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Jordan 2017 Private Sector Survey Findings

October 24, 2018

Presentation Overview

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2. Survey Approach
3. Key Findings: Private Sector Overview
4. Key Findings: Sector Outlook
5. Key Findings: Access to Finance
6. Key Findings: Employment
7. Key Findings: Business Enabling Environment



The Private Sector Survey

A survey of 1,864 registered businesses throughout Jordan implemented between November 2017 – January 2018

The survey captured the perceptions/perspectives of the private sector on:

- ***Company performance***
- ***Employment***
- ***Access to finance***
- ***Business enabling environment***
- ***Connectedness***
- ***Attitudes toward women and youth***





Survey Approach: Presented by Mindset

Methodology Topics

Methodology

Sample Frame

Sample Size

Sampling

Quota Groups

Respondent Selection

Methodology



Face to face interviews, with a small % of phone calls (5% due to preference of respondent)



Sample Frame

- Sample frames are datasets that contain the populations for each of the different sample units.
- For the purposes of this survey the sample frames have been established according to active companies contained in KINZ database.
- The data includes all key information such as complete corporate address, names and titles of key personnel, and the application of ISIC 4 industry classification schematics, which is the same segmentation scheme employed in the overall assessment framework.
- According to the KINZ data extract reviewed in August 2017, **there are close to 80,000 unique and active businesses** registered with Jordan's Company Control Department within the Ministry of Industry and Trade.

Sample Sizes and Date of Execution

Total sample: 1,864 companies, including the 534 tourism sample

1,505 core sample
(reflects the aggregate population of approximately 80,000 registered Jordanian businesses)

397 target tourism sample

95% level of confidence with a 5% margin of error (+/- 2.5%)
The minimum sample size needed for this survey: 1,505 registered businesses
Data collection took place from November until December 2017

Sampling

What sampling method was deployed?

- Quota sampling method

What is quota sampling method?

- A type of non-probability sampling that provides substantial benefits in terms of our survey objectives.

Why this method?

- More direct applicability for this survey's purposes
- Ability to mitigate any potential bias through weighted average comparisons

Quota Groups

Location of Business

The principal activity takes place within the territory of a Governorate, for each of Jordan's 12 Governorates

Size of Business

Sampling unit categories:

- Micro Enterprise (1-10 employees)
- Small Enterprise (11 to 25 employees)
- Medium Enterprises (26-100)
- Large Enterprises (More than 100 employees)

Industry of Business

International Standard Industrial Classification 4th Revision (ISIC Rev4). There are several levels of classification within ISIC

Respondent Selection Within Company

- ✓ Decision maker in the company?
- ✓ Aware of the establishment of the firm?
- ✓ Aware of the firm's current operations?
- ✓ Aware of the firm's future plans?



Key Findings

Key Findings Orientation

- Findings on the national level
- Findings on the regional level
 - North (Ajloun, Irbid, Jerash, and Mafraq)
 - Central (Amman, Balqaa, Madaba, and Zarqa)
 - South (Aqaba, Karak, Maan and Tafileh)
- Findings by Business Size
 - Micro (1-10 employees)
 - Small (11-25 employees)
 - Medium (26 – 100 employees)
 - Large (101 + employees)
- Findings by Sector

#	Sector Name
1	Agriculture
2	Manufacturing
3	Construction
4	Retail & Hospitality
5	Information & Communication
6	Financial & Insurance
7	Professional Services
8	Public Administration
9	Other Service Activities
10	Industrial

This presentation is not exhaustive! To explore the data and different disaggregation further please visit <https://jordankmportal.com/> to download the dataset.

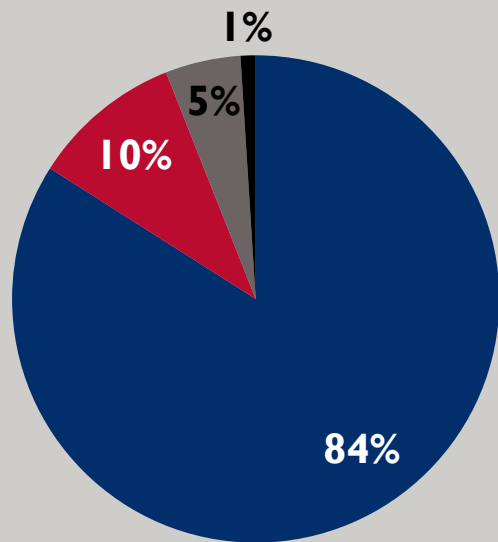


Key Findings: Private Sector Firms Overview

Private Sector Overview

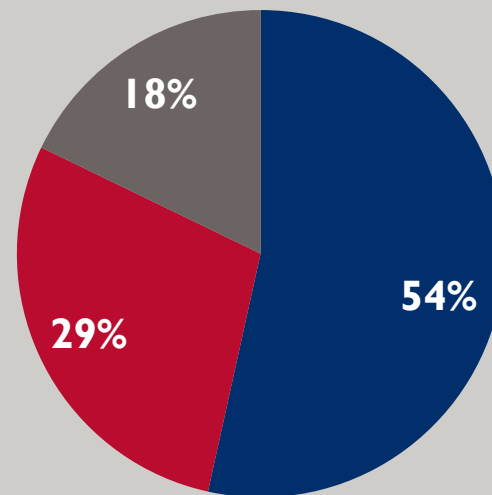
Jordan private sector is dominated by micro and small businesses that are sole proprietorships. The majority of formal businesses are in the central region.

Surveyed businesses by size



■ Micro ■ Small ■ Medium ■ Large

Surveyed businesses by region

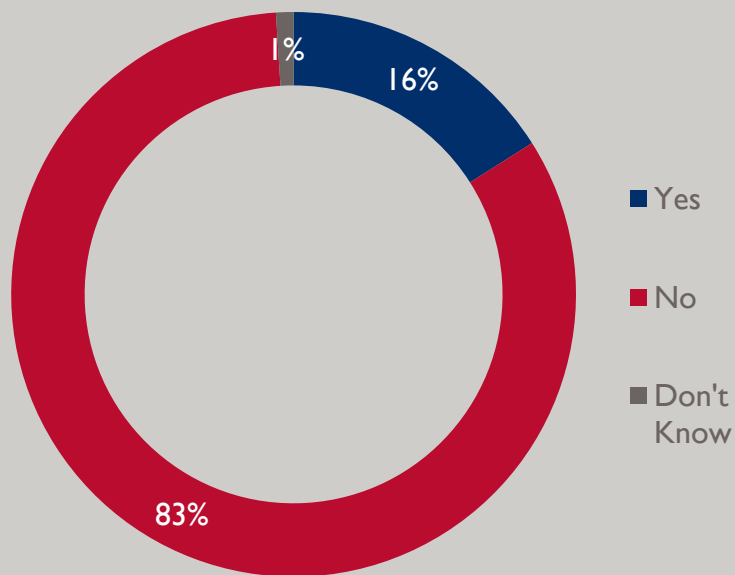


■ Central ■ North ■ South

Business Ownership – Predominantly Adult Men

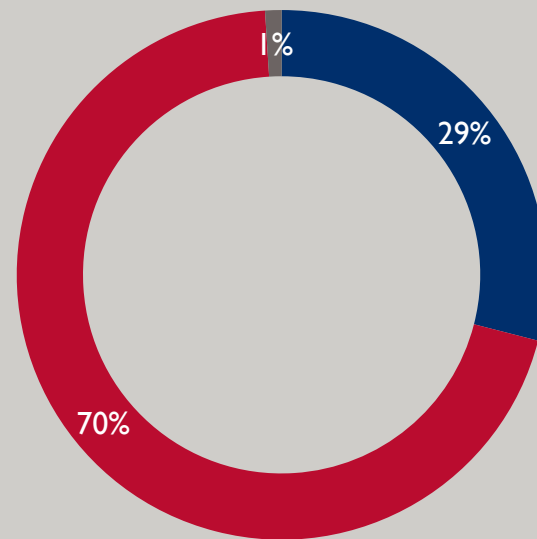
**Among the owners of the firm,
are there any females?**

(Shown: Percent Businesses surveyed)



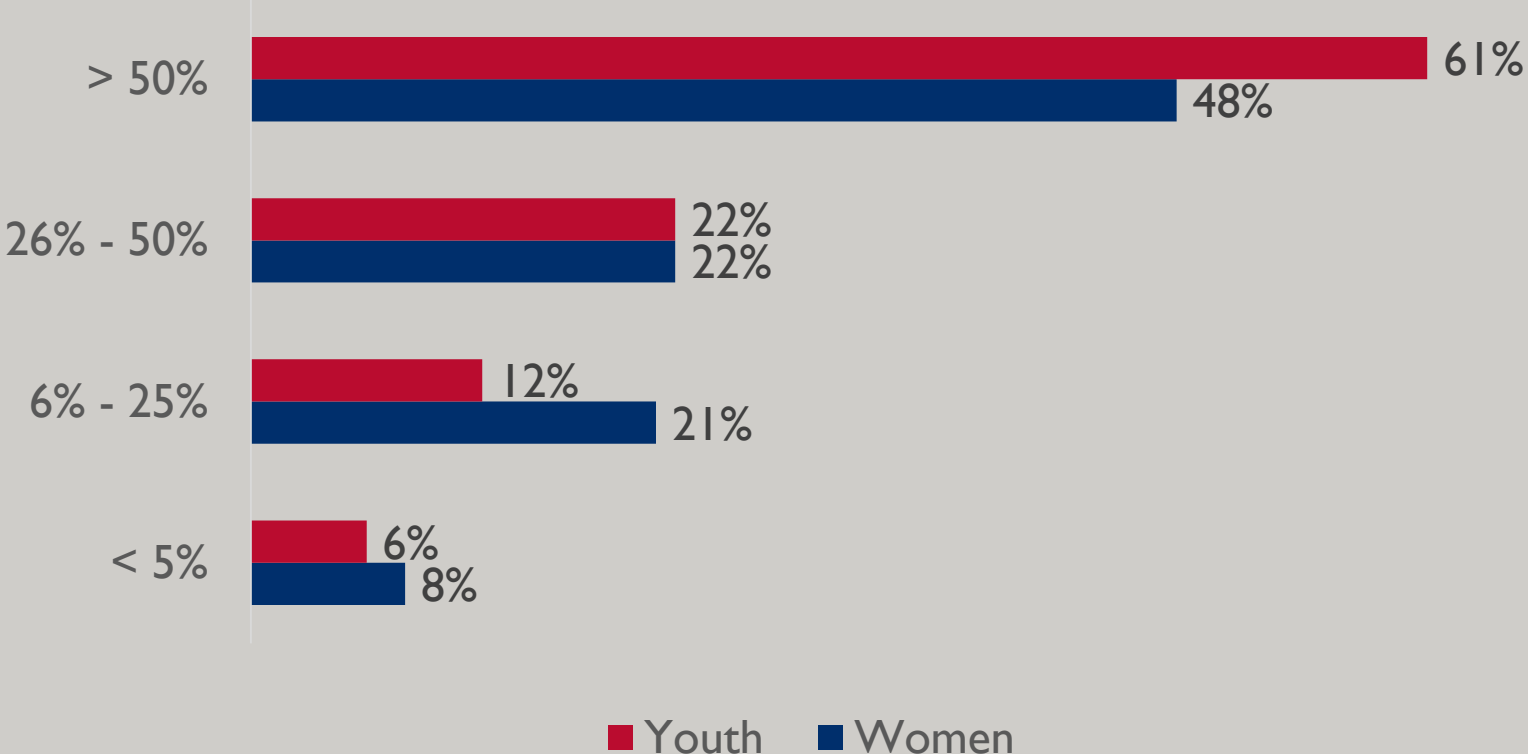
**Among the owners of the firm,
are there any persons between
the ages of 18 and 35?**

(Shown: Percent Businesses surveyed)



