

MASHREQ GLOBAL DIGEST

Kuwait

March 02 – March 08



This edition of Market Digest highlights Kuwait's key macroeconomic indicators and financial updates, providing insights into current economic trends.

Macroeconomic News

Kuwait Ranks 2nd in Arab Region for Citizen Well-Being

According to the UN's ESCWA report on the "Real Sizes of Arab Economies between 2017 and 2023," Kuwait ranks second in the Arab world and 37th globally in terms of citizen well-being, with an average annual spending of \$32,000 per person—more than two times the global average. The country also ranks fourth regionally and 28th globally for per capita income, at \$50,980 annually, reflecting a strong economy that provides a high standard of living. Despite this, Kuwait is the most expensive country in the Arab region, ranking first in terms of price levels. Nevertheless, the high government spending on its citizens helps maintain a prosperous living standard, making Kuwait one of the leading economies in the region.



Reference: [Alraimedia](#)



Kuwait's Non-Oil Sector Growth Slows in February 2025

Kuwait's non-oil private sector showed slower growth in February 2025. The Purchasing Managers' Index (PMI) dropped to 51.6, down from 53.4 in January, marking the slowest growth since September 2024. Although the sector continued to expand, the pace of growth weakened. Employment also fell for the first time in six months, and businesses reduced their selling prices, despite a sharp increase in costs. This slowdown in growth, for the third consecutive month, reflected the challenges companies faced with rising costs and lower purchasing activity.

Reference: [Zawya](#)

Kuwait's Oil Production Set for Gradual Increase Starting April

Kuwait's oil production will undergo significant changes starting in April 2025, as the country gradually reverts the voluntary production cuts imposed by OPEC+ to stabilize the oil market. Kuwait's share of these cuts, which began in 2023, amounts to 263,000 barrels per day. As the reductions are reversed, Kuwait's production is expected to steadily increase. By the end of 2025, production will reach 2.481 million barrels per day, with a further gradual rise to 2.548 million barrels per day by December 2026. However, Kuwait faces challenges such as fluctuating global demand and the growing shift to renewable energy, requiring a balance between increasing oil production and its economic diversification goals.



Reference: [Attaga](#)



Kuwait Takes Action to Settle Citizens' Debts

Kuwait's Ministry of Social Affairs, led by Dr. Amthal Al-Huwailah, is launching a campaign to help citizens pay off debts through charity societies. The initiative will use the Central Assistance Platform, where debtors can apply with their civil ID and documents. Charity societies will assess applications based on specific criteria, and funds raised during Ramadan will support the initiative. The Ministry aims to alleviate financial burdens and promote social solidarity while ensuring effective use of funds and improving services for beneficiaries.

Reference: [Zawya](#)

Kuwait Achieves 100% in Several International Indicators

The Gulf Statistical Center reported that Kuwait has achieved 100% in several international indicators related to sustainable development goals, such as medical births, access to essential services, safe drinking water, and electricity, among others. These achievements reflect Kuwait's Vision 2035, which aims to transform the country into a global financial hub, fostering private sector-driven economic growth and human development. Kuwait continues to lead in various international indices, including technology use and e-commerce legislation, while maintaining a strong position in competitiveness.

Reference: [Emirates News Agency](#)

Kuwait Revokes Citizenship of Thousands Amid Welfare Reform

Kuwait has revoked the citizenship of approximately 42,000 individuals in six months, citing anti-fraud measures. The government aims to curb social welfare misuse, which along with public sector, accounts for 80% of state spending. Those affected lose access to property ownership, banking services, and employment rights, while financial institutions assess risks linked to impacted borrowers. This move coincides with Kuwait's parliamentary suspension and broader governance reforms, marking a shift in the political landscape.

Reference: [Financial Times](#)

Financial & Tech News

Microsoft to Establish AI-Powered Azure Cloud Region in Kuwait

Microsoft has partnered with the Government of Kuwait to accelerate AI-driven digital transformation through an AI-powered Azure Region. Aligned with Kuwait's Vision 2035, this initiative includes a Technology Innovation Hub, a Cloud Center of Excellence, and a Copilot Center to enhance government operations. It positions Kuwait among regional leaders in digital transformation, attracting global businesses, and driving economic diversification with advanced AI and cloud technologies.

