

Jordan Consumer Sentiment Index (Q2)

Jordan
August, 2021

Data Collected in June 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



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

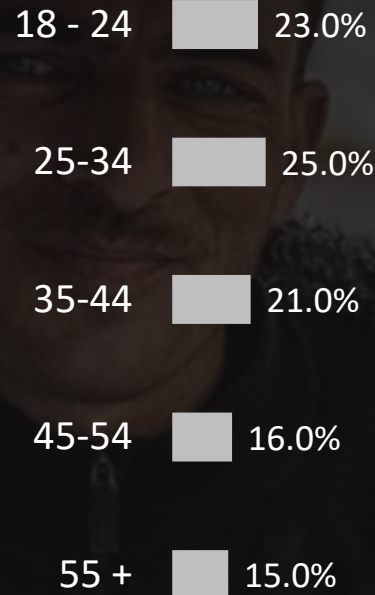


51.0%
Males

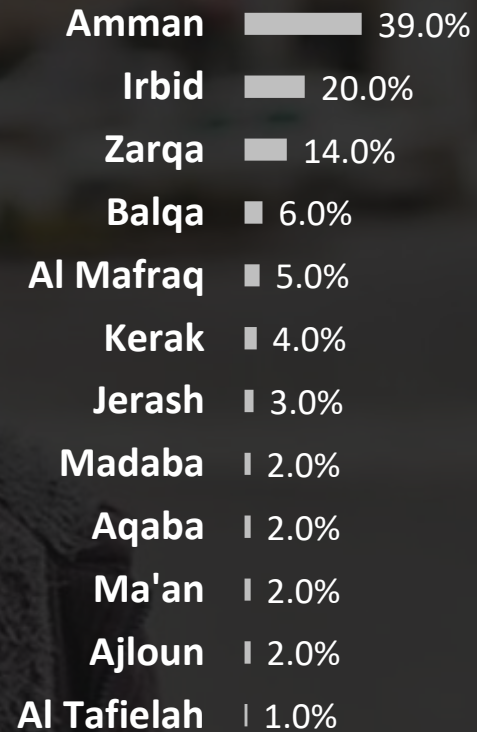


49.0%
Females

Age



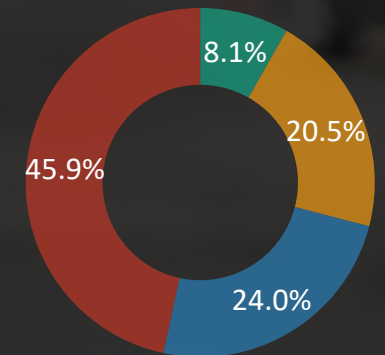
Regions



Socioeconomic

Class*

■ A ■ B ■ C ■ DE



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

Jordan Consumer Sentiment Index

Q2, 2021 Summary

Ipsos' Jordanian Consumer Sentiment Index Approaches Its Highest Level Since The Beginning Of The Pandemic.

As COVID cases dropped in the second quarter of the year, Ipsos' Jordanian consumers' sentiment index increased by 4.5 points, approaching its highest level since the beginning of the pandemic. The uptake in the consumer sentiment index has been driven by increased positivity across its 4 sub-indices, namely the personal financial situation, economic expectations, investment climate, and employment confidence.

These subsiding negative sentiments towards a better financial situation have been in part driven by the governmental plan to reopen the closed sectors, dubbed "safe summer", that aimed to push for economic recovery during the decline of COVID cases in the second quarter of the year across the Kingdom. In fact, around 3 in 5 Jordanians have fully approved of the government's direction, claiming it was moving in the right direction with its plan to lift restrictions in the summer. As the government's plan has allowed people to move around more freely, businesses were able to open up and benefit from the strong tailwinds of increased consumer spending. This accommodated for an almost 6% rise in consumers' positivity towards the current state of the economy.

Positive sentiments have also been mirrored globally, particularly due to vaccine rollouts and governmental plans for economic recovery. As such, 13 out of 24 countries included in Ipsos' global survey have witnessed increased optimism this quarter. In Jordan specifically, the government has vaccinated around 30% of the population, according to Reuters¹. This showcases that Jordanians are starting to recognize the importance of vaccines and the role vaccination plays in economic recovery.

While Jordanians have become more optimistic about their financial conditions, 60% have still ranked unemployment as their top concern. In fact, in comparison to other indices, the employment confidence index has seen the lowest increase, placing Jordan amongst the bottom four countries when it comes to this index.

However, the current impact of rising covid cases and the threat imposed by the virus are resurfacing, as the spread of the new Delta strain heightens. With around two-thirds of the country remain unvaccinated, the rebound in positive sentiments could thus be reversed in the months ahead. Renewed restrictions along with the closing of some sectors, like travel and tourism, are also possible. With that in mind, the need to monitor the public's sentiment towards the economy and actual economic performance is extremely critical at this stage as governments around the world continue to struggle to strike the right balance.

¹ <https://graphics.reuters.com/world-coronavirus-tracker-and-maps/countries-and-territories/jordan/>

JCSI Q2 Summary

JCSI, Q2 2021

36.2

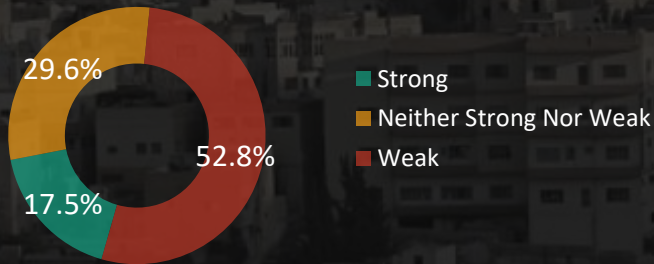


Versus Previous Wave

31.7

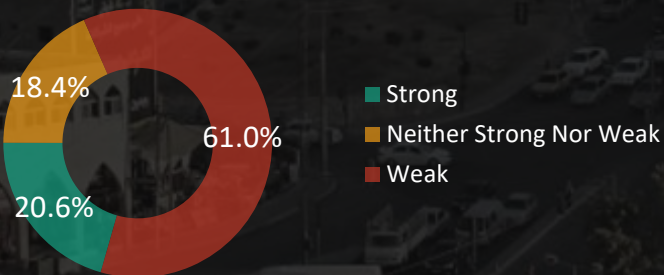
Country Economic Situation

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



60.2%

Unemployment



43.9%

High Cost of Living/Inflation



39.3%

Poverty & Social Inequality



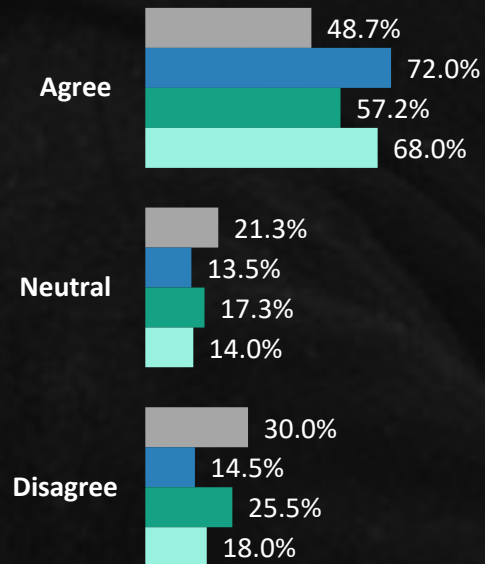
Understanding Jordanians' Perceptions of COVID-19

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?

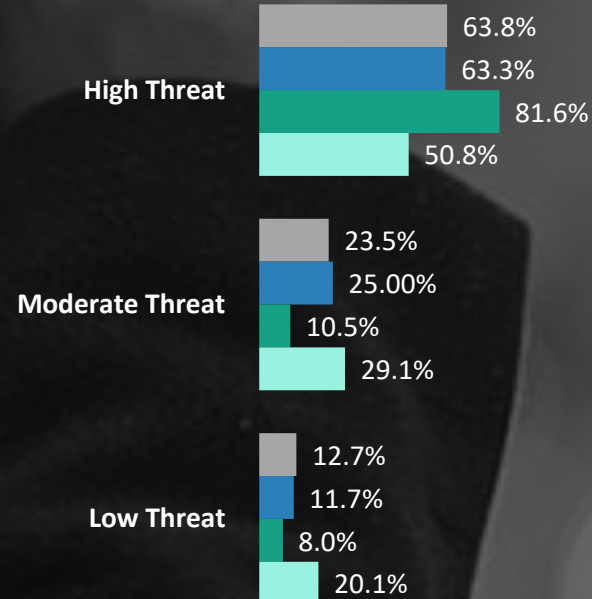
■ Sept (Q3, 2020) ■ Dec (Q4, 2020)
 ■ Mar (Q1,2021) ■ June (Q2, 2021)



Level Of Threat On Jordan

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

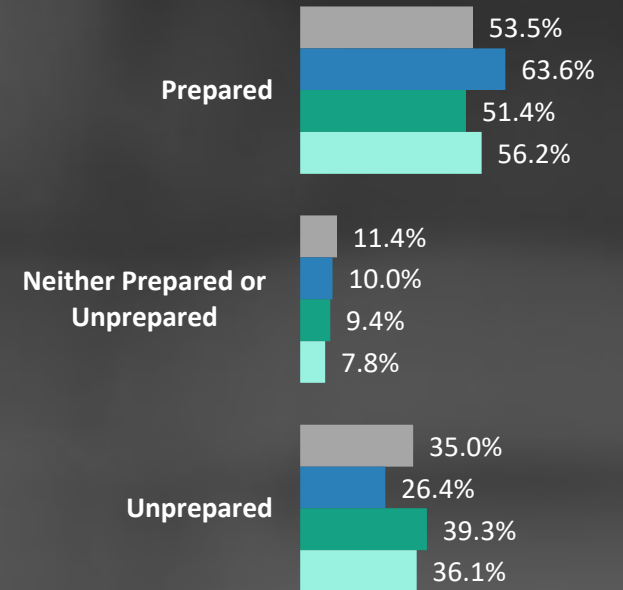
■ Sept (Q3, 2020) ■ Dec (Q4, 2020)
 ■ Mar (Q1,2021) ■ June (Q2, 2021)



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?

■ Sept (Q3, 2020) ■ Dec (Q4, 2020)
 ■ Mar (Q1,2021) ■ June (Q2, 2021)

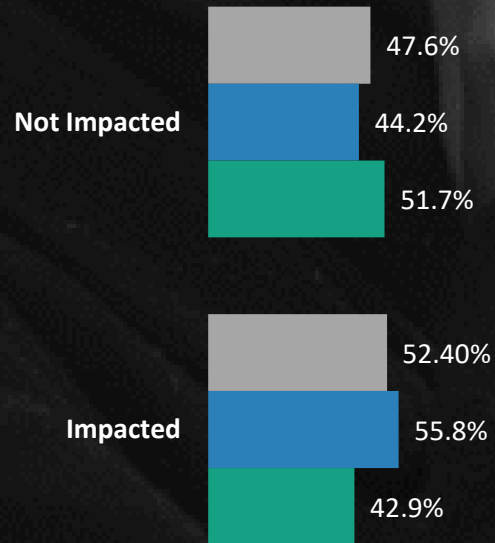


Impact of COVID-19 on Employment

Out of Those Employed

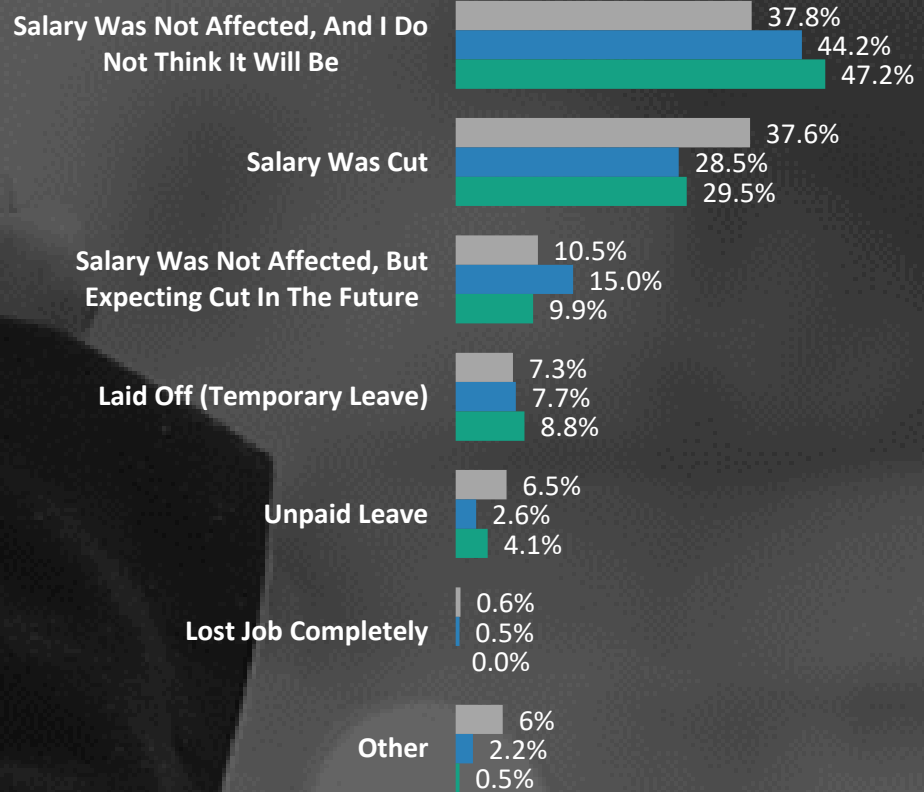
% of Those whose Employment was Impacted following the Pandemic

■ Dec (Q4, 2020) ■ Mar (Q1,2021) ■ June (Q2, 2021)



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

■ Dec (Q4, 2020) ■ Mar (Q1,2021) ■ June (Q2, 2021)

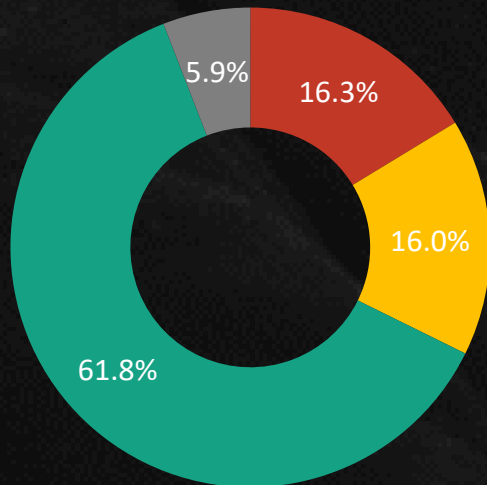


Perceptions Towards the Government's Summer Plan and Way Forward

In May, the government announced a set of measures that would be taken during the summer of 2021, where restrictions are eased, and curfew hours are lowered. The government has proposed a 3-phase approach, the first to take place on the 1st of June, the second on July 1st and the third on September 1st.

