THE FINANCIAL MARKET IN JORDAN
Development And Potentials

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Introduction

The basic impetus for the creation and development of financial markets is the dichotomy between saving and investing functions. In an economy where all the constitutent economic units are self-sufficient, i.e., they finance all their potential investments internally, there will be no need for a financial market. In most modern economies, however, such is not the case. Here some economic units tend to generate more savings than they desire to invest internally while others save less than they need to meet their planned investment requirements. The net result is the emergence of two groups of economic units: the surplus and the deficit units. In a setting such as this one, a financial market is indispensable to facilitate the transfer of excess funds from surplus to deficit economic units or from investors to borrowers. Financial assets are, are a result, issued by deficit units in exchange for the funds borrowed. In order to perform this exchange process efficiently, a financial market must have both an allocative guide and a transfer mechanism. In market economies, the main allocative guide is the productivity of capital. According to this guide, surplus funds are channelled to those investment possibilities promising the highest yield. The transfer process, on the other hand, is performed mainly by a network of financial institutions that varies in its complexity and sophistication from one country to another.

The purpose of this article is to examine the anatomy, development and potentials of Jordan's financial market. (1) First, however, it may be appropriate that we (1) provide a clear definition of the term "financial market"; (2) discuss the utility of an active financial market; and (3) identify the basic prerequisites for the creation of a well-developed financial market.

What is a Financial Market?

A financial market is simply a mechanism or place where financial assets are exchanged. While it may or may not have a specific geographic location, it facilitates the trading of all types of financial claims: new and old, short and long, riskless and risky. In other words, it encompasses primary and secondary issues and has a wide spectrum of maturities and risk-return gradations.

The term "financial market" as used in this article is a broad and encompassing concept. It includes both the money and capital markets and, hence, deals with all types of financial assets, with the entire spectrum

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of maturities, with all kinds of risk gradations, and with all types of investors. Actually, the segmentation of the financial market into money and capital markets, even though conceptually useful, is at best arbitrary. Well-developed financial markets are highly integrated and closely interlinked. Impediments to fund flows from one segment of the market to another are usually minimal. For instance, transfer costs are usually quite low, information about yield differentials is normally readily available, and participants in the various segments of the market are often the same.

The Utility of an Active Financial Market.

If the development of a financial market is to be actively promoted, its utility to the economy as a whole must be understood. In general, efficient markets are absolutely essential to assure the optimal allocation of both capital and managerial talent and, hence, lead to adequate capital formation and general economic growth. Therefore, a national government bent upon the optimization of its monetary resources and upon the promotion of the welfare of its citizens will find it appropriate to undertake positive and deliberate steps to initiate and encourage the evolution of its financial market. More specifically, an efficient financial market is in the best interest of every participant economic unit, be it public or private.

From the viewpoint of the surplus economic units endowed with excess monetary resources, an efficient financial market may provide them with an array of investment possibilities compatible with their risk-return preferences and, hence, help them augment their wealth. In the absence of a financial market, their excess funds would probably remain relativel idle. Deficit economic units, on the other hand, view the financial marke as a provider of funds needed to maintain or expand their production capacity. Furthermore, the realization that their financial requirements are reasonably assured would certainly induce them to manage their liquid resources efficiently.

In brief, an active and well developed financial market provides all economic units with a scheme for optimization. The more developed the financial market is, the greater are the possibilities for the efficient utilization and management of available monetary resources.

The interest of central banks in an active financial market should be obvious. As lenders of last resort, central banks are looked upon as the ultimate providers of liquidity for the economy. A well-developed financial market may, nevertheless, function as an immediate source of liquidity and, thus, as a first line of defense. The utility of the financial market to central banks transcends, however, its function as an immediate source of liquidity. It aids the central bank in carrying out its primary function, namely, the regulation of the cost and availability of credit. Through the manipulation of its major credit tools-open market operations, reserve requirements, and rediscounting--a central bank can expand or contract the country's money supply and, hence, control the volume and cost of credit. However, the absence of a well-developed financial market in most of the less developed countries has rendered the utilization of these tools, particularly open market operations, virtually impossible. As a result, central banks have a vital interest in the creation and the development of financial markets, for such a market will potentially facilitate their function of money management.

