

**Access to Microfinance & Improved Implementation of Policy Reform  
(AMIR Program)**

**Funded By U.S. Agency for International Development**

**TARGET SPECIFIC SURVEY - IRBID**

Final Report

**Deliverable for SMI Component, Task No. 3.3.9  
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*This report was prepared by Jorge Daly, in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.*

## I. Introduction

It is a principal objective of the AMIR Program to foster the expansion of financial services to Jordan's microenterprises. To meet this goal, AMIR provides assistance to the Jordan Micro Credit Company (JMCC), the Jordan Woman Development Society (JWDS) and the Al-Ahli Microfinancing Company (AMC), so that, in time, they will be able to manage self-sustaining, profitable microcredit programs.

In March 2000, AMIR commissioned CDG/Al Jidara to conduct a market survey in the city of Irbid with the ultimate purpose of assisting the aforementioned microfinance institutions (MFIs) in their design and introduction of demand-driven loan products. The survey determined the general profile of the micro-enterprise market in Irbid, including personal and business information of respondents, as well as their willingness or unwillingness to solicit loans from MFIs. Furthermore, a typology of micro-entrepreneurs, expressed in terms of credit worthiness (risk) and potential for loan demand, was constructed.

Conduction of the survey took into account both registered (formal) establishments and unregistered (informal) businesses. To survey formal businesses, a sample was obtained from data on business licenses provided by the Irbid Municipality. Accordingly, as of March 2000, there were a total of 9,320 registered businesses in Irbid. A total of 512 businesses, that is, slightly above 5% of the total number of registered enterprises in Irbid, were surveyed.

Unfortunately, as regards informal establishments, there is lack of reliable statistics and studies on its composition and characteristics. An approximation into this part of the population was done by considering only the sectors of food, garment manufacturing, general services, handicrafts, retail trade and hairdressing, all of which are most likely to exhibit substantial numbers of informal enterprises that are managed by women. It was further assumed that the number of informal enterprises would roughly correspond to 100% of total formal businesses related to such sectors. But the research team found it impossible to reach that many. In the end, the total number of informal micro-enterprises that was surveyed in Irbid totaled 426.

The survey, therefore, was conducted on a sample that totaled 938 micro-enterprises, of which 766 (82%) were run by male micro-entrepreneurs and 172 (18%) by females. With respect to their distribution by business activity, the survey shows that almost 63% of the sample are concentrated in retail trade. (See frequency table for QD in Annex B, page 2).

A key objective of the survey was to assess more rigorously the structure of micro-enterprises, their relationship with suppliers, borrowing alternatives, and the potential for loan demand, including most preferred terms and conditions. To this end, a total of 572 micro-enterprises was included for this type of analysis, all of them corresponding to the predominant typology of the market or considered to be low risks.

On the other hand, it must be stated that the conduction of the survey was riddled with difficulties regarding data collection. In many an occasion surveyors had to fill the questionnaires under less than friendly circumstances. In addition, and unlike the survey conducted in East Amman, the fieldwork was done in just one stage. This meant that the surveyors visited the 572 establishments selected for in-depth analysis only once. This made it all but impossible to verify the accuracy of data related to disposable income and cash flow of respondents. For this reason, neither disposable income nor cash flow were analyzed and, consequently, are exempted from this report.

The report is accompanied by two annexes. Annex A details the questionnaire that was used in the survey. Annex B details the survey statistics, that is, the frequency tables corresponding to the main questions of the survey. Given the importance of gender, most of the tables how both, the male and female sub samples, responded to those questions.

## II. Basic Profile of the Market

64% of the male sub-sample run formal businesses, whereas as much as 88% of the female sub-sample is dedicated to informal businesses.

Formal and informal businesses were profiled by risk and potential demand for loans.<sup>1</sup> Ideally, for any MFI, the ideal market is composed of borrowers who feature very low probability of loan default, that is, that they are very good risks, and, on the other hand, high potential of effective loan demand. In the context of Jordan, the ideal micro-enterprise customer constitutes a type that exhibits the following characteristics:

5 to 10 employees

Market value of assets (excluding land and building) below JD2,000.

A ratio of total sales to total cost of inputs below 1.3

Has previous or existing transactions with money lenders.

Has access to loans from friends and relatives

Has access to trade or supplier loans.

Inability to finance expansion solely from retained earnings.

Previous use of formal loans

References on his/her character given by a supplier.

Has sources of income other than those generated by business.

Is older than 35 years old.

Has dependents attending school.

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<sup>1</sup> Arbitrary weights were assigned to responses on questions associated with risk and potential demand behavior. Those for risk included: age (Q1), dependents attending school (Q2), ownership of assets (Q3), character reference (Q4), other sources of income (Q5), years operating the business (Q6) and the relationship between sales and loan size. Those for potential demand were: number of employees (QA), willingness to borrow (Q8), estimated value of business assets (Q17), access to informal, moneylender and trade loans (Q18, 19, 20), ability to self fund investments (Q21), previous application or use of formal loans (Q22), and profitability (Q23).

- Owns any real estate.
- Has been operating the business more than 3 years.

This ideal type, that is, one that combines low risks and high potential for loan demand, is virtually non-existent in Irbid. In fact, the distribution of respondents per specific typology indicated that there were no establishments that featured the characteristics cited above.

Six other typologies were considered: low risk/moderate potential, low risk/low potential, moderate risk/high potential, moderate risk/moderate potential, moderate risk/low potential and high risk. What then is the typical profile of the micro-enterprise customer in Irbid? The answer is straightforward: 66% of the sample was grouped in the moderate risk/moderate potential typology. (See sample distribution by typology in Annex B, page 2). Furthermore, if the total micro-enterprises surveyed exclude the respondents grouped under high risk, (10% of the sample, or 94 micro-enterprises which the MFIs would do well in ignoring them altogether), the percentage of surveyed customers who fall under the moderate risk/moderate potential rises significantly to 72%.

It is therefore safe to conclude that MFIs in Irbid face a micro-enterprise market that is moderately risky and with a potential for loan demand that is neither high nor low. The following characteristics are likely to be prevalent in potential customers:

- In 76% of cases the business is operated by just one person (the owner).
- Market value of assets (excluding land and building) averages JD4,600.
- Ratio of total sales to total cost of inputs: approximately 2.0
- Predominantly unwilling or unable to obtain loans from money lenders.
- In three out of four cases has no access enough to loans from friends and relatives
- In almost two out of three cases there is access to trade or supplier loans.
- In two thirds of cases expansion cannot be financed solely from retained earnings.
- In three out of four cases there is no previous experience with respect to formal loans
- In three out of four cases suppliers can be enlisted to provide references on his/her character.
- In two out of three cases, only source of income is that generated by business.
- In slightly above half of the cases the micro entrepreneur is older than 35 years old.
- In two out of three cases he/she has dependents attending school.
- May or may not own land or car.
- In 70% of cases he/she has been operating the business more than 3 years.

### **Willingness to Borrow**

Significantly, 84 per cent of the surveyed micro-enterprises expressed willingness to solicit a loan from MFIs. Extrapolating this percentage to the number at large of formal and informal micro-enterprises in Irbid brings a total of 15,530 of micro-enterprises with revealed interest to borrow. This interest was also confirmed indirectly, for the surveyed micro-enterprises were

asked if they wanted to be visited by loan officers. To this question, 99% of the sample responded affirmatively.