Ownership Shares – Women Likely to Own Less Than 50%

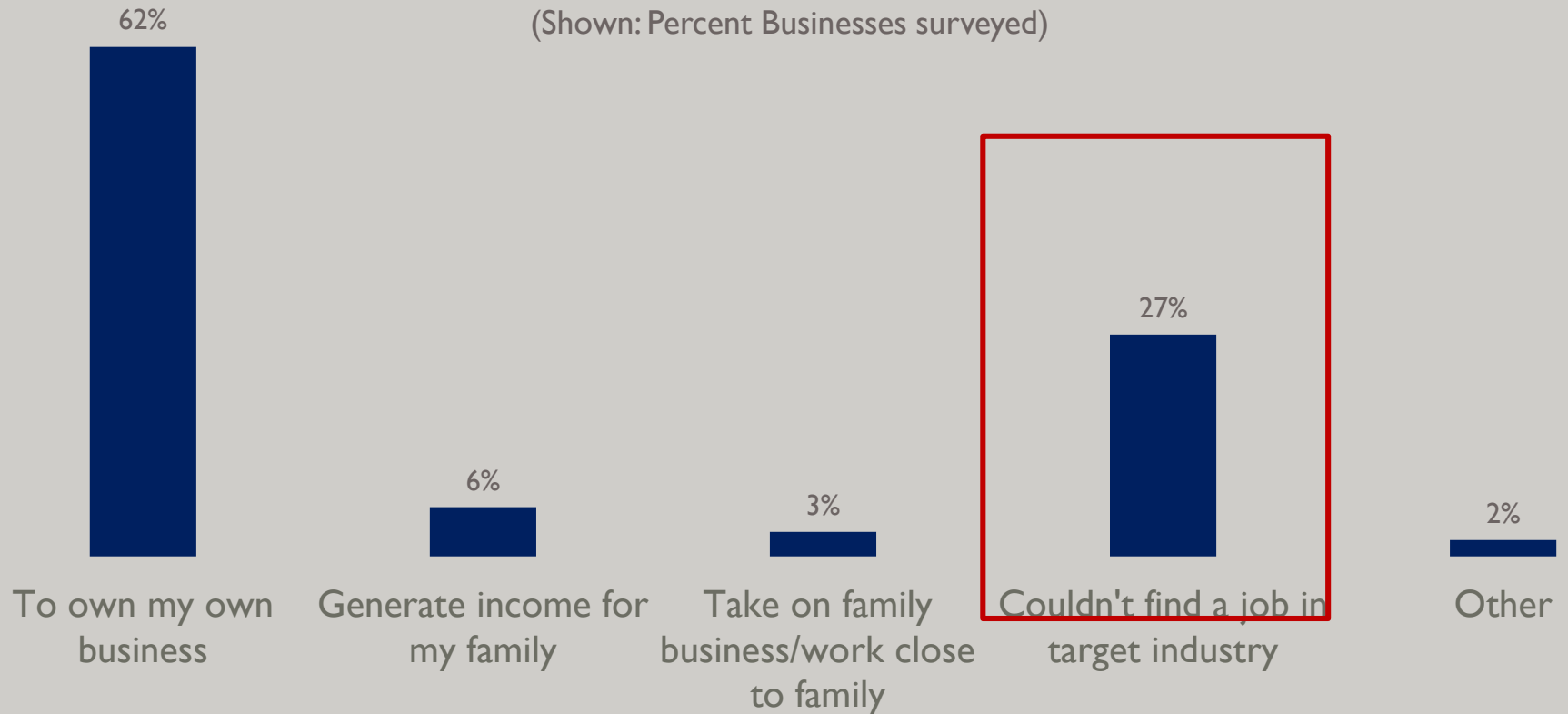
Share of business owned by women and youth
(Shown: Percent Businesses with women or youth owners)



Motivations for Businesses

Which of the following best describes your motivation for starting your own company?

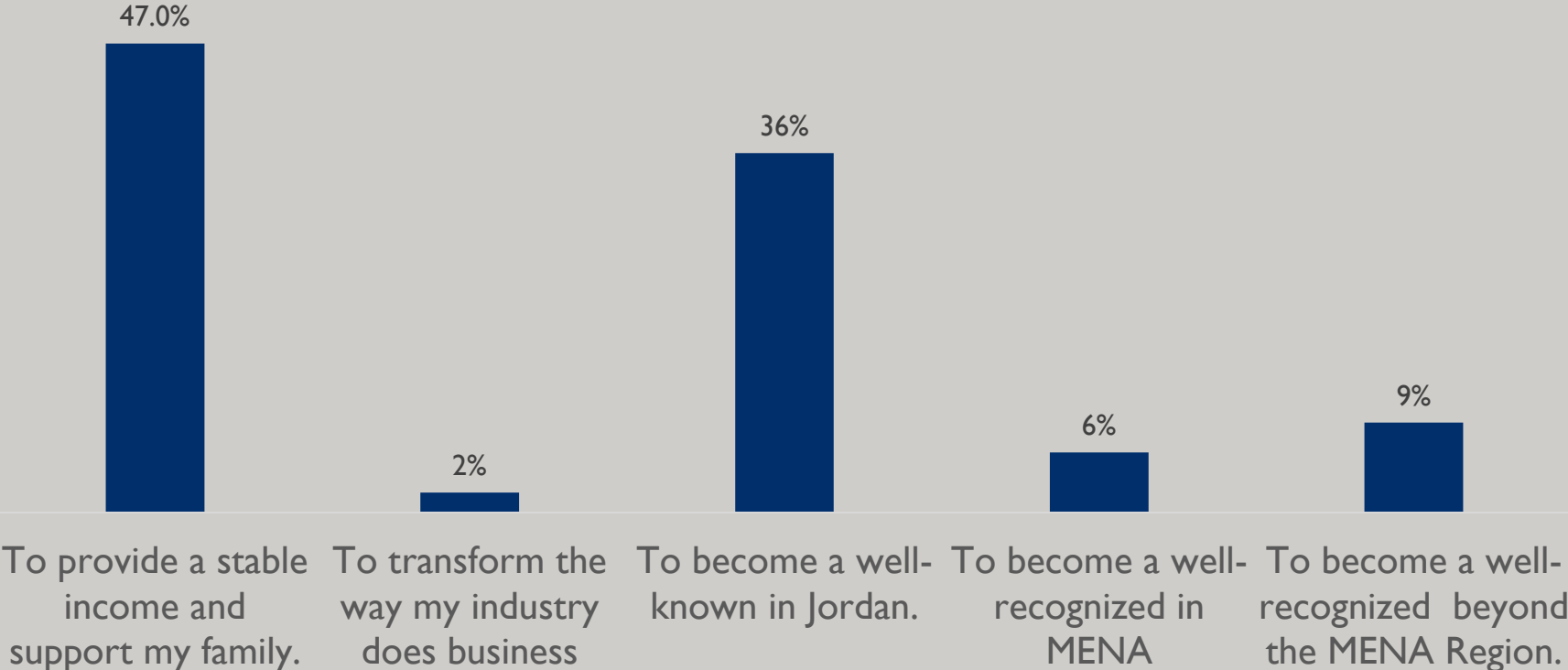
(Shown: Percent Businesses surveyed)



Aspirations for Businesses – Small Spheres of Influence

Which of the following best describes your aspirations for the firm?

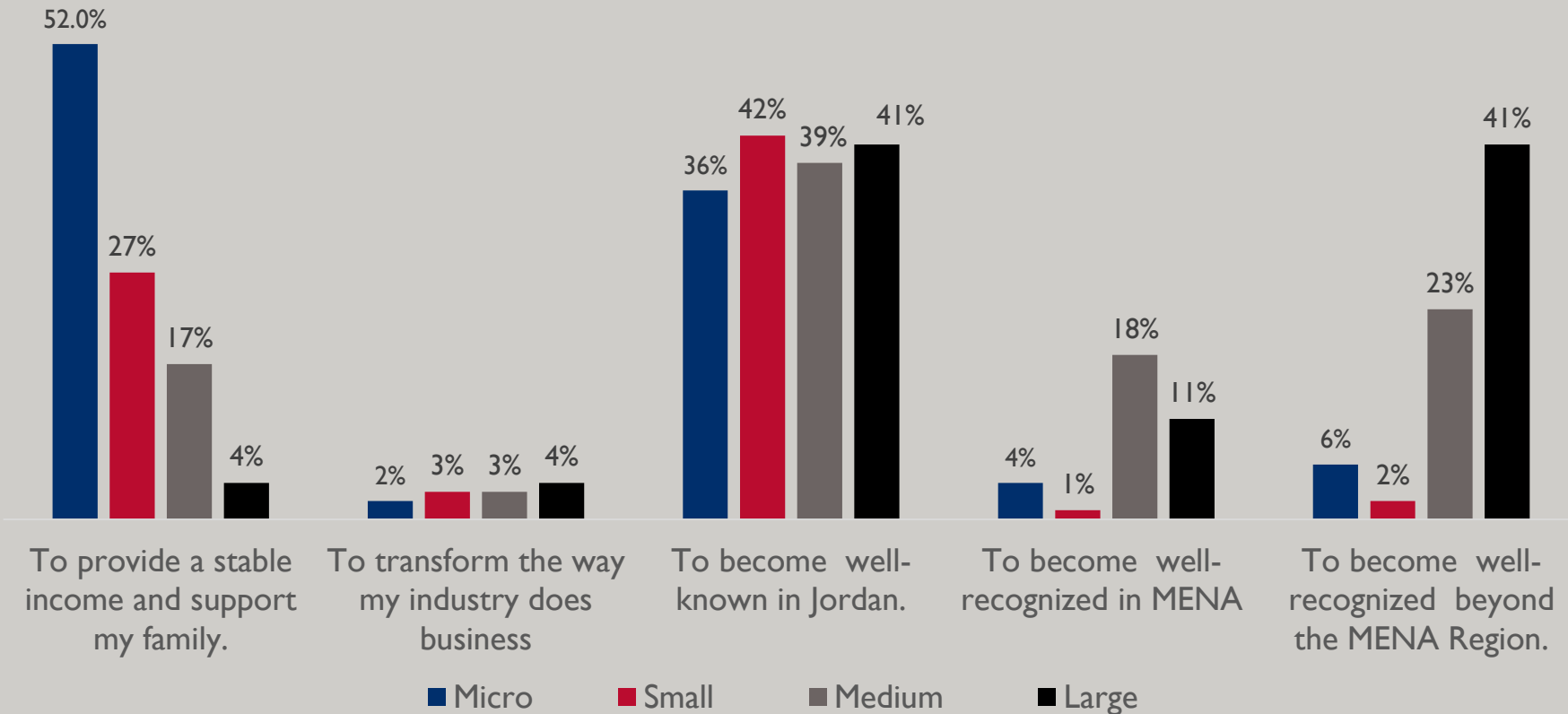
(Shown: Percent Businesses surveyed)



Aspirations for Businesses – Medium and Large Firms have International Aspirations

Which of the following best describes your aspirations for the firm?

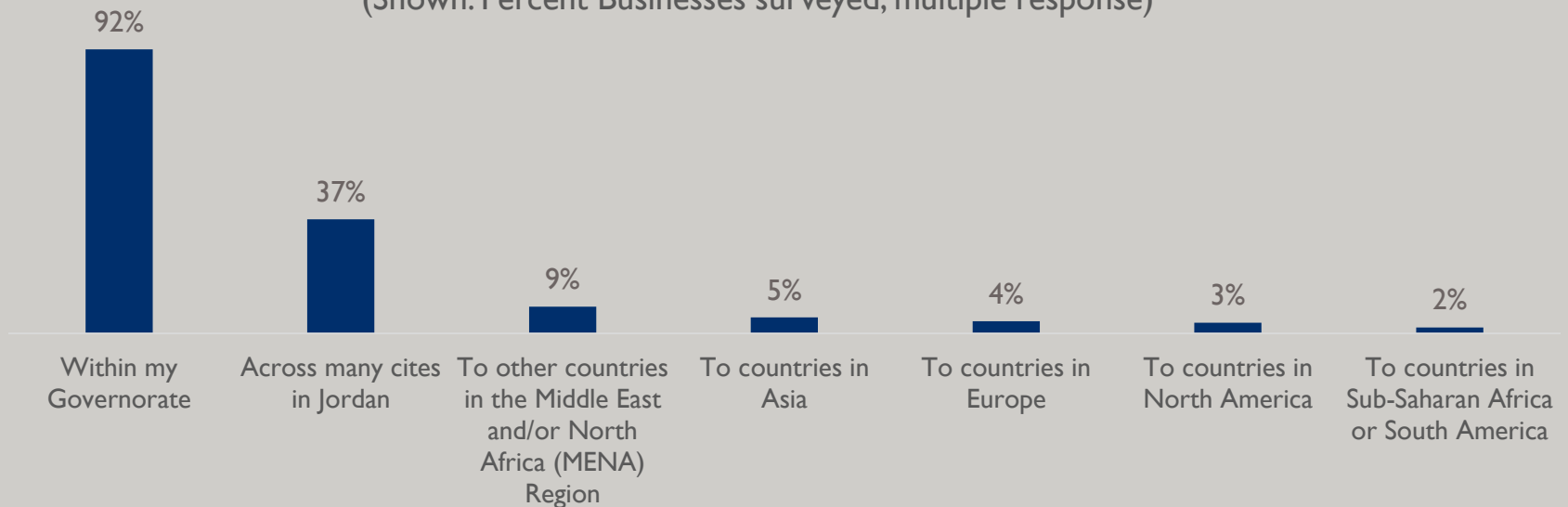
(Shown: Percent Businesses surveyed by business size)



Markets – Few Firms Venture out of their Local Market

Into which of the following markets are you providing your goods and services?