In addition to its interest in seeing that its monetary policy is executed more effectively, the government is also concerned with the ease with which it can carry out its fiscal policy. As a matter of fact, a major concern of the governments of the industrialized world is to choose the optimum "mix" of monetary and fiscal policies that would promote sustainable economic growth, price stability and high level of employment. Most of the less developed countries, however, have not reached such a degree of sophistication and their immediate ambition may be limited to their desire to construct a financial market which facilitates their deficit financing. As public debt increases in its relative importance to the economy, the financial market becomes increasingly more important. Without the presence of an active financial market, the government may not be able to sell its own obligations, let alone manage the economy. It is a well-known fact that the acceptance and popularity of government securities depend upon their relative safety and their degree of marketability and liquidity. While the element of safety is generally taken for granted, the degree of marketability and liquidity is greatly influenced by the level of financial market development, i.e., by its "depth", "breadth" and "resiliency".[2]

Basic Prerequisites of a Financial Market

In order to perform its function of capital allocation efficiently and inexpensively, a financial market requires the existence of a set of basic prerequisites. Its performance is enhanced as more of these prerequisites are met. Among the most important of such pre-requisites are: (1) political and economic stability, (2) a sound and stable currency system, (3) protective legislation to safeguard the rights of investors, (4) a large volume of savings seeking investment outlets, (5) independence of saving and investment units, (6) a broad variety of financial instruments tailored to meet the risk-return preferences of present and potential investors, and (7) a broker-dealer network to maintain a fair and orderly market.

The foregoing list, even though inexhaustive, names the most important prerequisites for the smooth functioning of a financial market. The absence of one or more of these prerequisites may narrow its scope and impede its growth and development.

With this brief introduction, we are now in a better position to study the evolution of Jordan's financial market and assess its potentials. However, before we do that it may be appropriate at this point to preface our discussion of the Jordanian financial market by a brief reference to some of the basic attributes of the Jordanian economy for an understanding of a country's economic base and the major forces shaping its structure may provide some valuable clues to the future direction of the country's economy in general and its financial market in particular.

AN OVERVIEW OF THE JORDANIAN ECONOMY

Jordan is a small country by almost any standard. It comprises an area of about 92,000 square kilometers and supports slightly less than 3 million people. Its population has been growing at 3.5% annually and has been moving towards the country's major urban centers. Presently, over 60% of the Jordanian population live in the country's three major cities and over 50% of them are under the age of 15. Only one out of five Jordanians participate in the labor force and only 10% of the labor force is female. Furthermore, some 250,000 skilled Jordanians live abroad, particularly in the Gulf region - a fact which poses a severe constraint on the developmental efforts of the country.

Apart from its relatively compact size, the population density of its major cities, the age distribution of its population, and the exodus of its skilled workers and professionals in search for higher wages and salaries, Jordan has also been beset by several major economic and political problems. The country's limited resource-base, shortage of capital, its political instability, and the amputation of a significant part of its economy by Israel, have debilitated its efforts to balance its budget and reduce the magnitude of its chronic trade deficit. The net outcome of these problems is a relatively high rate of inflation (about 12% annually) coupled with a heavy reliance on international transfers and borrowing.

Despite all of the above problems, Jordan has ranked near the top among the developing countries in terms of growth. This success may be attributed partly to its highly motivated and highly educated people - at least relative to those in other developing countries - partly to large amount of capital transfers and aid from the outside, and partly to a series of rather ambitious developmental plans implemented by the government in its attempt to broaden and diversify the country's economic base. As a result of economic planning, the country's GNP (in current dinars) has grown at about 12% per annum since 1970. Concurrently, per capital income rose from $270 in that year to over $450 by the end of 1976.

The most recent development plan covers the 1976 - 80 period. It aims at (1) achieving a 12% rate of growth in real gross domestic product, (2) reducing the country's chronic trade deficit, and (3) scaling-down the country's reliance on international aid and borrowing. Whether these rather ambitious targets are realizable within the time - span of the plan is questionable. Even more questionable is the ability of the country to achieve economic independence within the foreseeable future. Jordan's chances for survival will be greatly enhanced if the Palestine question is resolved and if the current trend toward Arab economic integration continues unabated.

With this brief expose' of the Jordanian economy and of the multifarious challenges facing it, we may be more able to understand the evolution and potentials of the Jordanian financial market. The remainder of this paper is devoted to an analysis of this subject.

