Research Paper

IMPACT OF THE ISLAMIC BANKING FUNDING ON THE REAL INVESTMENT FOR JORDANIAN ECONOMY
A case Study of Jordanian Islamic Bank and Arab Islamic Bank

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ABSTRACT

This study aimed to statement impact of the Islamic banking funding on the real investment for Jordanian economy through application of the models and the statistical methods followed in this field, was chosen one dependent variable which is size of the real investment and three independent variables which are (speculating, participation, and Murabaha). The study concluded there exist a strong positive relationship between the extent of contribution of the Islamic banking funding and to increase the size of the real investment for Jordanian economy. The study recommended to the necessity of increase the attention to the Islamic banks in order to expand the circle of the real investment, which will reflect positively on the Jordanian economy.

KEY WORDS: *Islamic banking funding, Real investment, Speculating Jordanian economy.*

1. INTRDUCTION

The Islamic banks distinction of being multifunctional banks are leads role of the commercial banks and the specialized banks, but does not deal the benefit taking or tender but it provides the funding according to the formulas are legitimate as speculating, participation, and Murabaha, on the basis of risk bearing and participation in the results a profit or loss and linking with their customers, whether they are the owners of the resources or the investor relationship participation and trading and not payables and indebtedness relationship.

Thus the existence of Islamic banks has become important in our Arab society by virtue of our Islamic religion, where it met acceptable successful in all respects but which was substantially brilliant, it has yielded the existence of the Islamic banks in Arab society Muslim the great development of the investment side where those the piled savings began to emerge, which led to recovery of big economic.

2. METHODOLOGY
2.1. The Study Problem

The problem of this study represented in trying to answering the following:

a. Is the funding it provides the Islamic banks to their customers contributed to increase the real investment in Jordan?

b. What size of contribution of the speculative operations carried out by the Islamic banks in financing these banks for the real investment in Jordan?

c. What size of contribution of the participation operations carried out by the Islamic banks in financing these banks for the real investment in Jordan?

d. What size of contribution of the Murabaha operations carried out by the Islamic banks in financing these banks for the real investment in Jordan?
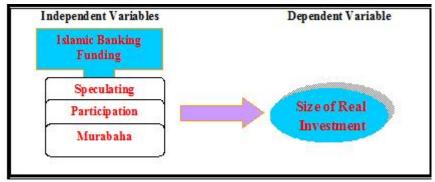
2.2. The Study Objectives

This study aims to achieve the following:

a. To recognize the funding formulas used by the Islamic banks.

b. Analysis of contribution of the (speculative, participation, and Murabaha) in the Islamic banks to increase the real investment size in Jordan.

2.3. The Study Model

In light of the study objectives was to propose the following study model, for the study purpose of impact of the Islamic banking funding on the real investment for Jordanian economy. As shown in the following Figure No. (1):

Source: Prepared by the researchers.

Figure 1. The Study Model

2.4. The Study Hypotheses

The study hypotheses are given in a null form (H_0) as follows:

H_0: There is no statistically significant impact at the significance level (d" 0.05), for the **Islamic banking funding** on increase the **real investment** for Jordanian economy.

Sub- Hypotheses:

H_{01}: There is no statistically significant impact at the significance level (d" 0.05), for the **speculating** on increase the **real investment** for Jordanian economy.

H_{02}: There is no statistically significant impact at the significance level (d" 0.05), for the **participation** on increase the **real investment** for Jordanian economy.

H_{03}: There is no statistically significant impact at the significance level (d" 0.05), for the **Murabaha** on increase the **real investment** for Jordanian economy.

3.THEORETICAL FRAMEWORK & LITERATURE REVIEW

3.1. Theoretical & Conceptual Framework

This section includes the theoretical and conceptual side of the study variables which are (speculating, participation, and Murabaha) starting with their concepts and its definition, as follows:

Funding Formulas used by the Islamic Banks

First: Sale of Murabaha to the Purchase Ordered Granted to the Individuals: This includes cases that the bank doing to execute of request of the contractor on basis of the bank purchase as requested by commanding to purchase with cash - totally or partially- on basis of the client's commitment to buy what ordered it (the promise of to purchase obligated promise) of profit that was agreed upon when get started, and that means the possibility for the bank the full guarantee to payment of the amounts committed to by the commanding purchase payment in installments, according to the agreement with the bank, and in light of the client's solvency of the financial and administrative terms.