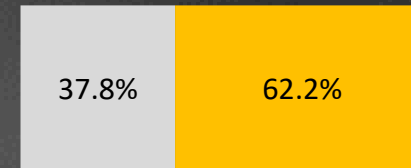
Q. To what extent do you think that the government is moving in the right direction with the plan to lift restrictions in the summer?

- Disagree
- Neither Agree nor Disagree
- Agree
- I'm unaware of the government's plan to lift restrictions



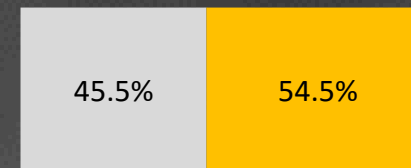
Q. Do you think that..

There will be another wave of COVID-19 in Jordan regardless of the vaccination effort.



There won't be another wave of COVID-19 in Jordan because of the vaccination effort.

I am concerned with the number of daily COVID cases in Jordan.



I don't stay up to date about the number of COVID Daily cases in Jordan.

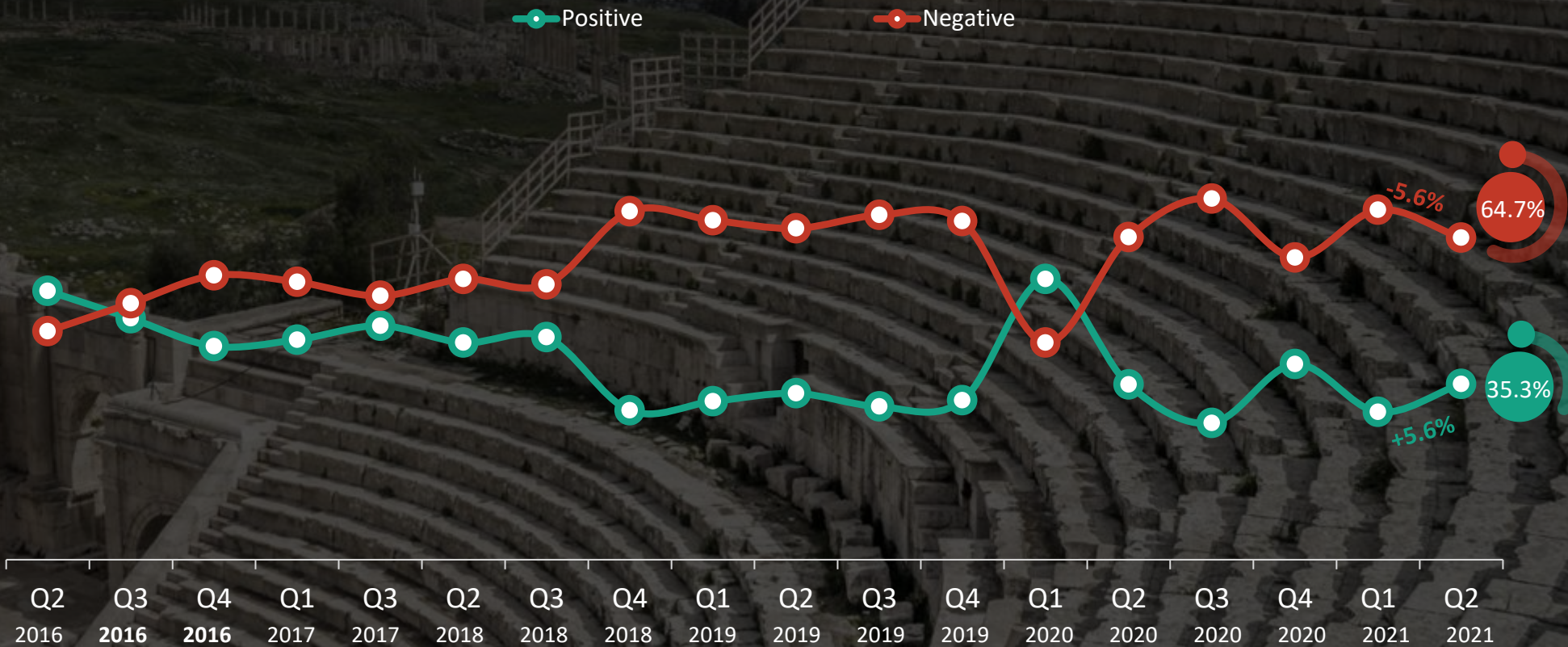
Country's General Situation



Current Economic Situation

Trending

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

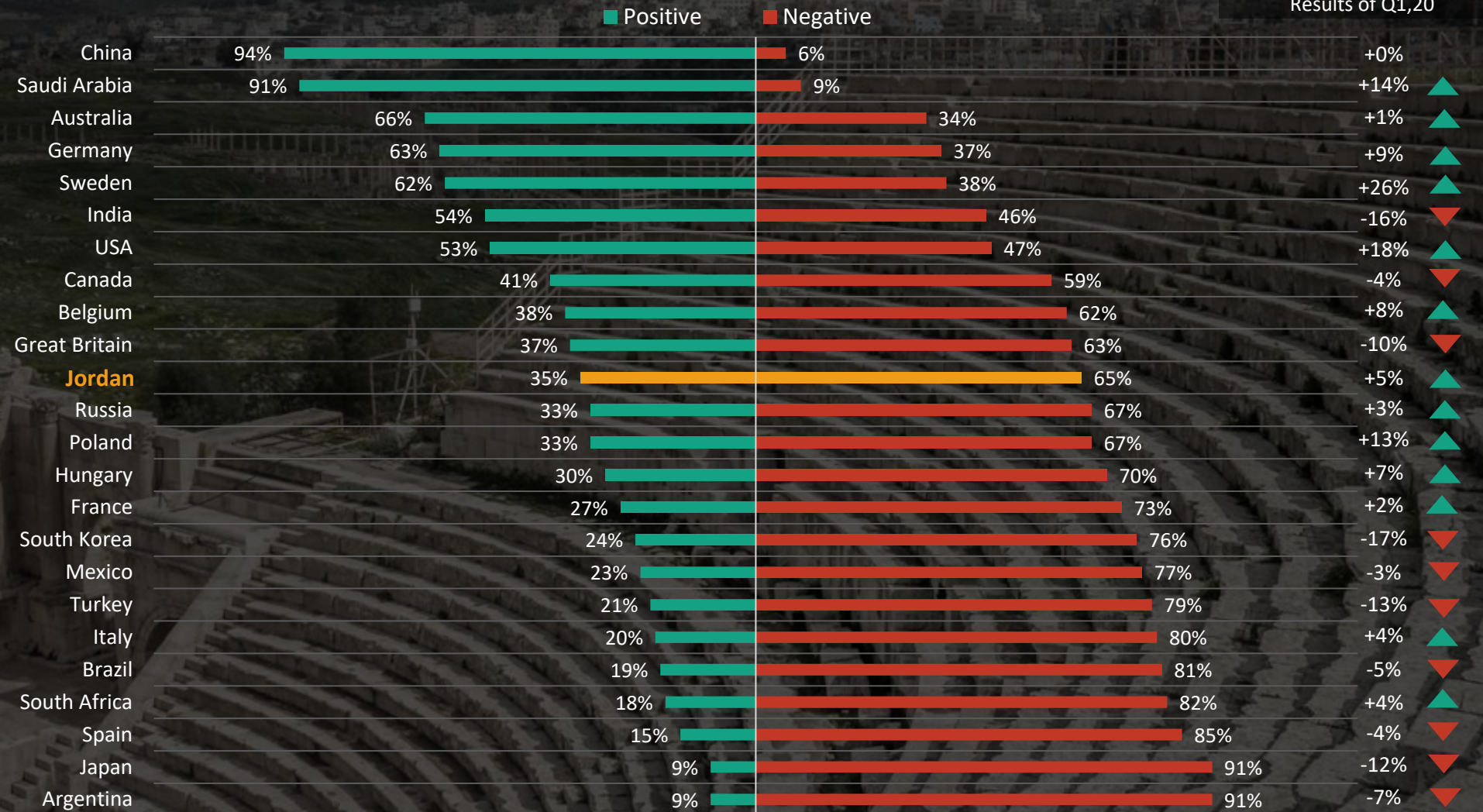


Current Economic Situation

Global Comparison

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

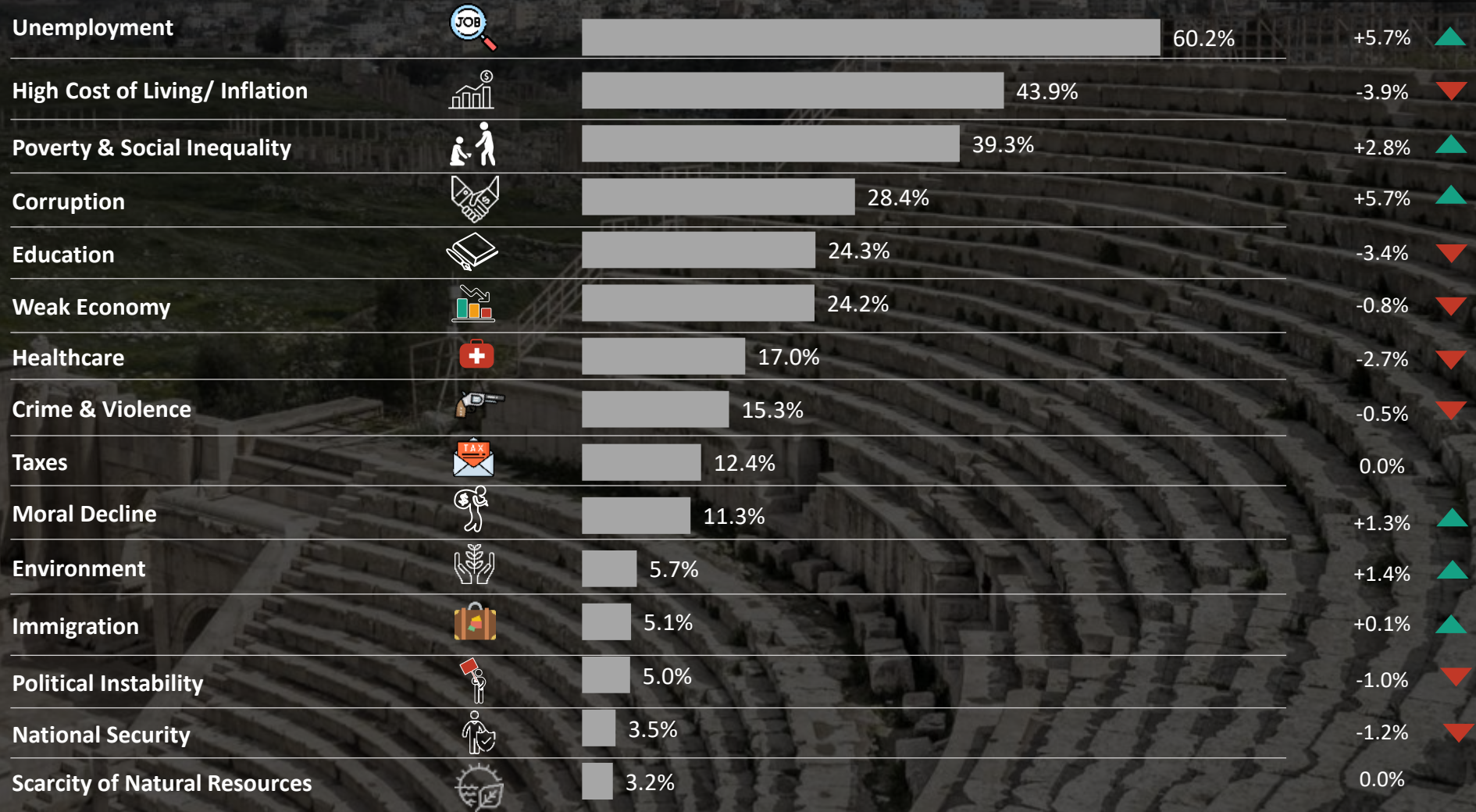
Compared to the Positive Results of Q1,20



