

# MASHREQ GLOBAL DIGEST

## Kuwait

August 24 – August 30



This edition of Market Digest highlights Kuwait's key macroeconomic indicators, recent financial developments, and notable deals and projects, offering insights into the country's economic trends.

### Macroeconomic News

#### Kuwait's Vision 2035: \$32B Investment, 50,000 Jobs

Kuwait's New 2035 Vision aims to attract KD 10 billion (\$32.6 billion) in investment, create 50,000 jobs, and generate KD 1 billion (\$3.26 billion) in annual revenues by 2030 through 124 mega projects in energy, transport, infrastructure, smart cities, and industrial zones. The plan includes reforms like smart licensing, a new real estate brokerage system, and a taxation framework, supported by strategic partnerships with Japan and China. Key projects include the Mubarak Al Kabeer Port and Al Zour North Power Plant, with the World Bank forecasting GDP growth of 2.2% in 2025, stabilizing at 2.7% in 2026–27, reflecting rising foreign investment and ongoing reforms.

Reference: [Arabian Business](#)



#### Kuwait Inflation Rises to 2.39% in July

Kuwait's inflation inched up to 2.39% in July, compared to 2.32% in June, mainly due to higher food and beverage costs, along with slight increases in clothing, furnishings, and miscellaneous services. Transportation prices dipped, while housing, health, communication, and education remained unchanged. This modest rise in inflation suggests steady but contained price pressures, reflecting gradual adjustments in consumer goods rather than broad-based overheating in the economy.

Reference: [Arab News](#)

#### Kuwait's 2024-25 Deficit Hits \$3.46B, Below Forecast

Kuwait posted a much smaller budget deficit than expected for the 2024-2025 fiscal year ending March 31, at 1.06 billion dinars (\$3.46 billion) compared to a forecast of 5.6 billion dinars. Revenues hit 22.06 billion dinars, with 19.36 billion dinars from oil, while spending was 23.11 billion dinars—lower than projected. Analysts note that Kuwait's conservative budgeting often underestimates revenues and overestimates expenses, impacting development investment. Looking ahead, the draft 2025–2026 budget anticipates a wider deficit of 6.31 billion dinars due to falling revenues and rising expenditures.

Reference: [Arab News](#)



#### Kuwait to Borrow Up to \$20B to Tackle Fiscal Deficit

According to CI Capital, Kuwait plans to borrow 3–6 billion dinars (\$10–20 billion) in FY 2025/26 to cover a widening fiscal deficit, estimated at 3.8 billion dinars, due to weaker oil revenues. The deficit is expected to be financed through local and international borrowing under a March 2025 debt law that allows up to 30 billion dinars in debt over 50 years. The move aims to preserve the general reserve fund and maintain sovereign buffer capacity while supporting project liquidity.

Reference: [Zawya](#)

#### Kuwait FDI Totals \$0.6B in 2024, Lags Behind Gulf Peers

Kuwait attracted only \$0.6 billion in FDI in 2024, trailing Gulf peers. In comparison, the UAE recorded a remarkable \$45.6 billion in FDI, and Saudi Arabia drew \$15.7 billion in the same period. However, its Vision 2035 plan and Public-Private Partnership (PPP) frameworks provide significant potential to accelerate foreign investment in the coming years.

Reference: [Zawya](#)



#### Kuwait Sees 30% Rise in Electricity and Water Bill Collections

Kuwait's Ministry of Electricity, Water and Renewable Energy collected about KWD 400 million (\$1.3 billion) since the start of the 2025/26 fiscal year, marking a 30% increase from last year. The boost comes from a strategic plan, strong cooperation across public and private sectors, and improved payment channels, including mobile apps, electronic platforms, and in-person services. The Ministry emphasized its commitment to strengthening collection mechanisms and improving operational efficiency to support Kuwait's financial sustainability.

Reference: [Zawya](#)

#### Kuwait Boosts Private-Sector Jobs for Nationals

Kuwait's Vision 2035 is pushing to increase the participation of nationals in private-sector jobs through a policy called "Kuwaitisation." The plan includes new laws, higher fees for hiring foreign workers, specialized training programs, curriculum changes, and incentives for businesses to hire Kuwaitis. Authorities aim to balance national development goals with market needs, while addressing challenges such as skills gaps, longer private-sector hours, and the appeal of public-sector benefits. If effectively implemented, these reforms could expand private-sector opportunities for Kuwaiti youth without reducing productivity.

Reference: [Arabian Business](#)

Rise every day



Financial/Corporate News

Kuwaiti Banks Warn of Rising Fraud Schemes

The Kuwait Bankers Association (KBA) warns customers of rising fraud through fake websites, social media accounts, and property listings. The 24/7 Central Anti-Electronic Fraud Unit works with banks and authorities to freeze suspicious accounts. KBA urges the public not to share passwords or OTPs and to review Mobile ID notifications, stressing that awareness and coordination are key to prevention.

