“The impact of the economic growth rate and the foreign investment ratio on the financial performance of Jordanian public shareholding industrial companies”

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THE IMPACT OF THE ECONOMIC GROWTH RATE AND THE FOREIGN INVESTMENT RATIO ON THE FINANCIAL PERFORMANCE OF JORDANIAN PUBLIC SHAREHOLDING INDUSTRIAL COMPANIES

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Abstract

This study examines the impact of the Economic Growth Rate and the Foreign Investment Ratio on the financial performance of Jordanian public shareholding industrial companies. In doing so, it also accounts for a set of control variables, particularly firm size, firm age, and financial leverage. Financial performance is measured through Return on Equity and Return on Investment, using a panel dataset spanning 2014 to 2023 from 26 companies listed on the Amman Stock Exchange, obtained from the Amman Stock Exchange, the Securities Depository Center, the Jordan Securities Commission, and the World Bank. This study uses a quantitative analytical framework based on random effects panel regression models, estimated using Stata 17 software. The results illustrate that Foreign Investment Ratio has a statistically consequential and positive effect on both ROE and ROI, while there was no statistically significant effect of Economic Growth Rate on both ROI and ROE. Regarding the control variables, the effect of financial leverage on ROI was negative, while financial leverage had no effect on ROE. In addition, Age had a positive effect on both ROI and ROE, while Size had a positive effect on ROE but no effect on ROI. This study contributes novel insights by exploring the interaction between macroeconomic growth and foreign investment in shaping corporate financial outcomes in emerging markets. It further offers implications for investors, policymakers and corporate managers aiming to leverage economic and investment environment to enhance firm performance.

Keywords financial performance, growth, foreign investment, panel data, Jordan

JEL Classification F21, F43, G30, G32

INTRODUCTION

Financial performance is one of the fundamental pillars upon which companies' sustainability and contribution to economic growth are built, particularly in emerging markets such as Jordan (Alabdullah, 2018). Public shareholding companies are among the most important economic actors in Jordan, given their pivotal role in mobilizing savings, stimulating investment, and creating job opportunities (Jarrar, 2021). With the growing economic challenges and structural reforms that the Jordanian economy has witnessed over the past two decades, it has become imperative that the financial performance of the companies is analyzed in order to understand their ability to adapt, achieve operational efficiency, and enhance shareholder value.

Many accounting studies have focused on internal factors affecting the financial performance of these companies, such as management

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efficiency, human resources, financing and capital structure, production and operations, accounting information systems, and risk management (Hutahayan, 2020). Therefore, there is a need for accounting research related to studying the external factors that may have an effect on the financial performance of these companies, whether economic or otherwise. Among these variables that are expected to have an impact and play a role in financial performance are the economic growth rate and the foreign investment ratio.

Economic growth is a considerably significant indicator of a country's macroeconomic stability and prosperity. It influences various sectors, including industrial companies, which are fundamental to economic advancement through production, employment, and export activities (Saputra et al., 2023). In Jordan, industrial companies represent a significant portion of the national economy, contributing approximately 24% to the country's GDP and accounting for over 90% of total exports (Jordan Chamber of Industry, 2022). As such, understanding how fluctuations in economic growth affect the financial performance of these firms is primary for investors, policymakers, and business leaders. Conversely, economic downturns may lead to decreased sales, lower investment levels, and heightened financial risk. This relationship becomes particularly relevant in developing economies like Jordan, where external economic shocks and regional instability can strongly influence growth trajectories.

Nonetheless, it is also possible that corporate financial performance is influenced by other factors, such as foreign investment. The inflow of foreign capital often brings not only financial resources but also technological advancements, managerial expertise, and access to international markets.

Although the importance of economic growth and foreign investment in Jordan's financial and economic landscape is widely recognized, there remains a lack of empirical studies examining the relationship between these variables. Understanding these dynamic relationships is crucial for clarifying how these variables affect the financial performance of companies and, consequently, overall economic development in Jordan. In this context, it is essential to demonstrate the relevance of the research and the scientific problem it addresses. The main scientific problem lies in determining how economic growth and foreign investment interact to influence the financial performance of companies.

