

News Release

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S&P Global Kuwait PMI[®]

Output growth remains elevated in December

Key findings

Further strong rises in output and new orders

Selling prices reduced for first time in 16 months

Employment up only marginally

Kuwait's non-oil private sector continued to grow strongly as 2024 drew to a close. Rates of expansion in output and new orders were only slightly softer than those seen in November, and therefore among the strongest on record. Meanwhile, purchasing activity and employment continued to rise, albeit at weaker rates.

Competitive pricing was again a key feature of the latest survey, with charges lowered for the first time in 16 months. This was despite a further marked increase in input costs.

The headline S&P Global Kuwait Purchasing Managers' Index™ (PMI[®]) is a composite single-figure indicator of non-oil private sector performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases.

The headline PMI remained comfortably above the 50.0 no-change mark in December, posting 54.1 from 55.9 in November. The reading signalled a solid improvement in business conditions, and the third-strongest since the survey began in September 2018.

Companies operating in the non-oil private sector posted a further rapid increase in new orders in December. Advertising, price discounting and visitors attending the Arabian Gulf Cup were among the factors supporting growth, which was the third fastest on record behind July 2020 and November 2024. New export orders also continued to increase markedly.

The Arabian Gulf Cup also contributed to an expansion of business activity, alongside advertising and competitive pricing which have been driving growth for a sustained period. Some panellists reported a particular focus on social media marketing. As was the case with new orders, output rose at the third-sharpest pace since the survey began in September 2018.

The offer of discounts to customers was reflected in data on output prices, which showed a fall in charges for the first

S&P Global Kuwait PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 05 - 17 December 2024.

Comment

Andrew Harker, Economics Director at S&P Global Market Intelligence, said:

"Kuwait's private sector backed up November's strong performance with further rapid growth in the final month of 2024. Rates of increase in new orders and output were only slightly slower than those seen in the previous month. Alongside advertising and competitive pricing - the twin engines of growth we have seen for some time now - firms also highlighted the positive impact of visitors arriving for the Arabian Gulf Cup."

"One slight setback in the non-oil private sector in December was that employment rose only marginally, thereby contributing to a further accumulation of outstanding business. Firms will hopefully find it easier to hire additional staff in 2025 to help them take advantage of the growth opportunities on offer."

PMI[®]

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time in 16 months during December.

The reduction in output prices was recorded despite a further marked increase in input costs, albeit one that was slower than the average for 2024 as a whole.

Purchase prices increased markedly, with costs up for a range of items including advertising, machinery spare parts, stationery and transportation. Meanwhile, staff costs also increased, but only slightly and at the slowest pace in three months.

Companies in Kuwait increased employment for the third month running in response to rising workloads. That said, the latest round of hiring was only marginal, having weakened from the series record seen in November.

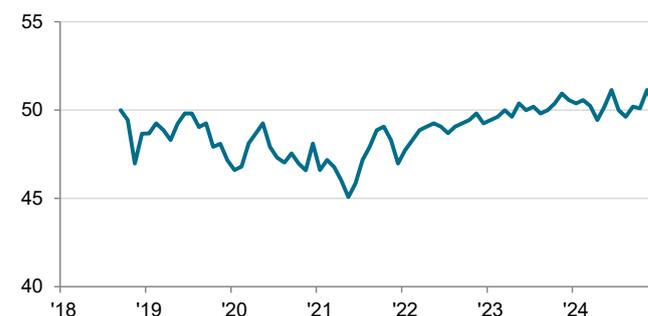
In some cases, staff shortages limited the ability of firms to complete orders on time, resulting in a third successive accumulation of backlogs of work.

Rising new orders encouraged companies to expand their purchasing activity and stocks of inputs again. The respective rates of increase were solid, albeit some way below the records posted in November. Meanwhile, suppliers' delivery times shortened to the largest extent in six months.

Marketing plans, competitive pricing and expected improvements in economic conditions supported confidence in the year-ahead outlook for business activity. Sentiment strengthened for the fourth month in a row and was the highest since June 2024.

PMI Employment Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

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Survey methodology

The S&P Global Kuwait PMI® is compiled by S&P Global from responses to questionnaires sent to executives in a panel of around 350 private sector companies. Depending on the type of company responding to the questionnaire, the respondents themselves are either specific purchasing managers, senior executives, finance directors, or someone in a senior position that is best placed to answer the various questions included in the survey. Interviews are conducted by a local research agency who contact respondents by telephone to record their answers to the questionnaires.

The panel of companies is generally stable from month to month and panel attrition low. Changes might occur if companies or individuals decide to leave the panel, or firms go out of business. In these instances, new companies are recruited from the same industry sector as those being replaced. The panel structure is also reviewed on an annual basis to ensure that it continues to replicate the actual structure of the economy.

The panel is stratified by detailed sector and company workforce size, based on contributions to non-oil GDP. The sectors covered by the survey include manufacturing, construction, wholesale, retail and services. Data were first collected September 2018.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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