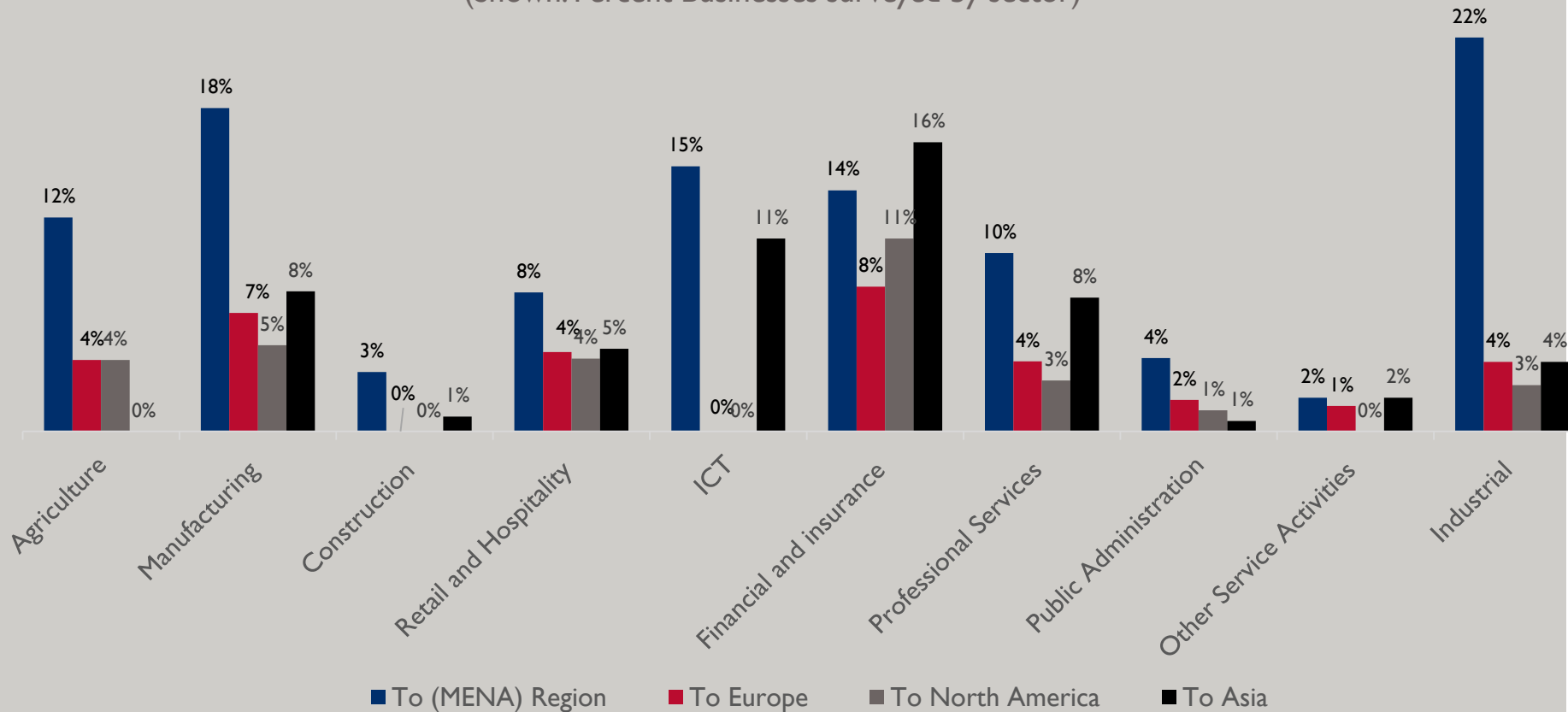
(Shown: Percent Businesses surveyed, multiple response)



Markets: Most Firms Export to the MENA Region

Into which of the following markets are you exporting your goods and services?

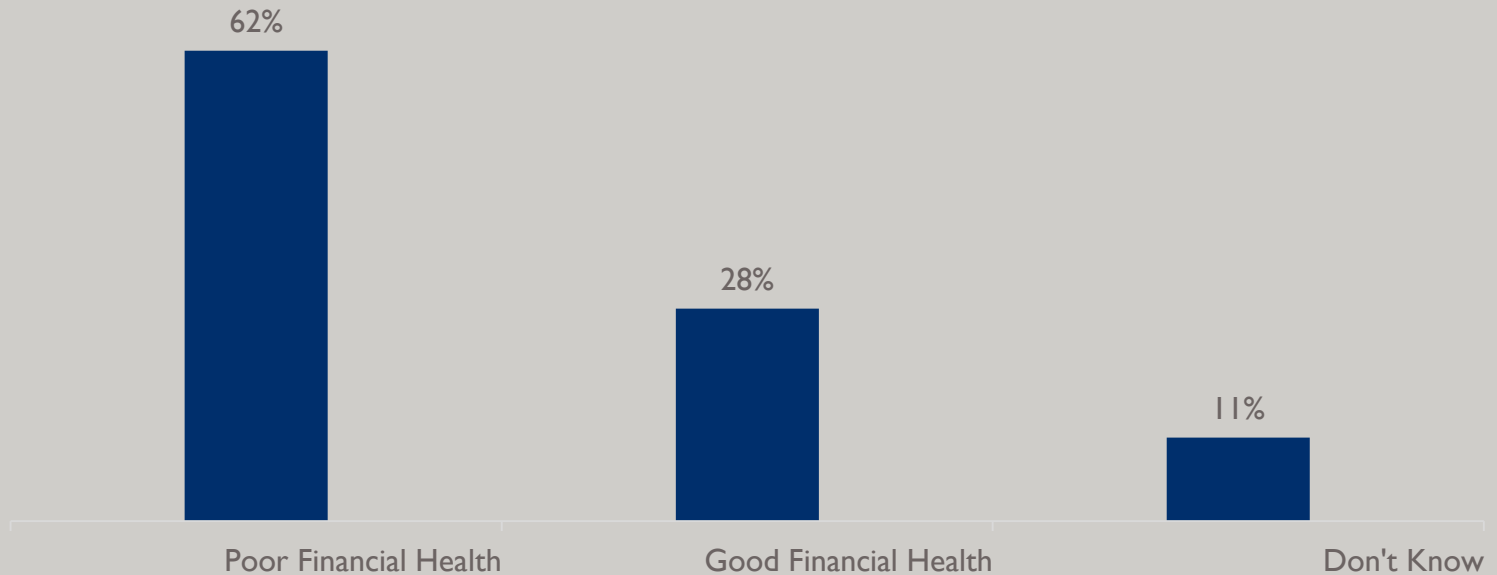
(Shown: Percent Businesses surveyed by sector)



Firm's Financial Health – Most Firms are Struggling

Overall financial health of firm

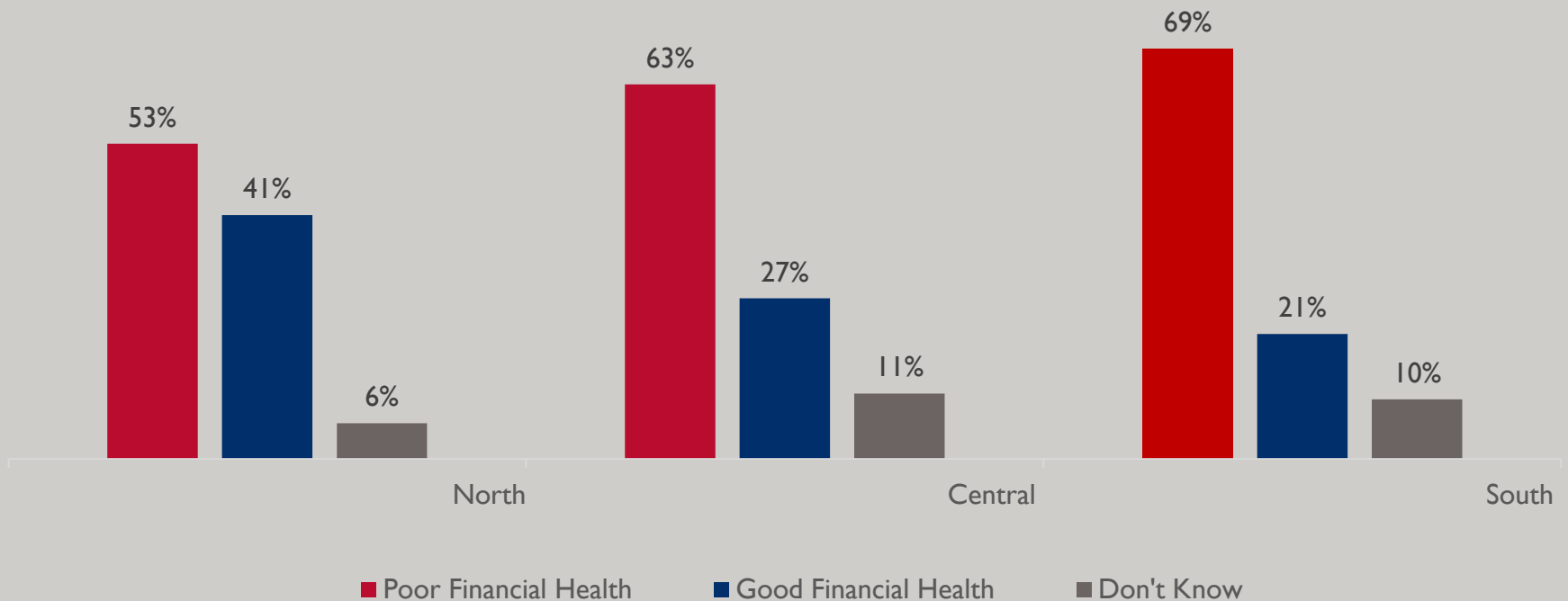
(Shown: Percent Businesses surveyed)



Firm's Financial Health – Northern Firm Better Off

Overall financial health of firm

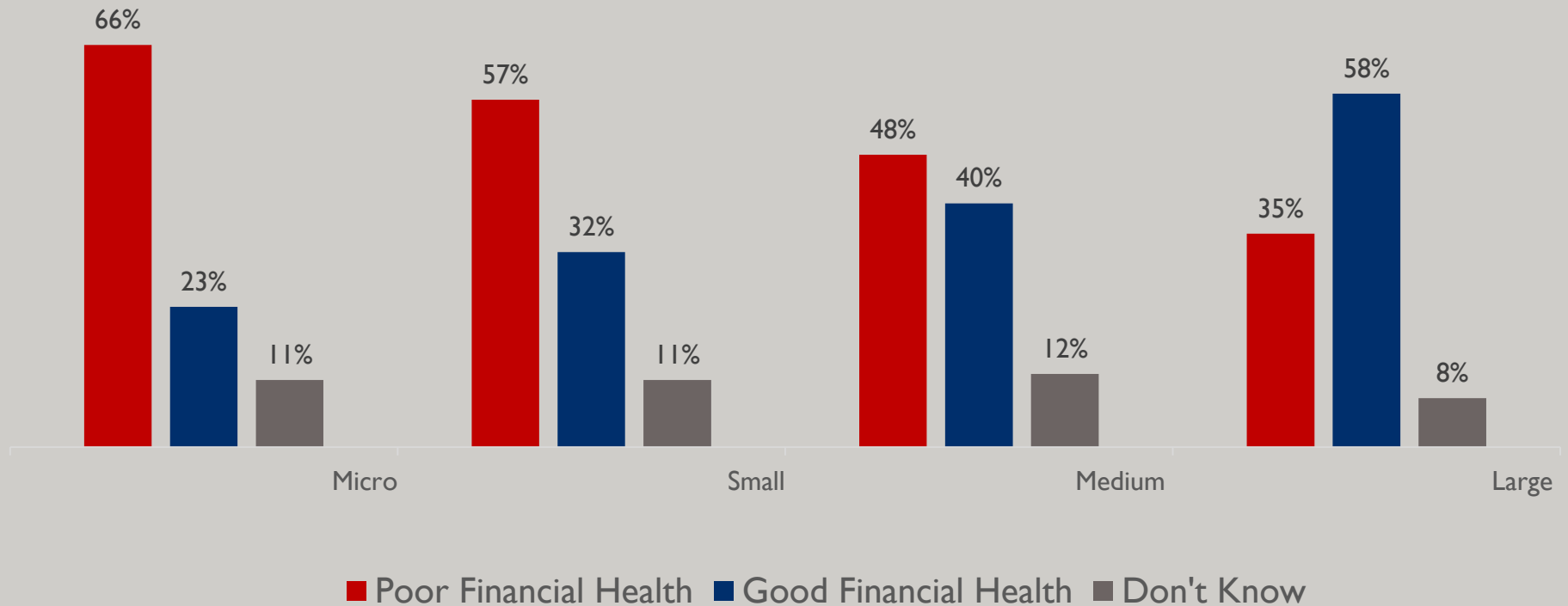
(Shown: Percent Businesses surveyed, by region)



Firm Financial Health – Smaller Firms Struggle More

Overall financial health of firm

(Shown: Percent Businesses surveyed, by size)



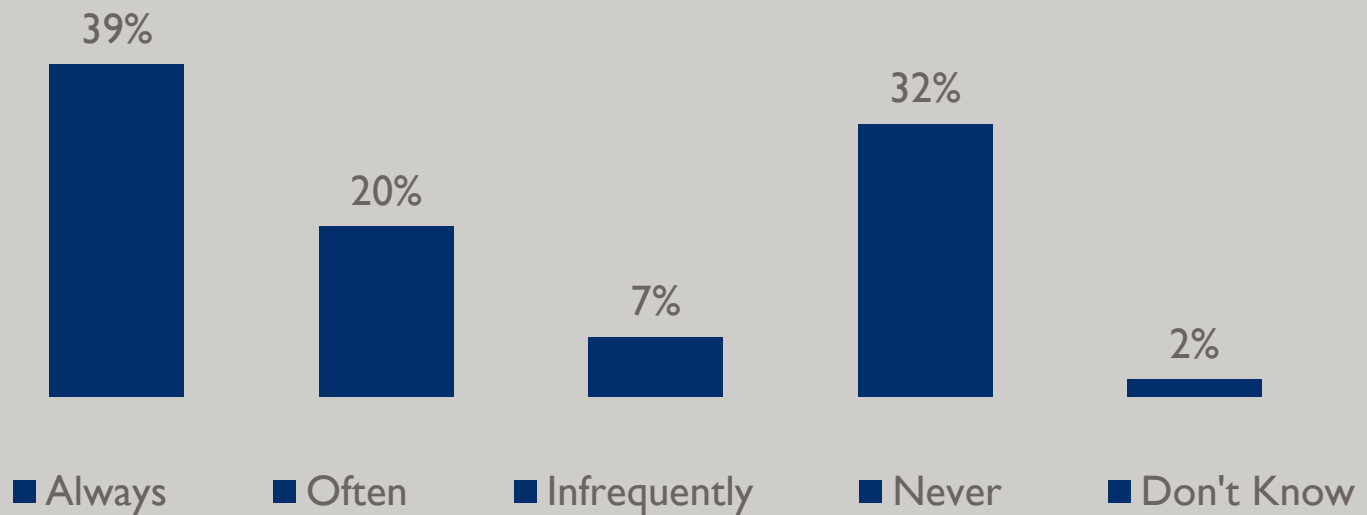


Key Findings: Private Sector Overview

Private Sector Still Lacks Formality

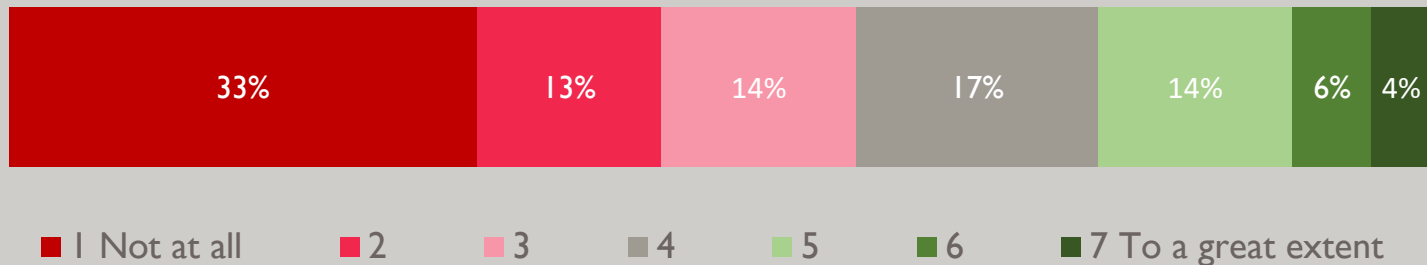
Do you sign contracts or formal agreements with clients or suppliers?

