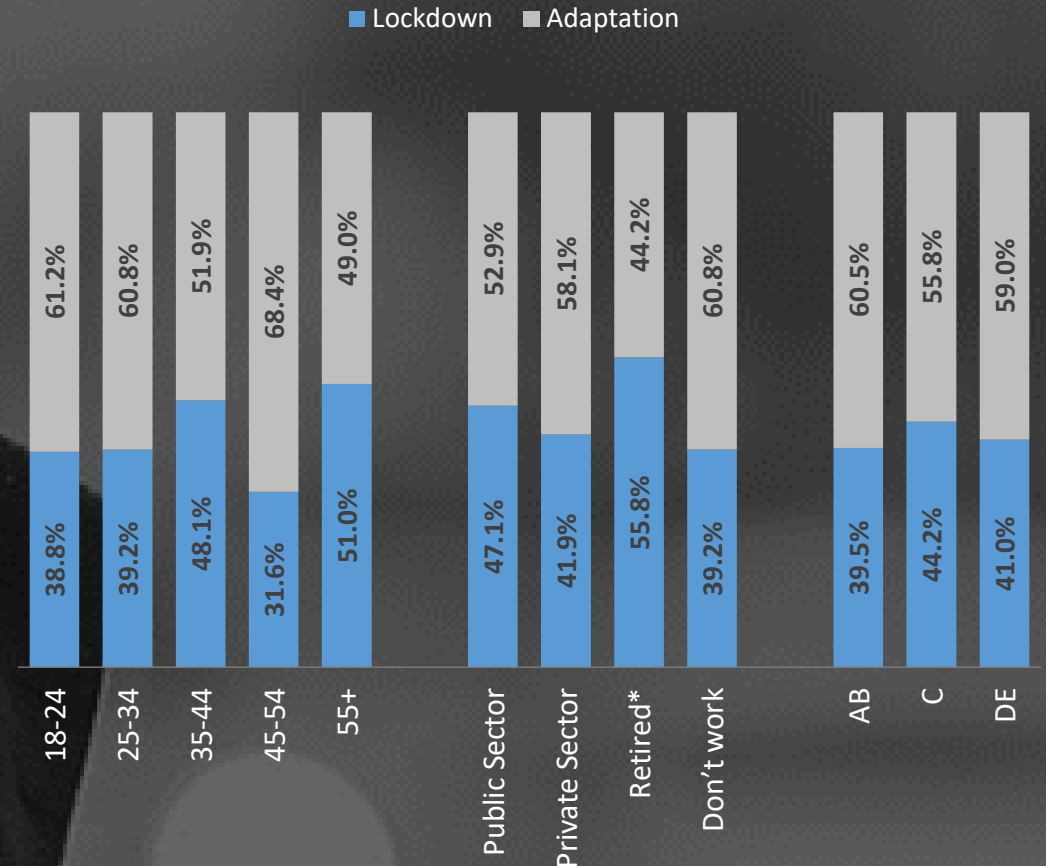
# Dealing With The COVID-19 Pandemic

## Dealing With The Surge In COVID-19 Cases

Q: In your opinion, what is the best way to deal with the surge in coronavirus cases?