Second: Sale of Murabaha for the Merchants (allocations of Murabaha): The Merchants requires the deal with bank of the speed and provide appropriate funding at the appropriate time, and in need of large amounts to finance the purchase items they need so many times and so as not to miss the business opportunities from their hands gives them the bank's allocation for Murabaha, renewable annually, where submit an application to get on banking facilities in which the required amount commodities rental desired show to purchase and decide whether the client wants to get on the ceiling of credits the Murabaha or a self-financing or roof warranties.

Third: Decreasing Participation Ended to Ownership: Are defined as participation contributes in the Islamic bank in a company capital or a real estate institution or a commercial or a factory or a farm or any commercial project with another partner, or more, then worth every share partner of profit in accordance with

the agreement in the contract, with the promise of the Islamic bank to waive at his rights by way of sale his shares (or share) to these partners, that these partners are also committed to purchase of those shares and replace him in the ownership, whether batch one or multiple payments, and as required by the conditions agreed upon (Melhem, 1989).

Fourth: Speculating: The concept of speculation, defines as an agreement between two parties (bank and the client) to participate in a specific project in which doing the bank (the financier) to funded the project financially, and the customer do the work in the project (a speculator) that divides the profit between them by a certain percentage according to the agreement, and the loss is borne by the financier, The speculator lose his effort. The speculating forms of the investment known Arab civilization in the past and subsequently endorsed by Islam. For speculation many definitions, they are held company in profit by money on the first part and working from another side, that is, company in the profit and not in capital, and called Muqharada.

3.2. Literature Review

- Study of (**Frasca, 2008**) entitled: A Further Niche Market: Islamic Microfinance in the Middle East and North Africa.

The study aimed to highlight on using of Islamic financing to fund the small businesses operating in the Middle East and North Africa in the nineties of the last century, which works in conjunction with the traditional microfinance institutions, The study explained two cases for funding Islamic Microfinance which are project Box in Jabal al-Hoss at Syria and a project Islamic Microfinance Hodeida in Yemen. The study found that it cans Islamic microfinance institutions to serve in field of the social and economic development and cover their costs and make a profit through microfinance projects. And it can be Islamic microfinance institutions competition for the traditional microfinance institutions in the region and to meet the needs of growing demand from groups with limited income and who fail to get loans from the traditional microfinance institutions for religious reasons, and that the Islamic microfinance institutions can achieve success through maintaining on rates able to compete with the traditional microfinance institutions especially with regard to spread and cover the costs and to cover the growing operational costs of resulting from the Islamic financial products.

- Study of (**Aliyev, 2007**) entitled: Problems and aspirations of providing microfinance in the Islamic Republic of Azerbaijan.

The study aimed to identify the reality of the Islamic finance in Azerbaijan and stand on the most important problems faced by the small funding and Islamic Microfinance finance in Azerbaijan, and determine the potential to overcome those problems. The study found that the opportunity is available well in front of the Islamic finance in Azerbaijan and the Islamic finance development needs to efforts costs by several bodies including the World Alliance for institutions of the Islamic Development, international organizations and non-governmental organizations, the government and local NGOs in Azerbaijan and religious groups and Awqaf, and funding institutions smaller. The study recommends that begin By two formula (Murabaha and Ijarah) as they are less dangerous than other formulas. The study recommended to enter the Islamic microfinance as part of a more ambitious project, which is introducing and promoting the Islamic finance as a whole and its inclusion in the lending system in Azerbaijan.

- Study of (**Planet, 2007**) entitled: Microfinance Market Survey in the West Bank and Gaza Strip.