Table 1 provides information on willingness to borrow, according to gender and type of business. As shown, women are relatively more willing to borrow than men. The fact that informal businesses are predominantly run by females probably explains why this type of business exhibits relatively higher potential demand than registered establishments.

**Table 1. Willingness to Borrow**  
(in percentages)

	Sample	Male	Female	Formal	Informal
Yes	84	82	91	80	89
No	16	18	9	20	11

The surveyed micro-enterprises were asked for what amount they would be willing to request a loan. Close to two thirds of respondents are willing to request loans that range in size from below JD200 to JD4,500. (See frequency table for Q9 in Annex B, page 7).

Willingness to borrow by business activity is depicted in Table 2. It reveals that over 80% of requested loans by micro-enterprises in both garment manufacturing and handicraft production are grouped in sizes that range between JD200 and JD3,000. This is consistent with the fact that micro-enterprises in these sectors are mainly informal and operated by women. Over 50% of firms engaged in retail trade is also grouped in this range. On the other hand, wood furniture manufacturing shows a significant percentage of requested loans above JD4,500.

**Table 2. Willingness to Borrow by Sector**  
(in percentages)

Sector/JD	<200 - 650	651 - 1000	1001 - 2000	2001 - 3000	3001 - 4500	>4501
Garment	29.3	17.1	24.4	17.1	4.9	7.2
Handicraft	23.1	7.7	15.4	38.5	-----	15.3
Food Processing	6.0	10.4	25.4	17.9	11.9	28.4
Hairdresser	8.5	10.6	17.1	29.8	4.3	29.7
Wood furniture	-----	-----	-----	11.1	11.1	77.8
Metal Workshop	-----	7.1	7.1	35.7	14.3	35.8
Retail Trade	4.3	9.3	23.3	15.5	8.0	39.6
Restaurant	4.0	12.0	20.0	20.0	4.0	40.0
General Services	5.7	6.9	18.3	10.3	13.8	45.0

16% of the sample, that is, 152 micro-enterprises, stated that they were not interested in soliciting loans from MFIs. They were asked to state the principal reasons: 40% of these respondents indicated that they were in no need for soliciting loans. Religious beliefs were cited

by 16% of the respondents, while fear of inability to repay loans and unwillingness to incur debts, in combination, accounted for 39%.

### Current Sources of Financing

When queried about current sources of finance, only a minority of micro-entrepreneurs (14%) in Irbid pointed to bank loans. For females, this percentage was even lower — 4%. On the other hand, 43% of the sample pointed to cash or profits and 11% indicated that they were bereft of financing sources. (See frequency table for Q41 in Annex B, page 13).

Micro-entrepreneurs were asked whether they had previous experience with formal loans. Only 40 indicated that they indeed had received a loan in 1999. 75% of these used the loans for business purposes, whether to finance working capital or fixed assets. The mean value of these loans was JD1100.

The results from the survey indicate that half of the sample own no fixed assets.

### Size of Operation and Location of Business

Establishments with zero number of employees dominate the sample. In fact, as much as 76% of the sample is composed of sole operations. Micro-sized operations (1 to 4 employees) account for 23%. The number of small sized operations is insignificant.

Table 3 provides information on size of operation within sectors. It reveals that sole operations are heavily concentrated in garment manufacturing (95%), retail trade (81%), hairdressers (81%), and handicraft production (77%), sectors in which there are numerous female-run informal establishments. On the other hand, micro-sized operations are more prevalent in wood/furniture making, metal workshops and restaurants.

**Table 3. Size of Operations in Business Sectors: Sample Distribution**  
(in percentages)

Sector	Sole	Micro	Small
Garment	95.3	4.7	-----
Handicraft	76.9	23.1	-----
Food Processing	58.6	40.0	1.4
Hairdresser	80.6	19.4	-----
Wood furniture	63.6	36.4	----
Metal Workshop	31.3	62.5	6.3
Retail Trade	80.6	19.1	0.3
Restaurant	46.7	46.7	6.6
General Services	70.2	27.9	1.9

As regards business location, the sample indicates that 70% of the establishments are located in stores. 21% of respondents stated that they operated out of their homes, and 6% in the street. (See frequency table for Q15 in Annex B, page 3).

### **Education and Character Reference**

What is the educational profile of the typical micro-entrepreneur in Irbid? The results from the survey indicates that only 6% of respondents were illiterate, while approximately 63% have completed basic or secondary education. (See frequency table for Q13 in Annex B, page 5). It is to be noted, however, that females are at disadvantage with respect to males. In fact, as much as 62% of female respondents have not obtained secondary education, and 21% of these are illiterate.

As regards character reference the survey results indicate that three out of four respondents rely on suppliers as sources willing to vouch for their good will or reputation. (See frequency table for Q4 in Annex B, page 6).

### **III. Analysis of the Market**

The discussion that follows is based on responses obtained from non-high risk 572 micro-enterprises.

#### *Basic Socioeconomic Facts*

On average, micro-entrepreneurs have five family dependents.

Two thirds own their own house

34% pay rent, which on average is JD59

37% depends on other family members and other work and rents to meet household expenditures (family expenses).

Only 5% receive remittances from abroad, which average JD1,970 yearly

Monthly living expenses (food, clothing, transportation, etc) average JD203

Inability to cover family expenses is more pronounced among female micro-entrepreneurs. In fact, 59% of females reported a shortfall, as opposed to 31% of males.

How is the shortfall of income (in all those who cannot meet monthly family expenses) covered? 14% of male entrepreneurs and 68% of female respondents pointed to income earned by other

family members. Other significant responses included pension funds (48% of males and 20% of females) and loans from credit institutions (21% of males and 7% of females).

### *Structural Characteristics of Establishments*

Business is predominantly non-seasonal (97% of respondents).

13% of respondents reported manufacturing for others without purchasing inputs. In 68% of these cases, lack of financing was cited as reason for inability to buy inputs.

32% of respondents indicated that they have no immediate competitors. This is more prevalent in the female sample (52%) than among males (27%).

A third of the respondents stated that they operated in a “very busy” business location

97% of respondents reported that they advertise only by “word of mouth.”

In 98% of cases the form of payment for sales to customers is cash.

Respondents provided important and revealing information on their financial situation. Highlights follow:

More than one third (37%) do keep administrative records on business transactions.

This is more prevalent among males (41% of the male sample) than among females (20%).

The median value for the cost of start-up operations is JD800. For males the value is JD1000 and for females JD200.

The median value of annual operating costs (excluding merchandise purchases) is JD660. There is a striking difference by gender: for males the median is JD840 and for females JD60.

The median value of profits on female-run establishments is 4.5% while that for male-run firms is 14%.

46% stated that they cannot meet demand for their products from the income generated. On average, what they need is JD437 monthly to satisfy such market demand. For females, this is significantly less (JD154).

40% of males and 52% of females can set aside money for savings. 43% of those males that can save place their savings in financial institutions, in contrast with 9% of female savers who do so.