Jordanians' Top Concerns

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

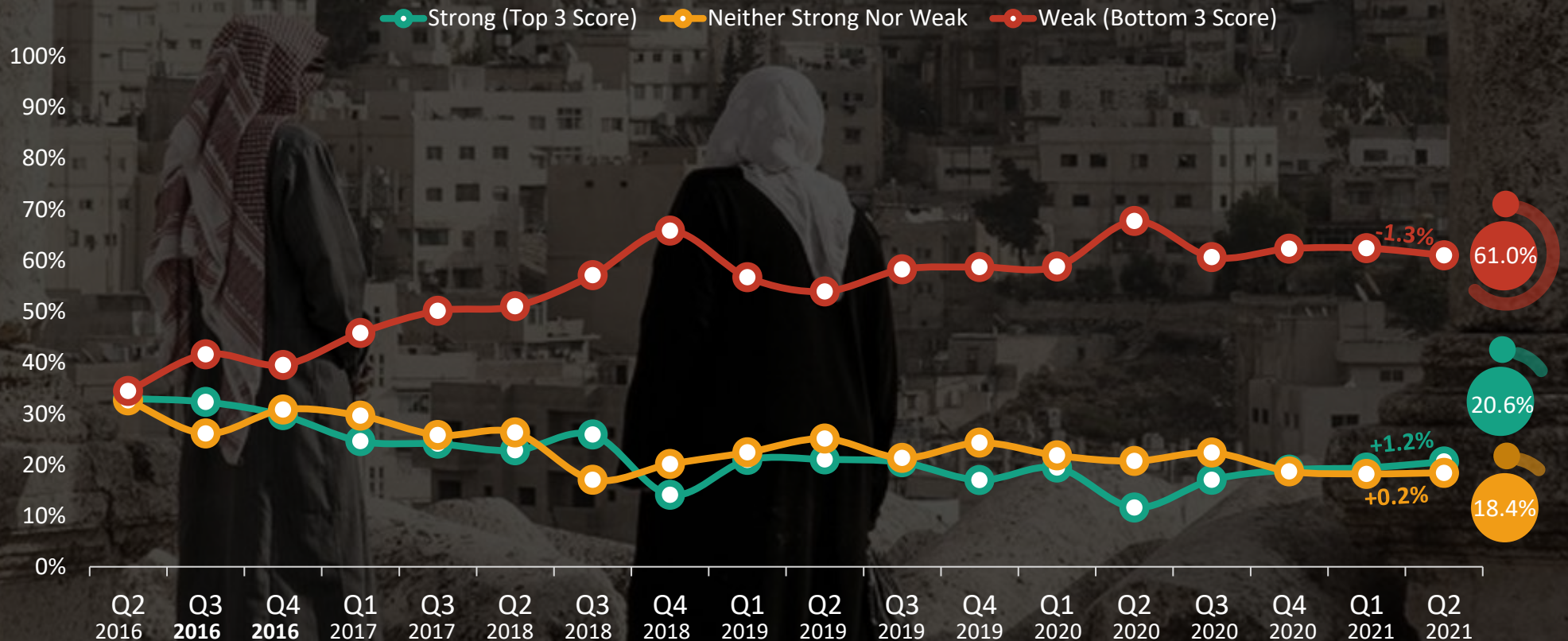
Compared to Q1,20



Personal Financial Situation

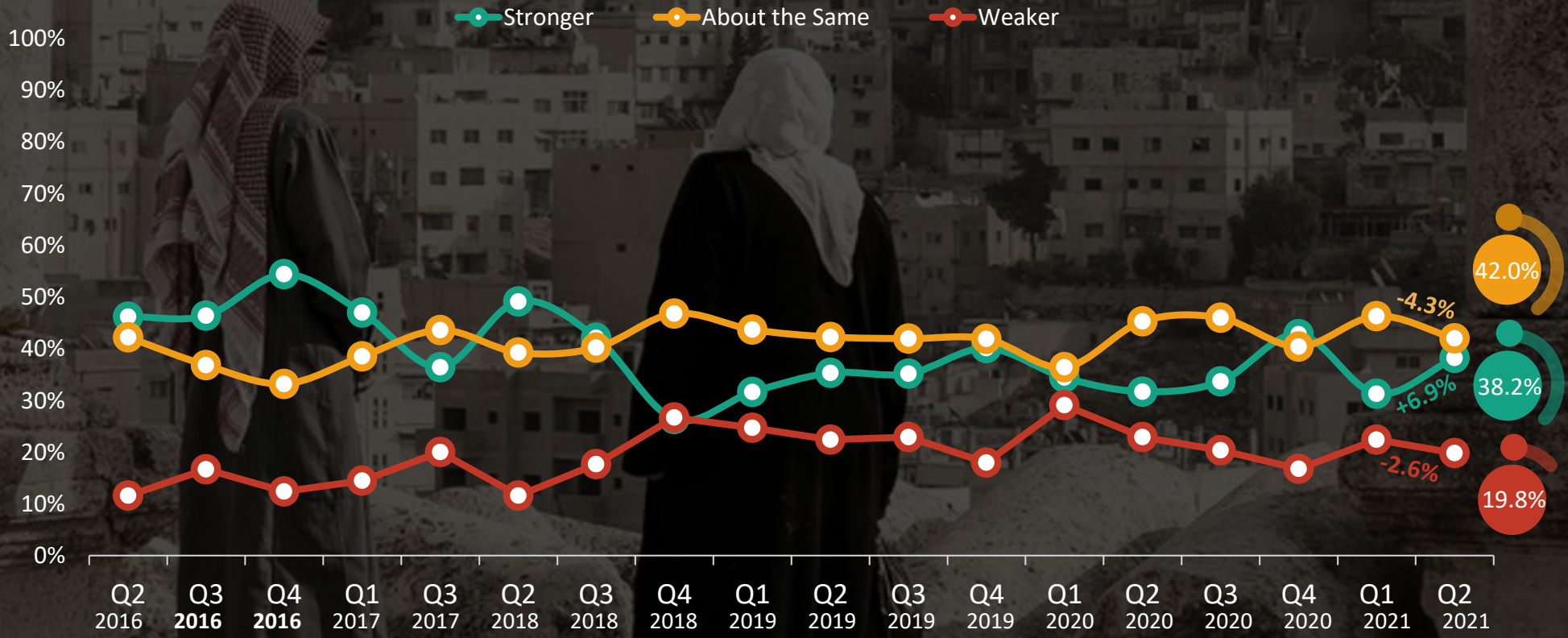
Current Personal Financial Situation

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

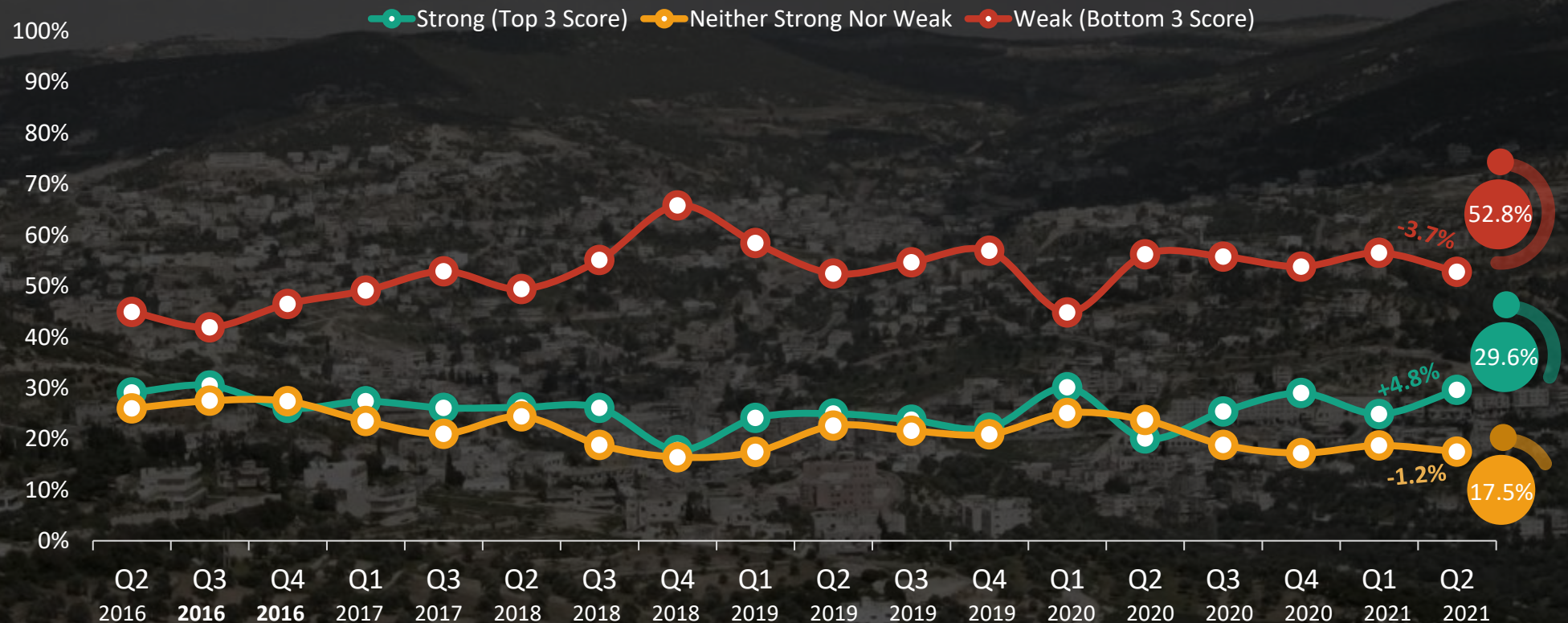
Q. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?



Jordan's Economic Situation

Current State of the Economy

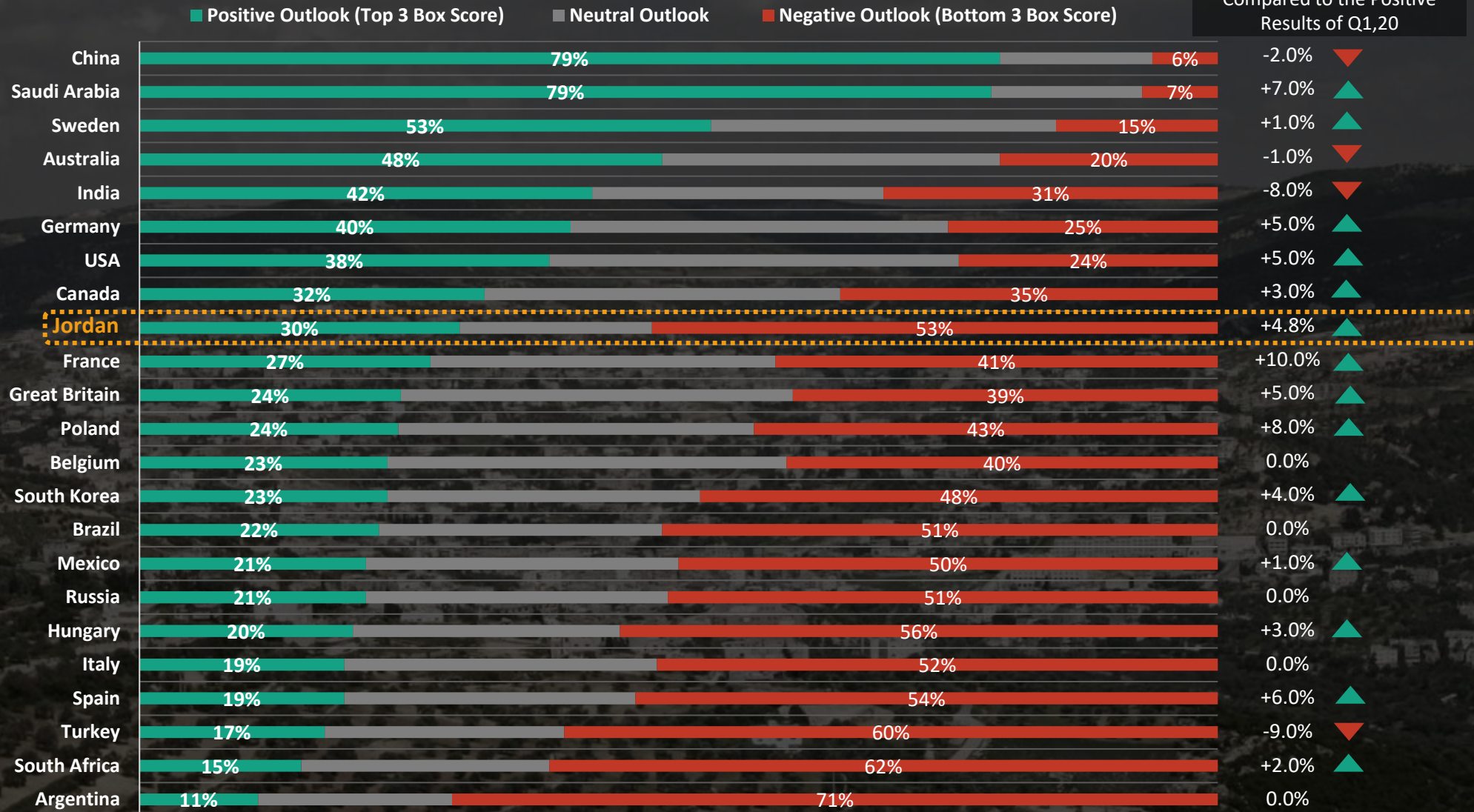
Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.