## By Demographics



\* Sample Size is Less Than 50



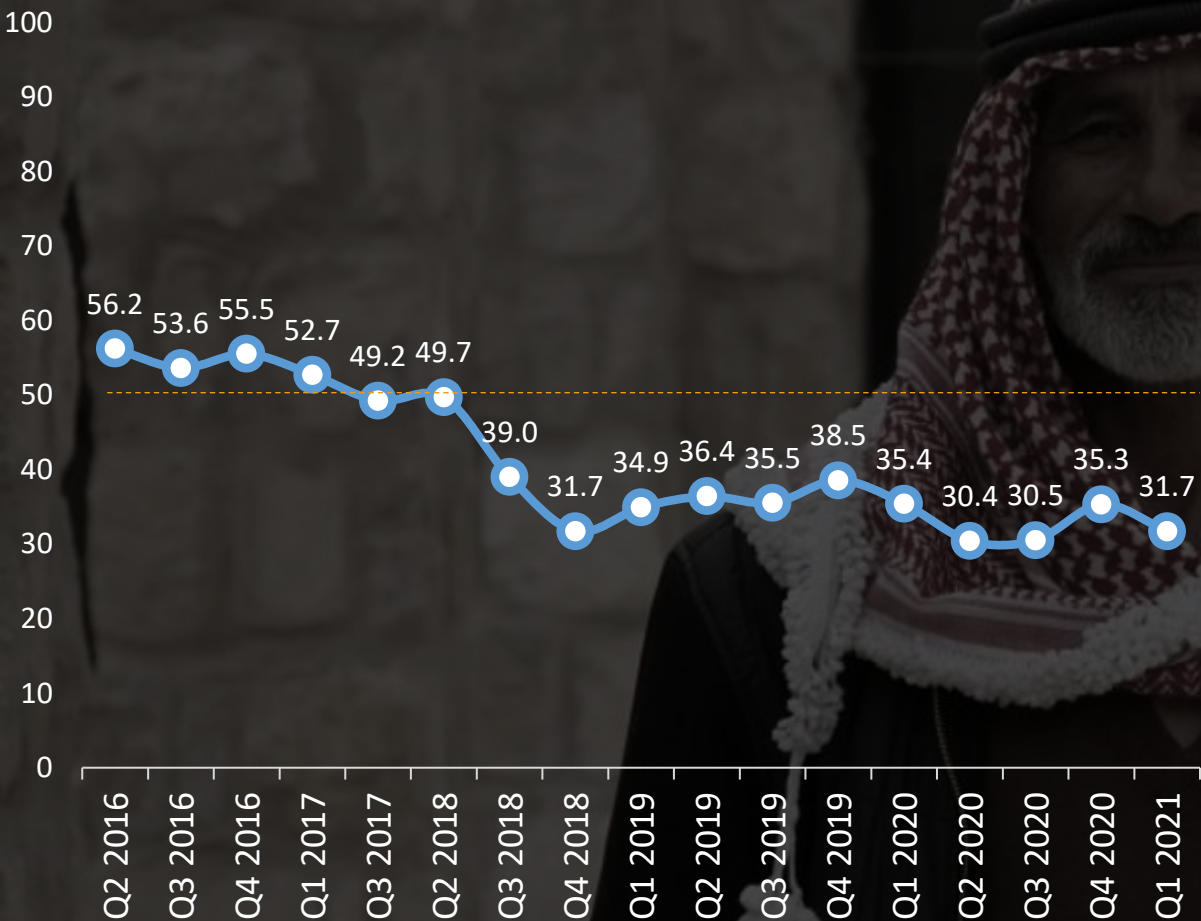