THE JORDANIAN FINANCIAL MARKET

The Jordanian financial terrain has changed substantially during the last quarter century. From only two commercial banks headed by a Currency Board in the early 1950's, the financial market of Jordan currently houses a network of financial institutions which comprises a central bank, about twelve commercial banks - with over 75 branches - six specialized institutions, five insurance companies and a security market that facilitates trading in local stocks and now bonds. From virtually no financial instruments in the 1960s, Jordan enjoys a limited but widening menu of both debt and equity assets. This rapid pace in the development of such a financial network may be partly attributed to a delibrate and systematic planning by the Jordanian authorities. Faced with a lop-sided economy, with a low-level of per capita income, with a low labor participation rate, with a low savings rate, and with a conservative banking community, the government of Jordan found itself compelled to take the initiative and excercise some leadership by establishing a central bank and creating a specialized financial infrastructure. It was hoped that the latter would (1) alleviate the country's agricultural problem (3), (2) broaden its industrial base (4) and (3) tackle its housing shortage (5). The mission of these specialized credit institutions was seen to transcend all of the above. They were envisaged as possible outposts for the mobilization of local savings and for attracting international capital to finance the country's budgetary requirements. In addition, they would compete for funds with the commercial banking sector, and would, as a result, act as catalysts for change in its traditional practices and passive behavior.

Signs of Underdevelopment

Despits these and other important developments, the Jordanian financial market if still in its formative stage. Commercial banks which constitute the heart of the financial market are primarily interested in trade financing. They adhere rather closely to their traditional role of providing short-term, self-liquidation commercial loans and shy away from intermediate or long-term investment projects. This conservative posture is reflected not only in their maintenance of high liquidity but also in their passive attitude toward the mobilization of local savings and the infusion of these savings in long-term development projects. Nearly 25% of commercial banks assets and over one-third of their total deposits are held in liquid form, i.e., in the form of deposits with the central bank or foreign banks or in the form of cash on hand or with other banks. This apparent preference for a high level of liquidity is but one index of the relative underdevelopment of the Jordanian financial market. The Central Bank of Jordan was a late comer to the financial scene. Hence, despite the fact that it was armed with all the conventional weapons of central banking, it remained virtually powerless for several years. Firstly, commercial banks were reluctant to utilize the discount window to satisfy their short-term needs for liquidity lest they tarnish their own public image. Secondly, open market operations were impossible to conduct due to the absence, at least until the early 1970's, of any suitable financial instrument. Thirdly, manipulation of the reserve ratio was rendered somewhat ineffective as commercial banks maintained, as a matter of policy, a high level of liquidity.

A second index that points in a broad and general sense to the underdevelopment of the Jordanian financial market is the importance of currency in circulation as a component of total money supply. There seems to be a discernible tendency for this ratio to decline as the country moves up the development scale (6). While such trend is evident in the case of Jordan, there is still much room for improvement. Table I shows that the ratio of currency/money supply declined from 78% in 1970 ot 60% in 1977. It neverthless remains too high compared to the ratios prevalent in developed financial markets such as those of West Germany, Japan, the U.K. and the U.S.

A third index that may be used to depict the level of financial development in a given country is the ratio of currency to GNP. As the economy of the country develops, currency is expected to decline relative to GNP.(7) Table I shows that the ratio of currency to GNP in Jordan is, on average, about five times as high as those prevailing in the four industrial nations. Furthermore, there has been no discernible downtrend in this ratio during the 1970's.

The relative importance of currency in countries such as Jordan may be explained by (1) their underdeveloped banking habits (2) the heavy concentration of banking facilities in the major urban centers and (3) the almost passive attitude of bankers towards depositors and customers.

The Debt Market

It was not until the early 1970's that the Jordanian authorities passed the necessary legislation (8) authorizing the Central Bank to (1) issue debt instruments in the form of Treasury bills and long-term bonds and (2) manage the public debt. The introduction of this legislation constitutes a landmark in Jordan's financial history. First, it introduced the Jordanian investor, for the first time, to new domestic investment alternatives with different risk-return combinations from his traditional real estate ventures and common stocks. Second, it paved the way for the development of a secondary financial market in Jordan, particularly in view of the Central Bank's willingness to trade or accept as collateral government securities or securities issued by public agencies. (9) The development of a secondary financial market is essential for the promotion and development of the primary financial market. Third, a well-developed financial market tends to enhance the liquidity and marketability of government securities and, ultimately encourage local banks to scale down their liquidity position and undertake a more active role in the developmental effort of the country. Finally, as the Jordanian investor - residing in or outside Jordan - becomes familiar with the basic attributes of debt instruments, he will increasingly find a place for them in his asset portfolio. Such a tendency will probably encourage other corporate entities in Jordan to issue their own debt claims in order to tap a new source of funds and avail themselves to the benefits of financial leverage.