(Shown: Percent Businesses surveyed)

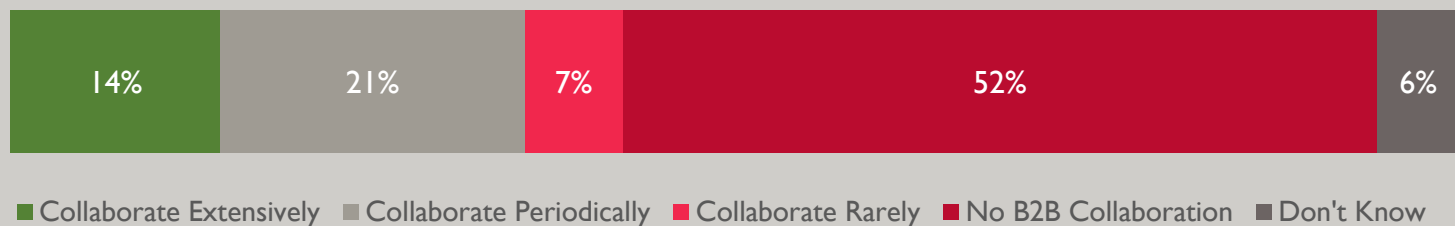


Private Sector Lacks Connection

To what extent do companies collaborate in sharing ideas and innovating?
(Shown: Percent Businesses surveyed, by sector n=1830)



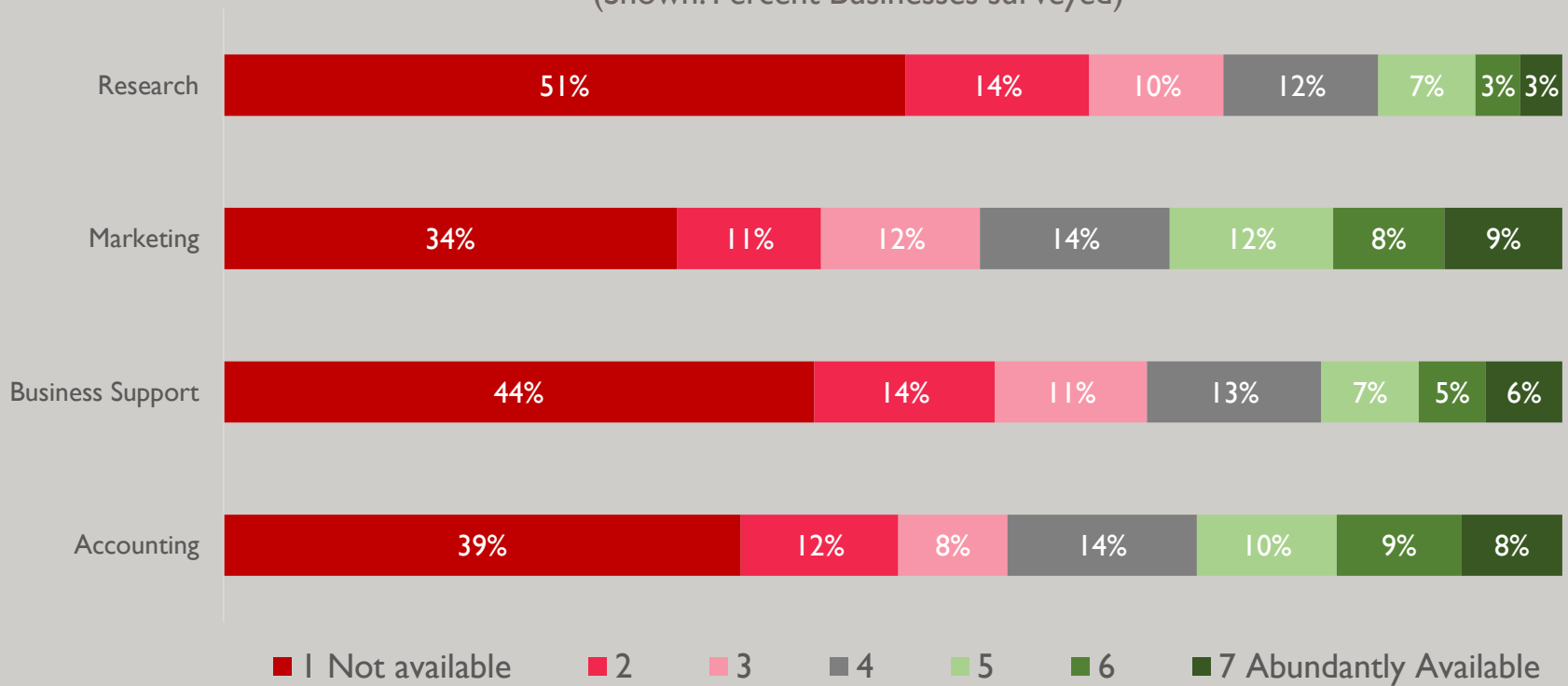
Does your business collaborate regularly with other businesses?
(Shown: Percent Businesses surveyed, by sector n=1830)



Private Sector is Underserved

To what extent are business services available?

(Shown: Percent Businesses surveyed)



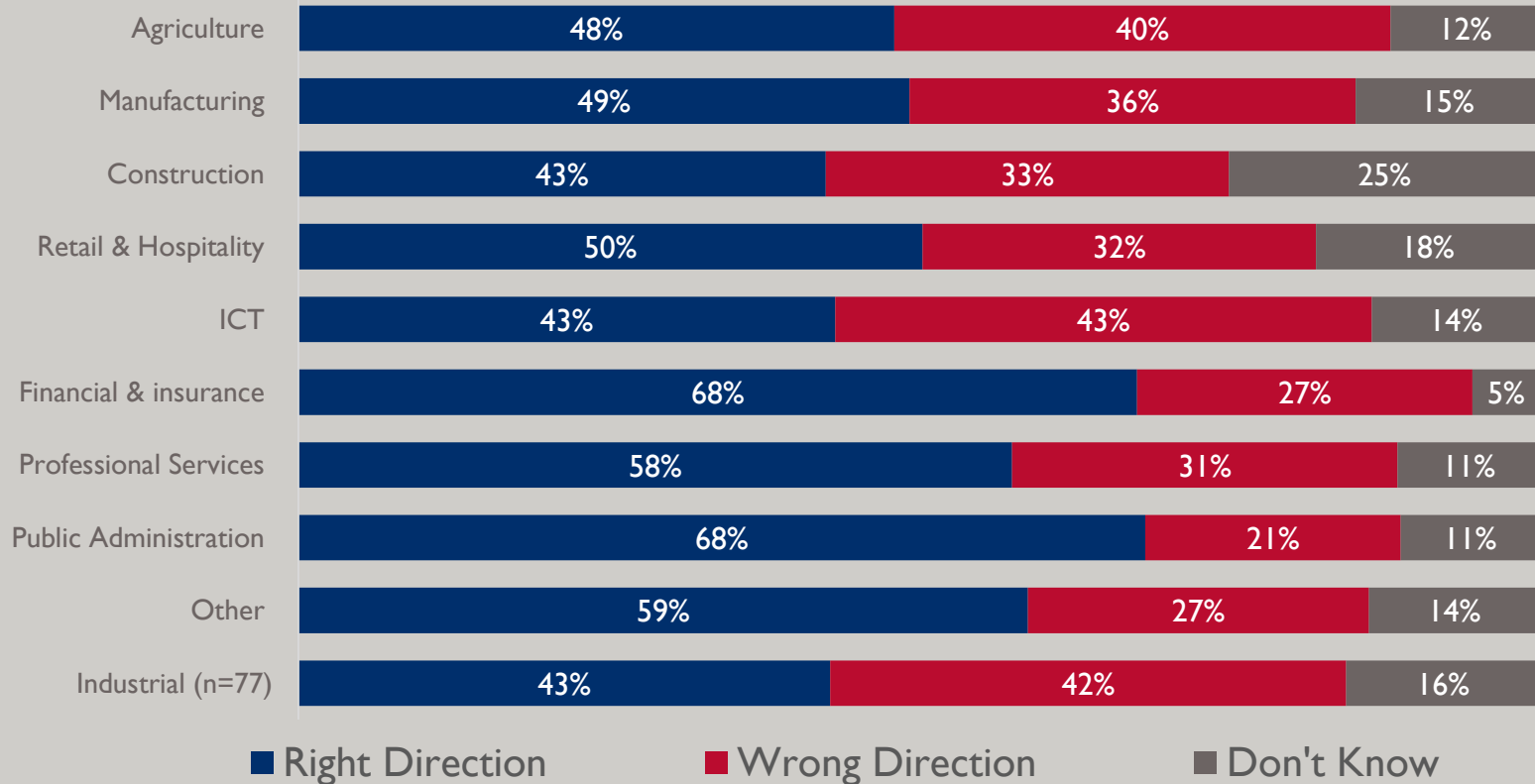


Key Findings: Sector Outlook

Sector Outlook – Generally Split Between Positive and Negative

When it comes to the overall outlook of your sector, would you say that things are moving in the right direction or the wrong direction:

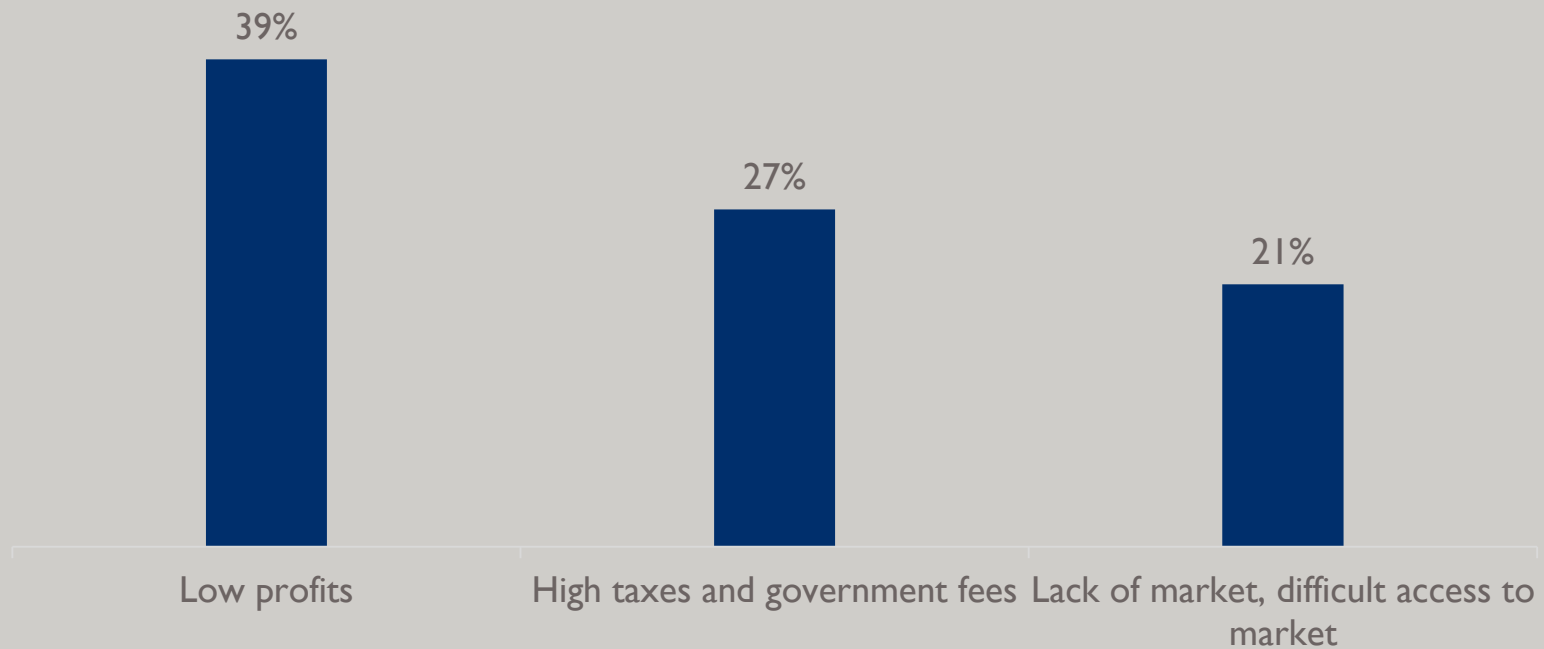
(Shown: Percent Businesses surveyed in each sector)