Current State of the Economy

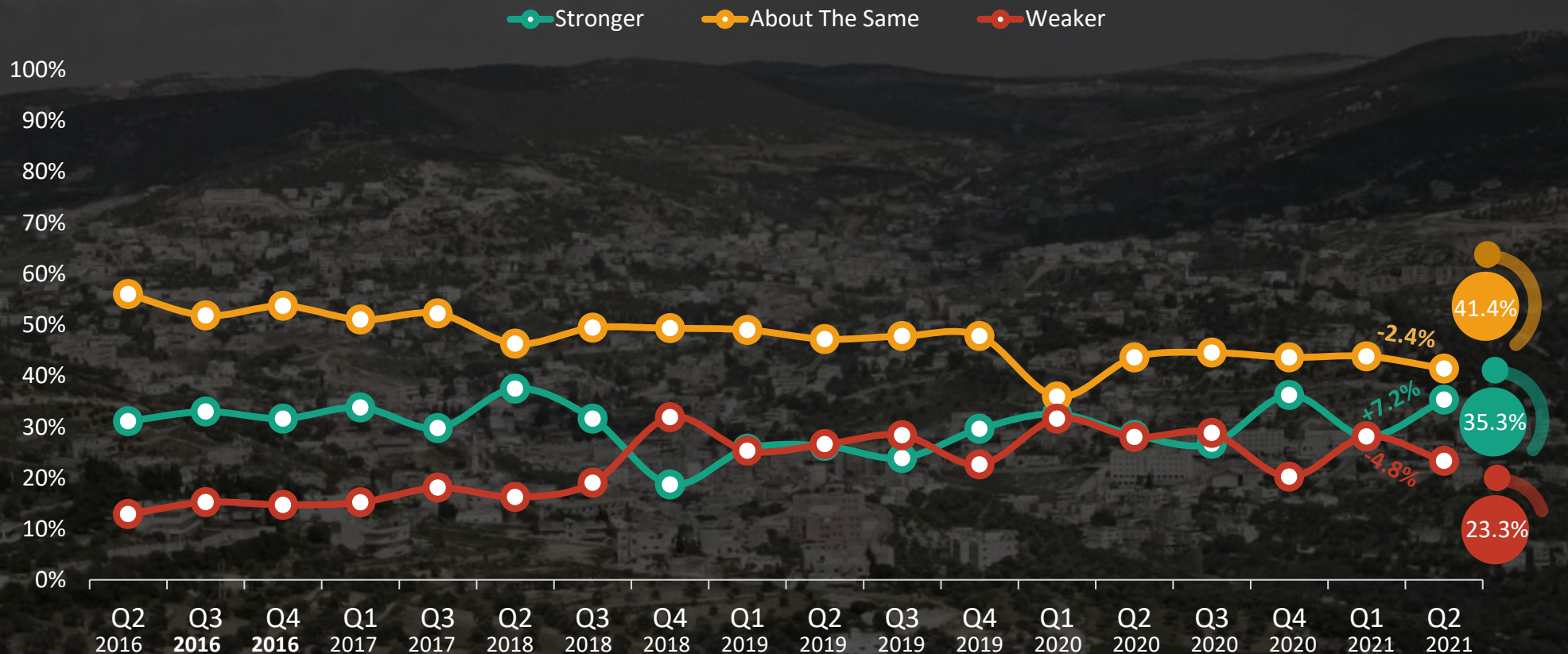
Global Comparison

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?

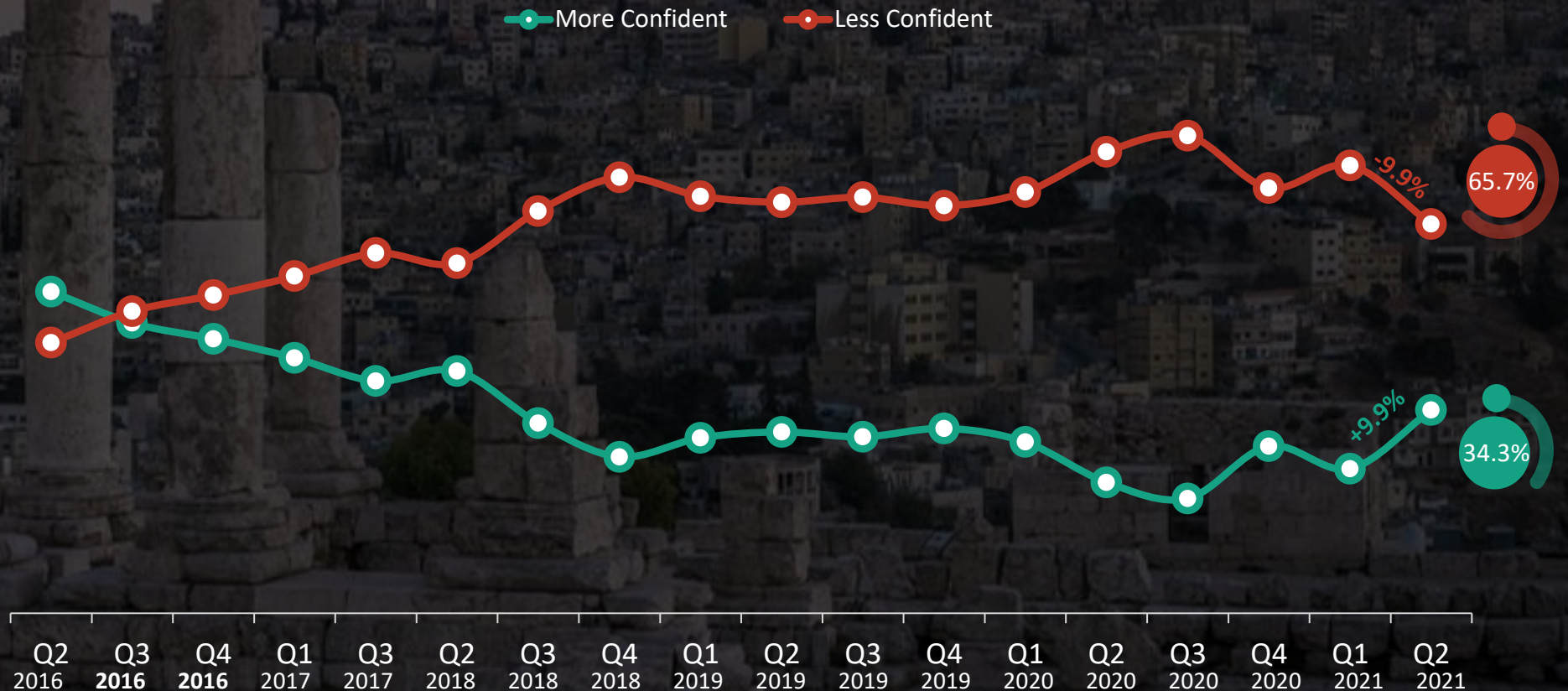


Employment



Job Security

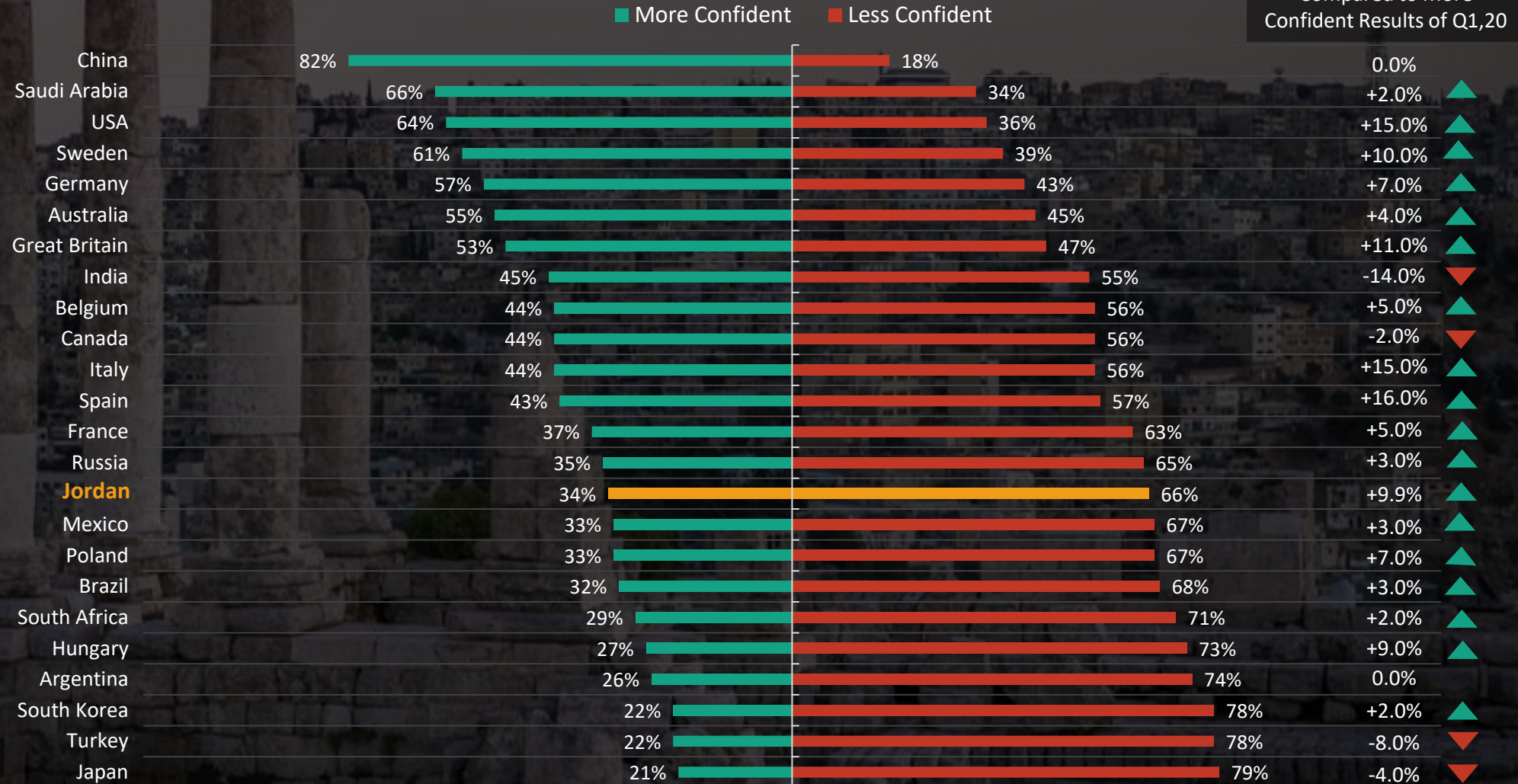
Q. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?



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?



Compared to More Confident Results of Q1,20

More Confident Less Confident

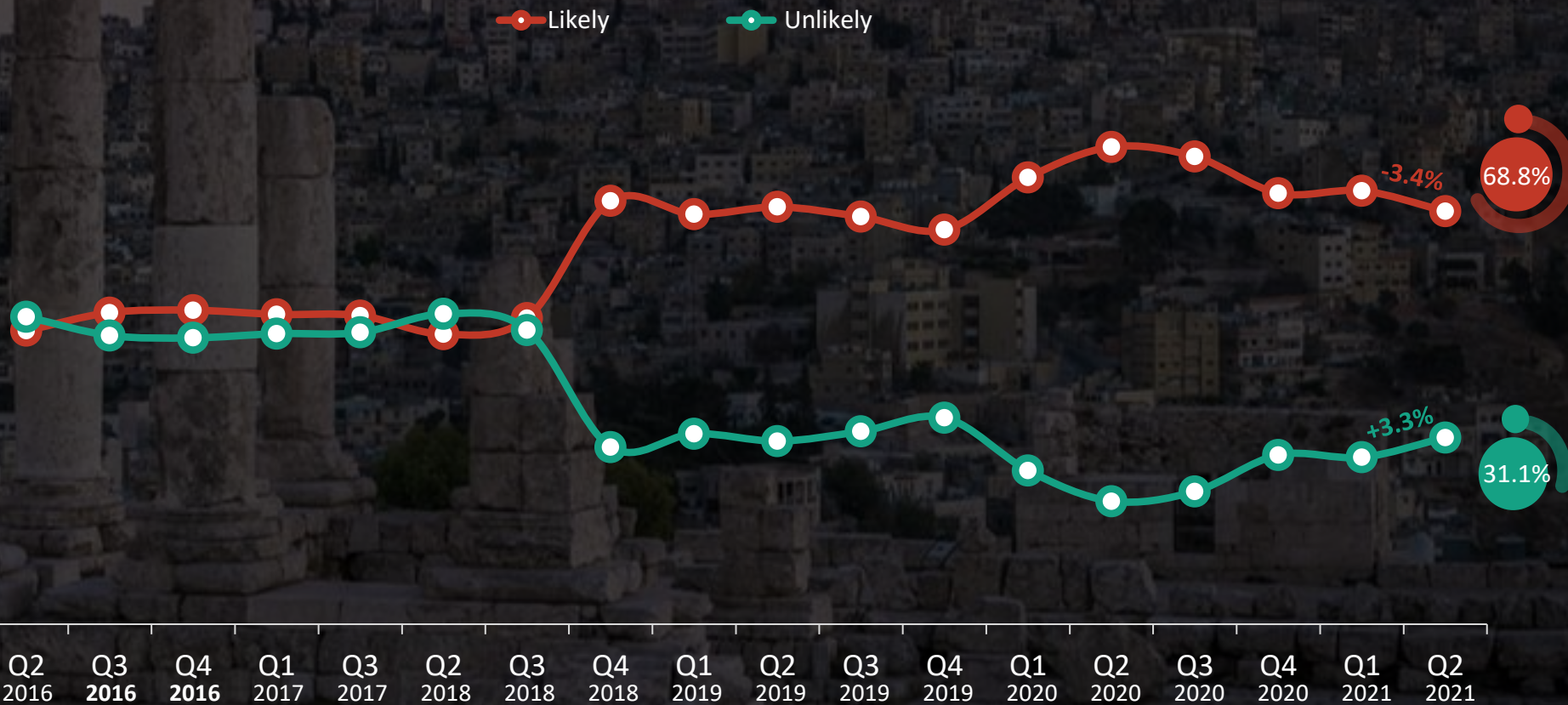
Job Losses in the Past Six Months

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?