1. LITERATURE REVIEW AND HYPOTHESES

A company's financial performance reflects the state and progress of its financial resources. Organizations require indicators to assess the effectiveness of their managerial operations, where the company's success in generating profit is determined by how well it manages its financial performance (Gayatri & Sunarsih, 2020; Elzahaby, 2021). This performance also serves as a key metric for evaluating current development and forecasting future growth potential. This is due to the fluctuations in financial performance resulting from emerging trends in each period, such as changes in the statement of financial position, income statement, or cash flows. All aspects of financial performance that define the company's financial condition must align with the organization's goals, qualifications, and standards (Almagtome & Abbas, 2020). Financial performance is assessed using financial ratio analysis, including indicators such as Return on Equity (ROE) and Return on Investment (ROI) (Angelia & Sembiring, 2025).

Posits economic growth as an increase in goods and services output, resulting from the dynamic interplay between production, distribution, and consumption, enhancing public prosperity and income (Arza & Murtala, 2021). Mwakabungu and Kauangal (2023) view economic growth as the state's ability to meet the population's economic needs. Gugushvili (2021) suggests national income reflects a country's economic growth. Economic growth, often measured by GDP, represents a country's product and service output over time, shaped by internal and external production factors and priced by market fluctuations.

Numerous studies have been conducted in the local Jordanian environment on the key drivers influencing the financial performance of Jordanian

corporations, and these have received significant attention from researchers due to their impact on the company's safety and sustainability. For example, Matar et al.'s (2018) study concluded that the performance of listed Jordanian companies impacted by GDP. In the same context, Alkhazaleh (2017) demonstrated the impact of Jordanian commercial banks' financial performance on national economic growth. He determined that the performance of commercial banks in Jordan contributes to economic growth. Several studies in contexts other than Jordan have shown that the impact of GDP growth rates on financial performance varies across sectors, and that GDP growth rates positively affect company performance in advanced economies (Issah et al., 2025). Nasution et al. (2019) and Zahro and Dewi (2019) found that Islamic banks, through return on assets, positively affects economic growth in Indonesia due to their financial performance. The results of a study by Ledhem and Mekidiche (2020) showed that the financial performance of Islamic finance, as measured by return on equity, significantly affects domestic economic growth in Indonesia, Malaysia, Brunei, Turkey, and Saudi Arabia. Abdelmoneim and Yasser (2023) also showed that economic growth influences the financial performance of banks in the Middle East and North Africa (MENA) region. The results of a study by Mitra et al. (2023) showed a positive impact of macroeconomic factors on the performance of Indian firms, with this effect being more pronounced for small and emerging companies than for large firms. The results of a study by Zubairu et al. (2025) also underscored the impact of the GDP growth rate on the financial performance of industrial firms listed on the Ghana Stock Exchange. Company size emerged as an intervening variable that influences the relationship between macroeconomic variables and financial performance.

Recent economic results from Jordan have shown a significant increase in foreign direct investment (FDI) inflows, coupled with economic reform policies and trade transactions (Jubran et al., 2025). Data from the Central Bank of Jordan indicate that net foreign direct investment flows to Jordan increased from 441.5 million dinars in 2021 to about 683.4 million dinars in 2022, registering a growth of nearly 55% (Central Bank of Jordan, 2024). It was noted that the majority of these investments were concentrated in the industrial and financial services sectors, indicating foreign investors' interest in large companies, especially those listed on the Amman Stock Exchange. foreign investment play a pivotal role in increasing the industrial sector to GDP, takes two main forms: Foreign Direct Investment (FDI) and Foreign Indirect Investment (FII). FDI is considered more important for developing economies due to its role in technology transfer, enhancing productivity, and creating employment opportunities (World Bank, 2024).