# JCSI Deep Dive



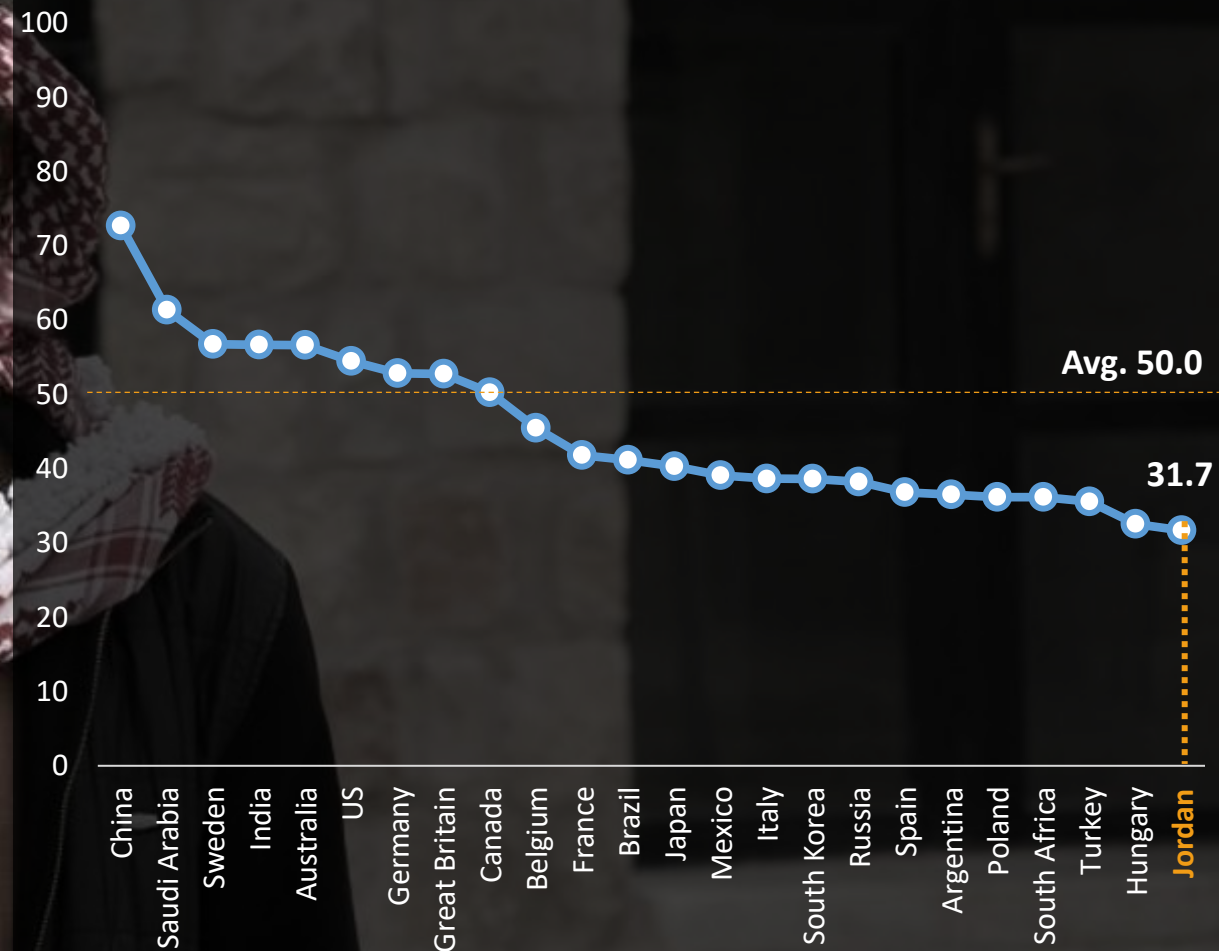


# Overall JCSI

## JCSI- Trending



## JCSI- Global