The size of public debt issues nearly tripled during the period 1972-77 with long-term bonds growing five-folds (Table II). The current five-year plan calls for the modification of the Public Debt Law in order to enable the government to issue an additional JD/75 million bonds.(10) During the first two year of the plan, government securities increased by JD 27 millon. A careful analysis of Table III leaves one with some mixed feelings. First, nearly two-thirds of the outstanding debt issue were at the end of 1977 held by the banking community-the central bank and commercial banks. Actually the commercial banks are the major participants in the treasury bill market, a truely vital step for the development of the local money market. Second, the individual investor participation even though growing, is still at a low level. (11) Third, private corporate entities have not so far tapped the debt market as a possible source of capital, a fact that confines the debt market to purely government issues.

A possible explanation for the apparent reluctance of the individual investor to participate more fully in the government bond market is the low yield on those bonds relative to those that can be garnered in the real estate or equity markets. Table IV shows the term structure of interest rates in Jordan during the 1972-77 period. Despite the upward adjustment in certain rates in 1976, the term structure may be characterized by its low level, relative stability and apparent insensivity to the inflationary pressures gripping the economy. With a double-digit inflation rate as the rule, with land and real estate values trending upward at unprecedentedly high rates, and with his relative unfamiliarity with debt instruments, it is no wonder that the Jordanian investor has been less than forthcoming in his participation in the government debt market despite the multifaceted incentives accorded him by the government. In order to induce the individual investor into the bond market, it may be necessary that both inflation and land speculation be arrested. A fundamental consideration for the development of a viable bond market is a climate of relative price stability and a term structure that is flexible enough to adequately reflect the risk associated with these bonds. In other words, if relative price stability lies beyond the realm of possibility, then the yield structure must not only be reflective of the investment community's inflationary expectations but must also be competitive with yields on other investment vehicles. More precisely, with a double-digit inflation, a bond yield of 8-9% can hardly be adequate to an investor who is concerned about the preservation and growth of his real wealth. In a nutshell, for the bond market to survive and grow, it is necessary to (1) control inflation (2) introduce a more flexible rate structure (3) encourage other public agencies and private corporations to become active participants whether as borrowers or lenders and (4) attract the individual investor into the market, first, by educating him as to the investment attributes of bonds and secondly by allowing him the opportunity to garner a net rate of return commensurate with the level of risk involved.

The Equity Market

The Jordanian equity market predates its bond market and goes back to the time when the first public shareholding company was established. Trading activity in common stock grew gradually with the expansion of the country's economic base and the increased popularity of the corporation as a form of organization. By the end of 1973, the number of business corporations stood at 244, capitalized at JD 65.4 million. Of these, as Table V indicates, only 63 companies were publicly-held. They had a total of 13.8 million shares, 44% of which (or about 6 million) was held by the government. By the end of 1977, the number of business corporations swelled to 619. Of these, only 117, with total capital of JD 176 million were publicly-held. While no accurate estimate of the number of shares currently outstanding is available, it would be safe to assume that it does not exceed 30 million shares. If we assume that the government maintained its own proportionate interest in these companies as in 1973, then the number of shares available for trading would not exceed 12 million, particularly if we take account of those shares held by the founders. As a result, one cannot escape the conclusion that the Jordanian equity market lacks both "depth" and "breadth".

Despite the relatively small market size, the Jordanian authorities have for some time been studying the feasibility of establishing an organized security exchange where stocks and bonds can be easily exchanged, where trading activity and price quotations can become visible, and where the investor can monitor market activity regularly and directly. In November 1975, the Governor of the Central Bank of Jordan submitted a proposal for the creation of what is called "The Amman Financial Market". A year later, The Amman Financial Market Law was enacted and at the onset of 1978 the market started its operations.