Numerous studies have addressed the impact of these investments on the performance of Jordanian companies, and these studies concluded that a positive relationship exists between foreign ownership and company performance in Jordan (Alrwabdah & Lok, 2024; Alkurdi et al., 2021; Zraiq & Fadzil, 2018). Other studies have examined the impact of foreign ownership on other variables, such as: Alnsour et al.'s (2024) research determined that foreign direct investment and trade openness have a positive impact on carbon dioxide emissions in Jordan, while Almomani et al.'s (2024) study found a positive impact of indirect foreign investment on foreign reserves in the short term and a negative impact on foreign currency reserves in the long term in Jordan. A study by Al-Qudah et al. (2021) provided evidence of a sustained long-term relationship between foreign direct investment and economic growth in Jordan. A study by AlMihyawi (2019) concluded that foreign investment has a positive impact on economic growth in Jordan and suggested that the government should prioritize attracting higher levels of foreign direct investment to stimulate economic growth. Al-Najjar (2015) demonstrated, contrary to previous studies, a negative correlation between institutional ownership and the performance of Jordanian tourism companies.

In the context of companies in other markets, a body of research has found a positive relationship between foreign investment and corporate financial performance. Mitton's (2006) study of a sample of 28 developing countries showed that foreign-owned companies have a positive impact on financial performance. Ren et al. (2022) demonstrated that foreign investment contributed positively to enhancing the efficiency of Chinese

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firms through technology transfer and the application of advanced management practices, which in turn contributed to raising productivity levels. Huang et al.'s (2023) study found that inward and outward foreign direct investment (IFDI/OFDI) work together to contribute to productivity growth through a direct impact on technology levels, which increases productivity in Chinese manufacturing firms. In addition, Benedict et al.'s (2023) study demonstrated a long-term relationship between FDI flows and economic growth in Tanzania.

In general, studies show that foreign investors have a positive impact on companies' financial performance, supporting GDP growth by stimulating investment, creating jobs, and increasing exports. This reinforces the importance of continuing to improve the investment environment to attract more investment flows in the future.

Control variables are of significant importance when analyzing financial performance, as they may influence the correlation between independent and dependent variables. Therefore, it is essential to analyze the potential impact of control variables and not limit the analysis to direct variables only. Among the most prominent control variables considered when studying financial performance are company size, company age, and financial leverage.

Company age is regarded as a control variable in the analysis of a company's financial performance, as it helps in analyzing the relationship between independent and dependent variables with greater accuracy and reliability of results. Company age is defined as the number of years since the firm's inception. This variable reflects the number of years of the company's experience in the market. Theoretically, older companies are assumed to have competitive advantages, marketing expertise, and commercial relationships that enable them to achieve higher profits than younger firms. However, this is not a general rule, as older companies may also face more challenges related to innovation and modernization than newer ones. Coad and Tamvada (2012) found that company age has a negative effect on growth and development compared to younger companies. Majumdar (1997) found in his study that company age has an effect on financial performance. Evans (1987) showed a positive effect of company age on growth and profitability. Additionally, Al-Najjar (2014) confirmed that company age plays a significant mediating role in the relationship between governance and profitability, as older companies are more capable of implementing governance policies.

Company size is considered one of the factors influencing a firm, primarily through economies of scale and the ability to reduce production costs and increase market share (Ayuba et al., 2019).

Theoretically, the larger the company, the greater its financial capacity to meet its obligations and provide an appropriate return to investors (Ispriyahadi & Abdulah, 2021). An increase in company size can lead to faster asset turnover, which positively affects net sales and thus increases profits (Harahap et al., 2020). A larger company size implies a positive cash flow, which enhances the ability to predict future profitability (Margono & Gantino, 2021). It can be used as a proxy to measure financial performance, where an increase in performance levels leads to an increase in the company's asset value and hence its size (Indrati & Artikasari, 2023). Shibutse et al. (2019) found that company size does affect financial performance. Indrati and Artikasari (2023) also confirmed that company size has a positive effect on profitability and firm value, and that profitability can, in turn, influence the size and value of a company.

However, the study by Estiasih et al. (2024) showed that company size does not significantly influence financial performance. Similarly, studies by Bon and Hartoko (2022), Margono and Gantino (2021), and Endri and Fathony (2020) found that company size does not influence firm value.