The study aimed to analysis the demand for microfinance in the West Bank and Gaza Strip, and has been conducting the study in (6) governorates in the West Bank and Gaza Strip, where they were interview (1202) from a very small entrepreneurs are, and it was the results of the study estimate the demand for micro lending in the West Bank Gaza and by (190) thousand customer and the size of the market for (157) million dollars. The study revealed that about (90%) of micro-entrepreneurs are active mainly in the commercial sector in Gaza Strip and the lack of access to financial services, the study showed that there was a large demand for the funding in line with the Islamic Sharia law in all of the West Bank and Gaza Strip, where that (56%) in the West Bank and (61%) in the Gaza Strip of potential customers for Microfinance will choose the funding in Islamic conditions if they have the choice in that even though the cost was higher than the funding in the interest system. The study recommends the microfinance institutions need to develop their products in line with the Islamic Sharia in order to reach to the potential customers and spread in proportion with the demand on the microfinance of the West Bank and Gaza Strip.

- Study of (**Abdul Fattah, 1999**) entitled: A strategic vision for work of the Islamic banks in light of globalization.

The study addressed the impact of globalization on the economy through the entry of the

foreign banks are very heavily in the local markets thus exposing the national banks to receding, and the strengthening of the position of the foreign banks. The study also indicated to the privacy of the Islamic bank by depositors taken the experience of Dubai Islamic Bank for example. It presents "Farah" of the importance of the development of the Islamic banking and strengthened to benefit from the technological factor in the development of the society and its development, also addressed the importance of guaranteeing deposits and strengthening in the Islamic banks.

- Study of (**Iqbal & et al., 1998**) entitled: Challenges Facing Islamic Banking.

The study centered on the problems and the challenges facing the work of Islamic banking in the private sector which works in a double banking environment which operates in it the Islamic banks along with the conventional banks. The study also referred to the challenges facing the Islamic banking in some aspects, which include the institutional and legal framework and accounting standards and lack of the stock institutions, in addition to the challenges associated with the operational aspects.

- Study of (**Al-Omar, 1997**) entitled: Exploring the influence of the GATT and their accessories on future of the Islamic banking industry.

The study aimed to track the effects of the GATT, through analyzing the reality of the Islamic banking industry, and highlight on the most important items of the GATT which affecting on the Islamic banking industry, and analyzing and exploring these negative effects of and positive benefits with the statement of practical guidance to contend with. The study concludes to the need of perform many of the procedures that help the Islamic banks to fair competition with Western financial institutions, under the invitation to Global market and trade liberalization.

- Study of (**Hamoud, 1997**) entitled: Exploring the influence of the GATT and their accessories on future of the Islamic banking industry.

The study addressed the roots of the banking business in the Islamic civilization, and contemporary reality of the Islamic banking and finance system, and the future of the Islamic banking business in facing globalization. The study emphasized that the Islamic banking has been integrated partly by the Islamic financial institutions, but this integration needs to broader and more comprehensive strengthen so that the Islamic banking system is better able to face the competition in light of the removal of barriers and boundaries in the world of commerce, banking services and finance and investment.

4. METHOD & PROCEDURES
4.1. The Study Approach

The study relied on descriptive analytical approach, with the aim of the study to describe the study variables, and measure the impact of the Islamic banking funding on the real investment for Jordanian economy: A case study of Jordanian Islamic Bank and Arab Islamic Bank .

4.2. The Study Population and its Sample

The study population consisted of all the Islamic banks operating in Jordan, it has been selected sample of banks represented by (Jordanian Islamic Bank and Arab Islamic Bank). After that the researcher analyzed the financial statements (Data) of the mentioned two banks during the period (2005-2015).

4.3. Data Sources

The researcher has been dependence on the annual reports of the (Jordanian Islamic Bank and Arab Islamic Bank), in order to obtain on the financial statements (Data) during the period (2005-2015).

5. The Statistical Analysis

The purpose of this section to present the results of statistical analysis of the study data, which was reached through using of the Statistical Package for Social Sciences (SPSS) .