Low Profits are the Biggest Challenge for Businesses

What is the most important constraint and/or limitation for your business today? – Top Three

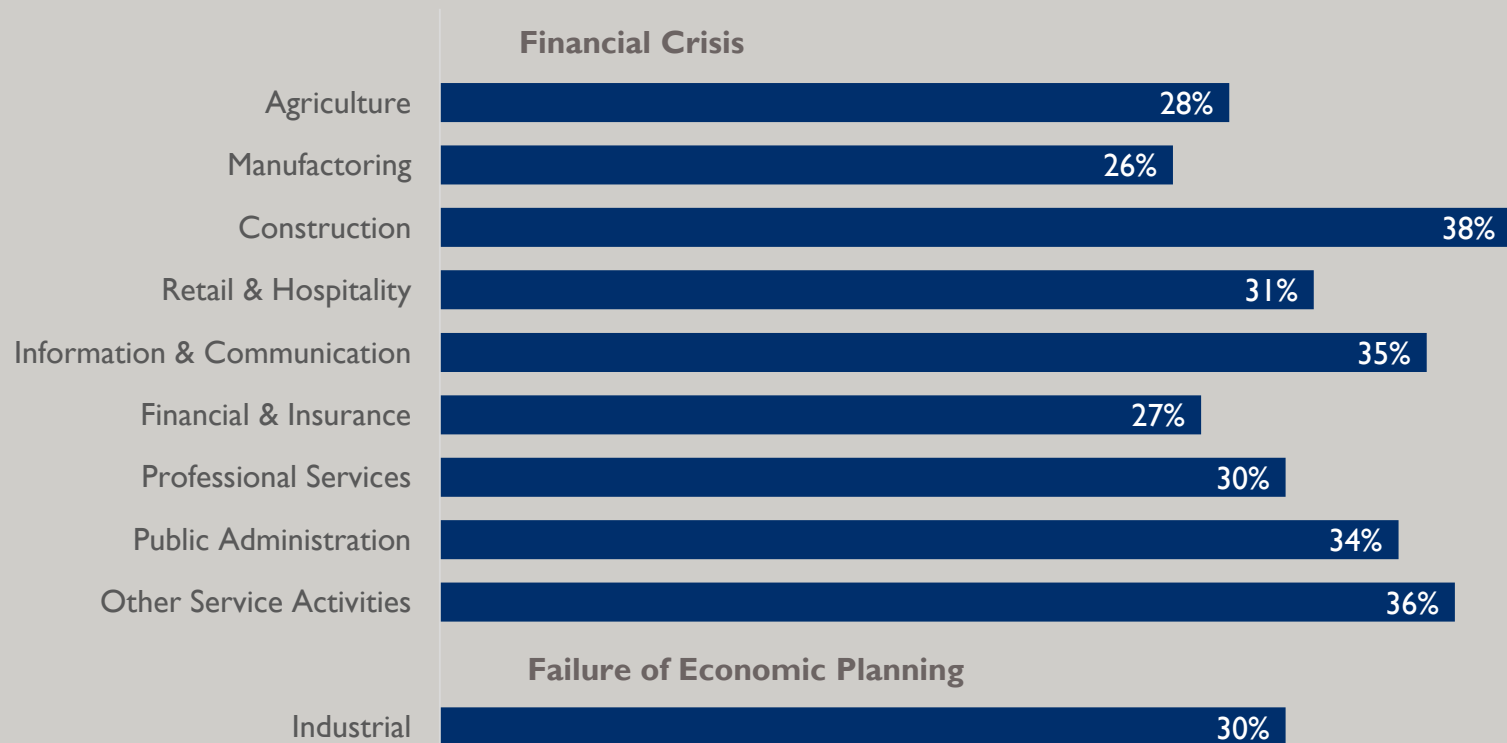
(Shown: Percent Businesses surveyed)



Financial and Economic Crisis Top Risks for Businesses

What are the top risks that you believe to be of most concern for doing business in your country over the next ten years?

(Shown: Percent Businesses surveyed, by sector)

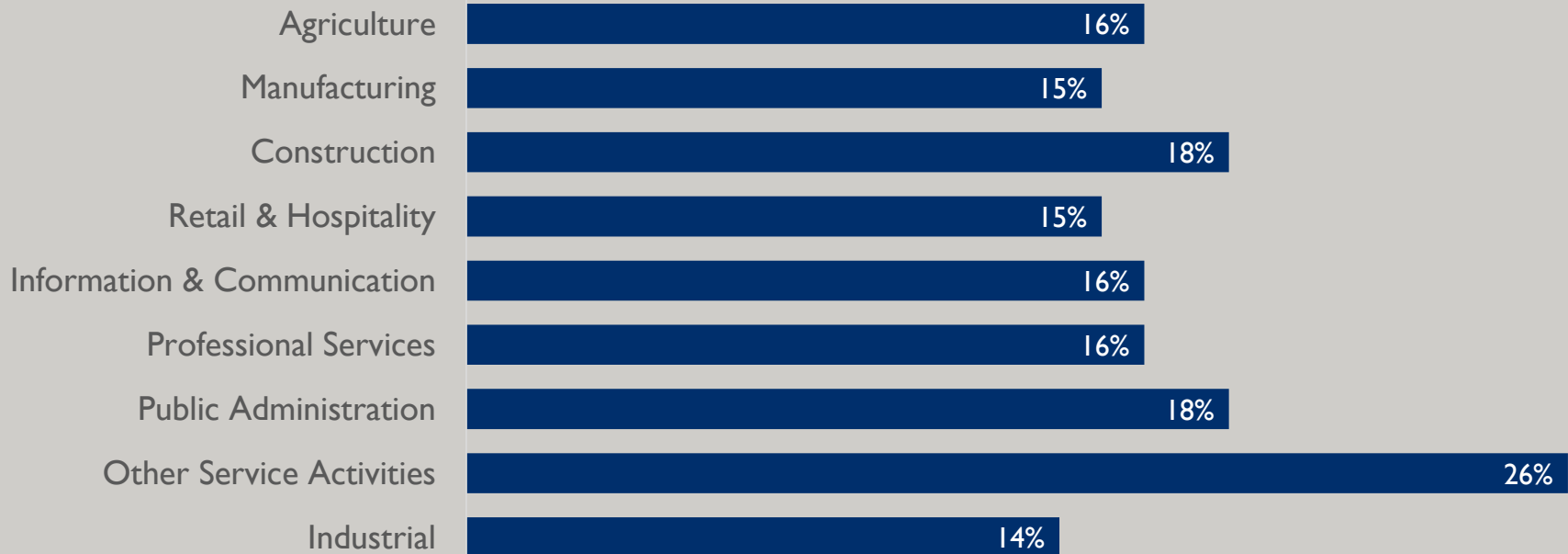


Finance Seen as Key Opportunity for the Business Performance

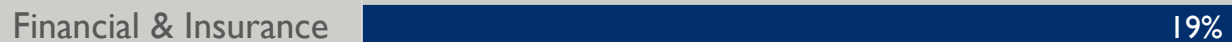
What is the most important opportunity to improve the performance of your business today?

(Shown: Percent Businesses surveyed by sector, multiple responses)

Access to Finance



General Improvement of Economic Situation



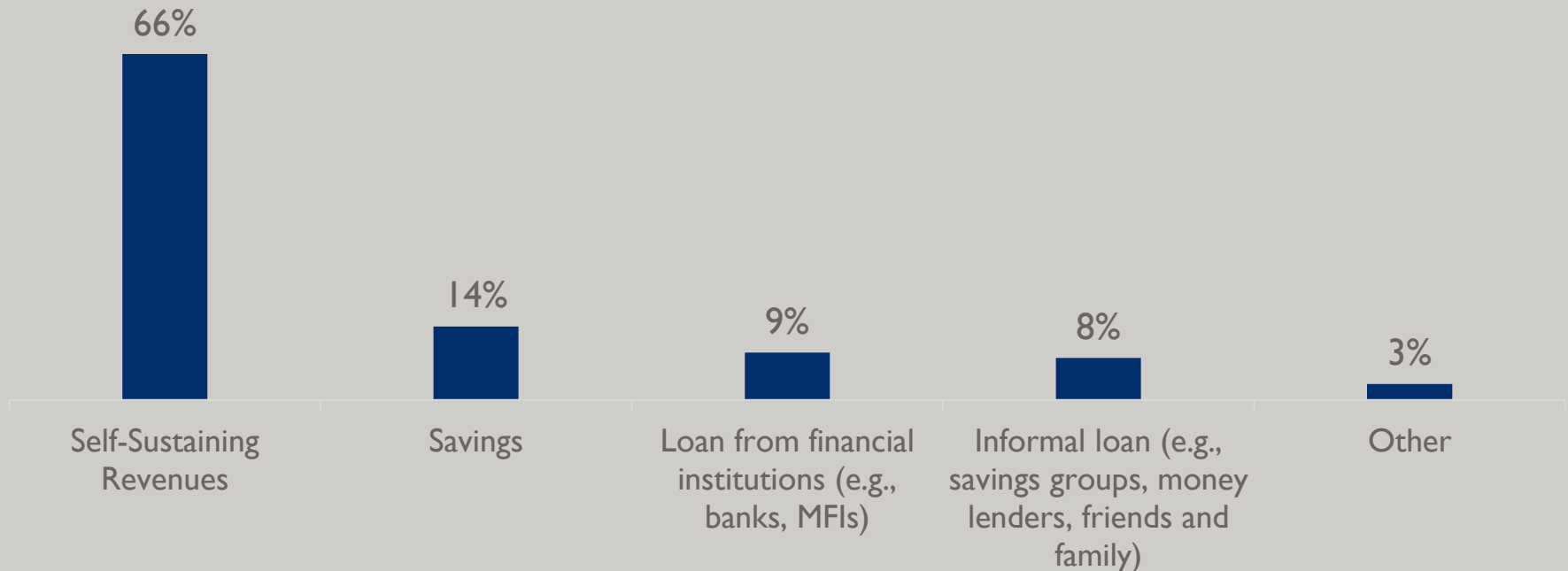


Key Findings: Access to Finance

Firms Rely Heavily on Revenue and Savings

How do you primarily finance your business?

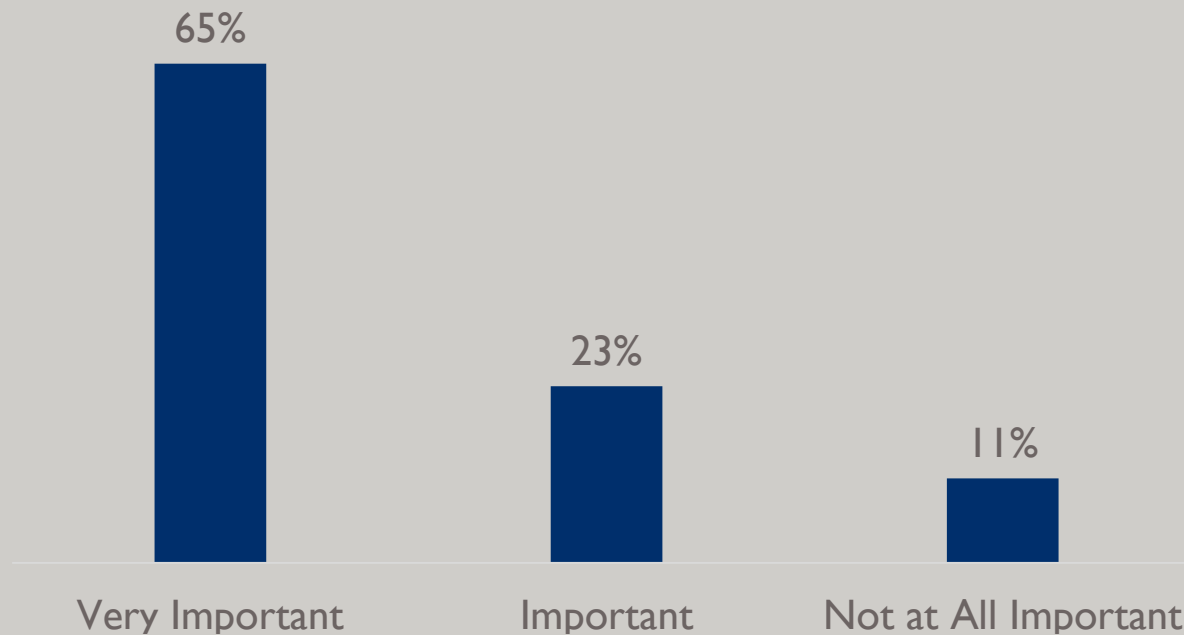
(Shown: percent businesses surveyed)



Firms Believe Access to Finance is Important

When it comes to the performance and growth of your business, would you say that access to finance is:

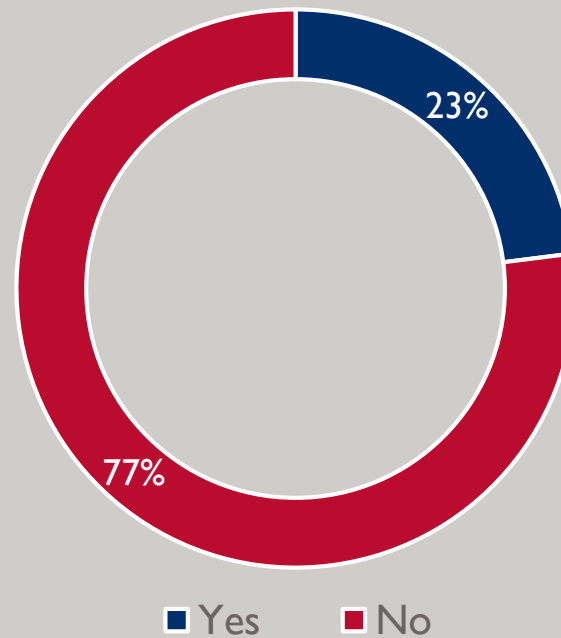
(Shown: percent businesses surveyed)



Less than a Quarter of Firms Have Applied for a Loan

Have you applied for a loan for your enterprise/project or received financial support from an organization or financial institution?