The term financial leverage denotes the strategic use of borrowed capital in a company's operations and growth, taking into account expected financial risks and maintaining a level of leverage that balances growth with financial stability (Evianti et al., 2024). It also reflects the extent to which a company can benefit from debt financing to increase profitability and generate income that exceeds the cost of debt, thereby improving return on equity while adhering to the principle of balance and avoiding excessive borrowing (Ispriyahadi & Abdulah, 2021).

The findings of Estiasih et al. (2024) indicated that financial leverage significantly impacts financial performance. Margono and Gantino (2021) also found that financial leverage positively influences firm value. In contrast, Indrati and Artikasari (2023) concluded that financial leverage negatively affects profitability and has no effect on firm value. Similarly, Endri & Fathony (2020) found that financial leverage does not affect firm value.

In line with the study's objectives of investigating the impact of economic growth rates and foreign investment ratios on the financial performance of Jordanian public shareholding industrial companies, and providing empirical evidence of the effect of these variables on financial performance, and based on relevant theoretical and empirical foundations, the study proposes the following hypotheses:

H1: Economic Growth Rate has an impact on financial performance.

H2: Foreign Investment Ratio has an impact on financial performance.

H3: Economic Growth Rate has an impact on financial performance, after controlling for the control variables represented by firm age, firm size, and financial leverage.

H4: Foreign Investment Ratio has an impact on financial performance, after controlling for the control variables represented by firm age, firm size, and financial leverage.

2. METHODS

This study examines the impact of the Economic Growth Rate and the Foreign Investment Ratio on the financial performance of Jordanian public shareholding industrial companies. A purposive sample consisting of 26 publicly listed industrial companies was selected from the study population, which comprises 56 industrial public shareholding companies indexed on the Amman Stock Exchange. The information was extracted from publicly available reports on the website of the Amman Stock Exchange, the Securities Depository Center, the Jordan Securities Commission, and the World Bank, during the period from 2014 to 2023. The sample consisted of the companies that regularly published their complete financial statements and achieved positive returns to form a suitable research sample for analyzing the impact of economic growth rates and foreign investment ratios on financial performance. The study incorporates three key variables: the Economic Growth Rate (EGR), Foreign Investment Ratio (FIR), and Financial Performance (FP), which is measured through two key indicators: Return on Equity (ROE) and Return on Investment (ROI). In addition to fixing the controlling variables, which are firm age, size (proxied by the natural logarithm of total assets), and financial leverage, proxied by Liabilities-to-Assets Ratio, which indicates a company's ability to pay all of its debts.

The results are interpreted based on theoretical frameworks in accounting and economics, with the adoption of panel data models, which allow for controlling for unobserved differences between companies, enhancing the accuracy of the results (Baltagi, 2021; Wooldridge, 2010).

Stata 17 was used to analyze the study data due to its high data management efficiency, advanced statistical modeling, and ease of presentation of results. Panel data was utilized in the data collection and analysis process. Panel data provides greater accuracy and less bias than other data collection methods, such as cross-sectional and time-series data. Panel data incorporate the use of time series in addition to cross-sectional data in a single approach, which helps achieve more accurate and less biased results (Hsiao, 2022).

3. RESULTS AND DISCUSSION

3.1. Descriptive statistics

Table 1 presents the descriptive statistics for the main research variables. The mean for the EGR variable was 2.42 with a standard deviation of 0.7291. The highest value recorded in the data was 3.7, while the lowest value was 1.1. The mean for the FIR variable was 22.436 with a standard deviation of 27.474, while the highest value recorded for this variable was 99.5 and the lowest value was zero. As for the ROI and ROE variables used to measure financial performance, the mean values

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were 5.294 and 8.293 for each, respectively, with a standard deviation of 4.847 and 7.066. Finally, regarding the control variables, the mean for the LEV variable was 37.353 with a standard deviation of 24.374. The highest recorded value was 109.531, while the lowest value was 0. 0.585. The mean of the AGE variable was 34.461 with a standard deviation of 20.109. The highest value of this variable was 70, and the lowest value was 4. As for the SIZE variable, which was measured through the natural logarithm of total assets, its mean value was 17.496 with a standard deviation of 1.508. The highest value in the data was 21.486, and the lowest value was 15.02.