5.1. The Results of Describe the Study Variables
5.1.1. Describe the variables related to the Jordanian Islamic Bank

Table 1. Jordanian Islamic Bank during period (2005-2015) (Funds in Jordanian Dinar)

Details	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Annual average
Financings	73550210	80017401	999434 3	11664739 2	24122558 7	159006812	20033 2652	24989342 5	26027253 6	28750 3285	30393 1180	18838862 0
Amount of change	-	6467191	1987694 2	16753049	12457819 5	-82218775	41325 840	49560773	**1037911 1**	27230 749	16427 895	-
Change%	-	9%	25%	17%	107%	-34%	26%	25%	**4%**	10%	6%	-
Speculating	0	35714	0	0	0	0	0	0	**0**	0	0	3247
Amount of change	-	35714	-35714	0	0	0	0	0	**0**	0	0	-
Change%	-	-	-100%	-	-	-	-	-	**-**	-	-	-
Murabaha	180202826	201494927	2277542 30	29496628 8	35954926 7	587886656	71665 9210	80139999 2	**8637599 21**	94714 5584	10388 92836	56542834 0
Amount of change	-	21292101	2625930 3	67212058	64582979	228337389	12877 2554	84740782	**6235992 9**	83385 663	91747 252	-
Change%	-	12%	13%	30%	22%	64%	22%	12%	**8%**	10%	10%	-
Participation	12032159	12230180	1202219 4	12437743	13445829	13782348	14340 315	14969954	**1572505 0**	17990 442	20182 572	14468981
Amount of change	-	198021	-207986	415549	1008086	336519	55796 7	629639	**755096**	22653 92	21921 30	-
Change%	-	2%	-2%	3%	8%	3%	4%	4%	**5%**	14%	12%	-
Size of Real Investment	14425556	13384811	1239899 8	11787209	14815327	15805279	27462 585	32710381	**3852430 2**	43889 618	53548 273	25341122
Amount of change	-	-1040745	-985813	-611789	3028118	989952	11657 306	5247796	**5813921**	53653 16	96586 55	-
Change%	-	-7%	-7%	-5%	26%	7%	74%	19%	**18%**	145	22%	-

Source: Annual Reports of the Jordanian Islamic Bank.

The Data in Table (1) refers to the occurring changes in some of Jordanian Islamic Bank data during the period (2005-2015), will be explained as follows:

a. Financings: Averaged size of the Jordanian Islamic Bank financing amounted to (188.4) million dinars, where we note existence growth in most of the study years, also we find that there is decrease a lonely in 2007 by (34%) and amount (82.2) million dinars, while the highest growth rate was in 2009, where the size of the bank funds has doubled with a growth rate amounted to (107%). We also note that the size of the Bank funds recorded (73.5) million dinars in 2005, while at the end of 2015 overrun (303.9) million dinars.

b. Speculating: We note from the previous table, there is no data reflect of the Jordan Islamic Bank doing by using the speculative formula granting of such facilities, and the Bank recorded a lone item for speculation in 2006, valued at (35,714) dinars.

c. Murabaha: The average size of Murabaha amounted to (565.4) million dinars, where we note existence a continuing growth throughout the study period, and the growth rates ranged from minimal growth rate of (8%) in 2013 and the highest growth rate, amounting to (64%) in 2010. We also note that the size

of Murabaha at the bank amounted to (180.2) million dinars in 2005 while the size of Murabaha skip the one billion dinars at the end of 2015.

d. Participation: The average size of the participation at the Jordanian Islamic Bank amounted to (14.4) million dinars, where we note existence growth in most of the study years, where we find that there is a decrease only in 2007 by (2%), while the highest growth rate was in 2014 where the growth rate amounted to (14%). This has been the size of the participation at the Bank amounted to (12) million dinars in 2005, while the participation size at the end of 2015 overrun (20.1) million dinars.

e. Size of Real Investment: The size of real Investment of Jordanian Islamic Bank began to decline by (7%) in 2006, followed by another decline in 2007 by the same proportion and the continued the decline in 2008 by (5%), while in 2009 began growth of the real investment appears in the Jordanian Islamic Bank data after sequence declines that have made the size of investment reached to (11.7) million dinars and the continued growth lasted until end of the period where it reached to (53.5) million dinars.