*Outlook for Business Growth and Expansion*

94% of respondents stated that they would like to expand their businesses.

41% of respondents indicated that their businesses will not grow significantly in the next year because of the likelihood of an adverse economic situation and/or low purchasing power of the population.

26% of respondents indicated the expectation for business growth for next year because of successful implementation of plans and the presence of a better economic environment.

20% of respondents that the availability or unavailability of financial services will determine whether or not their businesses will grow in the next year.

What are the most important obstacles that block expansion of establishments in Irbid? 36% of respondents cited the existence of weak demand for their products. But this is more important for males (27% of the male sample) than for the female sample (10%). Also, 21% of the male sample and 43% of the female sample stated that unavailability of financing sources was a constraint. On the other hand, 17% of females reported that there were no major obstacles, as opposed to 20% of males.

*Relationship with Suppliers*

27% of the surveyed micro-enterprises use supplier credit to pay for 86% of their purchases. The rest of the sample (73%) pay suppliers in cash to pay for 92% of their purchases.

Of the establishments that pay suppliers with cash, 84% stated that they have never requested a supplier credit. The main reason that was cited was that there was no need (56%). 23% reported that they do not like to incur in debt. .

Form of payment to suppliers varies according to sector. Micro-enterprises in garment manufacturing, hairdresser and general services and retail trade pay overwhelmingly in cash — 93%, 97% and 78% respectively — whereas handicrafts (60%), wood furniture (50%) and food processing (39%) solicit credit to pay for a significant amount of their purchases.

The median value of supplier credit is JD100, drawn upon as often as 24 times in a year.

A third of those using supplier credit signed post dated checks and 16% reported having problems in meeting payment schedules, mainly due to insufficient income or cash revenues. These problems are solved primarily by rescheduling of payments (66% of cases) and to a lesser extent by soliciting loans from informal sources (28% of cases).

The average interest charge was 5%, applicable in 54% of respondents that were given supplier credit. In 43% of cases no interest rate was levied on the credit.

Analysis of supplier credit by gender, not surprisingly, shows marked differences. The median value of credit for males is JD116 and for females JD36. Both males and females solicit credit as much as twice per month. Loan tenor is on average 30 days for males for females. Interest rates, when charged, are 4% for males and 8% for females.

### *Informal Loans*

Only 19% of respondents have ever requested an informal loan. Sources of informal loans are predominantly from relatives (59% of respondents) and friends (39% of respondents). No informal loans were given by moneylenders. As regards gender, females request relatively more informal loans (25% of female sub-sample) than males (17% of male sub-sample) and rely more on family sources (70%) than males (50%).

On average, females requested 9 informal loans last year whereas the average for males was 1. (The median value was 1 for males and females). The median value of these loans was JD500 for males and JD100 for females. The median tenor was 60 days for both males and females. All females and 95% of the males were not charged interest.

Loan turnaround time, that is, days elapsed between loan request and disbursement, is very short — 1 day — for both males and females.

### *Previous Credit Experience*

23% of respondents have requested in the past formal loans but only 40 micro-entrepreneurs received one in the last year. Loans were provided by banks (in 67% of cases) and by financial NGOs or PVOs (33%). Loans were mainly for business purposes (75% of cases), the rest were consumer loans.

The median value of these loans was JD1,100 with a median loan tenor of 18 months and interest rate of 21.5%. Types of collateral demanded were mainly a guarantor and a bank account. 67% of those that received loans were satisfied with these conditions.

The median value of collateral as related to the loan value was 100.5%.

Loan turnaround time was 7 days.

Of those not satisfied with loan conditions, 58% cited high interest rates.

5% of those that received a loan admitted having been late in repayment schedule, due entirely to cash flow problems.

### *Preferred Loan Terms*

The survey unearthed very important findings. The most important are highlighted:

The median value of an affordable monthly loan installment is JD50, including an administrative fee. Males can afford more (JD50) than females (JD30). On average, both males and females considered an acceptable administrative fee — expressed as a percentage of the loan amount — of 5%.

Only 12% of respondents objected to MFIs charging an administrative fee. Both male and female who do object attribute their objection primarily to religious beliefs.

98% of males and 99% of females expressed their preference for loans with monthly repayment schedules.

Only a tiny minority of males (1.5%) and of females (1%) want consumer loans. The overwhelming majority in both both types of borrowers is for loans destined to finance business expansion.

As regards collateral, 29% of female respondents stated that they would prefer a guarantor, while 43% reported offering no collateral. With respect to males, only a small percentage (3%) reported offering no collateral. Within males, the prevalent type of collateral would be a guarantor and a bank account, cited by 44% and 35% respectively of the male sample.

What incentives from MFIs would micro-entrepreneurs want in exchange for prompt and full repayment of loan? Findings of the survey are interesting:

57% of the sample stated that an immediate release of the next loan would be the best incentive in order to keep borrowing from MFIs.

27% of the sample believed that the best incentive would be expressed in benefits from lower administrative charges.

8% of respondents cited as best incentive allowing for a longer repayment period.

The return of administrative charges on the first loan, and higher loan amounts were cited as second best incentive by 43% and 34% respectively.

Almost 30% of respondents reported not being interested in incentives for the simple reason that they do not foresee soliciting a second loan.

## Conclusions

The survey shows that there is potential for the expansion of financial services to the benefit of micro-entrepreneurs in Irbid. MFIs can target as many as 15,530 small formal and informal establishments, which have expressed willingness to borrow. The majority of these establishments have been in operation for more than three years. This suggests sustained generation of income which, in turn, underlines permanence in time.

Irbid is an attractive market. It is a thriving urban center with high population density. But its potential customers have little previous exposure to formal loans. To be effective, MFIs can learn from the terms that characterize supplier credit. Unfortunately, and notwithstanding a high number of micro-enterprises with apparent access to trade loans (63% of sample), the survey captured a relatively small number of them which are currently soliciting trade or supplier loans. Whether this happened at random or underlined the presence of deeper factors (such as a recessive economic situation) is impossible to tell. In any event, the survey does throw important information on the terms of these loans that can be used by MFIs as a reference when designing the terms for their own products.

Not unlike East Amman and Zarqa, the profile of the typical micro-entrepreneur in Irbid is one which combines moderate risk on loan default and moderate potential for loan demand. A moderate risk profile is not impossible to overcome. To the contrary, as valuable experiences in so many other countries prove, MFIs can approach this issue by improving on techniques to gather more reliable information on borrowers' capacity and willingness to repay loans. As also revealed in East Amman in Zarqa, the advantage in Irbid is that so many establishments can point to suppliers as source of character reference. MFIs can well benefit from this information and use it for their selection of customers.

The issue of moderate potential for loan demand can be addressed with educational information on what the MFIs offer and, fundamentally, with high quality services to prospective clients. In doing this, entrenched cultural traits that seem particular of Jordanian society, such as the propensity to incur in less borrowing as profits and business capitalization increase, must be taken into account. Equally important, measures that heighten the cultural identification of MFIs with the clients, i.e., the feeling that is their institution, must be stressed. On the other hand, timely disbursement of loans, adjustment of loan terms and conditions to shifting market signals,

introduction of new loan and savings instruments, and last but not least, offering of incentives for prompt repayment and access to more loans are some of the most important pillars that underpin good service to clients.