Reference: [Kuwait Times](#)



Kuwait Cabinet Approves a KD 100M Portfolio for Private Housing Projects

The Kuwaiti Cabinet has approved a 100 million dinars financial portfolio to support private housing projects. This initiative aims to facilitate the development of affordable housing solutions and promote private sector involvement in the housing sector. The portfolio is set to be valid for 20 years and is renewable, reflecting the government's commitment to addressing housing needs and encouraging private investment in this area.

Reference: [Kuwait News Agency](#)



Spinneys to Enter Kuwait Market in JV with Alshaya

UAE-based supermarket franchisee Spinneys will enter Kuwait through a joint venture with Gulf retail giant Alshaya Group, planning to open 10 stores. Spinneys will hold a 51% stake and manage all operations. The first store is expected next year, marking Spinneys' fourth market in the GCC after UAE, Saudi Arabia, and Oman. The move follows Spinneys' Dubai listing last year, raising around \$375 million.

Reference: [Reuters](#)

Deals/Projects

Kuwait to Boost Media and Tourism Through Private Sector

Kuwait's Ministry of Information will rely on private-sector partnerships to enhance media and tourism projects, support jobs for Kuwaitis, and advance the New Kuwait 2035 vision. Key initiatives include the "Leadership by Will" project, a revamp of Al-Akhbar channel, and the "Visit Kuwait" platform to promote cultural and tourism offerings.

Reference: [Kuwait Times](#)

Kuwait Fund Signs \$13M Loan Deal with Nicaragua for Bridge Project

The Kuwait Fund for Arab Economic Development (KFAED) signed a 4 million dinars (\$13 million) loan agreement with Nicaragua to build a 115-meter bridge over the Prinzapolka River on the Rio Blanco–Siuna Highway. Covering 76% of the cost, the loan will be repaid over 20 years with a four-year grace period and 2% annual interest plus a 0.5% service charge. This is KFAED's third loan to Nicaragua, following two previous loans totaling 10.13 million dinars (\$33.42 million) for the construction and equipping of the Chinandega Departmental Hospital.

Reference: [Zawya](#)

Markets

Market Dashboard

- For the week, U.S. stocks ended slightly lower after hitting record highs earlier, as weakness in AI-related names weighed on markets. Declines in Dell, Nvidia, and Marvell following disappointing forecasts added pressure. Still, August closed on a positive note, with the S&P 500 up 1.9%, the Dow up 3.2%, and the Nasdaq up 1.6%. Strong U.S. consumer spending and expectations of a September Fed rate cut supported sentiment, though tariff-driven inflation concerns and volatility in tech kept investors cautious heading into September.
- Bitcoin dropped to around \$109,000, down more than 7% week-on-week and 10% from its August peak above \$124,000, marking its first monthly decline since April. It is set for a roughly 6% loss in August, as market optimism over a potential Fed rate cut is tempered by political uncertainty, including former President Trump's attempt to remove a Fed governor.
- Gold surged to \$3,448 an ounce, marking its best monthly performance since April with a 4.7% gain in August and a 2.25% rise week-on-week. Prices were supported by growing expectations of a September Fed rate cut, with traders pricing in an 89% chance of a 25-basis-point move. The weaker dollar further underpinned bullion. Investor uncertainty over Fed independence also spurred inflows into gold ETFs.
- This week, oil prices remained almost flat as U.S. demand eased with the end of the summer driving season—a period of peak fuel consumption due to vacations and increased travel—and ahead of OPEC+'s planned supply boost this autumn. Earlier gains from Ukrainian attacks on Russian export terminals faded amid ceasefire talks. Russian exports to India are expected to rise despite U.S. pressure, underscoring the limited impact of sanctions. Market attention now turns to the upcoming OPEC+ meeting, with uncertainty over future production adjustments keeping sentiment cautious.
- The U.S. dollar weakened on Friday, heading for a roughly 2% decline in August, as markets priced in a likely Fed rate cut at the September 16–17 meeting. The dollar index fell to 97.803, with investors awaiting August jobs data and tracking concerns over Fed independence following President Trump's attempt to influence policy.

Indicators	22-Aug-25	29-Aug-25	% Change
S&P 500	6,466.91	6,460.26	-0.10%
Bitcoin	116,874.09	108,410.84	-7.24%
Gold	3,372.11	3,448.00	2.25%
Crude Oil	67.73	68.12	0.58%
EUR/USD	1.1613	1.1692	0.68%