Comparison

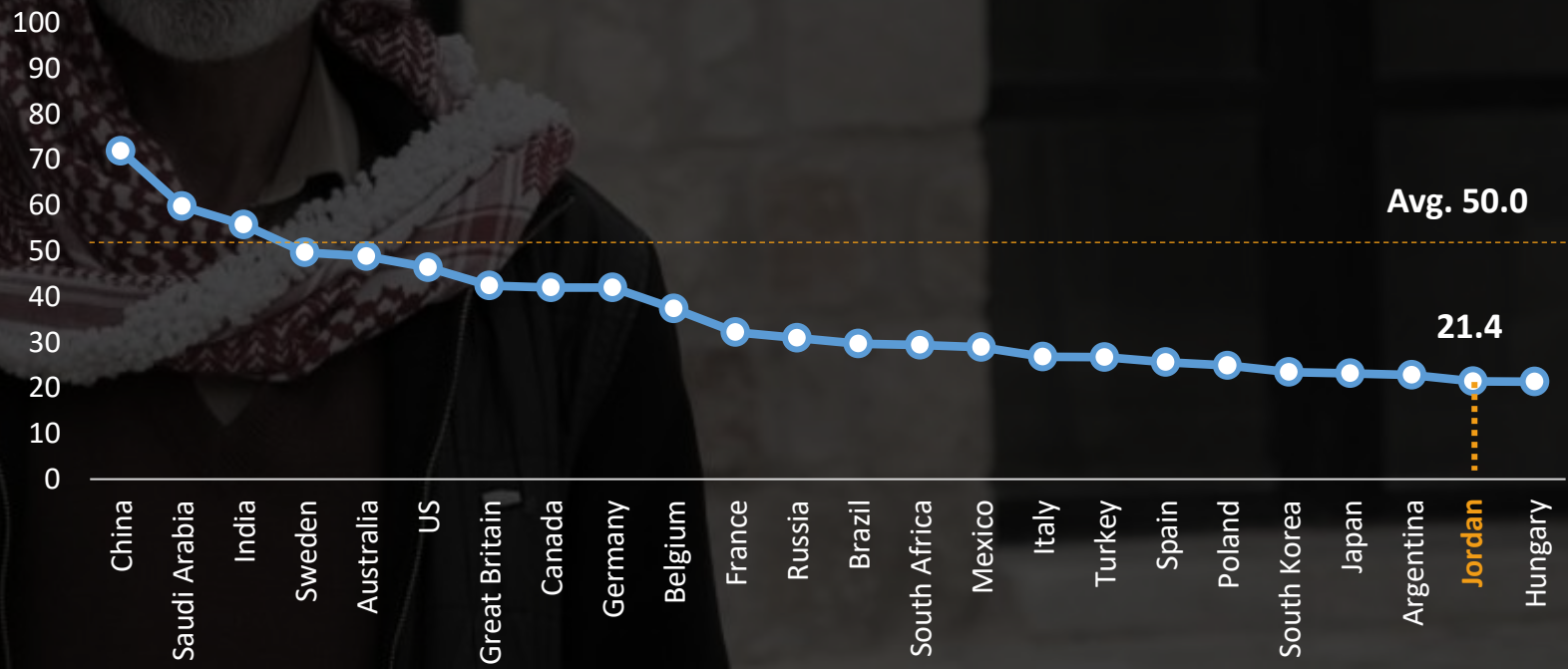
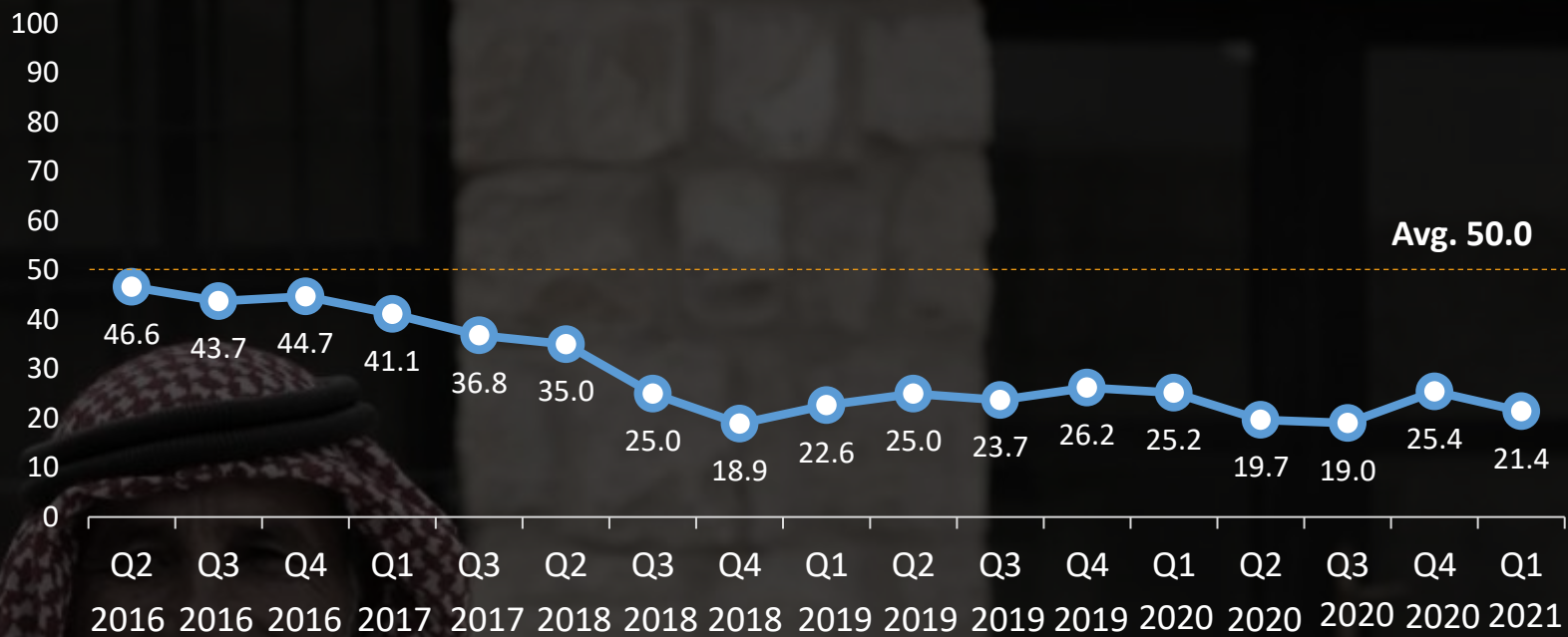




