

S&P Global Kuwait PMI[®]

Output growth sustained as new orders rise at faster pace

July 2025

Marked increases in output and new orders

Employment broadly unchanged

Inflationary pressures soften

The Kuwaiti non-oil private sector remained comfortably inside growth territory in July amid marked increases in new orders and business activity.

That said, employment levels were kept broadly unchanged following a record increase in the previous survey period. Meanwhile, inflationary pressures softened at the start of the third quarter of the year.

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 ticked up to 53.5 in July from 53.1 in June, signalling a solid monthly improvement in the health of the non-oil private sector. Business conditions have now strengthened in each of the past 11 months.

Central to the latest improvement in operating conditions was a sharp and accelerated increase in new orders, extending the period of expansion which began in February 2023.

New export orders were also up, but here the pace of expansion eased to a three-month low.

Panellists mainly linked higher new orders to advertising efforts and price discounting. Anecdotal evidence also mentioned sales to regular customers. This all helped to boost output again in July.

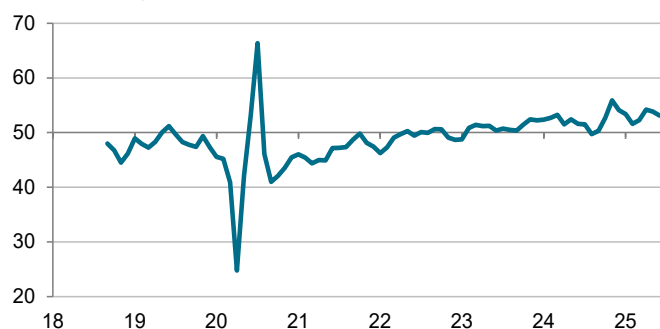
Business activity has now risen on a monthly basis throughout the past two-and-a-half years. Although marked, the latest increase was the slowest in four months.

While rates of growth in output and new orders remained marked in July, companies kept their staffing levels broadly unchanged at the start of the third quarter. This broad stability in workforce numbers followed a series-record increase in the previous month.

Efforts to complete projects on time were behind hiring at some companies, but others were reluctant to take on additional staff due to cost considerations.

The subdued hiring picture at a time of sharply rising new

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



Data were collected 10-25 July 2025.

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Comment

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

"Kuwait's non-oil private sector began the second half of 2025 in much the same way as it ended the first, with output and new orders up markedly again in July. One notable difference in the latest survey, however, was that employment was broadly unchanged following a record increase in June as some companies noted cost considerations.

"Firms will have been cheered by a softening of inflationary pressures during the month, but the reluctance to hire extra staff did mean that backlogs of work accumulated again.

"The prospects for further expansions in new business in the months ahead appear bright, and we'll hopefully see this reflected in renewed hiring activity soon."

orders meant that backlogs of work increased again in July. That said, the pace of accumulation was only slight and the weakest since January.

Companies were able to limit the increase in backlogs by securing greater volumes of inputs. Both purchasing activity and stocks of inputs rose markedly again in July, albeit to lesser extents than in June. Some panellists reported that inputs had been secured ahead of expected price increases in coming months.

Suppliers' delivery times continued to shorten, but the rate of improvement in vendor performance eased markedly to the smallest since March 2024. Some respondents noted shortages of materials and staff at vendors.

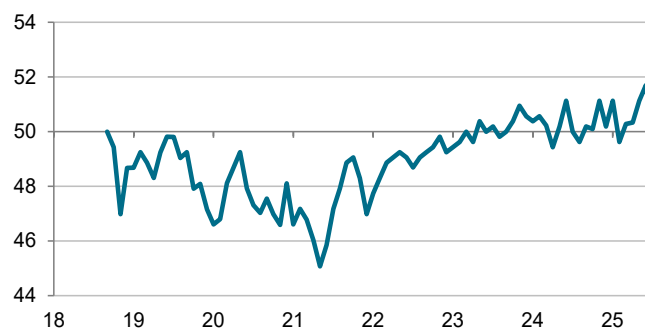
Inflationary pressures eased as the second half of the year got underway, with purchase prices and staff costs increasing at the slowest rates in six and four months respectively.

Those respondents that posted an increase in input prices linked this to a range of factors, including advertising, maintenance, rent, spare parts and staff.

In line with the picture for input costs, the pace of output price inflation eased in July and was at a four-month low. Some respondents indicated that price discounting in a bid to secure new orders had limited the extent to which higher input costs were passed through to customers.

Competitive pricing was a factor supporting confidence in the 12-month outlook for output. Meanwhile, some firms plan to implement varied marketing strategies, including the use of digital channels in particular. Companies remained strongly optimistic that output will rise over the coming year, despite sentiment easing to a three-month low.

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.

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PMI by S&P Global

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