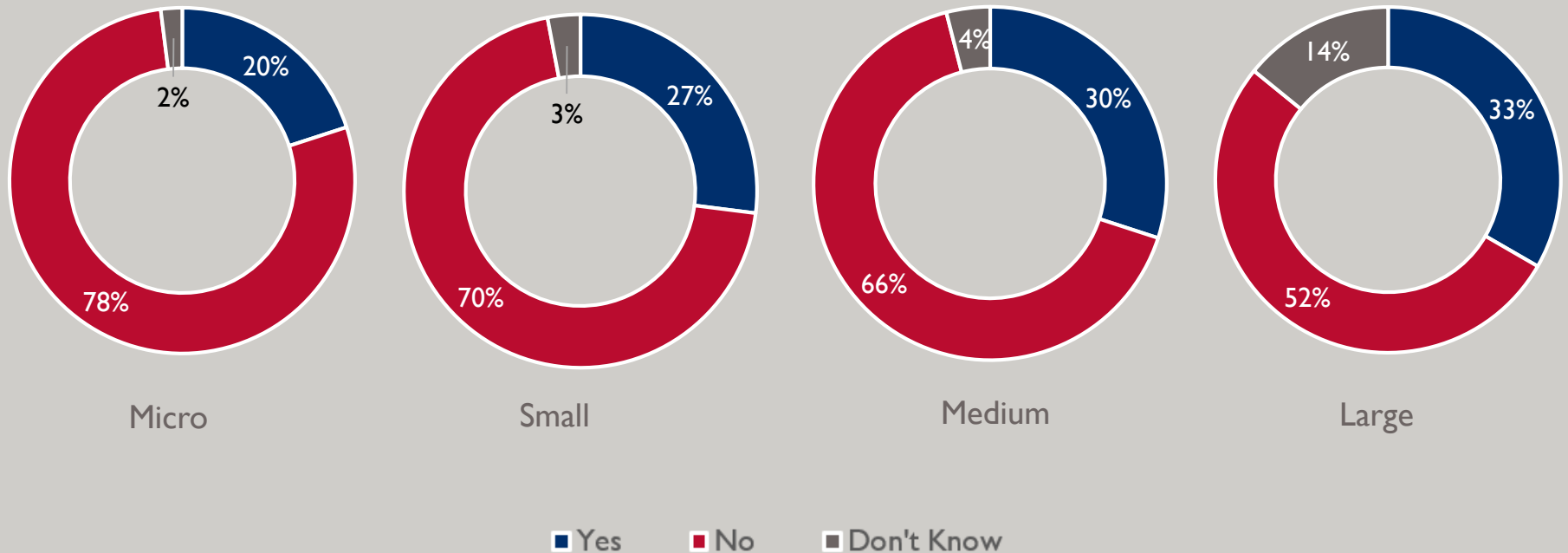
(Shown: percent businesses surveyed)



More Larger Firms Reported Applying for Loans

Have you applied for a loan for your enterprise/project or received financial support from an organization or financial institution?

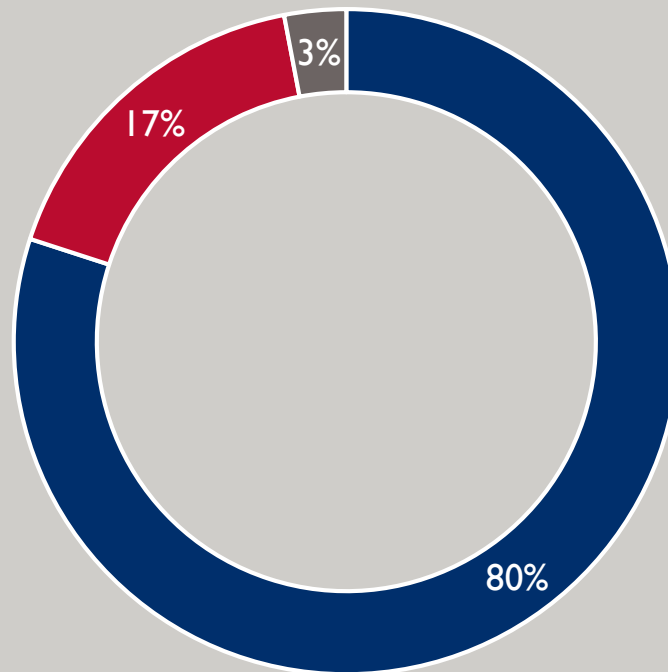
(Shown: percent businesses surveyed by size)



Most Loan Applications Were Accepted

If you applied for a loan, were you approved?

(Shown: percent businesses that have applied for loan)



■ Yes ■ No ■ Don't Know

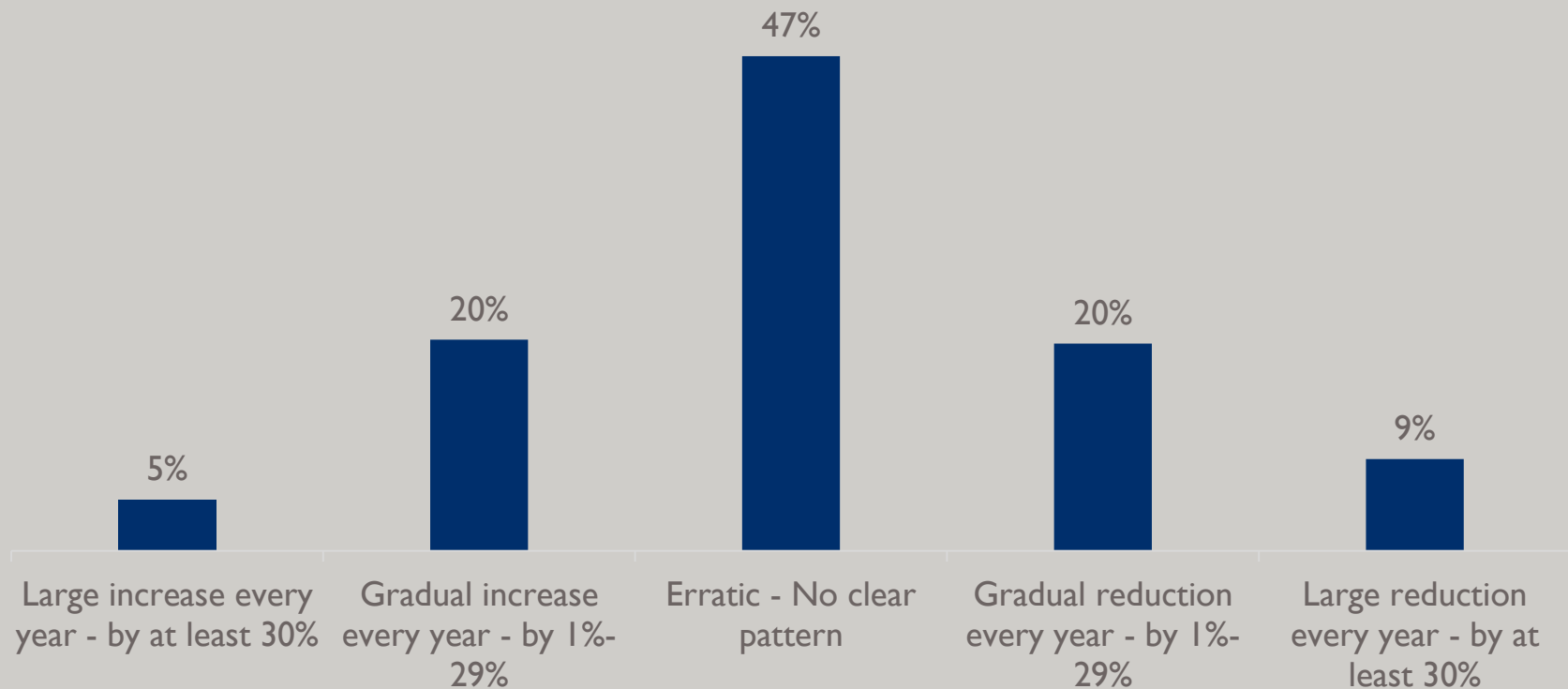


Key Findings: Employment

Employment has been Erratic for Many Firms

Please indicate which trend best describes your firm's overall employment level, the last 3 years

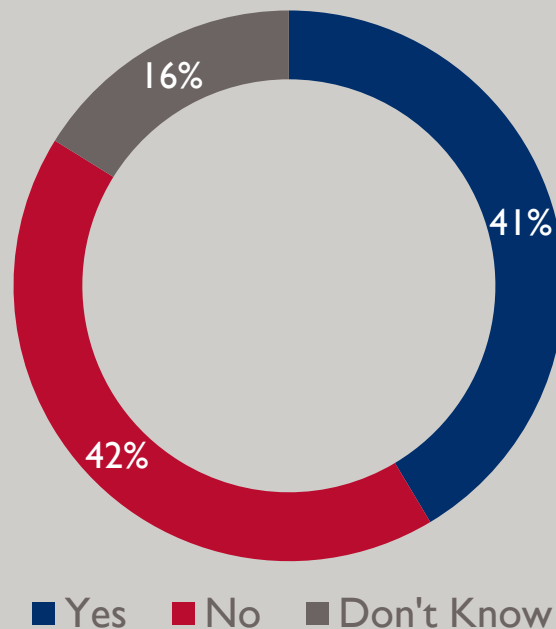
(Shown: Percent Businesses surveyed)



Firms Are Split On If They Will Hire Next Year

Do you expect to hire additional workers over the coming year?

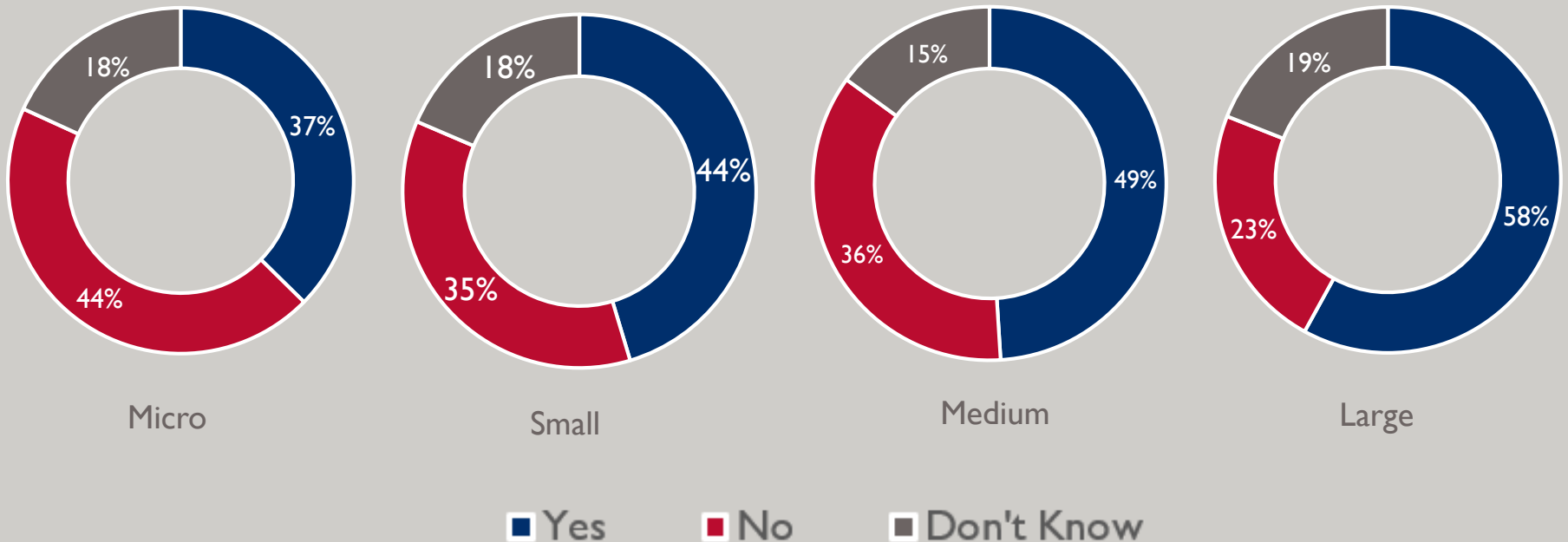
(Shown: Percent Businesses surveyed)