## JCSI Personal Financial Conditions

This quarter's index on personal financial conditions has seen a drop by 4 points, and Jordan ranks in the 20<sup>th</sup> position among worldwide countries.

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.





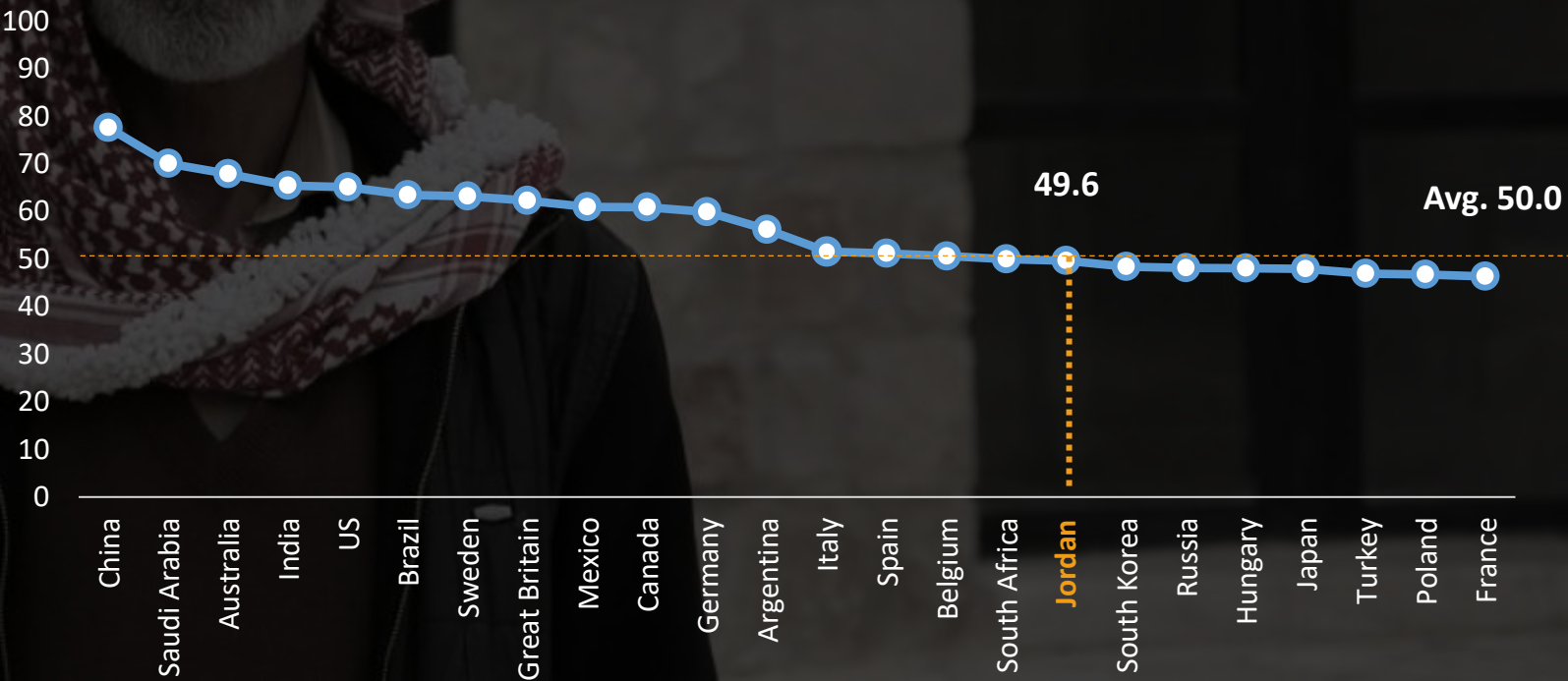
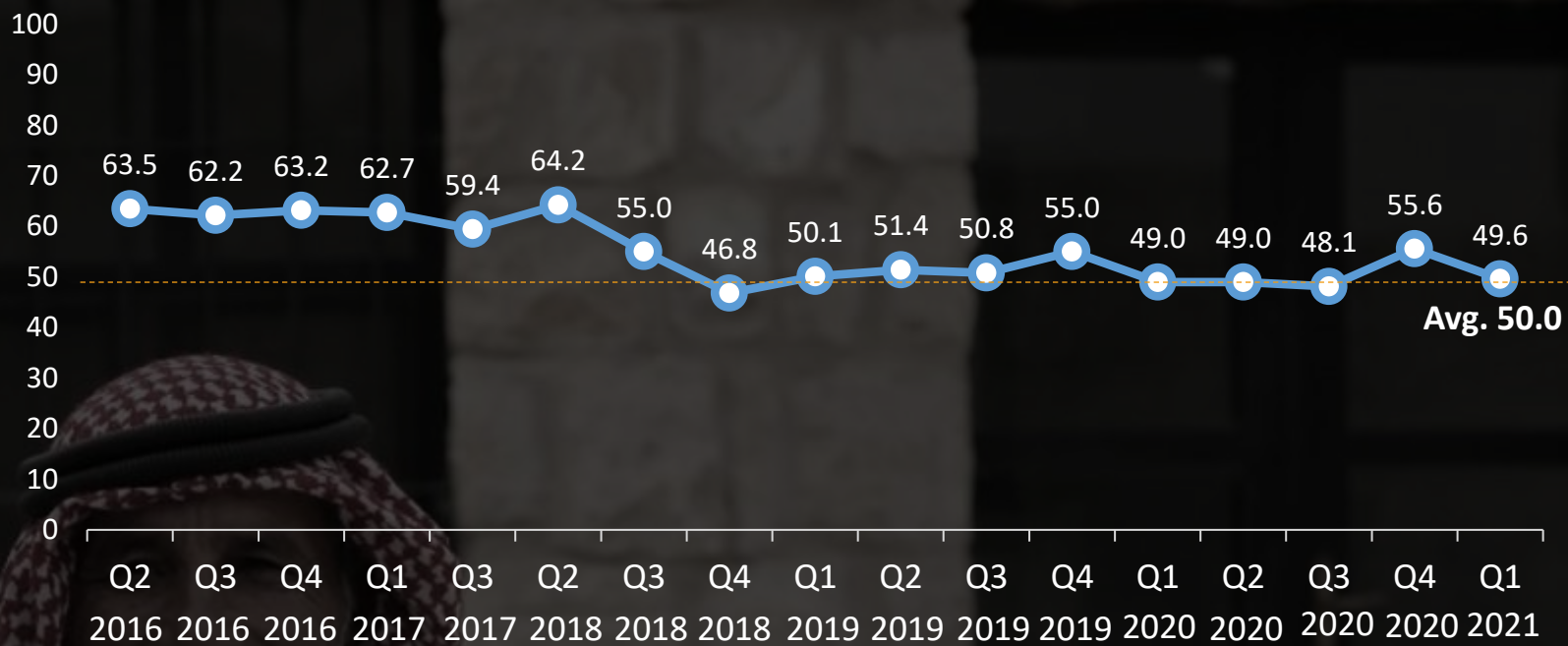


## JCSI Economic Expectations

Jordanians' economic expectation saw yet another significant drop, from 55.6 points to 49.6 points. Jordan's rank is low in comparison to other countries.

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?

1. 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?
2. 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?