The market survey provides extremely rich information on business establishments with characteristics that vary according to incomes, area, sector and gender. On this last point, the survey highlights the high potential found in women borrowers. In this regard, if Jordan proves to be no different from other countries with well developed microfinance industries, MFIs could well tap into a market niche with the prospect of high growth and very low default rates.

**Questionnaire for Determining the Market Specifics for Micro-financing Operations in Irbid**

QUESTIONNAIRE

Serial Number: \_\_\_\_\_

Date : \_\_ / \_\_ / 1999

Name of Enumerator: \_\_\_\_\_

Name of Supervisor: \_\_\_\_\_



General Information

A. Are you the financial decision-maker?

- (1) Yes (2) No

If NO, Stop the interview.

B. Number of employees : ( \_\_\_\_\_ )

Full & Part time Staff

Stop interview if more than 10 employees.

C. Area of business:

- (1) Irbid (2) Zarqa

D. Business activity (please specify nature of business) :

- 1. Garment Manufacturing \_\_\_\_\_
2. Handicraft Production \_\_\_\_\_
3. Food Processing \_\_\_\_\_
4. Hairdressers \_\_\_\_\_
5. Wood-Furniture Manufacturing \_\_\_\_\_
6. Metal Workshops \_\_\_\_\_
7. Retail Trade \_\_\_\_\_
8. Restaurants \_\_\_\_\_
9. General Services \_\_\_\_\_

**STAGE I**

- (Q1) Age (years) ?  
 (1) < 35 (2) > 35 .....
- (Q2) Are any of your dependents attending school?  
 (1) No (2) Yes .....
- (Q3) Do you own any of the following assets?  
 (1) No Assets (2) Building, Land, Car .....
- (Q4) Who can vouch for your good character and goodwill?  
 (1) Relative/Friend (2) Supplier .....
- (Q5) Do you have any other source of income?  
 (1) No (2) Yes .....
- (Q6) How many years have you been operating the business?  
 (1) < 3 years (2) > 3 years .....
- (Q7) What are your average monthly sales (of highest season months)? (JD \_\_\_\_\_ )  
 - Highest monthly value: (JD \_\_\_\_\_ )  
 - Lowest monthly value: (JD \_\_\_\_\_ )
- (Q8) Would you borrow from bank, NGO or another credit institution if loans were available to you at favorable conditions?  
 (1) No (2) Yes

Choice (1)	Choice(2)
1	2
1	2
1	2
1	2
1	2

Score A Score B

(Score C):

- ◆ If Q9 < Q7 → C= 2
- ◆ If Q9 >= Q7 → C= 1
- ◆ If Q9 or Q7 Missing Then C = 0 (zero)

TOTAL = A+B+C

**If Total <= 8  
 or  
 If Q8 = 1 (No)  
 DO NOT CONDUCT  
 STAGE II**

*If the answer is NO go to Q10, Else go to Q9*

(Q9) IF YOU WERE TO TAKE OUT A LOAN, WHAT IS THE ESTIMATED LOAN AMOUNT YOU WOULD NEED? ( JD \_\_\_\_\_ )

- |                    |                    |
|--------------------|--------------------|
| 1- < JD200         | 2- JD200- JD650    |
| 3- JD651 - JD1000  | 4- JD1001 - JD1500 |
| 5- JD1501 - JD2000 | 6- JD2001 - JD3000 |
| 7- JD3001 – JD4500 | 8- JD4501 - JD7000 |
| 9- > JD7000        |                    |

**Go to Q(11)**

(Q10) **IF NO**, What is the reason:

1. Lack of collateral
2. 2- Lack of financial documents
3. High interest and fees
4. Difficult and lengthy procedures
5. Availability of other accessible sources of finance
6. Lack of bank relations experience
7. Religious beliefs
8. Fear of inability to repay the loan
9. Do not trust banks
10. Do not like to be in debt
11. No need

**Go to Q(13)**

(Q11) What would you use the loan for?

*(Investigate if the loan will be used to expand the business or buy fixed assets to be used in business )*

- (1) Business loan/buy fixed assets for business (2) Consumer Loan

(Q12) Can you provide any of the following as a guarantee for this loan when needed?

- (1) Fixed Assets (2) Bank Accounts/ Pension Account  
(3) GUARANTOR (4) NOTHING

(Q13) Education?

- |                        |                     |                               |                 |
|------------------------|---------------------|-------------------------------|-----------------|
| 1- Illiterate          | 2- Numerate         | 3- Read                       | 4- Read & Write |
| 5- Basic education     | 6- Secondary school | 7-Technical Education/Diploma |                 |
| 8- University graduate | 9- Post Graduate    |                               |                 |

(Q14) Sex: (1) Male (2) Female

(Q15) Business location:

- (1) House (2) Street (3) Store (4) Ambulant

(Q16) Is your business registered or licensed?

- (1) YES (2) NO

- (Q17) What is the estimated present market value of your business assets? ( JD\_\_\_\_\_ )  
*(excluding land and building but including merchandise. i.e. if you were to buy this operation now, in its current condition, how much would the value be or how much would you pay)*
- (Q18) Do you have access to enough informal loans to cover any new investment you wish to undertake ?  
(1) Yes                      (2) No
- (Q19) Do you have access to a money lender for loans that will cover any new investment you wish to undertake ?  
(1) Yes                      (2) No
- (Q20) Do you have access to trade loans from your suppliers or customers?  
(1) Yes                      (2) No
- (Q21) Can you self-fund (in total) any new investment you wish to undertake ?  
(1) YES                      (2) NO
- (Q22) Have you ever used or applied for a formal loan from an institution (Bank, NGO, Governmental)?  
(1) Yes                      (2) No
- (Q23) What is your average Profit Margin? ( \_\_\_\_\_ % )



(Q36) What affects your selling price? \_\_\_\_\_

(Q37) How much do you expect your business to grow over the next year (%): (\_\_\_\_\_)

Why? \_\_\_\_\_

(Q38) For the most important project that brings in the highest income, Do you work all year or seasonal ?

(1) Non- seasonal(All year) (2) Seasonal

(Q39) How do you attract new customers?

(1) Word of Mouth (2) Advertising

(Q40) What was the amount of the most important and latest expenditure? (JD \_\_\_\_\_)  
(In terms of expansion or start up)

(Q41) How do you finance your present or future business investments?

- 1- Cash/Profit/Sales of assets 2- Bank loan  
3- NGO Special Program loan 4- ROSCAs  
5- Supplier loan 6- Family/Friends loan  
7- No Source Exists

(Q42) Do you keep administrative records for your business?

(1) Yes (2) No

(Q43) Do you keep your household cash separate from your business cash?

(1) Yes (2) No

(Q44) What was the total value of your business operating expenses (*e.g. transportation, utilities etc.. Including Labor but Excluding merchandise* ) last year? (JD \_\_\_\_\_)

(45) What is the most significant constraint you are facing in the business now?

