

S&P Global Kuwait PMI[®]

Business activity rises solidly, but employment scaled back

Solid, but slower increases in output and new orders

Employment down for first time in six months

Selling prices reduced despite sharp rise in input costs

Overall business conditions in Kuwait's non-oil private sector continued to improve during February. Output and new orders increased again, although rates of expansion eased further from the peaks seen towards the end of 2024.

Less positive were renewed falls in employment and purchasing activity, while companies lowered their output prices for the second time in three months despite a sharp 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 above the 50.0 no-change mark in February to signal a sixth consecutive monthly improvement in business conditions in the Kuwaiti non-oil private sector. At 51.6, however, the index was down from 53.4 in January and signalled only a modest strengthening in the health of the sector that was the weakest since last September.

Output increased solidly, extending the current sequence of expansion which began in February 2023. This was despite the pace of growth easing for the third month running to the slowest since last October. Where activity increased, panellists linked this to successful marketing across a variety of different channels, and competitive pricing.

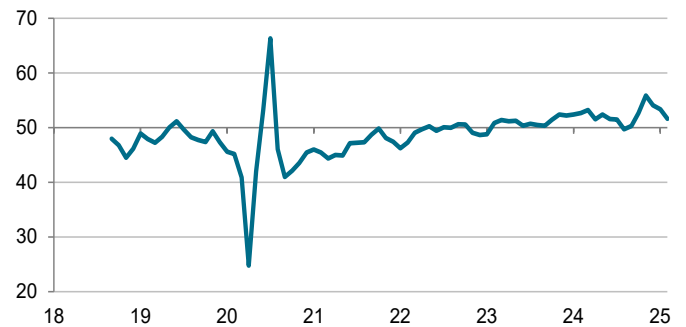
Advertising and price discounting were also the main factors behind a further rise in new orders. Here too, the pace of expansion was solid but softened from January.

New export orders were also up, but to a lesser extent than total new business. The modest increase was also the slowest for a year-and-a-half. Where new business from abroad rose, this was generally linked to sales to clients in neighbouring countries.

Although new orders continued to rise solidly, the slower pace of growth meant that companies on balance lowered their staffing levels during February. The drop in employment was the first in six months, but only marginal. In line with the fall in workforce numbers, staff costs were also down.

The reduction in employment at a time of rising new orders meant that companies noted another increase in backlogs of work, the fifth in as many months. The rate of accumulation

S&P Global Kuwait PMI
Index, sa, >50 = improvement m/m



Data were collected 10-24 February 2025.
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Comment

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

"Although we continued to see a generally positive performance of the non-oil private sector in Kuwait during February, there were some elements of the latest PMI survey which sound a note of caution. Primary among these was the fact that firms lowered their staffing levels, perhaps a sign of worries that the slowdown in new order growth has further to run.

"Alongside successful advertising, growth was again predicated on the offer of discounts to customers, and it remains to be seen how sustainable this will be for firms in the face of sharply rising input costs.

"Next month's data will be key in outlining the evolution of these trends at the end of the first quarter of the year."

remained slight, ticking up only slightly from the previous survey period.

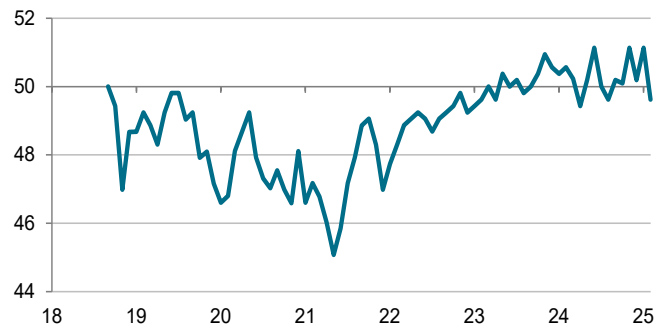
As well as cutting jobs in February, firms also lowered their purchasing activity. The marginal reduction in input buying was the first in close to three years. This was also the case with regards to stocks of purchases. Meanwhile, suppliers' delivery times shortened, albeit to the least extent since August last year.

While staff costs decreased in February, purchase prices were up markedly, resulting in a sharp increase in overall input costs. Panellists reported price increases across a range of items, including advertising, electrical maintenance, food products, printing equipment and transportation. Overall input prices rose at the fastest pace in three months.

The aforementioned efforts to price competitively, however, meant that selling prices were reduced for the second time in the past three months.

Price discounting is set to help drive output growth over the coming year, with marketing, new product development and good customer service also contributing to an optimistic outlook. Confidence eased to a five-month low but remained stronger than the series average.

PMI Employment
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2025 S&P Global.

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Methodology

The S&P Global Kuwait PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 350 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in 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.

PMI by S&P Global

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi

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