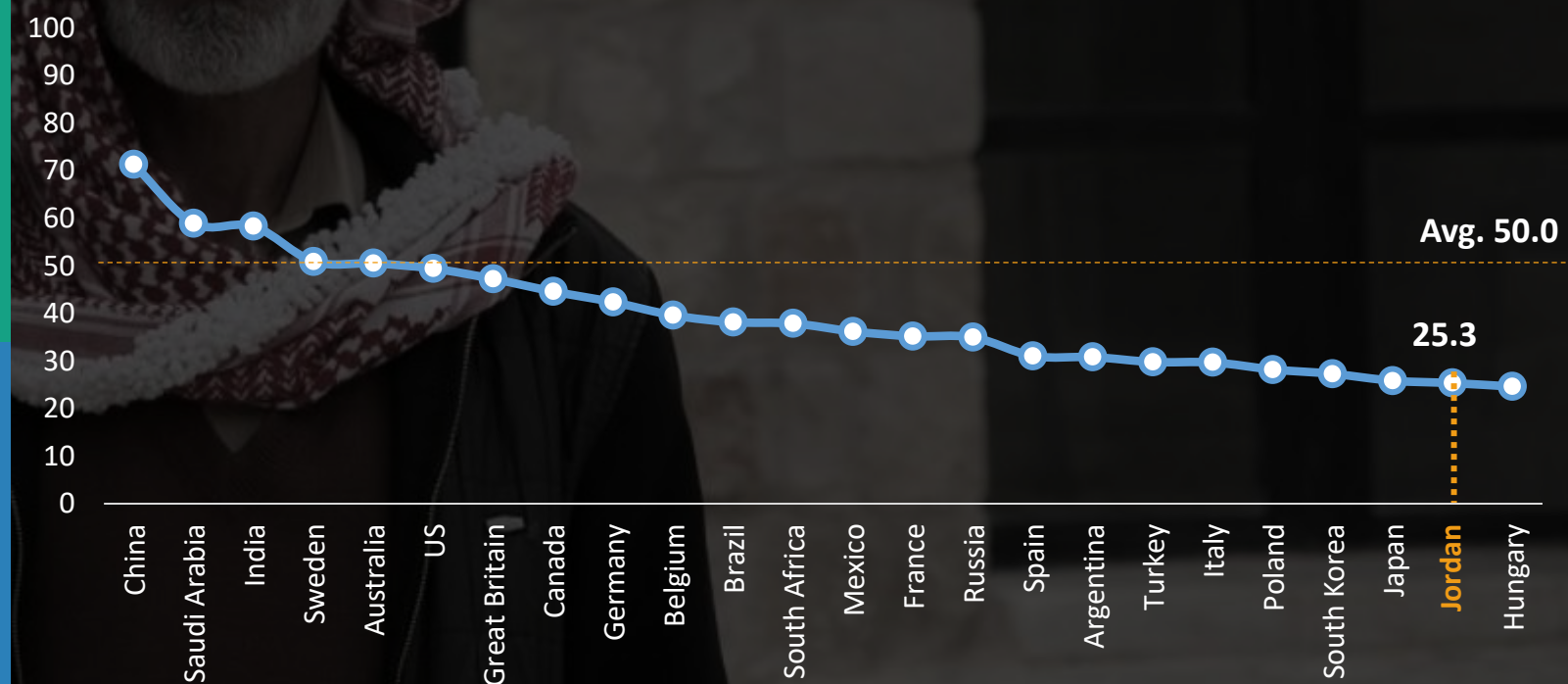
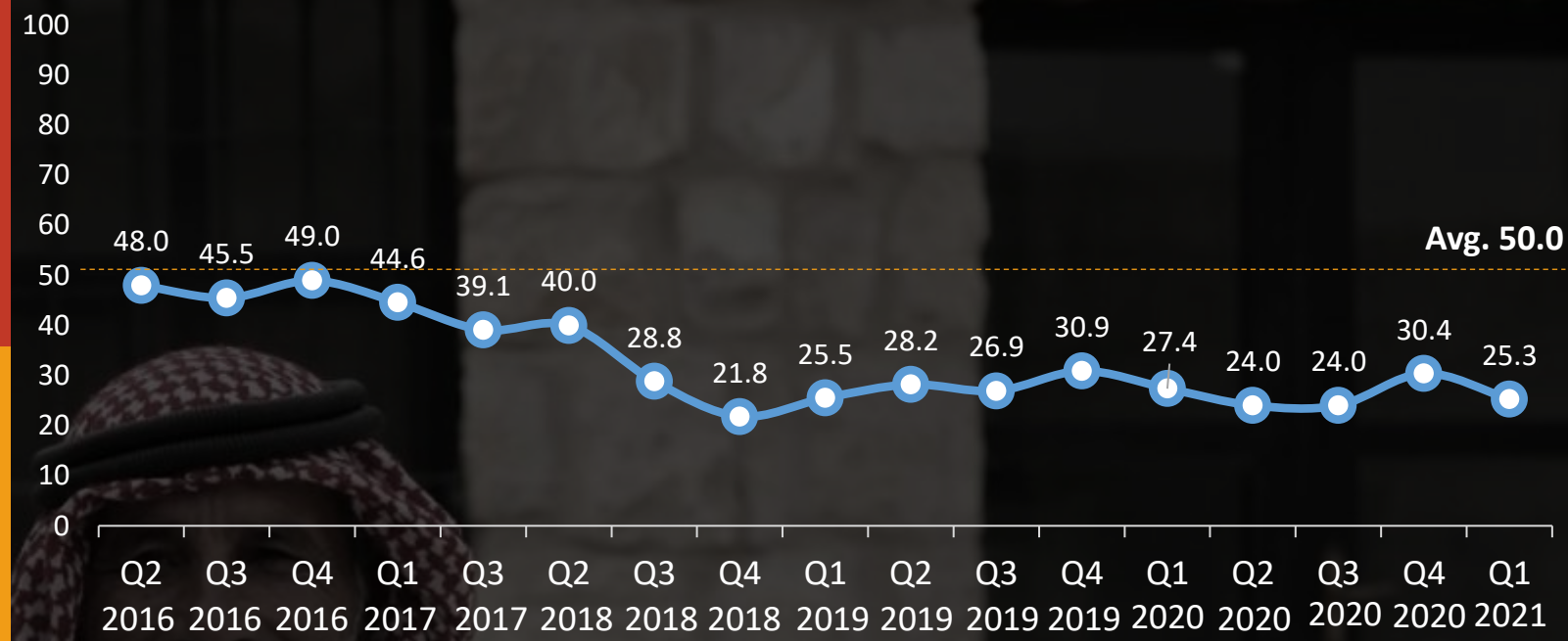