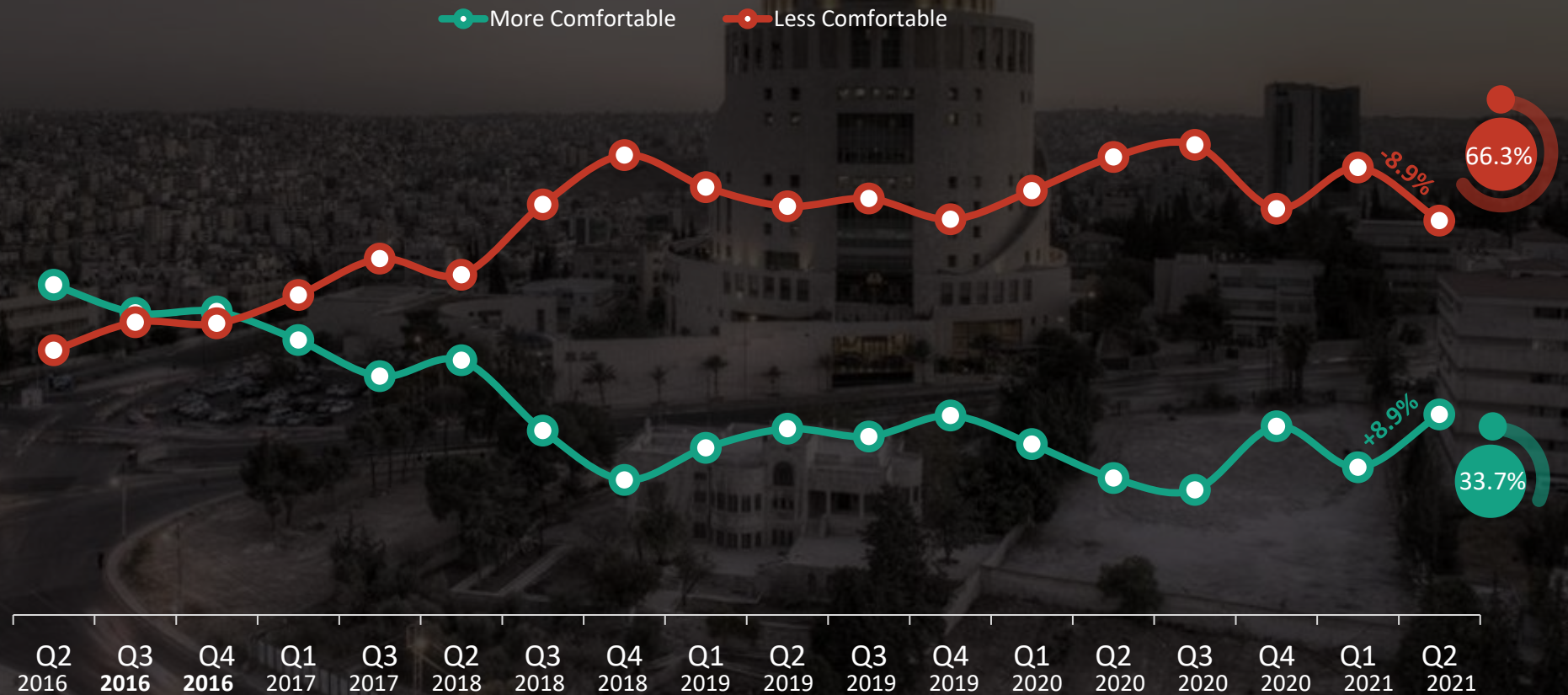


Investment Climate



Ability to Invest in The Future

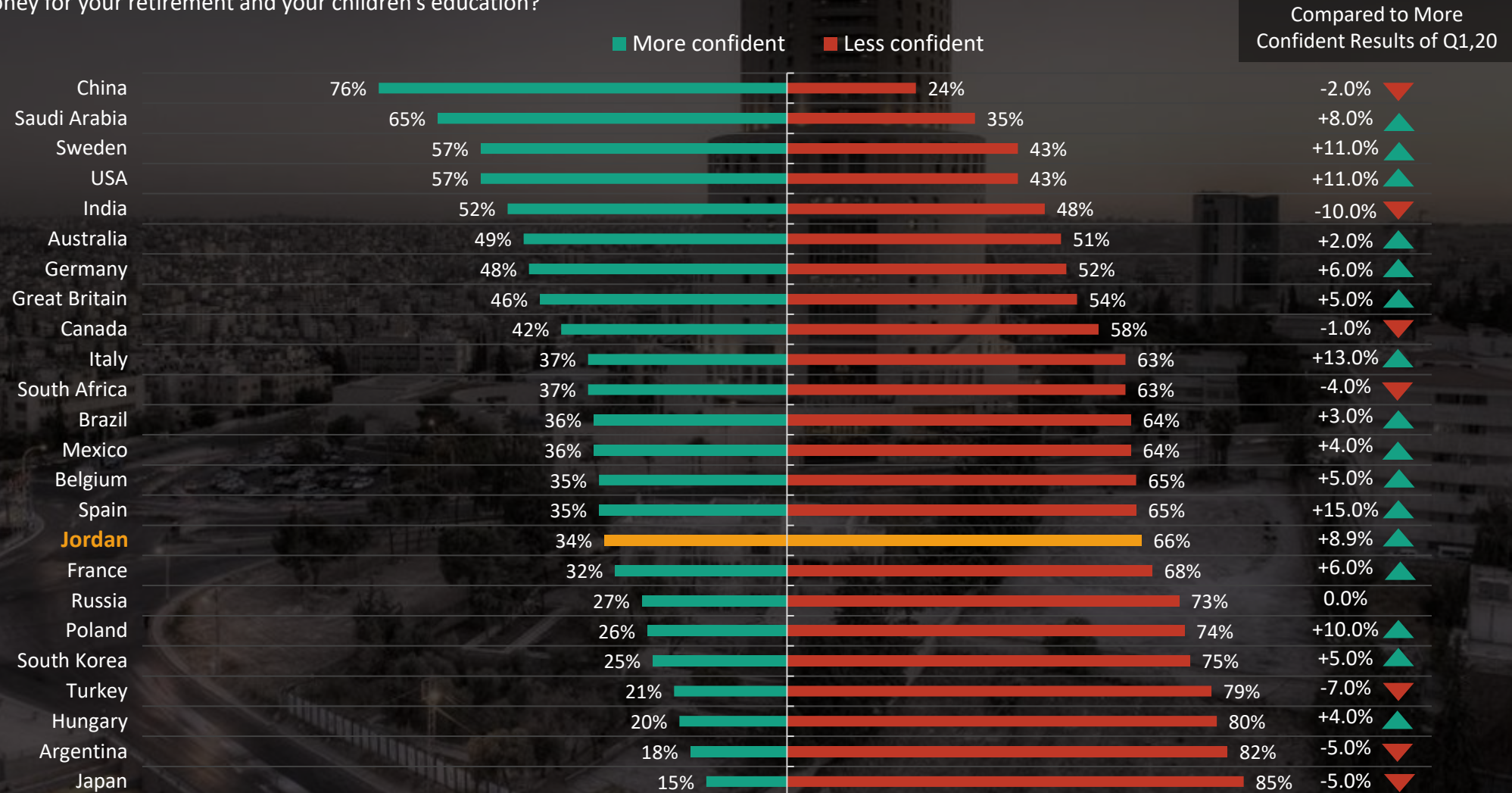
Q. Compared to 6 months ago, are you NOW more or less comfortable about your ability to invest in the future, including your ability to save money for your retirement and your children's education?



Ability to Invest in The Future

Global Comparison

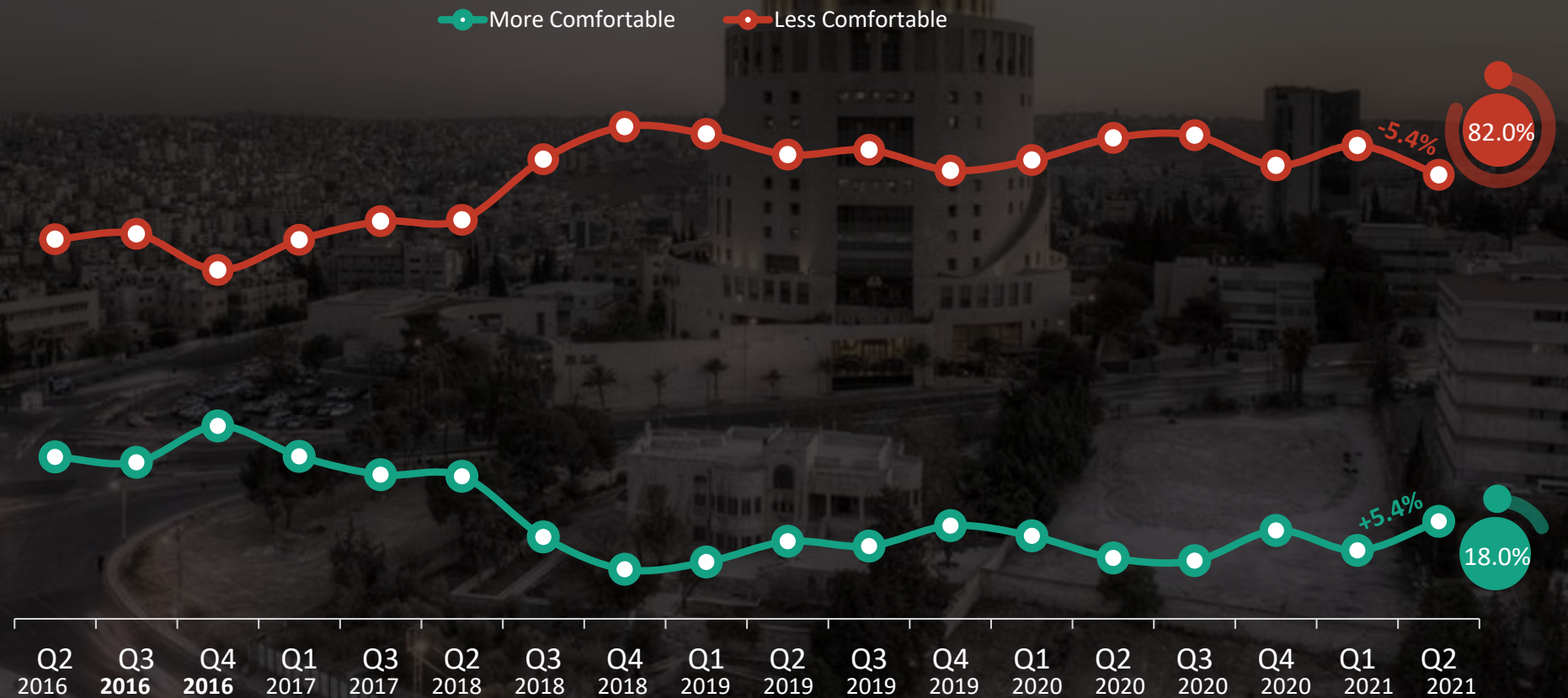
Q. Compared to 6 months ago, are you NOW more or less comfortable about your ability to invest in the future, including your ability to save money for your retirement and your children's education?