- |  |                               |
|--|-------------------------------|
| 1. Weak Demand                         | 2. Marketing and Distribution |
| 3. Labor Problems                      | 4. Raw Materials              |
| 5. Infrastructure                      | 6. Costly Financing           |
| 7. Unavailability of Financing Sources | 8. Insufficient Collateral    |
| 9. Domestic Competition                | 10. Imported Goods            |
| 11. Taxes                              | 12. Government Procedures     |
| 13. Customer Problems                  | 14. Technology and Equipment  |
| 15. Supplier Problems                  | 16. Other                     |

How much has the business grown in comparison with the past year (%): (\_\_\_\_\_)

### Credit Need Assessment

(Q47) Number of other adults of same household working outside the enterprise? (\_\_\_\_)

*If None, Go To Q(49)*

(Q48) What is the total monthly income generated by other household members? (JD \_\_\_\_\_)

(Q49) Do you receive remittances from a family member abroad?

(1) Yes (2) No

(Q50) **If Yes**, How much did you receive over last year? (JD\_\_\_\_\_)

(Q51) How much do you spend per month on living expenses (food, clothing, transport, etc. *excluding rent*) for the family including dependents? ( JD \_\_\_\_\_ )

(Q52) Is your business income adequate to pay for your monthly share of the personal/family expenses?

(1) Yes (2) No

(Q53) **If not**, where do you get the additional cash to meet your monthly needs?

(Q54) Is your capital adequate to meet the current demand for your product/service?

(1) Yes (2) No

(Q55) **If capital is not enough**, how much more do you need per Month ? (JD \_\_\_\_\_ )

### Suppliers Relation Information

(Q56) Do you manufacture products for others (without purchasing inputs) ?

(1) Yes (2) No

(Q57) **If Yes**, Is that because you:

- 1- Do not know where to purchase the inputs
- 2- Do not have sufficient financing to buy inputs
- 3- Other

**With respect to the raw material or input most frequently used/largest in volume**

- (Q58) What were your total value of input purchases last year? ( JD \_\_\_\_\_ )
- (Q59) How many times did you purchase input materials during last year ( \_\_\_\_ ) ?
- (Q60) What is the longest period of time you have spent in business relationship with your supplier? ( \_\_\_\_ ) year.
- (Q61) How do you pay for your purchases:  
 1- Cash                      2- Credit                      3- Other: \_\_\_\_\_
- (Q62) **If you do not use** supplier credit, have you ever asked for one?  
 (1) Yes                      (2) No
- (Q63) **If you have asked** and been turned down, why? \_\_\_\_\_  
 \_\_\_\_\_
- (Q64) If you have **never** asked for credit, why not? \_\_\_\_\_  
 \_\_\_\_\_
- (Q65) **If you pay in cash**, What percentage of your purchases were in cash? ( \_\_\_\_ %)

**If Credit is not used as a method of payment go to Q(74)**

- (Q66) **If you pay on credit**, What percentage of your purchases were on credit ( \_\_\_\_ %)
- (Q67) How many times did you purchase on credit over the past year? ( \_\_\_\_\_ )  
*(prompt for daily, monthly .., if daily and continuous transaction consider 340 times)*
- (Q68) What was the average value of a credit transaction? (JD \_\_\_\_\_ )
- (Q69) What was the average of the down payment amount, if any? (JD \_\_\_\_\_ )  
*(Payment upon receiving the delivered material)*
- (Q70) What would be the price if paid in cash (Interest charges (%), difference between credit price and cash price)? ( \_\_\_\_\_ %)
- (Q71) After what time do you pay in full? What number of days has elapsed between delivery and full repayment? ( \_\_\_\_ ) days.

(Q72) Do you have to provide any guarantees (e.g. deposit required, post dated checks) ?  
 (1) Yes (2) No

(Q73) Have you encountered problems paying these debts?  
 (1) Yes , What was the reason? \_\_\_\_\_  
 How did you deal with it? \_\_\_\_\_

(2) No

### Client Relations

#### For the principal clients of the enterprise during the last 12 months

(Q74) How often do you sell your merchandise (during last 12 months) ? ( \_\_\_\_\_ )  
 (prompt for daily, monthly etc..., if continuous consider 340 times)

(Q75) How do you get paid for your sales:  
 1. Cash 2. Credit 3. Other

(Q76) **If Cash**, What percentage of your sales were in cash? ( \_\_\_ %)

**If Credit is not used as a method of payment go to Q(84)**

### CREDIT TRANSACTIONS

(Q77) What percentage of your sales were on credit ( \_\_\_ %)

(Q78) How many times did you sell on credit over the past year? ( \_\_\_\_\_ )  
 (prompt for daily, monthly etc..., if continuous consider 340 times)

(Q79) What was the average value of credit sale transaction? (JD \_\_\_\_\_ )  
*(If continuous consider all of the daily credit sum)*

(Q80) What was the payment amount you ask for, if any upon delivery? (JD \_\_\_\_\_ )

(Q81) What would be the price if you get paid in cash (discount charges (%) , difference between credit price and cash price)? ( \_\_\_\_\_ %)

(Q82) After what time do you get paid in full? What time is elapsed between delivery and full repayment (days)? ( \_\_\_\_\_ ) days.

(Q83) Do you encounter problems in collecting payments? (1) Yes (2) No

What are  
they? \_\_\_\_\_

### Saving Information

(Q84) Do you save or set aside some money for emergencies (illness, school fees, etc.) or special purpose (weddings?)

- (1) Yes                      (2) No

(Q85) Where do you keep your money?

- 1- Bank                      2- In the house                      3- With relatives  
4- Buy gold                      5- Others

### Potential Demand for Loans

*Please refer back to Q(9) and re-check the amount of the requested loan and then continue with the next question*

(Q86) For how long would you need the loan of value \_\_\_\_\_?

- 1- 6 Months                      2- One Year                      3- Two Years  
4- Other , specify \_\_\_\_\_

(Q87) If an amount is added to the loan amount for administrative expense, do you have any objection?

- (1) Yes, Why \_\_\_\_\_

(2) No

(Q88) If No objection to the administrative expenses, What would be a fair payment to be added to the principle loan for administrative expenses based on your estimated loan requirement until you have paid the whole amount of your loan? (JD \_\_\_\_\_ )

(Q89) How often would you be able to make your payments of principal and administrative charges?

- 1- Monthly                      2- Bi-monthly                      3- Semi-annually  
4- Annually                      5- Other , specify \_\_\_\_\_

(Q90) What estimated percentage of increase in your monthly sales revenue will result from the loan usage? (\_\_\_ %) per month

(Q91) What is an affordable amount of installment you can pay considering your increased income due to increased sales? (JD \_\_\_\_\_ )

(Q92) On the assumption that you have repaid the loan in full and on time, and accordingly the lending institution is willing to give you incentives for your next loan, please rank the following incentives by order of importance (1 highest, ..)