More Large Firms Expect to Hire in the Coming Year

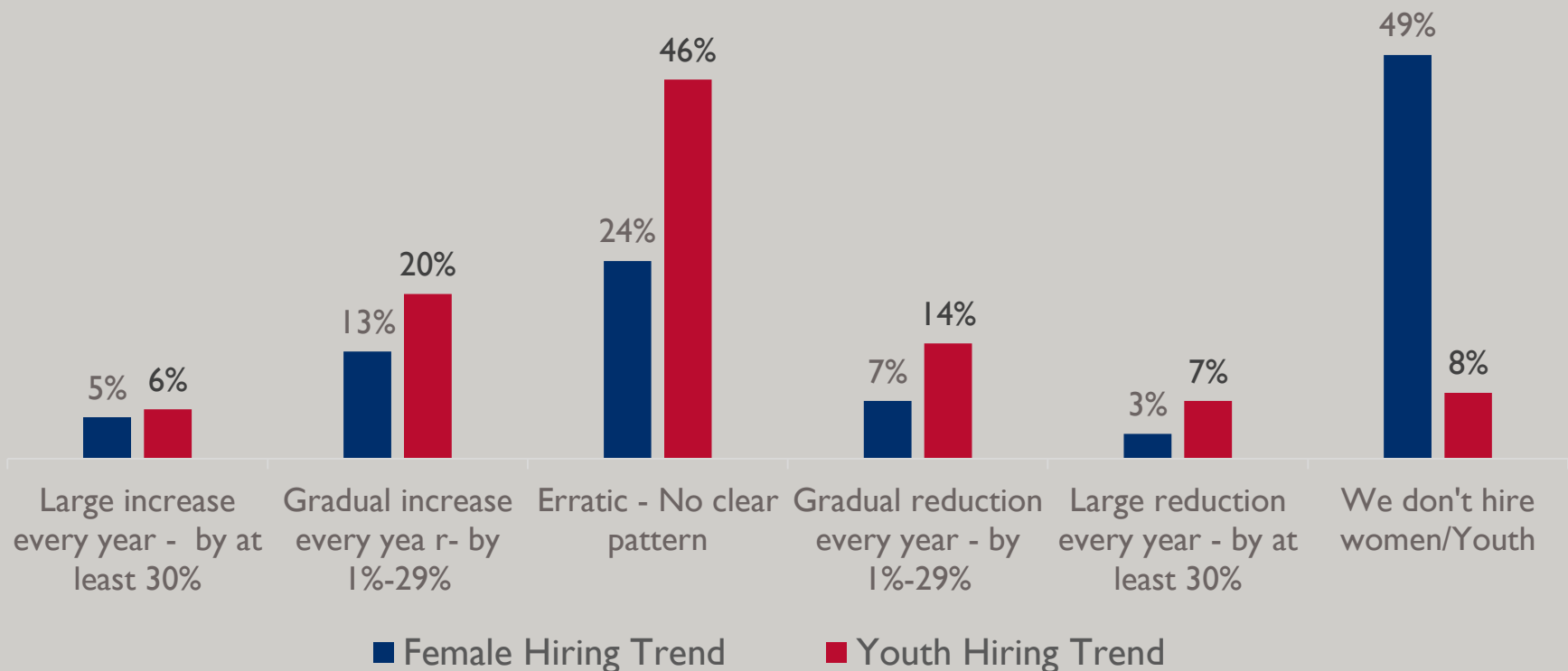
Do you expect to hire additional workers over the coming year?

(Shown: Percent Businesses surveyed by size)



Data Suggests a Bias Against Hiring Women

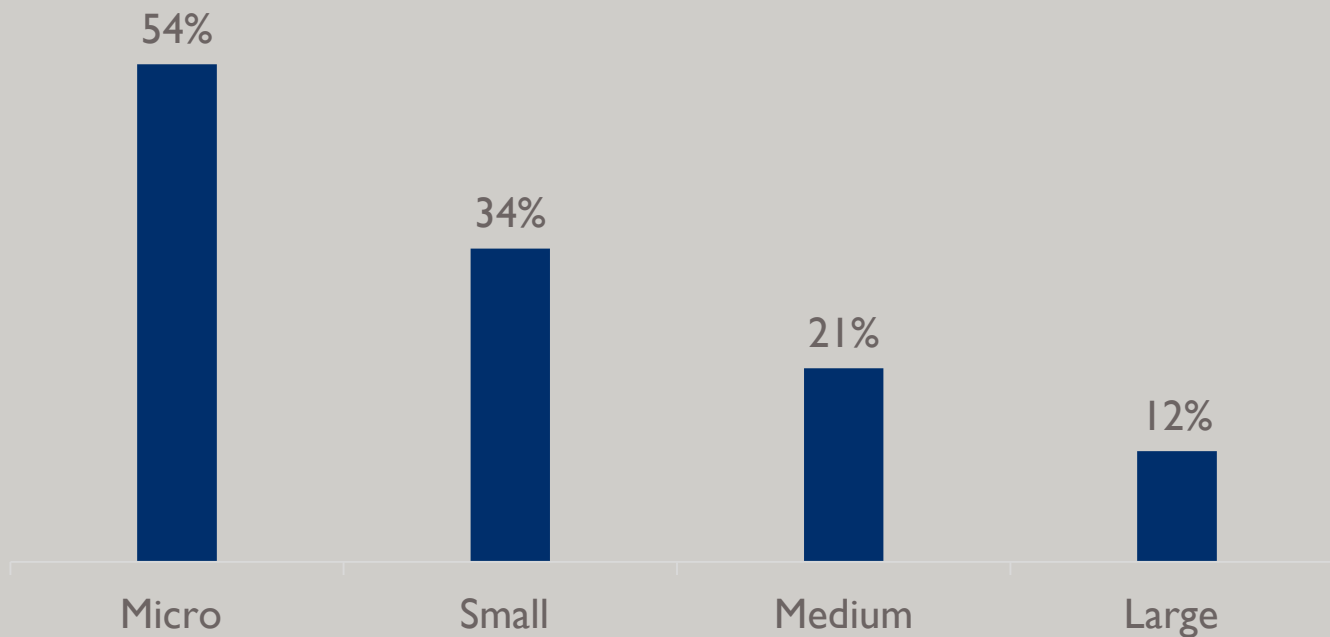
Please indicate which trend best describes your firm's employment of women/youth (persons 18-35), the last 3 years:
(Shown: Percent Businesses surveyed)



Micro Businesses the Most Likely to Report Not Hiring Women

Percent of Firms reporting that they *do not* hire women.

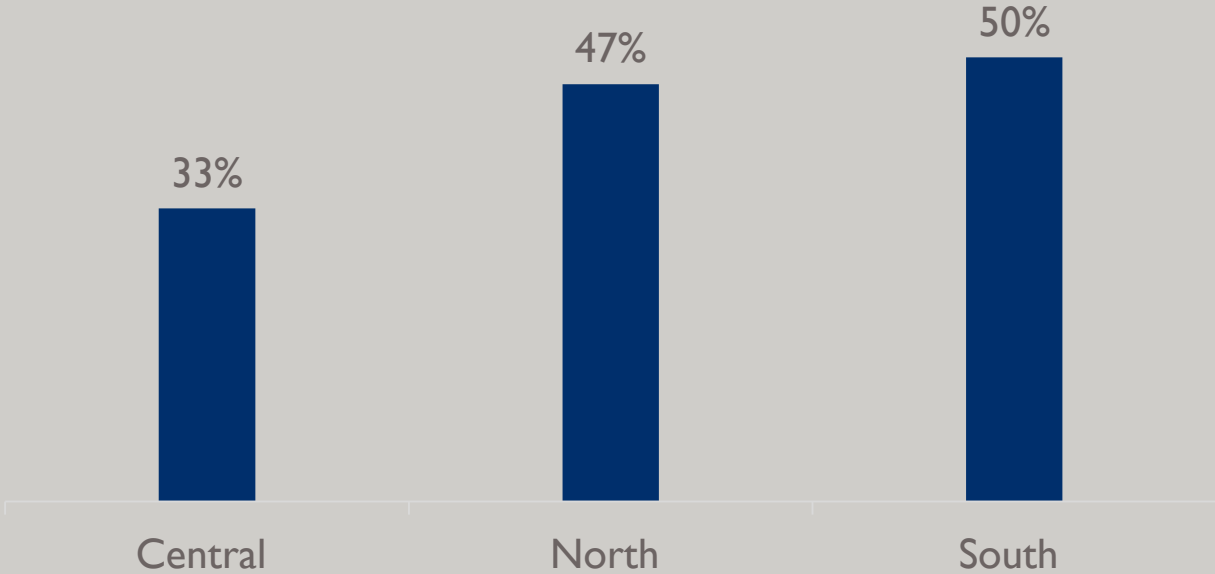
(Shown: Percent Businesses surveyed by size)



Central Businesses the Least Likely to Report Not Hiring Women

Percent of Firms reporting that they *do not* hire women.

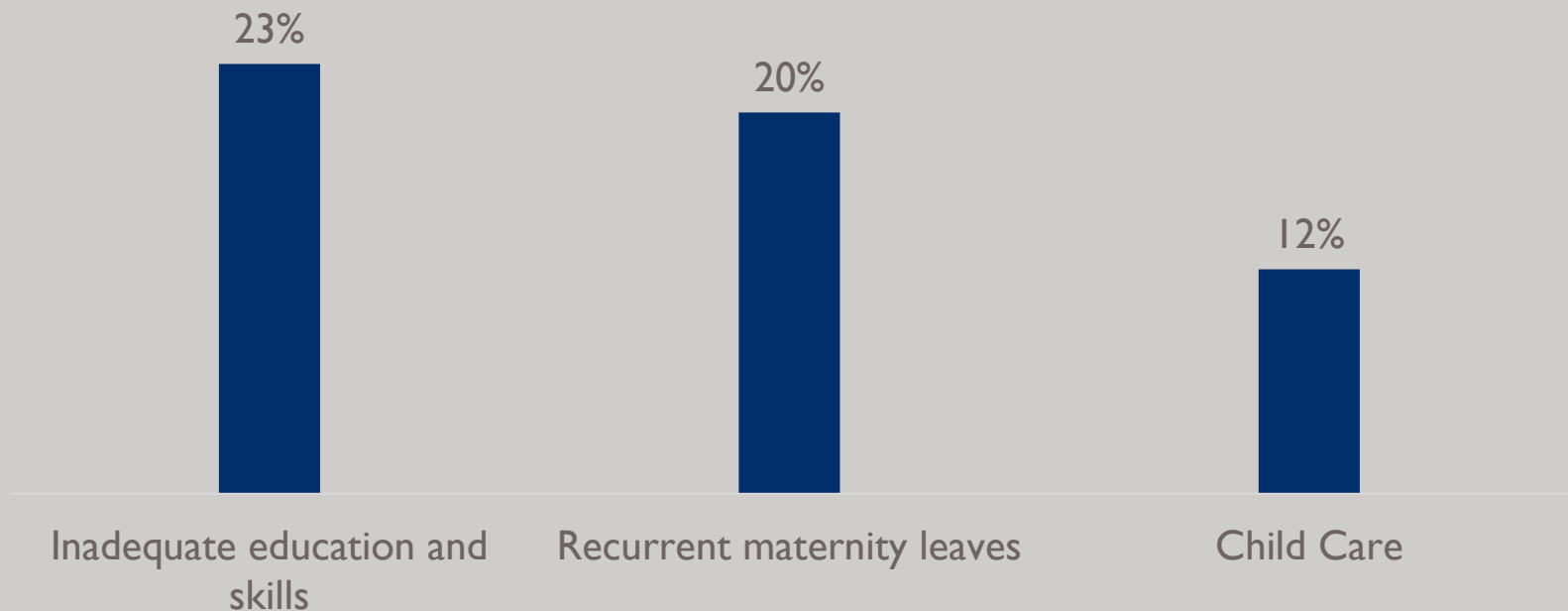
(Shown: Percent Businesses surveyed by region)



Challenges in Employing Women – Motherhood Bias

What are the main challenges in terms of hiring and retaining women?

(Shown: Percent Businesses surveyed)



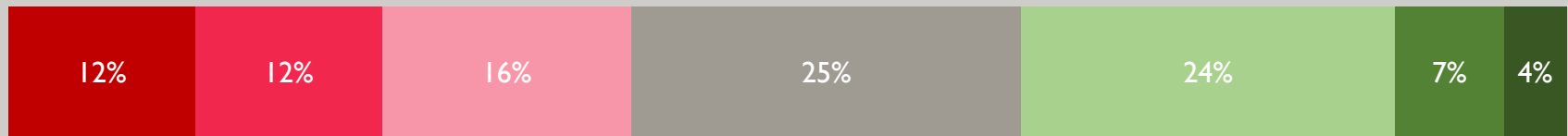


Findings: Business Enabling Environment

Infrastructure

How do you assess the general state of infrastructure (e.g., transport, communications, energy) in your country?

