

S&P Global Kuwait PMI[®]

Rate of job creation quickens as new orders rise sharply again

Faster, but still modest increase in staffing levels

Strong growth of output and new orders

Output price inflation hits 11-month high

Ongoing expansions in output and new orders encouraged non-oil companies in Kuwait to step up their hiring activities in May, with employment rising at a pace unsurpassed in the series so far.

Cost pressures also strengthened midway through the second quarter of the year, however, putting pressure on companies to increase their selling prices more quickly.

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 posted 53.9 in May, down slightly from 54.2 in April but remaining comfortably above the 50.0 no-change mark and signalling a solid improvement in business conditions during the month. The health of the non-oil private sector has strengthened continuously since September 2024.

Non-oil business activity continued to expand sharply in May, with the rate of growth remaining one of the fastest on record, despite slowing from that seen in April. The latest rise in output extended the current sequence of expansion to 28 months. According to respondents, competitive pricing was a key factor behind the increase in activity.

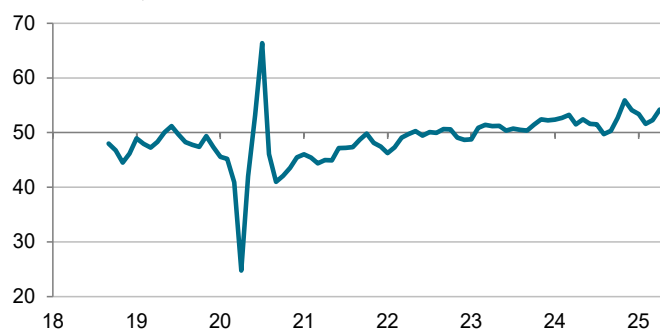
As well as the offer of products at discounted rates, advertising activity helped companies to secure greater volumes of new business in May. In line with the picture for output, new orders increased sharply again, albeit at a softer pace than in April.

New export orders also rose, albeit to a lesser extent than total new business. Panellists reported that competitive pricing also helped them to secure new orders in international markets.

Higher new orders and a desire to complete projects in a timely manner led companies to increase their staffing levels for the third consecutive month in May. Moreover, the rate of job creation quickened and was the joint-fastest since the series began in September 2018, equal with those seen on three other occasions during the past year.

The rise in employment was still only slight, however, and not sufficient to prevent a further increase in backlogs of work. That said, firms were able to limit the pace of accumulation in

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



Data were collected 12-23 May 2025.

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Comment

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

"The strong growth seen in April was largely maintained in May, with companies in Kuwait again reporting sharp increases in output and new orders. This sustained expansion is putting pressure on firms to build capacity, and extra staff were hired accordingly in May. The pace of job creation was still only modest, however, and backlogs of work continued to rise, so we may see even greater employment growth in the months ahead.

"Companies are also facing cost pressures, meaning that they are having to increase their selling prices more quickly. So far, this has not been detrimental to demand, but this will also be important to watch out for as the year progresses."

outstanding business, which eased from that seen in April.

Purchasing activity increased for the second successive month, and at a marked pace that was little changed from the previous survey period. Stocks of inputs also rose solidly.

Bulk orders from suppliers in some cases helped lead to quicker deliveries, and vendor performance improved again in May. Lead times shortened markedly, albeit to the least extent in three months.

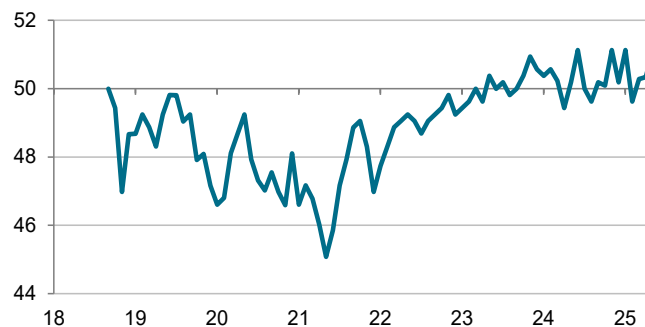
The pace of overall input cost inflation quickened for the second consecutive month and was the fastest since March 2024. Companies reported higher prices for a range of items, including advertising, food products, printing equipment, staff, stationery and transportation.

Both purchase prices and staff costs rose more quickly than in April.

With cost inflation strengthening, companies raised their output prices at a stronger pace in May. Charges increased for the third successive month, and at the sharpest rate in almost a year. That said, the pace of inflation was still only modest.

Business confidence ticked up to a 12-month high in May, with around 36% of respondents predicting a rise in output over the coming year. Positive sentiment reflected continued competitive pricing, marketing activity and improving demand.

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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