

News Release

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S&P Global Kuwait PMI®

Sharper rise in employment amid ongoing new order growth

Key findings

Marked increases in output and new orders

Pace of job creation unsurpassed since series began

Slowest rise in input costs since September 2023

The Kuwaiti non-oil private sector began 2025 in positive fashion, recording further sharp increases in output and new orders, while the pace of job creation was at a level unsurpassed in the survey's history so far. Firms also raised their purchasing and inventory holdings.

Input costs continued to increase markedly, although the pace of inflation eased at the start of the year. Meanwhile, selling prices rose following a fractional reduction in December.

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 53.4 in January, down from 54.1 in December but still comfortably above the 50.0 no-change mark to signal a solid monthly improvement in business conditions in the non-oil private sector.

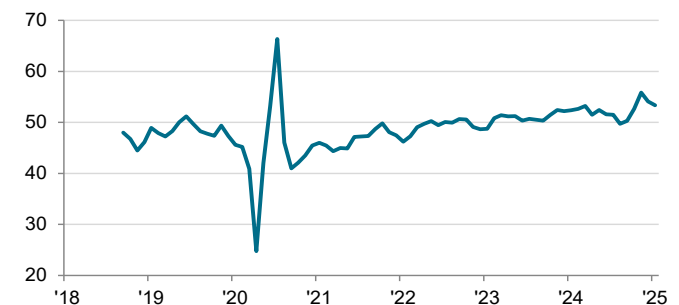
Business activity continued to increase sharply in January, despite the rate of growth easing to a three-month low. According to respondents, output rose on the back of successful advertising and competitive pricing. Ongoing business from existing customers was also mentioned, while some firms had benefited from Kuwait's hosting of the Arabian Gulf Cup at the start of the month.

These factors also supported growth of new orders, which remained marked at the start of 2025. Both output and new orders have now risen on a monthly basis throughout the past two years. New export orders also expanded, often thanks to new business from clients in neighbouring countries.

With activity requirements continuing to rise, companies took on extra staff again in January. The rate of job creation was modest, but quickened to the joint-fastest on record, equal with those seen in June and November 2024.

S&P Global Kuwait PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 09 - 27 January 2025.

Comment

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

"It was pleasing to see Kuwait's non-oil private sector pick up in 2025 where it left off in 2024, posting strong increases in output and new orders. Encouragingly, the pace of job creation picked up and was the joint-fastest on record (equal with June and November 2024), but this was still not enough to prevent a rise in backlogs of work given the influx of new business."

"Firms are also optimistic that growth will continue over the course of the year, and so they will need to keep raising capacity in the months ahead if they are to keep up with demand."

PMI®

by S&P Global

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Despite the hiring of additional workers, companies continued to report that staff shortages had contributed to an accumulation of outstanding business. Backlogs increased for the fourth consecutive month, albeit only marginally.

As well as taking on additional staff, non-oil firms in Kuwait also responded to rising workloads by expanding their purchasing activity. The latest increase was solid, but continued to slow from November's record high. A similar picture was seen with regards to inventories, which rose at the weakest pace in five months.

Despite increased demand for inputs, suppliers' delivery times continued to shorten, mainly due to competition among vendors.

The rate of purchase cost inflation eased to the weakest in almost a year-and-a-half in January, but was still in line with the series average. According to respondents, the main factors pushing up costs were advertising, maintenance, spare parts, stationery and transport fares.

Staff costs also increased amid pay rises and the offer of bonuses in line with positive company performance.

Companies increased their own selling prices, following a marginal reduction in the previous month. The rate of inflation was only slight, however.

Business confidence remained strongly positive, despite easing to a four-month low. Positive sentiment reflected plans for competitive pricing, the use of advertising and good customer service.

Survey methodology

The S&P Global Kuwait PMI® is compiled by S&P Global from responses to questionnaires sent to executives in a panel of around 350 private sector companies. Depending on the type of company responding to the questionnaire, the respondents themselves are either specific purchasing managers, senior executives, finance directors, or someone in a senior position that is best placed to answer the various questions included in the survey. Interviews are conducted by a local research agency who contact respondents by telephone to record their answers to the questionnaires.

The panel of companies is generally stable from month to month and panel attrition low. Changes might occur if companies or individuals decide to leave the panel, or firms go out of business. In these instances, new companies are recruited from the same industry sector as those being replaced. The panel structure is also reviewed on an annual basis to ensure that it continues to replicate the actual structure of the economy.

The panel is stratified by detailed sector and company workforce size, based on contributions to non-oil GDP. The sectors covered by the survey include manufacturing, construction, wholesale, retail and services. Data were first collected 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.

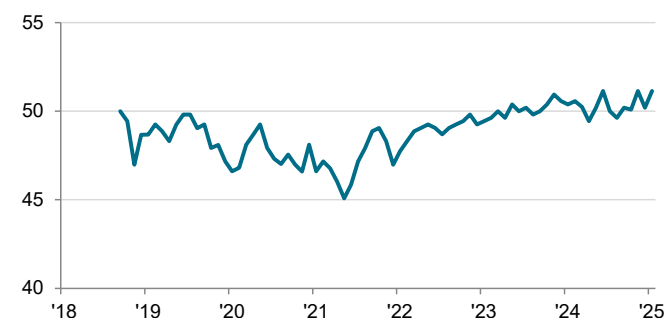
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PMI Employment Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

Contact

Andrew Harker
Economics Director
S&P Global Market Intelligence
T: +44 1491 461 016
andrew.harker@spglobal.com

Kriti Khurana
Corporate Communications
S&P Global Market Intelligence
T: +91-971-101-7186
kritikhurana@spglobal.com
press.mi@spglobal.com

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About PMI

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