- 1- Return the administrative charges of the first loan (\_\_\_\_)
- 2- Allow for a higher loan amount (\_\_\_\_)
- 3- Allow for a longer repayment period (\_\_\_\_)
- 4- Lower the administrative charges (\_\_\_\_)
- 5- Allow for immediate release of requested loan (\_\_\_\_)
- 6- Not interested since I do not need an additional loan (\_\_\_\_)

**Access To Informal Loans Information**

- (Q93) Have you ever requested a loan from an informal source (friend, moneylender)  
 (1) Yes (2) No

***IF NO, go to Q(102)***

- (Q94) If yes, From which source?  
 1. Colleagues 2. Friends/neighbor 3. Family 4. Money Lender
- (Q95) How many times did you receive loans you have borrowed during the past 12 months?  
 ( \_\_\_\_ )

***If no loan was received, Go to Q(102)*****If any loan was received, then for the most important informal loan**

- (Q96) From which source?  
 1. Colleagues 2. Friends/neighbor 3. Family  
 4. Money Lender 5. More than one
- (Q97) How many days between loan request and disbursement? ( \_\_\_\_ ) days
- (Q98) What was the amount in cash? (JD \_\_\_\_ )
- (Q99) For how long did you use the loan until you repaid it ? ( \_\_\_\_ ) days  
*(Whenever the case that period was not specified , please write “ priod was not specified”*
- (Q100) How much did you pay back? (JD \_\_\_\_ )  
*(To find out if there was any interest charged)?*
- (Q101) If you provided a collateral, what was its value? ( JD \_\_\_\_ )

**Credit Experience**

- (Q102) Are you aware of any credit programs in Jordan?  
 (1) Yes (2) No
- (Q103) Have you ever applied for a loan to an institution (bank, NGO, )?  
 (1) Yes (2) No

***IF NO, go to Q(119)***

(Q104) **If Yes** and application was rejected, What was the reason?

- |                              |                                |
|------------------------------|--------------------------------|
| 1- Lack of collateral        | 2- Lack of financial documents |
| 3- Lack of credit experience | 4- Business not registered     |
| 5- Lack of spouse's approval | 6- Bad credit history          |
| 7- Other                     |                                |

**Go to Q(119)**

**If The Entrepreneur Received a Loan from an Institution**

(Q105) Number of Loans received from institutions during the past 12 months? ( \_\_\_\_ )

***IF zero, go to Q(119)***

**For the most important loan facility used during the past 12 months indicate:**

(Q106) From which institution? \_\_\_\_\_

(Q107) What did you use the loan for?

- 1- Business loan/Buy fixed assets for business 2- Consumer loan

(Q108) How many days between loan application and disbursement? ( \_\_\_\_ ) days

(Q109) Amount of loan requested? (JD \_\_\_\_ )

(Q110) Amount of loan approved? (JD \_\_\_\_ )

(Q111) Amount of loan received? (JD \_\_\_\_ )

(Q112) For how long was the loan (Maturity period)? ( \_\_\_\_ ) months

(Q113) Amount of installment? (JD \_\_\_\_ )

(Q114) Interest charged (including fees)? ( \_\_\_\_ %)

(Q115) Type of Collateral:

- |              |                                 |                   |
|--------------|---------------------------------|-------------------|
| 1- Building  | 2- Land                         | 3. Machinery /Car |
| 4- Inventory | 5- Bank Account/Pension Account |                   |
| 6- Guarantor | 7- No collateral                |                   |

(Q116) Collateral value amount? ( JD \_\_\_\_ )

(Q117) Were you satisfied and comfortable with the loan conditions?

(1) Yes

(2) No, What was the reason? \_\_\_\_\_

(Q118) Have you ever been late in repaying the installments?

(1) Yes, What was the reason? \_\_\_\_\_

How did you solve the problem of being late in repayments

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(2) No

(119) How would you like to know more about micro-finance loans?

1- Newspapers

2- TV/Radio

3- Community Organizations

4- Bank Officers/direct solicitation

5- Other

(Q120) Would you like a Micro-credit Officer to visit you?

(1) Yes

(2) No

**BASIC INFORMATION**

Name of Establishment: \_\_\_\_\_

Address: \_\_\_\_\_

Respondent Name: \_\_\_\_\_

Best Time to Visit Day = Time=

## ANNEX B

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### Irbid Survey Statistics

#### I. Highlights

Sample:	938 establishments
Value of Business Assets (median):	JD2,000
Monthly Sales (median):	JD500
Business Operating Expenses in 1999 (median):	JD660 (excluding merchandise)
Yearly value of merchandise purchases (median):	JD2,450
Most important and latest expenditure: (median):	JD800
Reported Profit Margin (median):	25%

#### Potential Size of the Market

Estimated SME Population of Irbid:	
Formal Establishments:	9,320
Informal Establishments:	9,320
Formal Establishments:	
Willingness to Borrow:	79.8%
Loan Size (median):	JD5,000
Total (F):	JD37.2 million
Informal Establishments:	
Willingness to Borrow:	88.5%
Loan Size (median):	JD2,050
Total (I):	JD16.9 million
<b>Total: (F + I)</b>	<b>JD54.1 million</b>

## II. Profile of the Market

### 2.1 Distribution of the Sample by Business Activity (QD)

Sector	Frequency	Percentage
Garment	43	4.6
Handicraft Production	13	1.4
Food Processing	70	7.5
Hairdressers	62	6.6
Wood-Furniture Manufacturing	11	1.2
Metal Workshops	16	1.7
Retail Trade	588	62.7
Restaurants	30	3.2
General Services	104	11.1
<b>Total</b>	<b>938</b>	<b>100.0</b>

### 2.2 Typologies (% of sample)

Moderate Risk/Moderate Potential:	65.8
Moderate Risk/Low Potential:	13.4
Moderate Risk/High Potential:	3.3
Low Risk/Moderate Potential:	6.1
Low Risk/Low Potential:	1.4
Low Risk/High Potential:	0.1
High Risk:	9.9

### 2.3 Basic Characteristics of the Sample

Q14: Sex

#### Frequency %

Male	766	81.7
Female	172	18.3
<b>Total</b>	<b>938</b>	<b>100.0</b>

Q16: Is your business registered or licensed?

	Frequency	%	Male (%)	Female (%)
Yes	512	54.6	64.2	11.6
No	426	45.4	35.8	88.4
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q1: Age

	Frequency	%	Male (%)	Female (%)
<35	406	43.3	43.0	44.8
>35	532	56.7	57.0	55.2
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q15: Business Location

	Frequency	%	Male (%)	Female (%)
House	201	21.4	8.5	79.1
Street	59	6.3	7.3	1.7
Store	652	69.5	80.9	19.2
Ambulant	26	2.8	3.3	----
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q3: Do you own assets?

	Frequency	%	Male (%)	Female (%)
Yes(*)	470	50.1	51.8	41.3
No	468	49.9	48.2	58.7
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Land, car, building

Q6: How many years have you been operating the business?

	Frequency	%	Male (%)	Female (%)
<3 years	282	30.1	29.6	32.0
>3 years	656	69.9	70.4	68.0
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q5: Do you have any other source of income?