The Law seems to be modelled after those governing the NYSE and AMEX. It calls for the establishment of central physical facilities for security trading in Amman. It aims at (1) encouraging financial investment, (2) regulation and supervising trading in securities, and (3) assimilating and publishing pertinent statistics for the purpose of informing the investment community and enhancing the visibility of the market. As in the case of the NYSE, only members of the exchange can trade on the floor of the exchange; only listed securities can be traded, and all trading in such securities must take place on the floor of the exchange.

While the establishment of the Amman Financial Market may be a step in the right direction, it is imperative that it be accompanied by a stringent body of regulations, listing and membership requirements aimed, first, at protecting the interest of the investing public and, second, at increasing market efficiency. For instance, it is essential that security brokers meet the highest standards of financial integrity and professional competence and a conform to a stiff code of ethics. It is also essential that investors' accounts with brokerage firms be insured in order to protect investors against any speculative and fraudulent behavior by these firms. No short-selling or margin-trading should be allowed at the outset and no company should be listed on the exchange unless it agrees to disclose its financial and operating conditions fully and regularly.

Even with the implementation of the foregoing rules and regulations, the Amman Financial Market will remain rather fragile and volatile for years to come. It will continue to be thin as the number of companies eligible for listing (12) and the volume of trading will be restricted by the country's limited resource-base and capital shortage. Nevertheless, the Jordanian government could gradually broaden its security market by (1) unloading its shareholdings, (2) encouraging some of the privately-held companies, to go public, (3) allowing the listing of well-established regional companies, and (4) inviting "Arab" investors to participate in the Amman Financial Market. Stock ownership by Arab investors should, at least at the outset, be subject to maximum limits. Furthermore, Jordan should insist on reciprocity. for instance, if Jordan allows Kuwaitis to purchase stocks in the Amman Financial Market, then the Jordanians should be accorded similar priviledges on Kuwait Stock Exchange. This will not only broaden and deepen the two markets but will also enhance their prospects for integration. The problem of capital shortage in Jordan could be somewhat alleviated by the flow of capital from Kuwait. The Kuwaiti investor could, in turn, add a new dimmension to his investment portfolio and diversify it across national boundaries. (13)

CONCLUSION

During the last quarter century, Jordan faced multifarious challenges. Its compact size, its population distribution, its limited resource-base, the exodus of its skilled labor and professionals, shortage of capital, political instability, chronic trade deficit and high rate of inflation have all acted to restrain the Jordanians' desire to transform and moderize their economy. Despite all these problems, Jordan has ranked near the top among the developing countries in terms of growth.

Concurrent with its rather rapid economic growth, Jordan has experienced a dramatic change in its financial terrain. From only two banks in the early 1950s,. Jordan is presently the home of a network of financial institutions and an organized security exchange. From virtually no financial instruments in the 1960s, Jordan now has a limited but a growing number of both debt and equity issues. This rapid pace of financial development may be partly attributed to deliberate and systematic planning by the Jordanian authorities coupled with a conscientious policy of investment restriction liberalization.

The most recent development in the Jordanian financial history is the creation of the Amman Financial Market. Even though it is small and fragile, it is a step in the right direction. It will not only facilitate the integration of financial activities in Jordan but it may serve, as suggested in this article, as a stepping stone for regional financial integration.

TABLE I
Currency as a % of Money Supply and GNP
Jordan, U.S.A., U.K., Japan, Germany
(1970—1972)

	Currency as a % of Money Supply					Currency as a % of GNP				
YEAR	Jordan	Germany	Japan	U.K.	U.S.	Jordan	Germany	Japan	U.K.	U.S.
1970	78	36	24	34	22	37	5.4	7.2	6.4	5.1
1971	77	35	22	32	22	35	5.3	7.5	6.2	5.0
1972	71	35	22	32	22	31	5.5	8.5	6.4	4.9
1973	70	36	23	33	22	33	5.2	8.2	6.0	4.7
1974	68	35	24	35	24	31	5.2	8.1	6.1	4.8
1975	64	33	23	34	25	35	5.5	8.0	5.7	4.9
1976	61	34	23	34	26	30	5.4	7.8	5.5	7.8
1977	60	34	23	33	26	—	5.7	7.7	5.5	4.8
Average	69	35	23	33	24	33	5.4	7.9	6.0	4.9

Sources: Central Bank of Jordan, *Monthly Statistical Bulletin* selected issues. IMF, *International Financial Statistics* June, 1978.

