

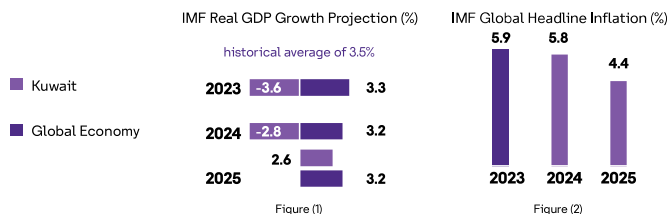
## Market Overview



### Challenging global economic landscape

The global economy has stagnated in recent years below its historical growth averages, due to rising political tensions across the globe, disruption of supply chains, and rising cost-of-living. Projections indicate a similar level of growth in 2025 (Figure 1), with headline inflation further declining to reach ~4.4% (Figure 2). As a result, projections align with soft-landing scenario, reducing inflation without a significant downturn in economic activity.

[Source: IMF, October 2024]



## Recovering market and opportunity for growth in Kuwait

Kuwait stands at a transformative juncture with significant potential for progress. Following post-COVID real GDP contractions of 3.6% and 2.8% in 2023 and 2024, the economy is set to rebound with a projected growth of 2.6% in 2025, signaling a promising recovery. Political developments in 2024 have created opportunities to accelerate vital fiscal and structural reforms, many of which align with Kuwait's Vision 2035. These reforms focus on diversifying the economy away from oil dependency and fostering private sector-driven, inclusive growth. Key initiatives include phased fiscal consolidation of approximately 12% of GDP to ensure intergenerational equity, improving the business climate, and attracting foreign investment to drive sustainable development. [Source: IMF, 2024]

### Strong Kuwaiti telecom sector and leading 5G advancement

The Kuwaiti telecommunications market remains a beacon of resilience and innovation, firmly established as one of the most advanced in the region, particularly in mobility. With mobile penetration rates surpassing 100% and widespread adoption of next-generation technologies, the sector plays a pivotal role in driving Kuwait's digital transformation and supporting its broader development agenda.

The industry's robust infrastructure and competitive dynamics drive continuous improvements in service quality and customer experience. Major investments in 5G networks have positioned Kuwait as a regional leader in next-generation connectivity, offering extensive coverage and high-speed internet to both consumers and businesses. This technological leadership lays a solid foundation for emerging industries such as IoT, smart cities, and cloud-based services, supporting Kuwait's broader vision for economic diversification and sustainable growth.

### stc driving innovation through telecom and digital enablement

**stc** Kuwait leads the nation's telecom and digital transformation efforts, seamlessly integrating advanced connectivity with a diverse and expanding portfolio of ICT solutions. As part of **stc** Group, the company leverages global expertise and scale to deliver cutting-edge services, including cloud computing, IoT, and enterprise solutions. Backed by robust infrastructure and a visionary growth strategy, **stc** Kuwait is poised to drive technological innovation and contribute significantly to Kuwait's economic diversification and development goals.