

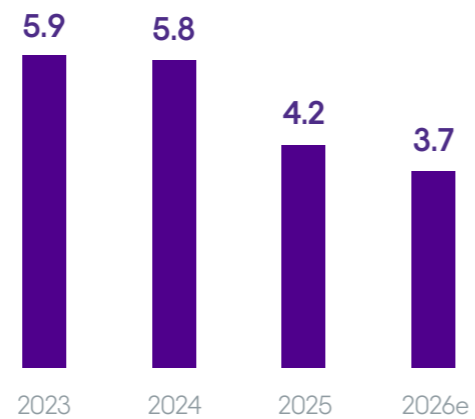
Market Overview

Uncertainty of future growth further muddled by impact of tariffs

World economic growth is expected to come in better than previous forecasts this year led by better-than-expected data for the second quarter of the year. However, the data reflects the front-running of US tariffs that led to stronger data and several positive surprises in Europe and elsewhere. Projections indicate a similar level of growth in 2026 (Figure 1), with headline inflation further declining to reach ~4.2% in 2025 and expectations for a further decline in 2026 to reach 3.7% (Figure 2). As a result, projections align with a soft-landing scenario, reducing inflation without a significant downturn in economic activity.

(Source: IMF, October 2025)

IMF Global Headline Inflation, %



IMF Real GDP Growth Projection, %



■ MENA Real GDP Growth ■ Kuwait

Transformation gaining pace in Kuwait

Economic growth in Kuwait is expected to pick up pace in the near term, given the speed of execution of projects as well as a strong non-oil manufacturing sector. Kuwait's 2025 GDP growth forecast was revised up to 2.6% from an earlier forecast of 1.9% from the IMF, reflecting faster growth in non-oil GDP. Growth in 2026 is expected to be even better at 3.9%, the highest in four years backed by both higher oil GDP and non-oil GDP. Kuwait was an exception to the general decline in project awards in the GCC with total projects awarded improving in 2025 compared to 2024. Similarly, according to MEED Projects, total contracts awarded in Kuwait increased by 25.3%

to reach USD 7.0 Bn during the 9M-2025 compared to USD 5.6 Bn in 9M-2024. The growth in awards reflects Kuwait's steady economic momentum, mainly due to increasing oil production and resilient non-oil growth. Also, the latest data on PMI for Kuwait compiled by S&P Global highlighted the consistent expansion of the non-oil economic sectors with recent figures around 52.8 in October-2025, driven by strong new orders, output, and hiring, though facing some mixed employment signals and cost pressures.

(Source: IMF, 2025)

Solid Kuwaiti telecom sector and elevated 5G networks

The Kuwaiti telecommunications market continues to demonstrate strong resilience and innovation, standing out as one of the region's most advanced sectors, especially in mobile services and innovative digital solutions. With mobile penetration exceeding 100% and broad uptake of next-generation technologies, the industry is a key enabler of Kuwait's digital transformation and a contributor to its wider development objectives.

reinforcing the country's position at the forefront of regional digital innovation. This step enhances network performance through higher speeds, lower latency, and improved reliability, enabling advanced use cases across industries such as AI, industry automation, and immersive digital services. The launch of 5G Advanced underscores CITRA and the telecom operators' commitment to fostering a future-ready digital ecosystem and supporting Kuwait's broader economic and technological development goals.

In support of the Kuwait Vision 2035, CITRA launched 5G Advanced during 2025, as a major milestone in Kuwait's telecommunications sector,

Digital Enablement and AI-Driven Transformation

stc continued to play a leading role in enabling Kuwait's digital transformation by embedding digital capabilities and artificial intelligence across its operations and service offerings. The integration of AI into network management, customer engagement, and internal processes enhanced efficiency, improved service quality, and supported faster, data-driven decision-making. Through a growing portfolio of digital solutions and advisory capabilities, stc is keen to offer an exceptional

customer experience, exceeding their expectations and empowering enterprises and government entities to accelerate their own digital journeys. Leveraging on stc Group's global expertise and scale to deliver cutting-edge services, including cloud computing, IoT, and enterprise solutions, stc Kuwait's expanded role extends beyond traditional connectivity, reinforcing its contribution to the digital economy and supporting sustainable, innovation-led growth across the market.