Compared to More Confident Results of Q1,20

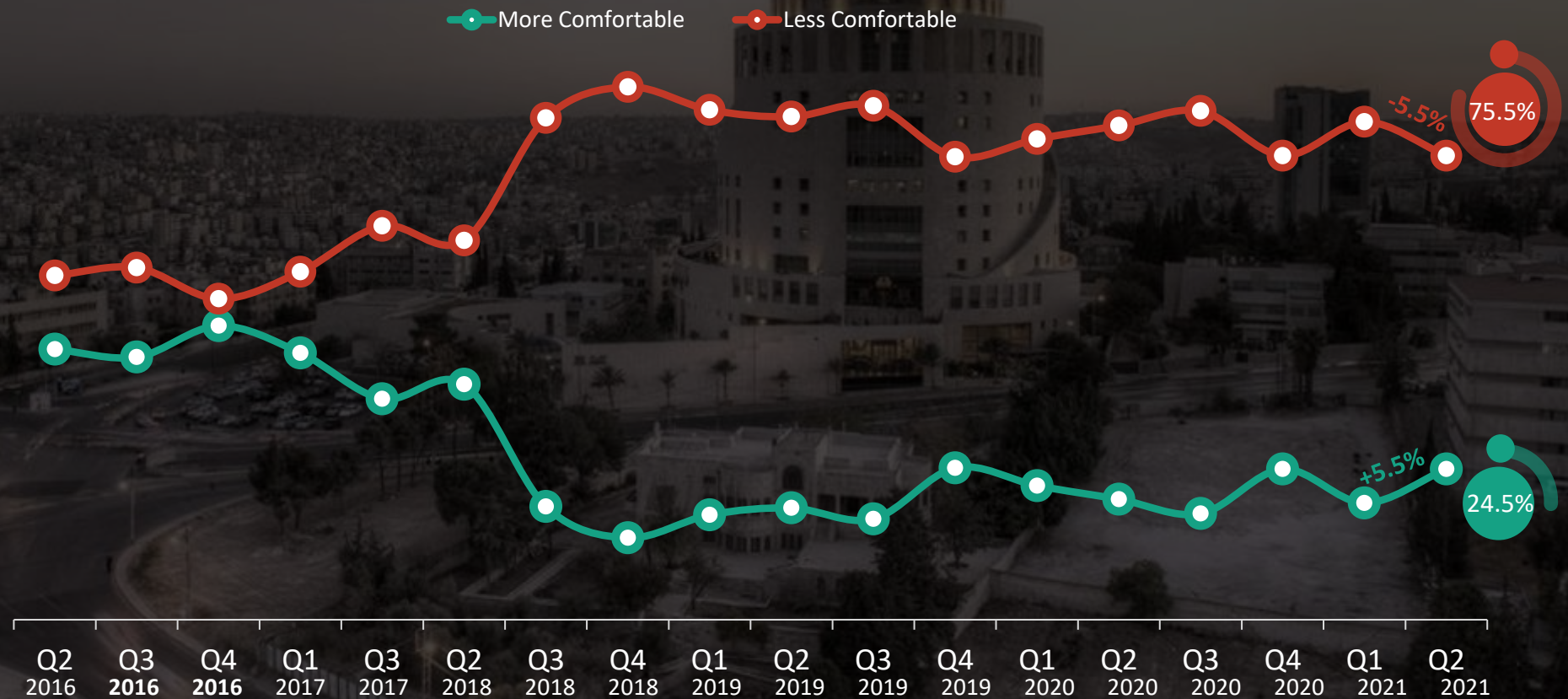
Ability to Make a Major Purchase

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

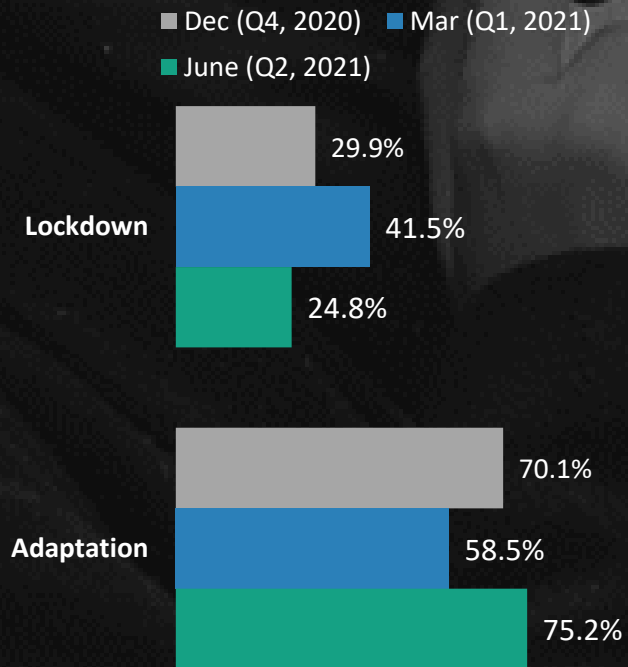
Q. Compared to 6 months ago, are you now more or less comfortable making other household purchases?



Dealing With The COVID-19 Pandemic

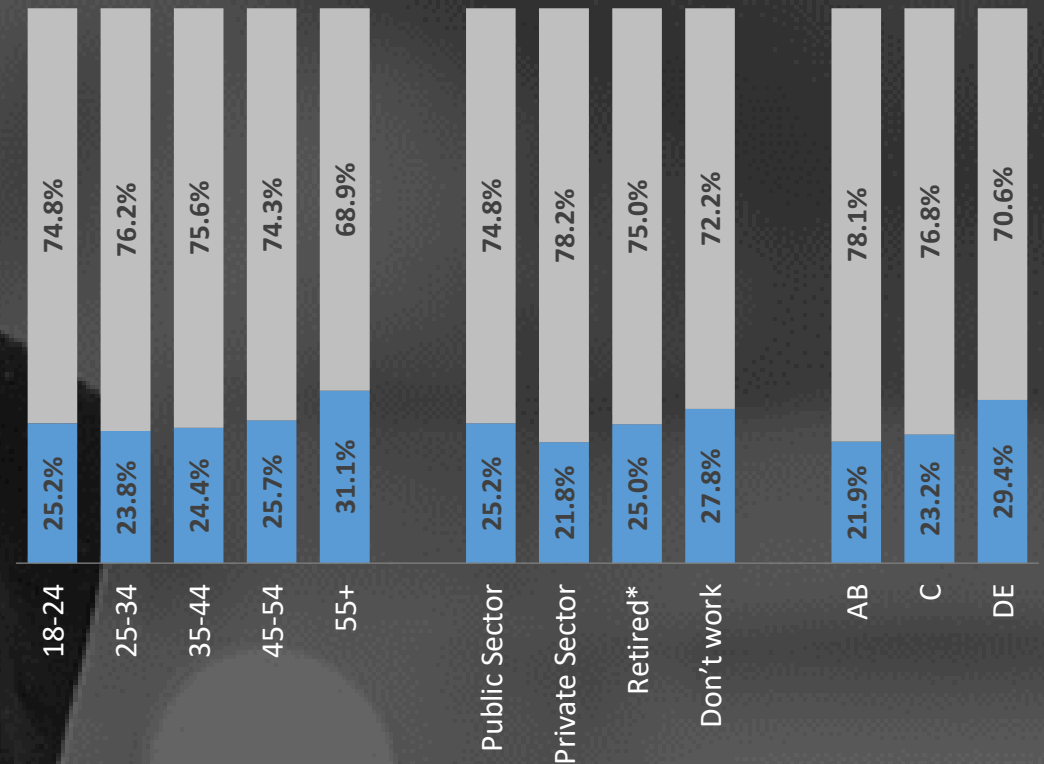
Dealing With The Surge In COVID-19 Cases

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



By Demographics

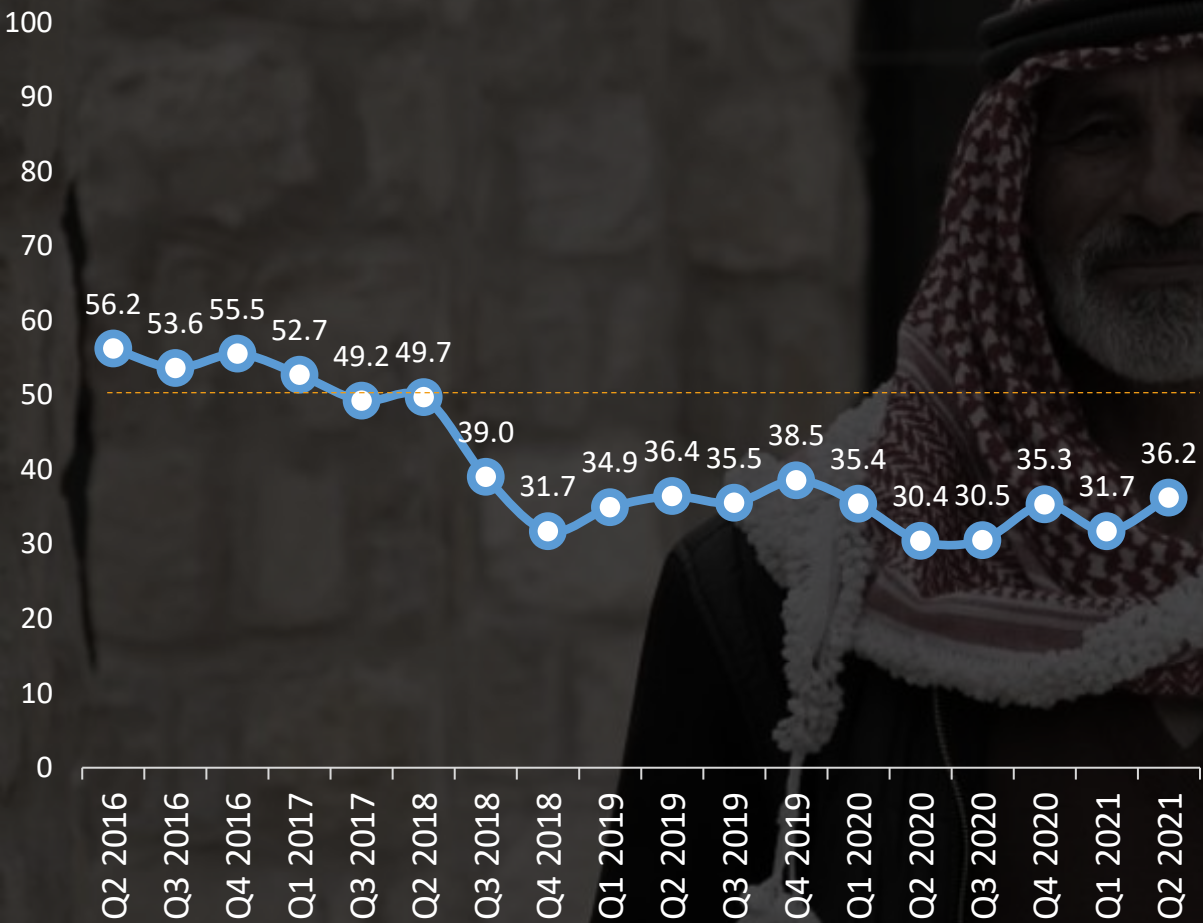
■ Lockdown ■ Adaptation



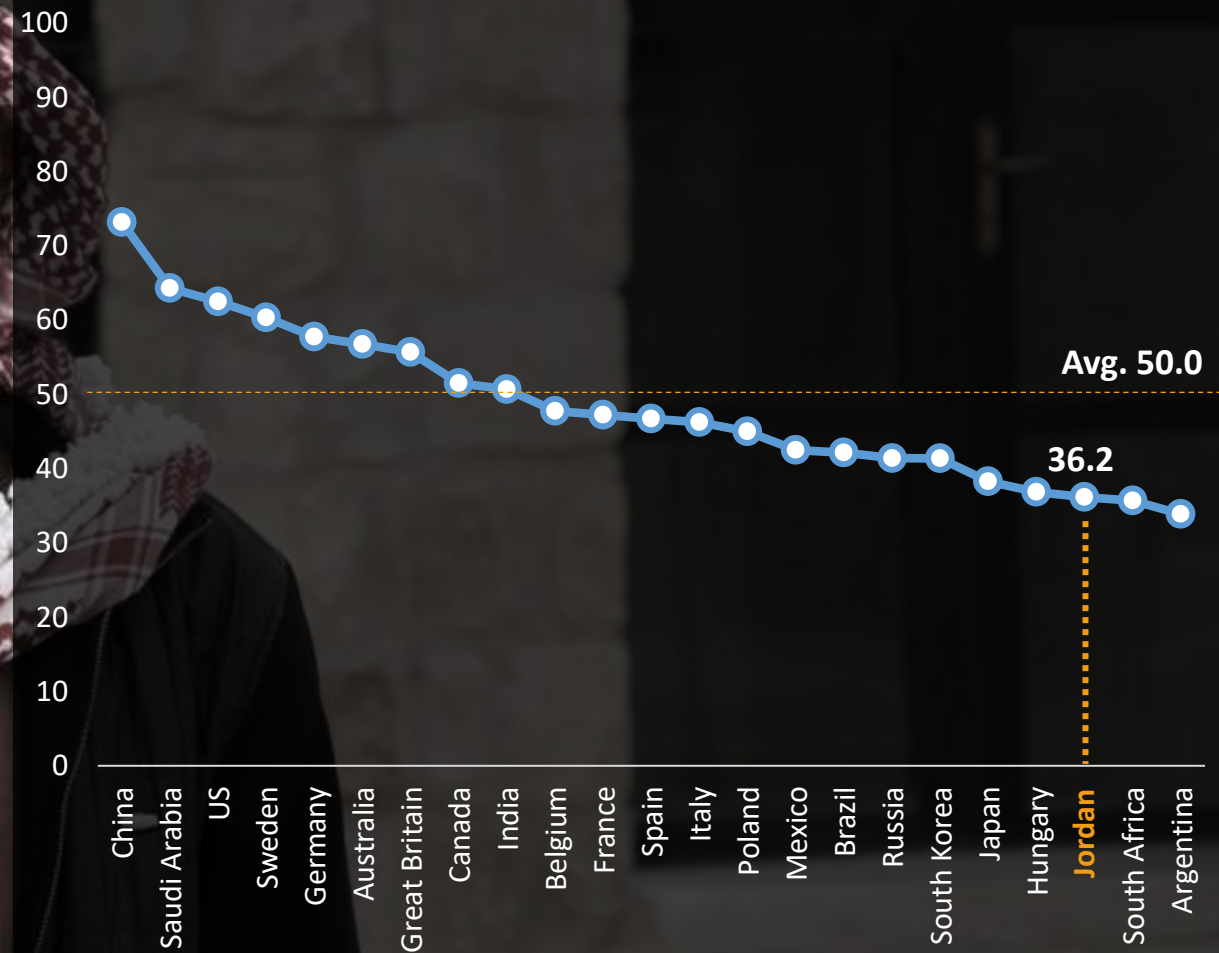
*Sample Size is less than 30 and should be read with caution.