	Frequency	%	Male (%)	Female (%)
No	606	64.6	67.6	51.2
Yes	332	35.4	32.4	48.8
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## Q13: Education

	Frequency	%	Male (%)	Female (%)
Illiterate	60	6.4	3.4	21.6
Numerate	4	0.4	0.4	0.6
Read	2	0.2	0.3	----
Read & Write	76	8.1	7.3	11.7
Basic	333	35.6	37.3	28.1
Secondary	264	28.2	28.4	27.5
Technical	122	13.0	14.3	7.6
Diploma	70	7.5	8.5	----
Graduate	4	0.6	0.5	2.9
<b>Total</b>	<b>935</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## Q2: Are any of your dependents attending school?

	Frequency	%	Male (%)	Female (%)
No	323	34.4	33.3	39.5
Yes	615	65.6	66.7	60.5
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## Q18: Do you have access to enough informal loans?(\*)

	Frequency	%	Male (%)	Female (%)
Yes	224	23.9	24.5	20.9
No	714	76.1	75.5	79.1
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Loans from friends and family

## Q19: Do you have access to a moneylender for loans?

	Frequency	%	Male (%)	Female (%)
Yes	81	8.6	9.5	4.7
No	857	91.4	90.5	95.3
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## Q20: Do you have access to trade loans from suppliers?

	Frequency	%	Male (%)	Female (%)
Yes	589	62.8	66.2	47.7
No	349	37.2	33.8	52.3
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q4: Who can vouch for your good character and goodwill?

	Frequency	%	Male (%)	Female (%)
Relative/Friend	232	24.7	16.8	59.9
Supplier	706	75.3	83.2	40.1
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q21: Can you self fund (in total) any investment you wish to undertake?

	Frequency	%	Male (%)	Female (%)
Yes	310	33.0	36.7	16.9
No	628	67.0	63.3	83.1
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q22: Have you ever used or applied for a loan from a formal institution? (\*)

	Frequency	%	Male (%)	Female (%)
Yes	227	24.2	26.6	13.4
No	711	75.8	73.4	86.6
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Bank and/or NGO

## 2.4 Willingness to Borrow

Q8: Would you borrow from a bank, NGO or another credit institution if loans were available to you at favorable conditions?

	Frequency	%	Male (%)	Female (%)
No	152(*)	16.2	18.0	9.0
Yes	784	83.8	82.0	91.0
<b>Total</b>	<b>936</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Of these, 59 (40%) said because of no need, 58 (39%) because of fear to incur in debt or fear of inability to pay back loan, and 24 (16%) because of religious reasons.

Q9: If you were to take a loan, what is the estimated amount you would need?

JD	Frequency	%	Male (%)	Female (%)
<200 - 650	56	7.1	3.6	17.2
651 - 1000	89	11.4	7.8	16.6
1001 - 2000	168	21.5	20.4	27.3
2001 - 3000	123	15.7	17.1	16.0
3001 - 4500	60	7.6	8.7	7.6
4501 - 7000	197	25.2	29.9	12.1
>7000	91	11.5	12.5	3.2
<b>Total</b>	<b>784</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q11: What would you use the loan for?

	Frequency	%	Male (%)	Female (%)
Business	762	96.7	96.8	96.2
Consume	26	3.3	3.2	3.8
<b>Total</b>	<b>788</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q12: Can you provide any of the following as guarantee for this loan?

	Frequency	%	Male (%)	Female (%)
Fixed Assets	269	30.4	37.7	19.7
Bank Account	126	12.3	16.5	14.0
Guarantor	337	43.7	38.5	59.9
Nothing	56	13.6	7.3	6.4
<b>Total</b>	<b>788</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### III. Business Structure

#### 3.1 General Information

QA: Number of Employees

	Frequency	%	Male (%)	Female (%)
0	715	76.3	76.1	90.1
1	128	13.6	12.0	9.9
2	48	5.1	10.8	
3	20	2.1		
4	18	1.9		
5	6	0.6		
>5	3	0.4	1.1	
<b>Total</b>	<b>938</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q32: *Whom do you sell?*

	Frequency	%	Male (%)	Female (%)
Neighbors(*)	513	89.9	89.0	93.4
Middlemen	10	1.8	1.7	1.4
Local NGO	3	0.4	----	----
Private subcontractor	21	3.7	4.3	0.9
Other	24	4.2	4.9	3.8
<b>Total</b>	<b>571</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Includes proximate community

Q33: *How many competitors are in the same market?*

	Frequency	%	Male (%)	Female (%)
None	182	31.8	27.0	52.8
1 - 2	100	17.5	18.8	15.1
3 - 5	120	21.0	21.7	17.9
6 - 10	72	12.6	13.9	6.6
11 +	98	10.4	19.3	7.5
<b>Total</b>	<b>572</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q34: *How would you describe your location in terms of business activity?*

	Frequency	%	Male (%)	Female (%)
Very Busy	193	33.7	34.5	30.2
Average	271	47.4	48.5	42.5
Poor	65	11.4	13.1	3.8
Irrelevant	43	7.5	3.9	23.6
<b>Total</b>	<b>572</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q35: *Do you plan to expand your business?*

	Frequency	%	Male (%)	Female (%)
Yes	539	94.2	93.1	99.1
No	33	5.8	6.9	0.9
<b>Total</b>	<b>572</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q36: What affects your selling price?

	Frequency	%
Market Demand	225	39.7
Fixed Prices	60	10.6
Price of Inputs	61	10.8
Competition	74	13.1
Price Haggling	33	5.8
Merchandise Quality	36	6.3
Other	78	13.7
<b>Total</b>	<b>567</b>	<b>100.0</b>

Q45: What is the most significant constraint you are facing in the business now?

	Frequency	%
Weak Demand	139	35.4
Unavailability of Finance	145	36.8
Customer Problems	20	5.1
Domestic Competition	48	12.3
Government Procedures	11	2.8
Technology & Equipment	10	2.5
Marketing	20	5.1
<b>Total</b>	<b>393</b>	<b>100.0</b>

Q37: What factors will affect business growth next year?

	Frequency	%
Good Management	73	16.3
Static/Bad Economic Situation	104	23.3
Better Economic Situation	43	9.6
Availability or Lack of Finance	87	19.5
Low Purchasing Power	78	17.5
Quality of Merchandise	61	13.7
<b>Total</b>	<b>446</b>	<b>100.0</b>

Q38: Do you work all year or seasonal?(\*)

	Frequency	%	Male (%)	Female (%)
All Year	891	96.7	98.1	90.3
Seasonal	30	3.3	1.9	9.7
<b>Total</b>	<b>921</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) For the most important project that brings in the highest income.

Q39: How do you attract new customers?

	Frequency	%	Male (%)	Female (%)
Word of Mouth	552	96.8	96.6	98.1
Advertising	18	3.2	3.4	1.9
<b>Total</b>	<b>570</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q42: Do you keep administrative records for your business?

	Frequency	%	Male (%)	Female (%)
Yes	211	36.9	40.8	19.8
No	361	63.1	59.2	79.2
<b>Total</b>	<b>572</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q43: Do you keep your household cash separate from your business cash?

	Frequency	%	Male (%)	Female (%)
Yes	237	41.4	44.0	30.2
No	335	58.6	56.0	69.8
<b>Total</b>	<b>572</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q56: Do you manufacture products for others (without purchasing inputs)?