Table 1. Descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
EGR	260	2.42	0.7291	1.1	3.7
FIR	260	22.436	27.474	0	99.5
ROI	260	5.294	4.847	–3.887	34.53
ROE	260	8.293	7.066	–6.611	48.381
LEV	260	37.353	24.374	0.585	109.531
AGE	260	34.461	20.109	4.00	70
SIZE	260	17.496	1.508	15.02	21.486

3.2. Diagnostic tests

To test the hypotheses and accurately characterize the statistical model, a set of diagnostic tests was used to optimally estimate the mathematical model (Gujarati, 2021). This section discusses the most important statistical tests, such as heteroscedasticity, normality, autocorrelation, and the Housman test (Chaturvedi, 2025). Tables 2 to 5 show the results of the diagnostic tests.

3.2.1. Heteroscedasticity test

The reported results reveal the Breusch–Pagan/Cook–Weisberg test, which is used to examine the heteroscedasticity problem in the regression equations. Based on the findings summarized in Table 2, it can be concluded that both the regression equations related to ROI and ROE suffer from a heteroscedasticity problem, meaning that the standard errors in the regression residuals are dispersed (Zaid et al., 2024). Since the p-value was less than 0.05, this requires correcting the standard errors using the robust regression method.

3.2.2. Normality test

Since one of the requirements for utilizing the ordinary least squares (OLS) method is that the regression residuals be normally distributed, the Jarque-Bera test (Chaturvedi, 2025) was used, which is widely used in accounting and finance studies to detect normality (Issa et al., 2025). Results indicate that the data deviate significantly from a normal distribution, as the p-values for this test and for both ROI and ROE were less than 0.05, which means that using OLS to estimate regression equations may not be an ideal choice due to the potential biases that may exist.

3.2.3. Wooldridge test for Autocorrelation (Cross-sectional dependence)

The assumption of non-autocorrelation in the panel data used in this research was also revealed by conducting the Wooldridge test, which is commonly used in panel data. Given that the p-values for this test were higher than 0.05, it can be determined that autocorrelation is not a weighty issue in the data (Gujarati, 2021); therefore, there is no bias in the regression residuals due to autocorrelation.

3.2.4. Hausman test

Finally, the regression models were diagnosed to determine their suitability for using random mod-

Table 2. Heteroscedasticity test

Heteroscedasticity check (Breusch–Pagan/Cook–Weisberg)	ROI		ROE	
	Test value	P-value	Test value	P-value
	58.01	0.000	63.87	0.000

Table 3. Normality test

Normality check (Jarque-Bera)	ROI		ROE	
	Test value	P-value	Test value	P-value
	77.10	0.000	55.38	0.000

Table 4. Wooldridge test for autocorrelation

Autocorrelation check (Wooldridge test)	ROI		ROE	
	Test value	P-value	Test value	P-value
	3.24	0.084	4.157	0.0522

Table 5. Hausman test

Diagnostic test	ROI		ROE	
	Test value	P-value	Test value	P-value
Hausman test	5.16	0.3966	3.99	1155.0

els or fixed models. The Hausman test was used to compare the two previous models. Since the probability values were higher than 0.05, the best model for dealing with the data is the random model (Gujarati, 2021).

3.3. Correlation matrix and multicollinearity assessment

The problem of multicollinearity arises when there is more than one independent variable affecting the dependent variable. Therefore, these high relationships between the independent variables can affect the results, leading to the emergence of the spurious regression problem (Hair et al., 2011). Therefore, it can be said that multicollinearity is a statistical issue that must be considered before testing hypotheses. The Variance Inflation Factor (VIF) was used to determine the relationships between the independent variables, and the following decision rule was relied upon in this procedure: VIF values must be less than 5, and the tolerance must be greater than 0.20, to determine the absence of this problem between the independent variables. Table 3 summarizes the results of the multicollinearity test. It is noted from Table 6 that the results related to the multicollinearity test, and since all VIF values were less than 5 and all tolerance values were greater than 0.20, this affirms that the correlations between the independent variables do not fundamentally affect the regression results, and