JCSI Deep Dive

JCSI- Trending



JCSI- Global Comparison

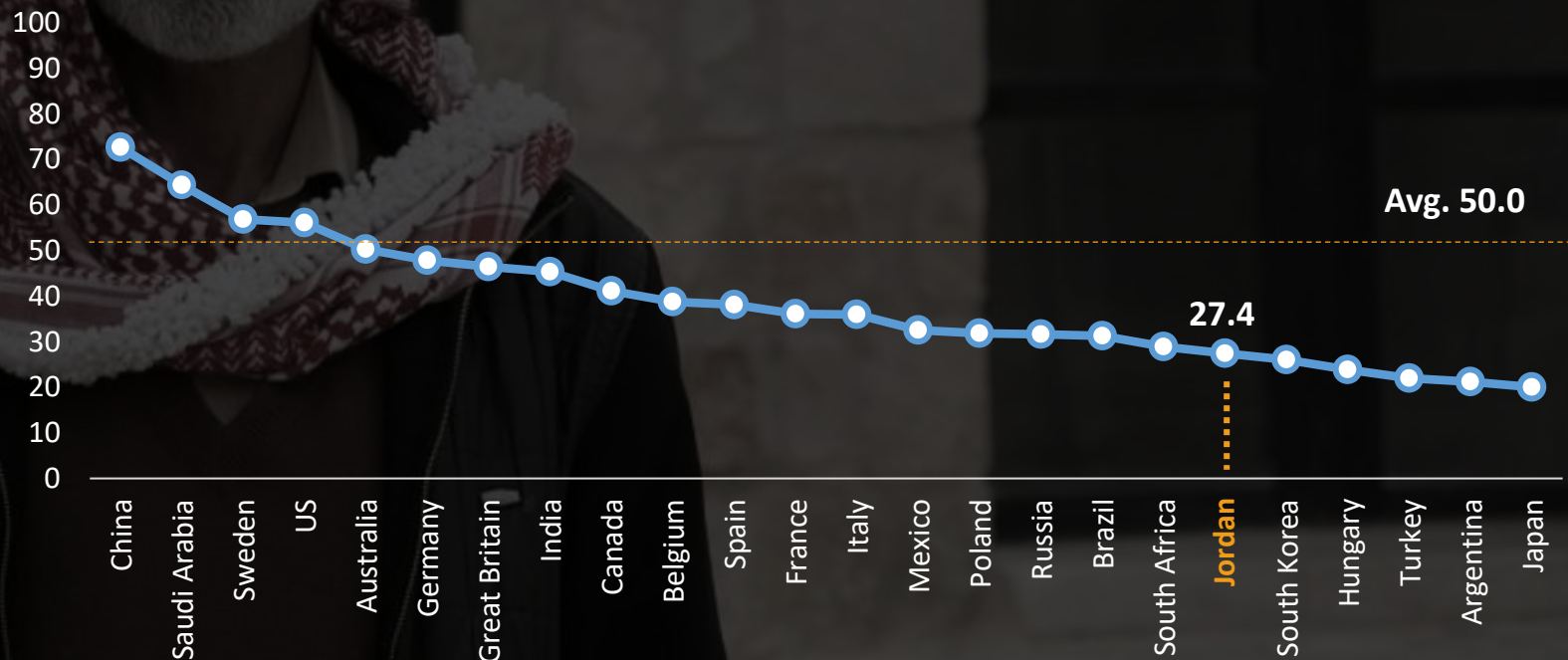
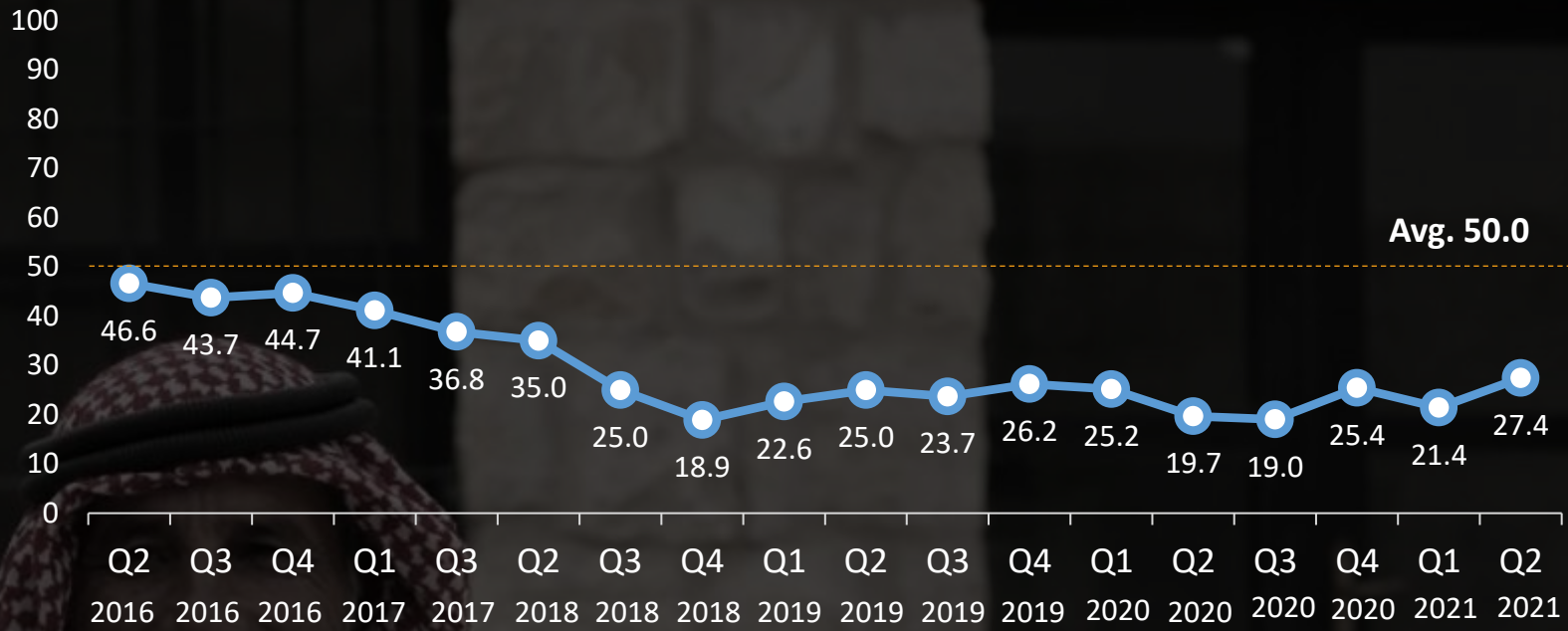




JCSI Personal Financial Conditions

This quarter's index on personal financial conditions has seen an increase by approximately 6 points, and Jordan ranks in the 19th 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.



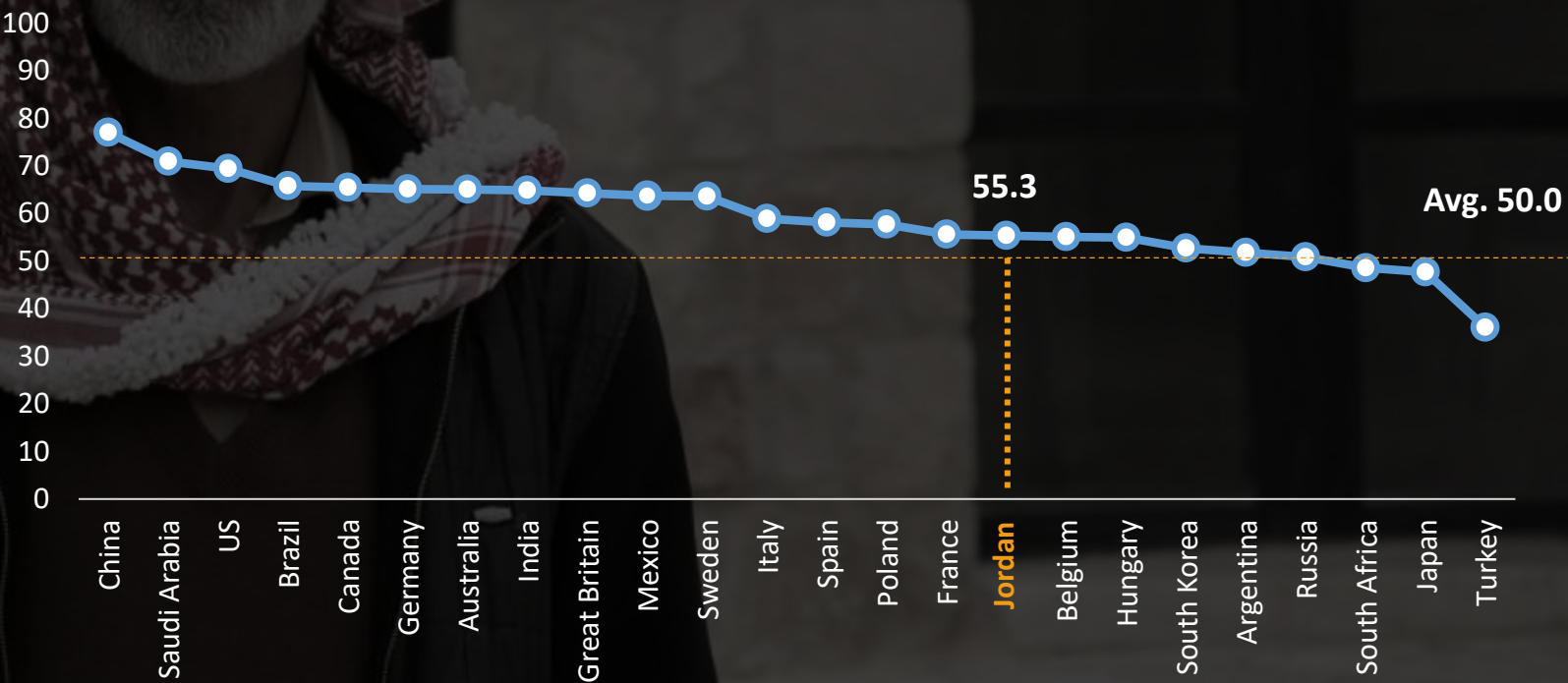
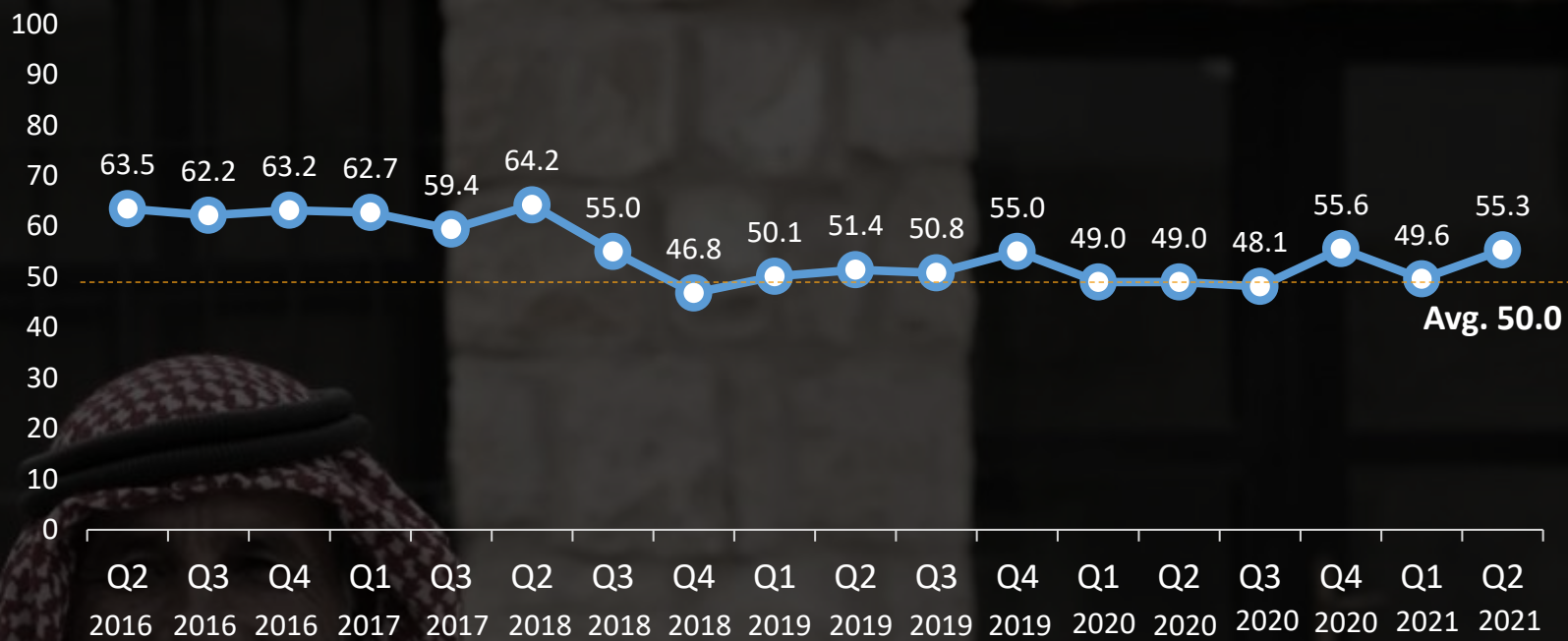


JCSI Economic Expectations

Jordanians' economic expectation a significant increase, from 49.6 points to 55.3 points, retrieving its pre-COVID situation.

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?