TABLE II
Outstanding Debt Assets: 1972-77
(million JD)
As of December 31

	1972	1973	1974	1975	1976	1977
I Government Securities						
Treasury Bills	20.3	23.0	28.0	29.0	35.0	38.0
Long-term Bonds	8.0	12.0	20.0	23.0	32.0	41.0
Total	28.3	35.0	48.0	52.0	67.0	79.0
II Public Corporations Bonds	—	—	—	—	2.0	2.0
Total	28.3	35.0	48.0	25.0	69.0	81.0

Sources: Central Bank of Jordan, *Monthly Statistical Bulletin* December 1977 and February 1978

TABLE III
Ownership Distribution of Outstanding Debt Assets
(%)

	1972	1973	1974	1975	1976	1977
Central Bank	22	31	44	21	27	25
Commercial Bank	56	49	31	47	32	39
Total	78	80	75	68	59	64
Others	22	20	25	32	41	36
Total	100	100	100	100	100	100

Sources: Calculated from Table II above.

TABLE V
TYPE OF BUSINESS ORGANIZATIONS
Number and Amount of Capital
1977 vs. 1973

TYPE OF BUSINESS ORGANIZATION	Number of Companies		Capital in Million JDs	
	1973	1977*	1973	1977
I. Partnerships				
General	2570	6032	22.3	49.5
Limited	259	714	4.5	11.3
Sub-Total	2829	6746	26.8	60.8
II. Corporations				
Publicly-Held Corps	63	117	52.0	176.3
Privately-Held Corps	183	502	13.4	106.1
Sub-Total	246	619	65.4	282.4
Grand Total	3075	7365	92.2	343.2

*As of September 30, 1977
Source: Ministry of National Economy, *The Second and Third Annual Reports on Jordanian Companies for 1972 and 1973. Quarterly Statistical Release for 3rd Quarter of 1977.*

TABLE IV
TERM STRUCTURE OF INTEREST RATE
Selected Rates (%)
1972-1977

	1972	1973	1974	1975	1976	1977
I. Central Banks Rates on:						
Time Deposits	4.0	4.0	4.0	4.0	4.0	4.0
Construction Bonds	-	-	-	-	6.5	6.5
Development Bonds						
Banks	-	-	-	6.25	6.25	6.25
Individuals and Public Corp.	-	-	-	7.8	7.8	7.8
II. Commercial Banks Rates on:						
Demand Deposits	4.0	4.0	4.0	4.0	5.0	5.6
Savings Accounts	4.5	4.5	4.5	4.5	5.25	5.5
Time Deposits	5.5	5.5	5.5	5.5	6.05	5.1
III. The Housing Bank Rates on:						
Demand Deposits						
5000-10,000 JD	-	-	5.0	5.0	5.0	5.0
More than 10,000 JD	-	-	5.5	5.5	5.5	5.5
Savings Account	-	-	4.5	4.5	5.0	5.0
Time Deposit						
6 months	-	-	5.0	5.0	5.5	5.5
12 months	-	-	5.5	5.5	5.75	5.75

Sources: Central Bank of Jordan, *Monthly Statistical Bulletin* February, 1978.

FOOTNOTES

1. Jordan was chosen not only because it is a nation emerging from a state of economic and financial underdevelopment but also because it is among those nations of the Middle East whose leaders realize the necessity of an efficient system of financial institutions and markets.
2. For further discussion see Arnold W. Sametz, "The Capital Market", and Paul S. Nadler and H. L. Engberg, "The Money Market", in *Financial Institutions and Markets,* edited by Murray E. Polakoff (Boston: Houghton Mifflin Co., 1970).
3. By means of the Agricultural Credit Corporation, founded in 1959.
4. By means of the Industrial Development Bank, established in 1965.
5. By means of the Housing Agency and the Housing Bank, created in 1965 and 1974, respectively.
6. See discussion in Edward Nevin. *Capital Funds in Underdeveloped Countries* (New York: St. Martin's Press, Inc., 1961), pp. 2-3.
7. For one case study, see E. K. Hawkins, "The Growth of the Money Economy in Nigeria and Ghana", *Oxford Economic Papers,* Vol. 10 (October 1958), pp. 350-354.
8. See the Public Debt Law No. 1 of 1971.
9. The Law of the Central Bank of Jordan, Law No. 23 of 1971, Provisional Law No. 4 of 1975.
10. As of May 1978, 1 JD = $3.1949.
11. The size of individual bond holdings is not published separately. It is included in "others" as in Table III.
12. As Table V indicates, as of September 30, 1977, Jordan's business community consisted of 502 privately-held companies. As these companies grow and prosper, some of them will probably go public and qualify for listing.
13. For an elaborate discussion of the Kuwait Financial Market, see A. D. Issa and H. Elsaid, "Toward a Viable Financial Market in Kuwait", *The Journal of the Gulf,* vol. IV, no. 15 (July 1978).

