

S&P Global Kuwait PMI®

Record rise in employment amid efforts to keep on top of workloads

June 2025

Employment and staff costs increase at sharpest rates on record

Marked expansions in output and new orders

Fastest rise in output prices for a year

New orders continued to rise at a marked pace at the end of the second quarter, feeding through to a record increase in employment as firms attempted to keep on top of workloads.

Purchasing activity was also raised, but firms continued to signal an accumulation in backlogs of work. Higher demand for materials and staff meant that input costs continued to increase, in turn resulting in the fastest pace of output price inflation in a year, despite efforts to price competitively.

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 dropped to 53.1 in June from 53.9 in May, the lowest in three months but still signalling a solid monthly improvement in business conditions in Kuwait's non-oil private sector. Operating conditions have now strengthened in ten consecutive months.

Companies in Kuwait again posted marked increases in both output and new orders in June, albeit with the rates of expansion easing in both cases. Total new business was supported by a series record increase in new export orders.

Anecdotal evidence signalled that competitive pricing and advertising activities were the main factors helping to drive growth of new orders and business activity.

Efforts to keep on top of rising workloads led companies to expand their staffing levels, purchasing activity and inventory holdings in June.

The latest increase in workforce numbers was the sharpest since the survey began in September 2018, albeit still only modest overall. As a result of this expansion of employment, staff costs also increased at the fastest pace on record.

Meanwhile, the rate of growth in purchasing activity accelerated sharply and was the fastest since November last year. This was also the case with stocks of purchases.

Despite these concerted efforts to keep on top of workloads and meet client requests in a timely manner, backlogs of work increased for the ninth month running in June. Moreover, the

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



Data were collected 12-24 June 2025.

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Comment

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

"Sustained rises in workloads and increasing confidence for the year ahead have been good news for the Kuwaiti labour market, with companies looking to take on additional staff to keep on top of orders. That said, even a series record rise in employment in June wasn't enough to prevent a further build-up of outstanding business, suggesting further capacity enhancements may be needed in the months ahead.

"All in all, the first half of 2025 has been a successful one for Kuwait's non-oil private sector, and firms go into the second half of the year in good shape to continue expanding."

rate of accumulation quickened to the most marked for a year.

As well as posting a record increase in staff costs, purchase prices also rose in June. The pace of inflation was sharp, but eased to a three-month low. Respondents mentioned a range of inputs as costing more, including machinery maintenance, marketing and stationery.

Rises in input costs meant that companies increased their selling prices for the fourth consecutive month. Although efforts to price competitively meant that the latest rise was still only modest, the pace of inflation quickened to a one-year high.

Meanwhile, suppliers' delivery times shortened markedly again, with the latest improvement in vendor performance the most pronounced since May 2023. Competition among suppliers was a key factor behind the latest shortening of lead times, according to respondents.

Price discounting and improved marketing strategies are expected to help lead to further increases in non-oil business activity over the next 12 months. Business confidence strengthened for the second month running and was the highest since May 2024.

PMI Employment

Index, sa, >50 = growth m/m



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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.

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PMI by S&P Global

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