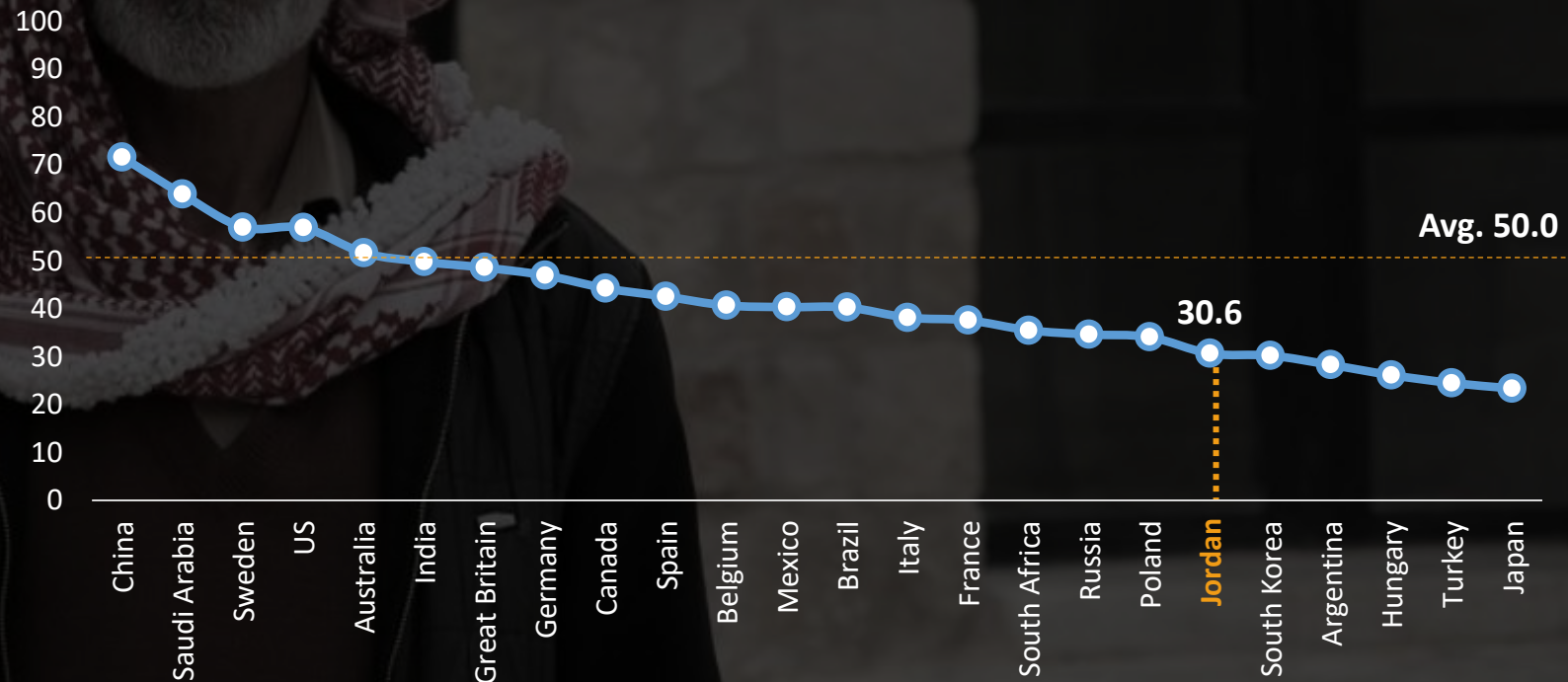
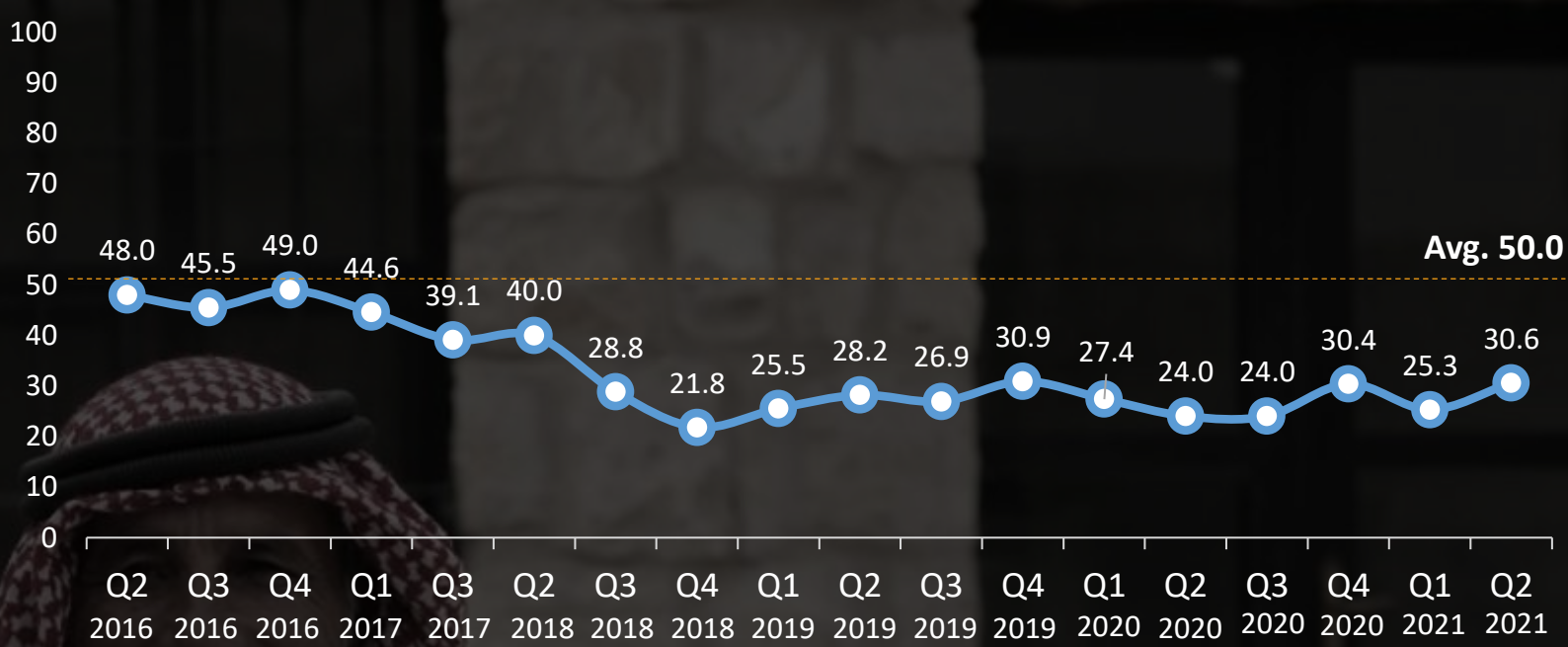
1. Looking ahead six months from now, do you expect the economy in your local area to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?
2. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat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



JCSI Investment Climate

Jordanians' perspectives on the investment climate are more optimistic than last quarter, with an almost 5-point increase since March.

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?



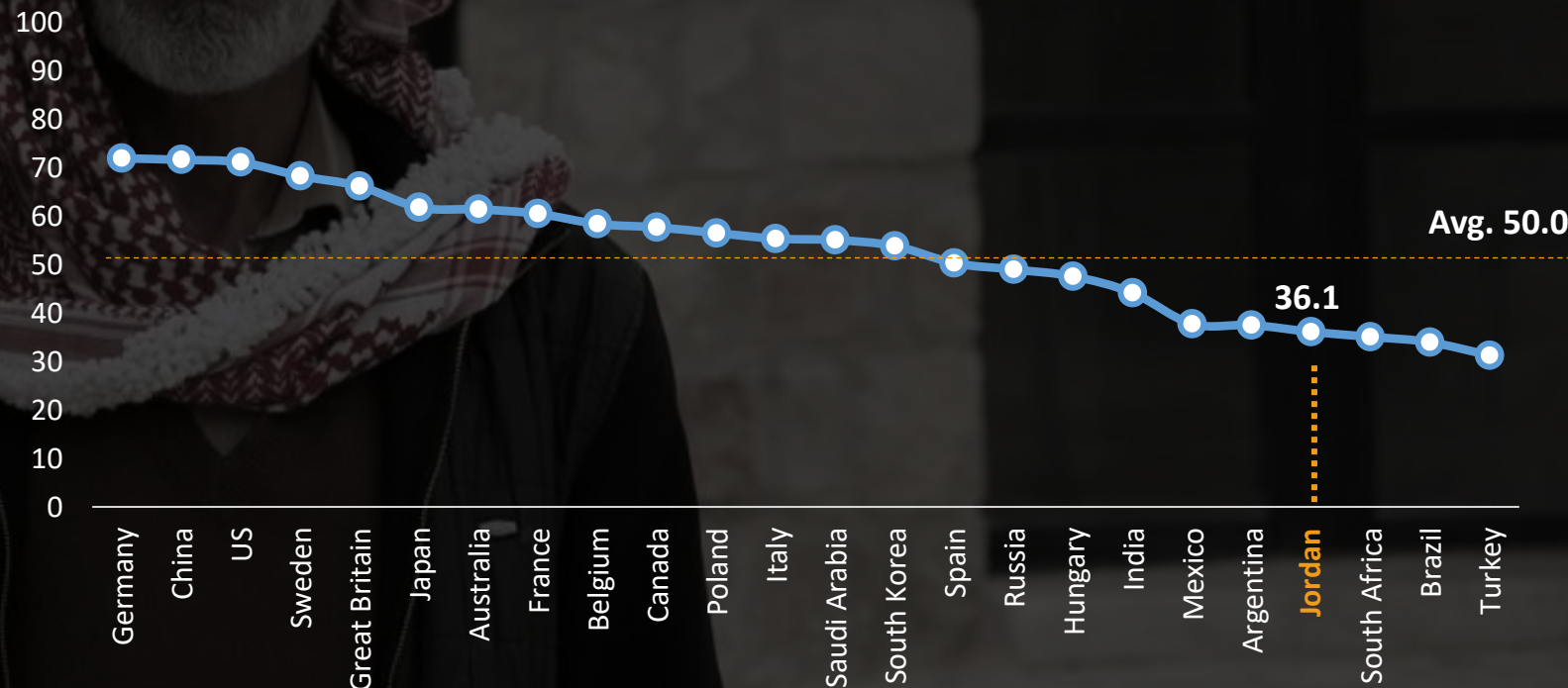
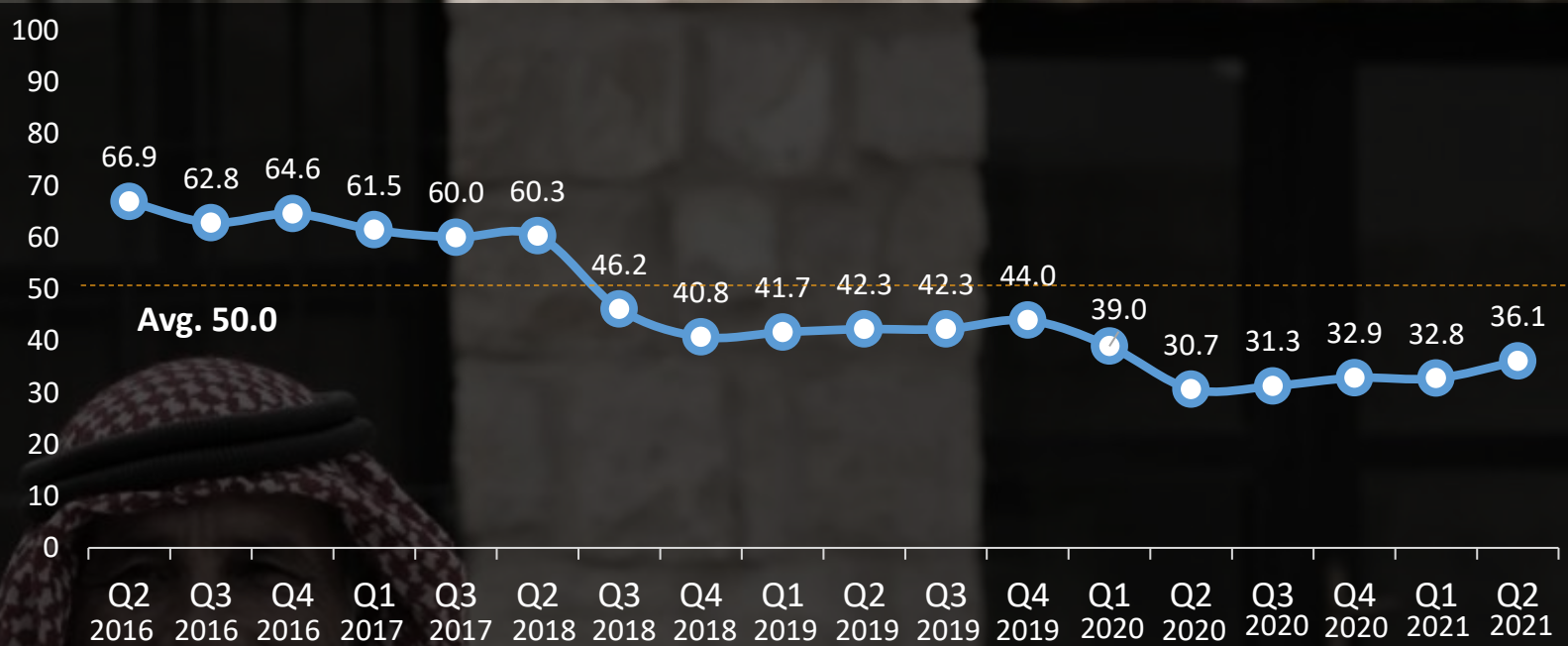


JCSI Employment Confidence

The employment index saw an increase this quarter, with Jordan ranking 21st among worldwide countries.

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



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

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