5.1.2. Describe the variables related to the Islamic International Arab Bank
Table 2. Islamic International Arab Bank during period (2005-2015) (Funds in Jordanian Dinar)

Details	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Annual average
Financings	47220070	54853049	44388943	30125410	30125410	51570352	44310754	41498142	41899986	54122202	58856243	45360960
Amount of change	-	7632979	-10464106	-14263533	0	21444942	-7259598	-2812612	401844	12222216	4734041	-
Change%	-	16%	-19%	-32%	0%	71%	-14%	-6%	1%	29%	9%	-
Speculating	2905134	3526857	10685523	38396244	52646865	11509376	4494906	3511178	7416717	3853146	3353762	12936337
Amount of change		621723	7158666	27710721	14250621	-41137489	-7014470	-983728	3905539	-3563571	-499384	-
Change%	-	21%	203%	259%	37%	-78%	-61%	-22%	111%	-48%	-13%	-
Murabaha	46274243	60464039	102569132	125104934	197871646	206695173	439455987	783797691	840446870	758083059	727949896	389973879
Amount of change	-	14189796	43105093	21535802	72766712	8823527	232760814	344341704	56649179	82363811	30133163	-
Change%	-	31%	71%	21%	58%	4%	113%	78%	7%	-10%	-4%	-
Participation	605132	558599	499003	500022	410855	357240	308080	42238	31999	22292	14506	304542
Amount of change	-	-46533	-59596	1019	-89167	-53615	-49160	-265842	-10239	-9707	-7786	-
Change%	-	-8%	-11%	0.2%	-18%	-13%	-14%	-86%	-24%	-30%	-35%	-
Size of Real Investment	3640733	3385165	3290493	3719368	6506020	8729362	10357866	11872584	12506580	13865462	18867600	8794658
Amount of change	-	-255568	-94672	428875	1786652	2223342	1628504	1514718	633996	1358882	5002138	-
Change%	-	-7%	-3%	13%	75%	34%	19%	15%	5%	11%	36%	-

Source: *Annual Reports of the Islamic International Arab Bank.*

The Data in Table (2) refers to occurring changes in some of the Islamic International Arab Bank data during the period (2005-2015), which has taken in many years of the oscillation trait between rise and fall, will be explained as follows:

a. Financings: The average size of the Arab Islamic Bank financing amounted to (45.3) million dinars, where we find the clear oscillation during the study period. Where the size of the bank funds has reached to (47.2) million dinars in 2005, while at the end of 2015 overrun (58.8) million dinars.

b. Speculating: As for the size of the speculative at Arab Islamic Bank has reached an average amounted to (12.9) million dinars, and began in the study period 2006 and several subsequent years, well proportion growth begun by (21%) and have doubled several times during the subsequent years until it reached to (52.6) million dinars in 2009, while in the year 2010 has begun the decline appears in the speculative, where he continued in most of the remaining years of the study until it reached to (3.3) million dinars in 2015.

c. Murabaha: As for the Murabaha that the average size amounted to (389.9) million dinars, where we note existence a continuing growth throughout the study period and until 2014, where the Murabaha started to decline, and the growth rates ranged from minimal growth rate, amounting to (4%) in 2010 and the highest

growth rate, amounting to (113%) in 2011, while in 2014 the decline ratio amounted to (10%), followed by another decline in 2015 by (4%). We note that the size of Murabaha of the Bank amounted to (46.2) million dinars in 2005, while the size of Murabaha skip (727.9) million dinars at the end of 2015.