Table 6. Correlation matrix

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	VIF
(1) EGR	1.000							1.01
(2) FIR	0.0046	1.000						1.49
(3) ROI	–0.0233	0.3846	1.000					–
(4) ROE	0.0004	0.3462	0.8302	1.000				–
(5) LEV	–0.0542	–0.1347	–0.3723	0.0201	1.000			1.11
(6) AGE	0.0210	–0.0598	0.1620	0.1618	–0.0710	1.000		1.25
(7) SIZE	0.0361	0.4721	0.2401	0.3727	0.1217	0.3332	1.000	1.68

Table 7. Panel regression results

Variables	ROI				ROE			
	Model 1		Model 2		Model 1		Model 2	
	Coefficient	t-stat	Coefficient	t-stat	Coefficient	t-stat	Coefficient	t-stat
FIR	0.06847	5.58***	0.05244	5.83***	0.08903	7.04***	0.06649	5.77***
EGR	–0.16700	–0.60	–0.32864	–1.16	–0.01159	–0.03	–0.08472	0.21
LEV	–	–	–0.06751	–7.39***	–	–	0.01031	0.62
AGE	–	–	0.02942	2.28**	–	–	0.38658	2.48**
SIZE	–	–	0.33440	1.10	–	–	0.98295	2.15**
Constant	4.1627	5.83***	0.57075	0.12	6.3241	7.04***	–11.9093	–1.62
Observation	260		260		260		260	
R–Square	0.148		0.286		0.119		0.186	
Adopted Model	RE (Robust regression)		RE (Robust regression)		RE (Robust regression)		RE (Robust regression)	

Note: ** and *** indicate the statistical significance level at 95% and 99%, respectively.

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thus, there is no problem associated with multicollinearity. Looking at the correlation matrix, it becomes clear that the highest correlation value according to the Pearson correlation coefficient was 0.8302 between ROI and ROE, while the lowest correlation value was between EGR and ROE, with a correlation value of 0.0004.

This study aimed to test the impact of both EGR and FIR on financial performance measured through ROI and ROE. A set of control variables was introduced to fine-tune the statistical model and reduce endogeneity issues (Peel, 2014). As noted in Table 7, which summarizes the results of the random model using robust regression to correct standard errors.

The results of the first model for both ROI and ROE revealed weak predictive power, with an R2 value of 0.148 for the first model for ROI and 0.119 for the first model for ROE. The only statistically significant effect was for FIR on both ROI and ROE ($\beta = 0.06847$, $t = 5.38^{***}$; $\beta = 0.08903$, $t = 7.04^{***}$), while there was no statistically significant effect for EGR on either ROI or ROE ($\beta = -0.16700$, $t = -0.60$; $\beta = 0.01159$, $t = -0.03$) and the effect was negative.

The results also did not change significantly when controlling variables were included in the second model, where LEV, SIZE, and AGE were included as controlling variables. The predictive power of the new models improved slightly, with the R^2 value for the ROI model reaching 0.286 and 0.186 for the ROE model. It is clear that the effect of FIR had a positive effect on both ROI and ROE ($\beta = 0.05244$, $t = 5.83^{***}$; $\beta = 0.06649$, $t = 5.77^{***}$), underscoring the relevance of firm-level investment decisions in improving financial performance. This conclusion is supported by previous empirical studies (Alrwabdah & Lok, 2024; Alkurdi et al., 2021; Zraiq & Fadzil, 2018). While there was no statistically significant effect of EGR on both ROI and ROE ($\beta = -0.32864$, $t = -1.16$; $\beta = -0.08472$, $t = -0.021$), contrary to what was expected in previous studies such as Matar et al. (2018) and Alkhazaleh (2017).