امام تطور سوق مالية ثانو ية، تعتبر نقطة اساسية لارتقاء وتطو ير السوق المالية الزمنية.

بدأ التداول في الاسهم قبل بدايته في السندات، وقد اخذ حجم هذا التبادل بالتزايد تدر يجياً مع اتساع قاعدة الاردن الاقتصادية وانتشار الشركة المساهمة كأداة لتنظيم العمل. وكان احدث التطورات في تار يخ الاردن المالي هو خلق «سوق عمان المالي» و بالرغم من صغر حجمه وحداثته، الا انه خطوة في الا تجاه الصحيح، فلن يتقتصر نفعه على تسهيل التكامل المالي في الاردن فحسب، بل سيساعد ايضاً في الاسراع بالتكامل المالي الاقليمي.

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«تطور السوق المالية في الاردن»

د. احمد عيسى

o يهدف هذا البحث الى دراسة السوق المالية الاردنية وذلك بالنظر الى تركيبها وتطورها والامكانات المتاحة لها. وكمقدمة لهذا البحث، نستعرض خصائص ومنفعة السوق المالية النشطة، الشروط الاساسية اللازمة لخلق مثل هذا السوق بالاضافة الى توفير لمحة عامة مختصرة عن وضع الاقتصاد الاردني والمشاكل التي تواجهه.

شهدت الاردن خلال ر بع القرن المنصرم نمواً اقتصادياً سر يعاً، وقد رافق هذا النمو السر يع تقدم ملحوظ في هيكله المالي. فقد تطورت السوق المالية الاردنية من مصرفين تجار يين فقط في اوائل الخمسينات لتضم شبكة تشمل بنكا مركز يا، ١٢ مصرفاً تجار ياً ، ستة مصارف متخصصة وخمسة شركات تأمين، وسوق اسهم منظم.

بالاضافة الى ذلك فقد اصبح المستثمر الاردني يتمتع بعدد متزايد من الاصول المالية انعدم وجودها في اوائل الستينات.
و يرجع هذا التقدم السر يع في تطور بنيان السوق المالية في الاردن الى حد كبير الى الدور القيادي والتخطيط المنتظم التي اتخذته السلطات الاردنية. فقد رأت الاخيرة ان نمو السوق المالية سيساعدها في تخفيف مشكلة البلد الزراعية، في توسيع قاعدته الصناعية، ومن ثم في معالجة الازمة السكانية.

و بالرغم من اهمية هذه التطورات، فالسوق المالية في الاردن لا تزال في مهد حداثتها. فالبنوك التجار ية التي تشكل جوهر هذه السوق لا تزال تنتهج سياسة ائتمانية واستثمار ية تقليدية تتمثل في حفاظها على مستوى عال من السيولة، وفي تركيزها على تمو يل التجارة، وفي موقفها السلبي بالنسبة لتشجيع وتجميع الادخار المحلي واستثماره في مشار يع طو يلة الأجل. بالاضافة الى ذلك، فان اهمية النقد المتداول لدى الجمهور بالنسبة لعرض النقد و بالنسبة لحجم الانتاج القومي الاجمالي لا تزال كبيرة دلالة على تخلف السوق المالية في الاردن.

بعد الانتهاء من بحث خصائص السوق الاردني المالية بوجه عام. نستعرض بصورة اخص تطور ونمو سوق السندات والاسهم. اما بالنسبة للسندات فلم يبدأ التداول فيها حتى مطلع السبعينات و بعد أن اقرت السلطات الاردنية القوانين والتشر يعات اللازمة لتستهيل هذا التداول. و بقرارها التار يخي هذا، اتاحت الحكومة للمستثمر الاردني ولأول مرة بديل استثماري محلي جديد يتميز عن البدائل التقليدية الاخرى كالاسهم والعقارات. اضافة الى ذلك، فقد مهدت الطر يق