d. Participation: The average size of participation at Arab Islamic Bank amounted to (304542) dinars, where we note existence a decline in most of the study years, where we find that there is a slight growth is almost negligible in 2005 by 0.2%, while the highest decline ratio was in 2009, it amounted to the decline (86%). And the participation size of the Bank has been reached to (605132) dinars in 2005, while the participation size amounted to (14.506) dinars at the end of 2015.

e. Size of Real Investment: As for the size of real investment at Arab Islamic Bank began throughout the study period in 2006 by decline proportion (7%), followed by another decline in 2007 by (3%), while in 2008 the growth of real investment has started to appears in the Arab Islamic bank data which began during the study period valued at (3.6) million dinars and ended at the end of year 2015 valued at (18.8) million dinars.

5.2. The Results of Testing the Hypotheses

The researcher will test the study hypothesis and it's

sub-hypotheses as follows:

H$_0$: There is no statistically significant impact at the significance level (d" 0.05), for the **Islamic banking funding** on increase the **real investment** for Jordanian economy.

In order to test the validity of the study hypothesis, the researcher was used the Simple Linear Regression Analysis. As shown in table (3) below:

Table 3. Results of simple linear regression analysis to measure the impact of the Islamic banking funding on increase the real investment for Jordanian economy

R	R^2	F-value	Sig.	Coefficient (S)	t-value	Sig.
0.886	0.785	73.209	0.000	0.129	8.556	0.000

The results in table (3) show that:

a. Validity of simple linear regression is proven, this is asserted by the value of calculated (F) which is (73.209) and that the statistical significance value (0.000) is less than the significance level (= 0.05).

b. The statistical significant of regression coefficients (β) for the (**Islamic banking funding**) is proven, therefore, there is statistically significance impact at the significance level (= 0.05) for the above variable on increase the **real investment** for Jordanian economy. Depend on the statistical significant values (0.000), and this value less than the significance level (= 0.05). This means that the null hypothesis (H$_0$) is **rejected,** based on the above results.

c. There exist a strong positive relationship between the contribution of the Islamic banking funding and size of the real investment, this is asserted by the value of correlation coefficient which is equals to (0.886).

d. The value of Determination coefficient (R^2) which is (0.785) shows that the internal variable in the simple regression model (**Islamic banking funding**) interpret (78.5%) of changes that happen in the (**real investment**).

After had finished from test the study hypothesis, and was verified the existence of the impact of the Islamic banking funding, should be test the impact of every type of the Islamic banking funding on the (**real investment**), which is as follows:

5.2.1. Test the 1st sub-hypothesis

H$_{01}$: There is no statistically significant impact at the significance level (d" 0.05), for the **speculating** on increase the **real investment** for Jordanian economy.

In order to test the validity of the 1st sub-hypothesis was used the simple linear regression analysis. As shown in table (4) below:

Table 4. Results of simple linear regression analysis to measure the impact of the speculating on increase the real investment for Jordanian economy

R	R^2	F- value	Sig.	Coefficient (S)	t-value	Sig.
- 0.388	0.151	3.548	0.074	- 0.401	1.884	0.074

The results in table (4) show that:

a. Validity of simple linear regression is not proven, this is asserted by the value of calculated (F) which is (3.548) and that the statistical significance value (0.074) is less than the significance level (= 0.05).

b. The statistical significant of regression coefficients (β) for the (**speculating**) is not proven, therefore, there is no statistically significance impact at the significance level (= 0.05) for the above variable on increase the **real investment** for Jordanian economy. Depend on the statistical significant values (0.074), and this value greater than the significance level (= 0.05). This means that the null hypothesis (H$_{01}$) is **accepted,** based on the above results.

c. There exist a weak negative relationship between the contribution of the speculating and size of the real

investment, this is asserted by the value of correlation coefficient which is equals to (- 0.388).

d. The value of Determination coefficient (R^2) which is (0.151) shows that the internal variable in the simple regression model (**speculating**) interpret (15.1%) of changes that happen in the (**real investment**).

5.2.2. Test the 2nd sub-hypothesis

H$_{02}$: There is no statistically significant impact at the significance level (d" 0.05), for the **participation** on increase the **real investment** for Jordanian economy.