Regarding the control variables, the effect of LEV on ROI was negative, while LEV did not affect ROE, contrary to what previous studies have found (Estiasih et al., 2024; Margono & Gantino, 2021). In addition, there was a positive effect of AGE on both ROI and ROE. This finding is supported by previous empirical research (Majumdar, 1997; Evans, 1987; Al-Najjar, 2014). SIZE had a positive effect on ROE but did not affect ROI, which is consistent with previous studies that showed the effect of size on financial performance, and some other studies that have proven the opposite (Estiasih et al., 2024; Indrati & Artikasari, 2023; Bon & Hartoko, 2022; Margono & Gantino, 2021; Endri & Fathony, 2020; Shibutse et al., 2019).

This outcome underscores the complex nature of how macroeconomic indicators and company-specific factors interact with a complexity that has also been observed in prior studies, while macroeconomic conditions can influence firm performance, the effect is often subtle and influenced by various other firm level. Indicating the need to incorporate other potential determinants.

CONCLUSION

This study Aimed to analyze the impact of key variables – Economic Growth Rate and Foreign Investment Ratio – on financial performance indicators and ROI in Jordanian public shareholding industrial companies. A set of control variables (firm age, size, and financial leverage) was introduced to fine-tune the statistical model and reduce indigeneity issues.

The results show that FIR has a positive effect on both ROI and ROE. The results also indicate that the economic growth rate (EGR) does not have a positive impact on ROE and ROI.

Regarding the control variables, the effect of LEV on ROI was negative, while LEV did not affect ROE; there was a positive effect of AGE on both ROI and ROE. In addition, SIZE had a positive effect on ROE but did not affect ROI.

This study adds important value to the existing academic work by looking into how the Foreign Investment Ratio (FIR) and Economic Growth Rate (EGR) affects the financial performance of industrial companies in Jordan, especially when it comes to measures such as ROE and ROI. In addition, the study offers useful insights for decision-makers and company leaders who need to better understand how investment choices and economic conditions can affect financial results. Moving forward, future studies could build on these results by including other possible factors, such as how companies are managed, how transparent they are in their operations, and the state of the markets they operate in. It may also be helpful to examine other economic elements that could affect financial outcomes.

AUTHOR CONTRIBUTIONS

Conceptualization: Mohammad Ali Al Hayek.
Data curation: Mohammad Ali Al Hayek.
Formal analysis: Mohammad Ali Al Hayek.
Funding acquisition: Mohammad Ali Al Hayek.
Investigation: Mohammad Ali Al Hayek.
Methodology: Mohammad Ali Al Hayek.
Project administration: Mohammad Ali Al Hayek.
Resources: Mohammad Ali Al Hayek.
Software: Mohammad Ali Al Hayek.
Supervision: Mohammad Ali Al Hayek.
Validation: Mohammad Ali Al Hayek.
Visualization: Mohammad Ali Al Hayek.
Writing – original draft: Mohammad Ali Al Hayek.
Writing – review & editing: Mohammad Ali Al Hayek.

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APPENDIX A

Table A1. Study sample

	Company Name
1	Jordan Poultry Processing & Marketing Co.
2	Jordan Dairy Company
3	Arab Aluminium Industry Co. (ARAL)
4	Industrial Commercial & Agricultural Production Co.
5	National Steel Industry Co.
6	Dar Al Dawa Development & Investment Co.
7	Jordan Worsted Mills Co.
8	Jordan Phosphate Mines Co. PLC
9	Jordan Chemical Industries Co.
10	Public Investments Co.
11	Arab Potash Company (APC)
12	International Modern Vegetable Oils Industry Co.
13	Ready Mix Concrete & Construction Supplies Co.
14	National Aluminium Industries Co.
15	Dar Al Ghitha Co. (Food Industries Co.)
16	Arab Metal Pipes Industry Co.
17	Jordan Vegetable Oil Industries Co.
18	Al-Quds Concrete Industries Co.
19	Arab Company for Manufacturing Pesticides & Veterinary Medicines
20	Al Hayat Pharmaceutical Industries Co.
21	Asas Concrete Industries Co.
22	United Cables Industries Co.
23	United Iron & Steel Manufacturing Co.
24	Siniora Food Industries Co.
25	Northern Cement Co.
26	Jordan Petroleum Refinery Co. Ltd. (JoPetrol)

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