

# S&P Global Kuwait PMI<sup>®</sup>

## War in the Middle East leads to worsening business conditions in Kuwait

### March 2026

Business activity decreases for first time since start of 2023

Lower new orders lead to cuts in employment and purchasing

Input costs fall, but output prices continue to rise

The war in the Middle East pushed Kuwait's non-oil private sector into decline during March.

Reports from companies signalled that the suspension of flights and shipping were key factors leading to renewed reductions in output and new orders, with companies responding to lower workloads by scaling back employment, purchasing activity and inventory holdings.

Input costs also decreased, but companies continued to raise their output prices modestly.

The headline S&P Global Kuwait Purchasing Managers' Index<sup>™</sup> (PMI<sup>®</sup>) 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 fell below the 50.0 no-change mark for the first time in 19 months in March, posting 46.3 following a reading of 54.5 in February. The PMI pointed to a solid deterioration in business conditions in the non-oil private sector, and one that was the most pronounced since January 2022.

Business conditions deteriorated amid the outbreak of war in the region, which led to sharp contractions in output and new orders in particular.

Alongside the impacts on flights and shipping, companies also reported that exchange rate fluctuations and strong competition had contributed to falls in business activity and new orders.

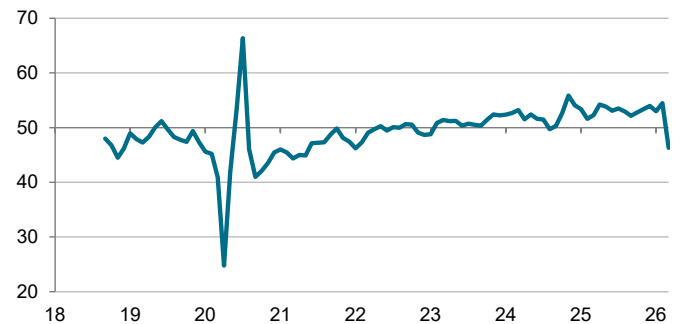
In both cases, the falls were the first in 38 months and sharpest since May 2021.

Alongside the decline in total new orders, new business from abroad also decreased amid reports that firms were unable to receive new international orders due to the war.

As well as seeing a fall in output during March, companies in Kuwait were also concerned that a continuation of the conflict would impact activity over the coming year.

A pessimistic outlook was signalled for the first time in 26 months, although marketing plans and efforts to price

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



Data were collected 5-19 March 2026.  
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### Comment

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

"The S&P Global Kuwait PMI provides a clear indication of the impact of the war in the region on non-oil businesses during March. Companies reported that the suspension of flights and shipping were key factors leading to reduced new orders and business activity, with firms responding by limiting their employment and purchasing.

"There were also concerns about the impact of the war on output in the months ahead, with business conditions for Kuwaiti firms largely dependent on how long the conflict persists."

competitively meant that some firms were still optimistic of growth.

Falling workloads led companies in Kuwait to scale back employment for the first time in just over a year. The reduction in staffing levels was only slight, but the sharpest since July 2022.

Backlogs of work were also lower, following a record accumulation in the previous survey period.

Meanwhile, firms cut back on their input buying in line with reduced new orders. In fact, the renewed drop in input buying was substantial and the most pronounced since the outbreak of the COVID-19 pandemic in April 2020.

In turn, inventories were reduced, but here the pace of decline was the most pronounced since the series began in September 2018.

Companies also faced a marked lengthening of suppliers' delivery times in March, only the second time on record that a deterioration in vendor performance has been registered. Panellists reported that shortages of staff at suppliers and difficulties for them to secure materials had contributed to delivery delays.

Overall operating expenses decreased for the first time in almost six years amid lower demand for inputs. Both purchase prices and staff costs decreased.

Output prices continued to rise, with some firms mentioning higher charges for transportation. The rate of inflation remained modest, however, and ticked down to a four-month low.

## 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](mailto:economics@spglobal.com).

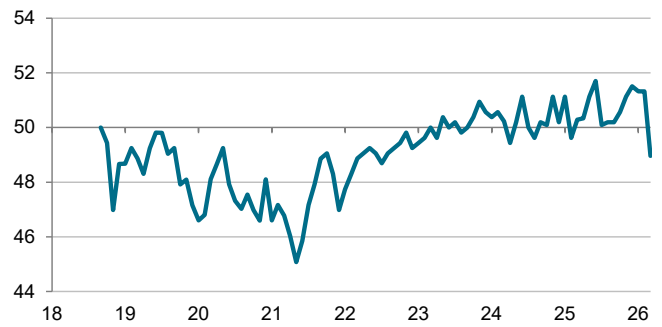
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## PMI Employment

Index, sa, >50 = growth m/m



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