In order to test the validity of the 2nd sub-hypothesis was used the simple linear regression analysis. As shown in table (5) below:

Table 5. Results of simple linear regression analysis to measure the impact of the participation on increase the real investment for Jordanian economy

R	R²	F- value	Sig.	Coefficient (ß)	t-value	Sig.
0.767	0.588	28.570	0.000	1.409	5.345	0.000

The results in table (5) show that:

a. Validity of simple linear regression is proven, this is asserted by the value of calculated (F) which is (28.570) and that the statistical significance value (0.000) is less than the significance level (= 0.05).

b. The statistical significant of regression coefficients (β) for the (**participation**) is proven, therefore, there is statistically significance impact at the significance level (= 0.05) for the above variable on increase the **real investment** for Jordanian economy. Depend on the statistical significant values (0.000), and this value less than the significance level (= 0.05). This means that the null hypothesis (H_{02}) is **rejected,** based on the above results.

c. There exist a strong positive relationship between the contribution of the participation and size of the real investment; this is asserted by the value of correlation coefficient which is equals to (0.767).

d. The value of Determination coefficient (R^2) which is (0.588) shows that the internal variable in the simple regression model (**participation**) interpret (58.8%) of changes that happen in the (**real investment**).

5.2.3. Test the 3rd sub-hypothesis

H_{03}: There is no statistically significant impact at the significance level (d" 0.05), for the **Murabaha** on increase the **real investment** for Jordanian economy.

In order to test the validity of the 3rd sub-hypothesis was used the simple linear regression analysis. As shown in table (6) below:

Table 6. Results of simple linear regression analysis to measure the impact of the Murabaha on increase the real investment for Jordanian economy

R	R²	F- value	Sig.	Coefficient (ß)	t-value	Sig.
0.801	0.642	35.815	0.000	0.033	5.985	0.000

The results in table (6) show that:

a. Validity of simple linear regression is proven, this is asserted by the value of calculated (F) which is (35.815) and that the statistical significance value (0.000) is less than the significance level (= 0.05).

b. The statistical significant of regression coefficients (β) for the (**Murabaha**) is proven, therefore, there is statistically significance impact at the significance level (= 0.05) for the above variable on increase the **real investment** for Jordanian economy. Depend on the statistical significant values (0.000), and this value less than the significance level (= 0.05). This means that the null hypothesis (H_{03}) is **rejected,** based on the above results.

c. There exist a strong positive relationship between the contribution of the Murabaha and size of the real investment; this is asserted by the value of correlation coefficient which is equals to (0.801).

d. The value of Determination coefficient (R^2) which is (0.642) shows that the internal variable in the simple regression model (**Murabaha**) interpret (64.2%) of changes that happen in the (**real investment**).

6. CONCLUSIONS & RECOMMENDATIONS

This section deals with the most important conclusions of the study, also included on the most important recommendations of the study in light of the results, which are as follows:

6.1. Conclusions

The study reached to a number of conclusions, among them the following:

a. The results of simple linear regression analysis having the impact is statistically significant at the significance level (= 0.05), for the Islamic banking funding on increase the real investment for Jordanian economy.

b. There exist statistically significant impact at the significance level (= 0.05), for the speculating on increase the real investment for Jordanian economy.

c. There exist statistically significant impact at the significance level (= 0.05), for the participation on increase the real investment for Jordanian economy.

d. There exist statistically significant impact at the significance level (= 0.05), for the Murabaha on increase the real investment for Jordanian economy.

6.2. Recommendations

In light of the study results, the researcher recommends the following:

a. Increased the concern by the Islamic banks to expand of the real investment base as this has an impact on the national economy.

b. Necessity doing the Islamic banks administrations on diversifying the Islamic formulas in the financial transactions.

   c. The study suggests on necessity of working future studies dealing with it other variables, different from the variables addressed in the current study, with a focus on use of other statistical methods to cure the study data that will be made in the future.

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