(Shown: Percent Businesses surveyed,)

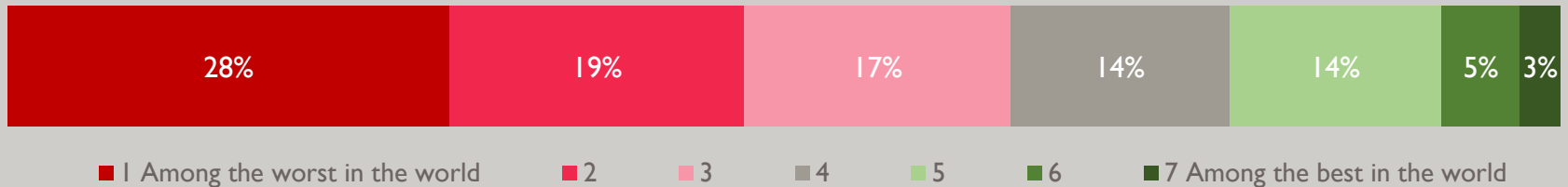


■ 1 Among the worst in the world ■ 2 ■ 3 ■ 4 ■ 5 ■ 6 ■ 7 Among the best in the world

Roads are the Worst and Airports are the Best

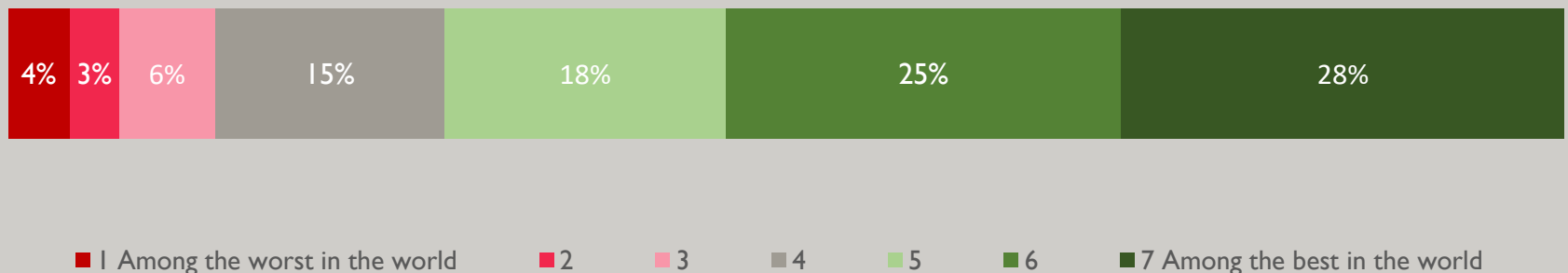
How is the quality (extensiveness and condition) of roads?

(Shown: Percent Businesses surveyed)



How is the quality (extensiveness and condition) of airports?

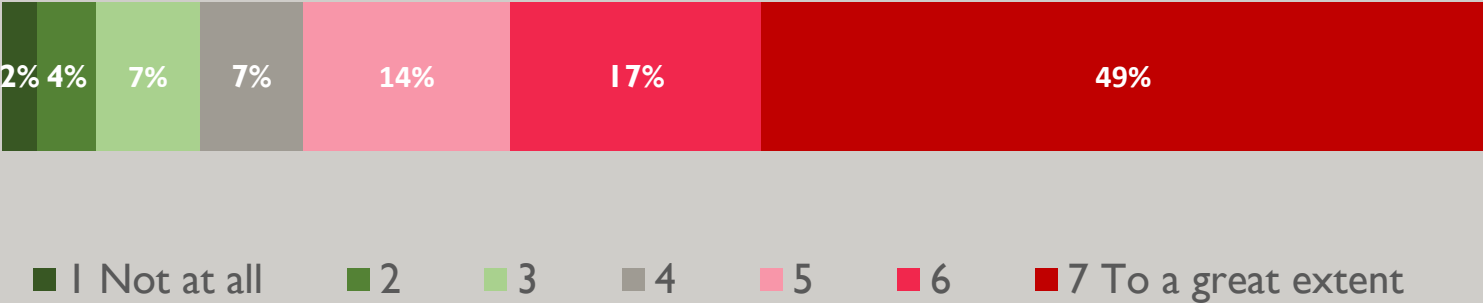
(Shown: Percent Businesses surveyed)



Taxes Seen as Hampering Investment in Jordan

To what extent do taxes reduce the incentive to invest?

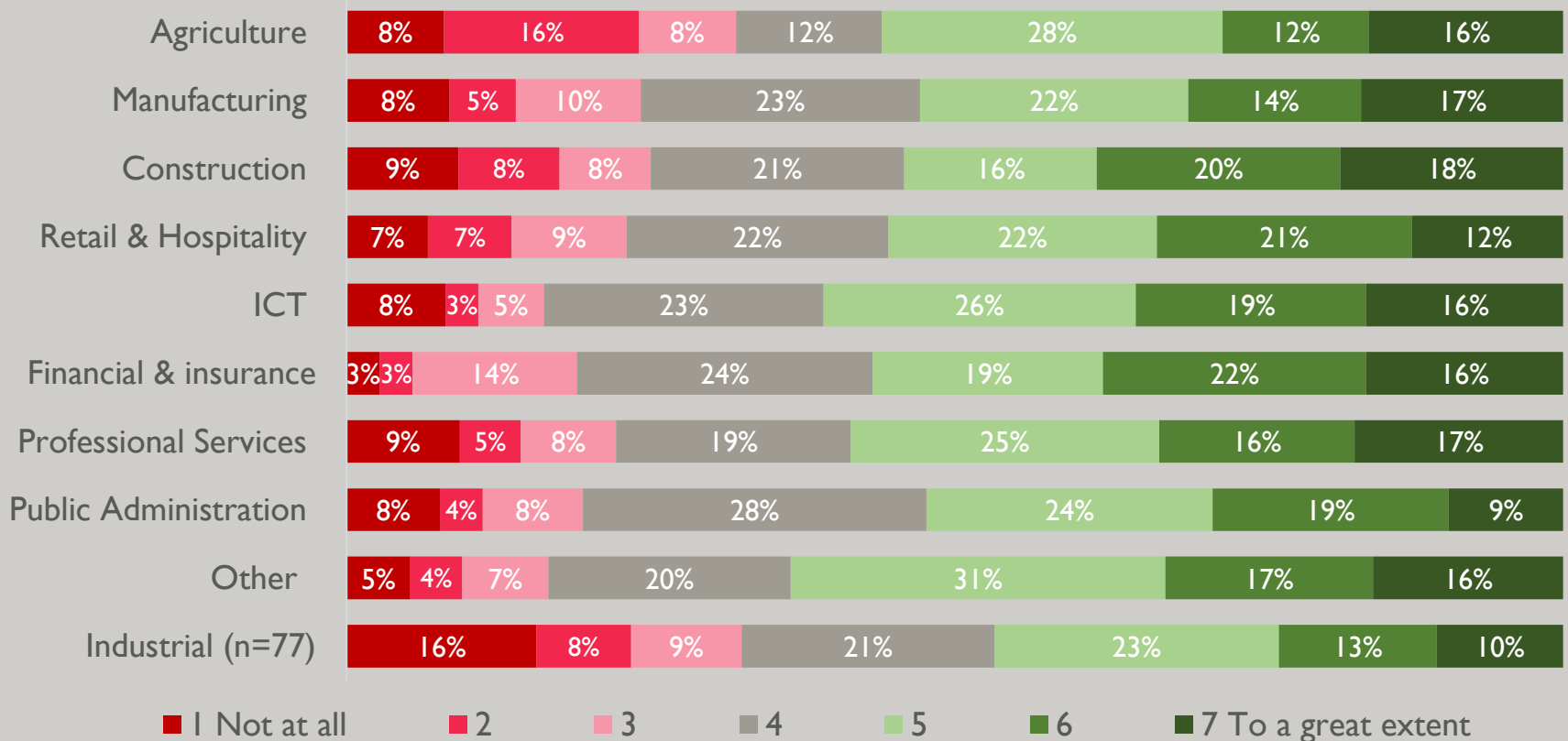
(Shown: Percent Businesses surveyed)



Governmental Effectiveness - Businesses are Favorable to Government's Ability to Create Stable Policies

To what extent does the government ensure a stable policy environment for doing business?

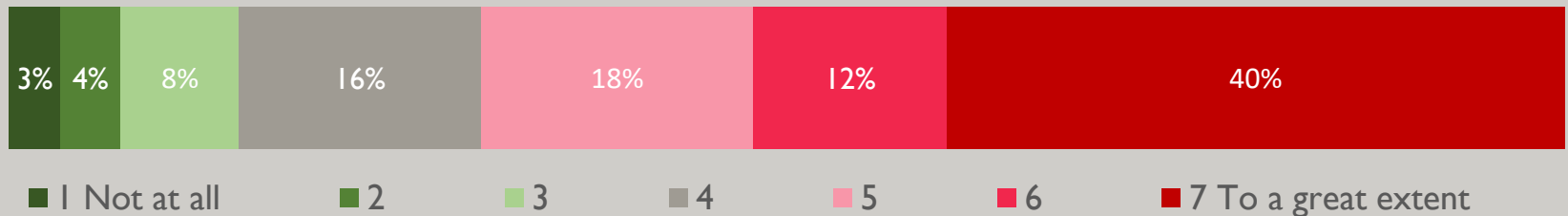
(Shown: Percent Businesses surveyed, by sector)



Governmental Effectiveness - Judiciary and Legal Systems Seen as Efficient; Issues Remain Around Favoritism

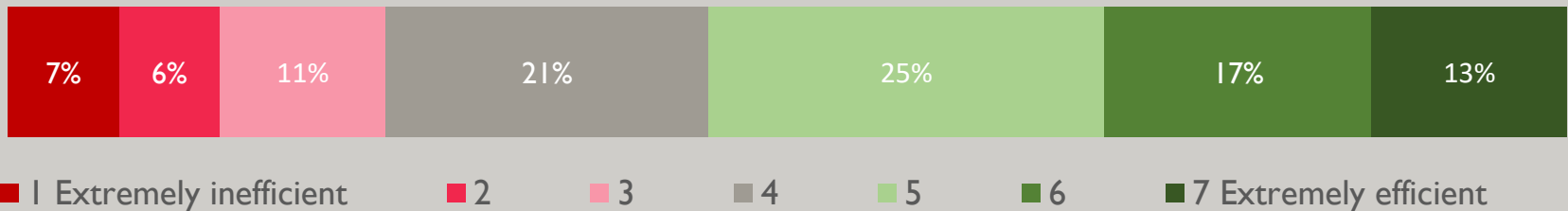
To what extent do government officials show favoritism to well-connected firms and individuals when deciding upon policies and contracts?

(Shown: Percent Businesses surveyed)



How efficient are the legal and judicial systems for companies in settling disputes?

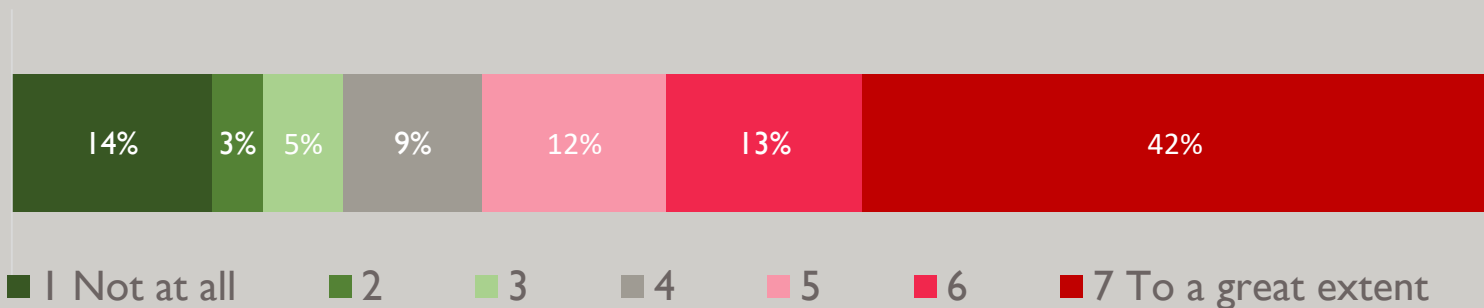
(Shown: Percent Businesses surveyed)



Terrorism and the Refugee Crisis are Impacting Businesses

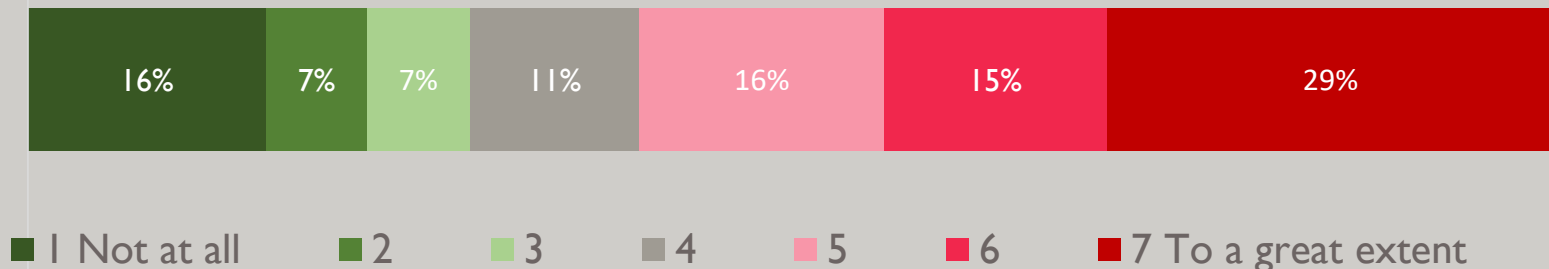
To what extent does the threat of terrorism impose costs on business?

(Shown: Percent Businesses surveyed)



To what extent does the large refugee populations impose costs on business?

(Shown: Percent Businesses surveyed)





Thank You!

For more information, visit Jordan KaMP:
<https://jordankmpportal.com>