Reference: [Microsoft](#)

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Kuwait Stocks Outperform Gulf Markets in 2025

Kuwaiti stocks are outperforming Gulf markets in 2025, with the Kuwait Stock Exchange's First Market Index rising 11% since the start of the year, over four times higher than Dubai Financial Market's gains. This performance is driven by a surge in bank stocks and optimism about economic reforms. Key reforms, including political changes and plans to issue sovereign bonds, are boosting investor confidence. Kuwait's market is trading at lower valuations compared to its Gulf peers, supporting optimism. Additionally, Kuwait's favorable market conditions increase the likelihood of new IPOs, further strengthening the market. The potential upgrade of Kuwait to an advanced emerging market in the upcoming FTSE Russell review could further boost investor confidence, though the legislative reforms may take longer than expected. It is worth noting that the Kuwait Stock Exchange achieved last year its highest net profits in history, totaling 18.18 million dinars, reflecting a 15.08% increase over the previous year.

Reference: [Asharq Business](#), [CNBCArabia](#)



Kuwait's Banking Sector Sees 8.1% Profit Growth in 2024

In 2024, Kuwait's banking sector saw an 8.1% increase in profits, reaching 1.66 billion dinars, up from 1.53 billion dinars in 2023. The National Bank (NBK) and Kuwait Finance House (KFH) accounted for 72.4% of these profits, totaling 1.2 billion dinars. Operating revenues rose by 9.6%, totaling 4.1 billion dinars, and operating profits increased by 7.6%, reaching 2.43 billion dinars. Assets in the banking sector increased by 4.8%, reaching 123.3 billion dinars, up from 117.59 billion dinars in 2023.

Reference: [Alqabas](#)

Visa Launches Seamless 'Tap to Add Card' Feature in Kuwait

Visa has launched "Tap to Add Card" in Kuwait, allowing cardholders to add their Visa contactless cards to digital wallets with a simple tap on their mobile device. This feature enhances security by eliminating manual entry, reducing errors and fraud risks. The technology generates a one-time code validated by Visa's Chip Authenticate service for secure provisioning. Visa aims to boost digital wallet adoption in Kuwait by improving security and user convenience, benefiting all stakeholders in the payment ecosystem.

Reference: [Zawya](#)

Rating

Fitch Affirms Kuwait's 'AA-' Rating with Stable Outlook



Fitch Ratings has affirmed Kuwait's 'AA-' rating with a Stable Outlook, supported by its strong fiscal and external balance sheets, though challenges remain due to reliance on oil, a large public sector, and a generous welfare system. The country's sovereign net foreign assets are forecast to rise to 601% of GDP in 2025, more than 10 times the 'AA' median. Recent reforms, including a 15% domestic minimum top-up tax expected to generate KWD 250 million annually by 2027, aim to reduce oil dependence and improve fiscal efficiency. While the government faces fiscal pressures, ongoing efforts to diversify the economy and enhance public sector efficiency position Kuwait for long-term stability and growth.

Reference: [Central Bank of Kuwait](#)

Markets

Market Dashboard

- U.S. stocks ended higher on Friday after Jerome Powell's positive remarks but faced significant weekly losses. The S&P 500 dropped by 3.1%, the Nasdaq declined 3.45%, and the Dow fell 2.37% for the week. This performance was driven by uncertainty around U.S. trade policies, including tariffs on imports from Canada, Mexico, and China. Concerns about the economy's resilience, reflected in rising unemployment and weaker consumer spending, also contributed to the losses.
- Bitcoin experienced volatility this week following Trump's announcement of a strategic Bitcoin reserve, causing a dip below \$85,000. This drop stemmed from disappointment over the reserve only using seized tokens, with no new Bitcoin purchases. However, the price rebounded by Friday as the market adjusted, anticipating potential future acquisitions.
- Gold performed well this week due to safe-haven demand, driven by slower U.S. job growth and a weaker U.S. dollar. The market expects the Federal Reserve to cut interest rates later this year, making gold more attractive as a hedge against economic uncertainty.
- Oil prices rose on Friday but remained down for the week, with Brent falling 3.8% and WTI down 3.9%. Concerns over U.S.-Russia tensions, trade war risks, and an increase in OPEC+ supply weighed on the market. Trump's threat of sanctions on Russia contributed to the volatility, although prices stabilized later due to comments from Federal Reserve Chairman Jerome Powell.
- The euro had its best week in 16 years, driven by Germany's game-changing fiscal reforms, which marked a shift away from fiscal constraints to stimulate economic growth, while the U.S. dollar weakened following disappointing job data.

Indicators	28-Feb-25	7-Mar-25	% Change
S&P 500	5,954.50	5,770.20	-3.10%
Bitcoin	84,373.01	86,742.67	2.81%
Gold	2,858.60	2,910.79	1.83%
Crude Oil	73.18	70.38	-3.83%
EUR/USD	1.0395	1.0788	3.78%

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