## JCSI Investment Climate

Jordanians' perspectives on the investment climate is less optimistic than last quarter, with an almost 5-point drop since December.

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.
5. 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?





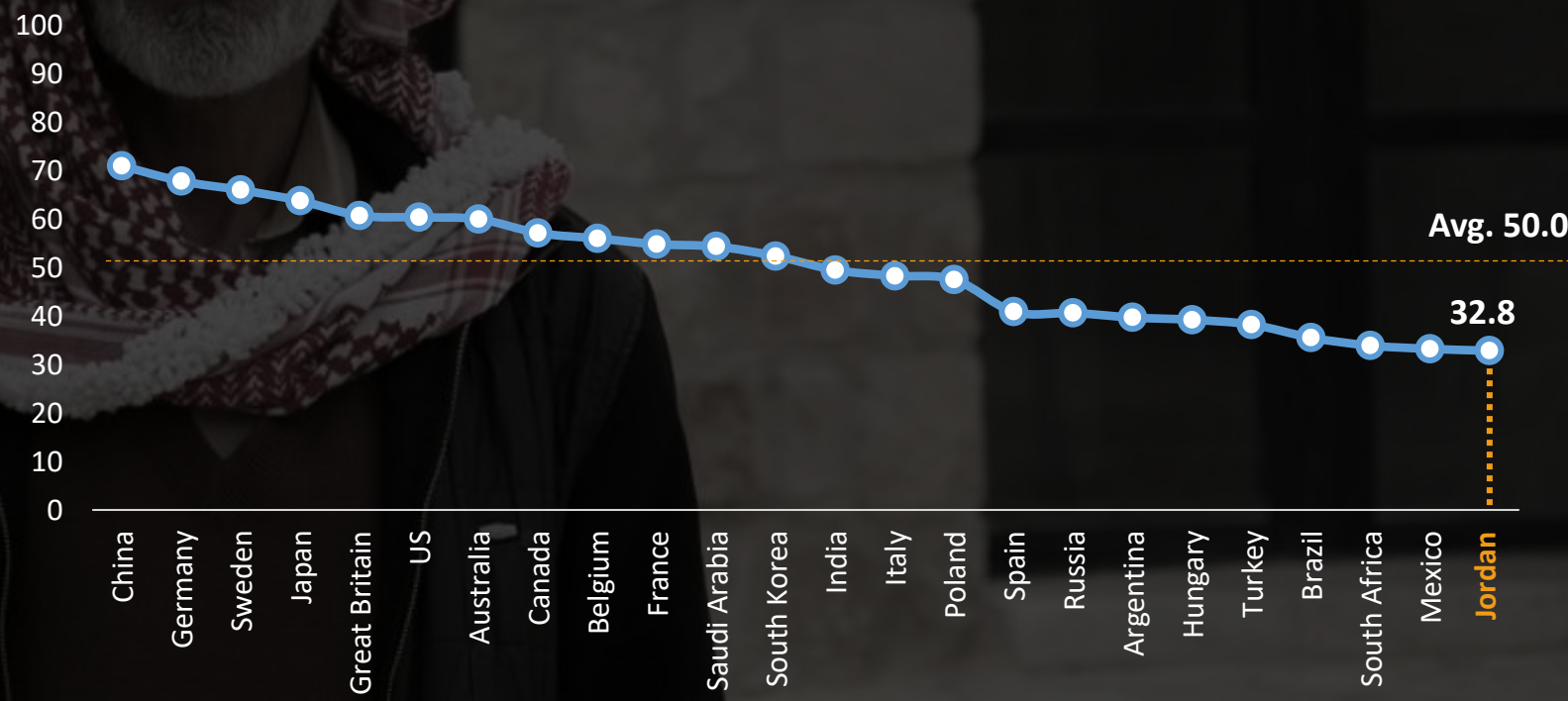
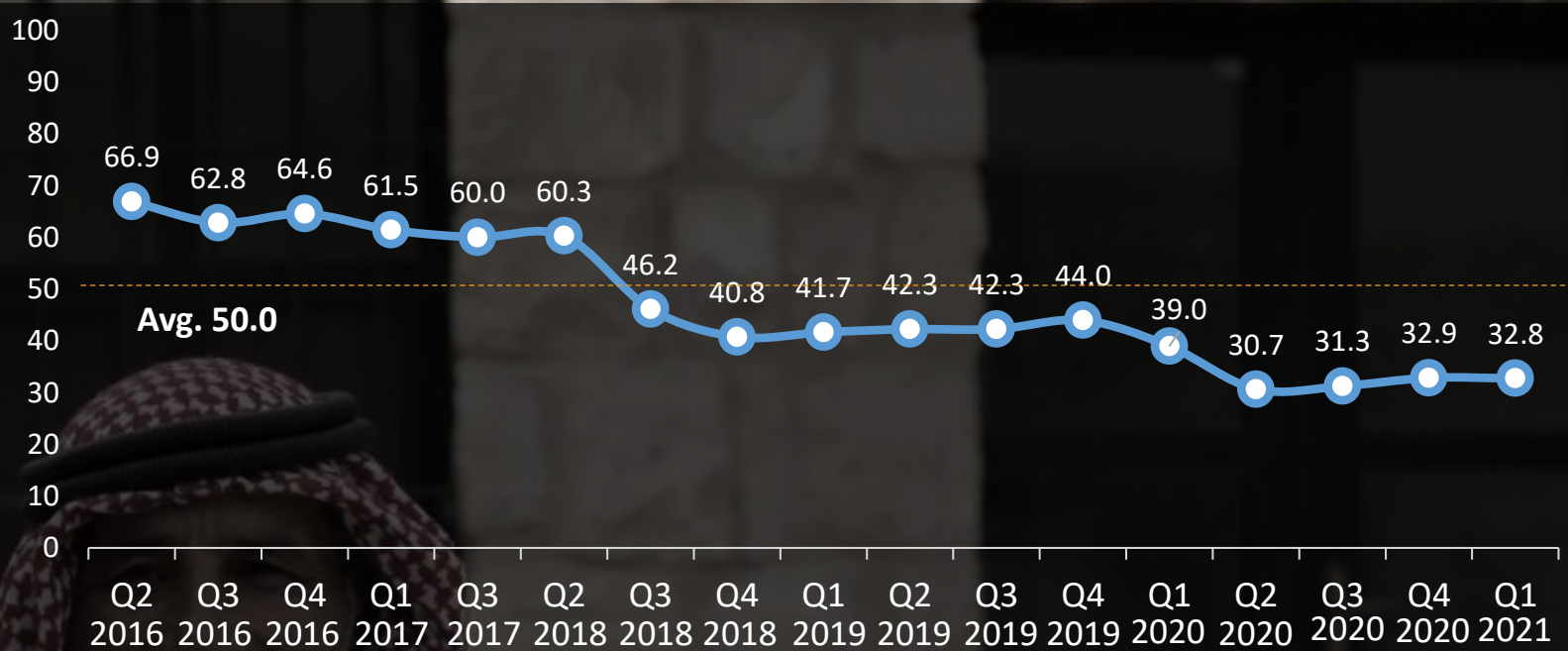


## JCSI Employment Confidence

The employment index did not see any major changes this quarter, where Jordan ranks the lowest among all countries when it comes to employment confidence.

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?

1. 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?
2. 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





## JCSI 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 is 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

At Ipsos we are passionately curious about people, markets, brands and society. We make our changing world easier and faster to navigate and inspire clients to make smarter decisions. We deliver with security, simplicity, speed and substance.

### We are Game Changers

For more information, please contact:

Saif Nimry

Managing Director of Jordan and Iraq

[Saif.Nimry@ipsos.com](mailto:Saif.Nimry@ipsos.com)

Abdelkader Farhat

Accounts Manager – Head of MSU – Ipsos Jordan

[abdelkader.farhat@ipsos.com](mailto:abdelkader.farhat@ipsos.com)

Tala Abughoush

Project Manager– Ipsos Jordan

[tala.abughoush@ipsos.com](mailto:tala.abughoush@ipsos.com)

Rania AlOmari

Research Analyst – Ipsos Jordan

[rania.alomari@ipsos.com](mailto:rania.alomari@ipsos.com)