	Frequency	%	Male (%)	Female (%)
Yes	73(*)	12.8	9.0	29.2
No	499	87.2	91.0	70.8
<b>Total</b>	<b>572</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Of these, 68% (47) cited lack of sufficient financing as main reason.

### 3.2 Financial Information

Q41: How do you finance your present or future business investments?

	Frequency	%	Male (%)	Female (%)
Cash/Profit/Sales of Assets	244	42.7	48.4	17.9
Bank Loan	78	13.7	15.9	3.8
NGO Loan	79	13.8	10.5	28.3
Roscas	20	3.5	3.0	5.7
Supplier Loan	34	6.0	6.2	4.7
Family/Friends Loan	54	9.5	9.2	10.4
No Source Exists	62	10.9	6.7	29.2
<b>Total</b>	<b>571</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q25: Do you own or rent your house?

	Frequency	%	Male (%)	Female (%)
Own	378	66.1	63.9	75.5
Rent	194(*)	33.9	36.1	24.5
<b>Total</b>	<b>572</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Of these, 49 reported not being charged for rent.

Q49: Do you receive remittances from a family member living abroad?

	Frequency	%	Male (%)	Female (%)
Yes	26	4.7	5.4	1.9
No	542	95.3	94.6	98.1
<b>Total</b>	<b>569</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Q52: Is your business income adequate to pay for monthly share of personal/family expenses?

	Frequency	%	Male (%)	Female (%)
Yes	360	63.5	68.5	41.3
No	207(*)	36.5	31.5	58.7
<b>Total</b>	<b>567</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) For these, family members (30%) and other work and rents (40%) constitute the main sources of additional cash.

Q54: Is your capital adequate to meet the current demand for your product/service?

	Frequency	%	Male (%)	Female (%)
Yes	310	54.3	54.5	53.3
No(*)	261	45.7	45.5	46.7
<b>Total</b>	<b>571</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) On average, these would need JD437 to meet demand

Q75: How do you get paid for your sales?

	Frequency	%
Cash	557	97.9
Credit	12	2.1
<b>Total</b>	<b>569</b>	<b>100.0</b>

Q84: Do you save or set some money aside for emergencies?

	Frequency	%	Male (%)	Female (%)
Yes	242	42.3	40.1	51.9
No	330	57.7	59.0	48.1
<b>Total</b>	<b>572</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

#### IV. Information on Supplier Loans

Q61: How do you pay for your purchases?

	Frequency	%
Cash	398	72.5
Credit	151	27.5
<b>Total</b>	<b>549</b>	<b>100.0</b>

#### Credit Terms and Conditions (Q67 - Q73)

- (1) Value of Credit Transaction (median): JD100  
     Male: JD116  
     Female: JD36
- (2) Credit Obtained in 1999 (median): 24 times, for both males and females
- (3) Down payment (median): JD 5
- (4) Interest Rate, Sample:(a) 5.1%, in 54% of cases  
     0% in 46% of cases
- (5) Duration of Credit (median): 30 days, for males and females
- (6) Deposit or Post dated checks required: In 31% of cases  
     Male: 34.6% of cases  
     Female: 12.9% of cases
- (7) Problems in paying back credit: In 16% of cases  
     Due to insufficient cash or income: 97% of these cases
- (8) Problems solved by: 66% of cases  
     Negotiating extension of credit: 28% of cases  
     Loan from friend: 3% of cases.  
     Price reduction to increase sales 4% of cases
- (a) **Male sample:** average of 4.55% in 52.3% of cases. **Female sample:** average of 8.22% in 67.7% of cases.

#### V. Information on Informal Loans

Q93: Have you ever requested a loan from an informal source (friend, family, moneylender)?

	Frequency	%	Male (%)	Female (%)
Yes	108(*)	18.9	17.5	25.5
No	462	81.1	82.5	74.5
<b>Total</b>	<b>570</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Sources are: family: 64 (59%); friends: 42 (39%); and colleagues: 2 (2%)

*Loan Characteristics (Q95 - Q101)*

- (1) Value of Loan (median): JD300  
 Male: JD500  
 Female: JD100
- (2) Number of Loans obtained in 1999 (median): 1, for both males and females
- (3) Average Interest Rate: 0% in 97.5% of cases
- (4) Duration of loan (median): 60 days for males and females
- (5) Time of Disbursement (median): 1 day for males and females
- (6) Collateral Required: In 32% of cases

**VI. Information on Formal Credit experience***Q102: Are you aware of any credit programs in Jordan?*

	Frequency	%	Male (%)	Female (%)
Yes	327	57.3	54.3	70.5
No	244	42.7	45.7	29.5
<b>Total</b>	<b>571</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q103: Have you ever applied for a loan from a financial institution?*

	Frequency	%	Male (%)	Female (%)
Yes	131(*)	23.0	24.6	16.2
No	438	77.0	75.4	83.8
Total	569	100.0	100.0	100.0

(\*) Of these, only 20 were turned down, of which 8 due to lack of collateral

*Q105 - Q106: Number and source of loans received in last 12 months:*

	Frequency	%
Bank	27	67.5
NGO	13	32.5
<b>Total</b>	<b>40</b>	<b>100.0</b>

*Formal Loan Conditions and Characteristics (Q108 - Q116)*

(1) Value of Loan (median):	JD1,100
(2) Time of Disbursement (median):	7
(3) Average Interest Rate:	21.5%
(4) Loan Term (median):	18 months
(5) Collateral Required:	In 90% of cases
Guarantor:	In 42% of cases
Bank Account:	In 32% of cases.
Collateral Value/Loan Value (median):	100.5%

*Q117: Were you satisfied and comfortable with loan conditions?*

	Frequency	%
Yes	26	66.7
No	13	33.3
<b>Total</b>	<b>39</b>	<b>100.0</b>

*Q118: Have you ever been late in paying the installments?*

	Frequency	%
Yes	2	5.3
No	36	94.7
<b>Total</b>	<b>38</b>	<b>100.0</b>

**VII. Preferred Loan Terms***Q119: How would you like to know more about micro-loans?*

	Frequency	%	Male (%)	Female (%)
Newspapers	49	8.6	10.4	-----
TV/Radio	103	18.0	18.5	16.0
Community Organizations	34	6.0	3.0	18.9
Bank Officers	384	67.4	67.9	65.1
<b>Total</b>	<b>570</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q120: Would you like a micro-officer to visit you?*

	Frequency	(%)	Male (%)	Female %
Yes	556	97.5	97.0	100.0
No	14	2.5	3.0	-----
<b>Total</b>	<b>570</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(1) Loan Size (median): Male: JD4000 Female: JD2000	JD3,000
(2) Loan Term (median): Male: 62 months Female: 50 months	63 months
(3) Do not object addition of administrative fee: Male: 85.2% of cases Female: 99% of cases	88% of cases
(4) Administrative fee deemed acceptable (median): Male: 1.2% Female: 2.5%	2%
(5) Frequency of repayment:	Monthly, in 97.6% of male cases and 99% of females.
(6) Affordable installment (median): Male: JD50/month Female: JD30/month	JD50 per month
(7) Best incentive in case of prompt payment: Allow for immediate release of next loan: Lower administrative charges: Allow for a longer repayment period:	57% of cases 27% of cases 8% of cases

