

Research Update:

# Kuwait Upgraded To 'AA-/A-1+' On Reform Progress; Outlook Stable

November 21, 2025

## Overview

- We expect the Kuwaiti government to continue implementing a package of fiscal and economic reforms under Kuwait Vision 2035. These reforms primarily focus on economic diversification, modernizing infrastructure, and diversifying revenue sources to improve fiscal sustainability.
- Kuwait's financing and liquidity law, passed in March 2025, has diversified the government's funding profile and reduced uncertainty around financing arrangements.
- Despite headline fiscal deficits, sizable net external and government asset positions provide the government with headroom for policy measures over the next few years. Ongoing fiscal reforms aimed at strengthening non-oil revenue will also help in the medium term.
- Therefore, we raised our long- and short-term sovereign credit ratings on Kuwait to 'AA-/A-1+' from 'A+/A-1'. The outlook is stable.

## Rating Action

On Nov. 21, 2025, S&P Global Ratings raised its long- and short-term sovereign credit ratings on Kuwait to 'AA-/A-1+' from 'A+/A-1'. The outlook is stable.

We also revised upward our transfer and convertibility assessment on Kuwait to 'AA' from 'AA-'.

## Outlook

The stable outlook reflects our expectation that Kuwait's public and external balance sheets will remain very strong over our forecast horizon, backed by a significant stock of government financial assets. We expect these strengths and ongoing reform momentum to mitigate risks related to Kuwait's economic reliance on the hydrocarbon sector, potential oil price volatility, and sizable fiscal spending.

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## Downside scenario

We could lower the ratings if broader reform efforts--such as taxation, expenditure control, and economic diversification--progress more slowly than expected, weakening Kuwait's fiscal metrics or growth outlook over the medium term.

## Upside scenario

We could raise the ratings over the next two years if reforms simultaneously support the development of deep domestic capital markets and promote economic diversification and growth, alongside sustained strong public finances.

## Rationale

### **The upgrade reflects Kuwait's fiscal reform momentum and reduced fiscal funding**

**constraints.** In our view, the recently implemented financing and liquidity law will ease hard budgetary constraints and pave the way for comprehensive financing arrangements over the medium to long term. Kuwait's government issued three international bonds totaling \$11.25 billion (about 7% of GDP) in October 2025, its first in the capital market since 2017. We expect the government will continue to work on a medium-term financing plan that will be supportive of expanding non-oil revenue sources. The main fiscal reforms include ongoing work on the excise tax, repricing government services and state land leases, rationalizing subsidies, and optimizing government procurement.

### **Despite high deficit levels and a heavy reliance on the hydrocarbon sector, Kuwait's sizable government financial assets will continue to serve as a buffer.**

We estimate Kuwait's liquid assets will average about 534% of GDP over 2025-2028--which is among the strongest ratios of all sovereigns we rate--due to large assets accumulated since 1953 within the country's sovereign wealth fund Kuwait Investment Authority (KIA). Our assumption of lower oil prices of \$60 per barrel (/bbl) for 2026 and \$65/bbl from 2027 onward (see "[S&P Global Ratings Revises Hydrocarbon Price Deck Assumptions](#)," Nov. 10, 2025) and high expenditure levels mean we forecast headline fiscal deficits to remain high, averaging 7% of GDP over 2025-2028 compared with 2% in 2024 (fiscal year ended March 2025). In our base case we assume the fiscal deficit will be financed by a combination of annual debt issuances and drawdowns from the General Reserve Fund (GRF), the government's treasury managed by KIA. As part of its role in managing fiscal stability and flexibility, the GRF consolidates government proceeds and provides financing for government expenditures. Along with this, the GRF also acts as a government's investment arm and manages the state assets. Based on our financing assumptions, we forecast gross general government debt will increase to about 24% of GDP by 2028 from about 13% as of year-end 2025. Despite an upward trend in gross debt, we expect the Kuwait government will remain in a very strong net asset position due to the large stock of KIA assets.

### **We forecast growth to accelerate to average 2% over 2025-2028 after two consecutive years of economic contraction due to decline in oil production in line with OPEC quotas.**

Easing fiscal funding constraints, a modest increase in the country's oil production and large-scale capital projects will drive the growth. Despite our expectation of headline economic expansion over our forecast period, real GDP per capita growth will remain largely flat. This indicates that growth in Kuwait is largely driven by increasing labor supply, rather than technological advances or productivity gains.

## **Institutional and economic profile: GDP growth to pick up in the medium term on modestly higher oil production, infrastructure spending, and reforms**

- We expect real GDP growth to rebound to about 2% over 2025-2028, supported by a moderate increase in oil production and large-scale investment programs in the real estate, construction, and energy sectors.
- Kuwait's dissolution of parliament, while potentially affecting checks and balances, could speed up reforms, in our view.

**During the parliamentary suspension, we expect continued momentum under the cabinet's guidance.** In May 2024, Kuwait's National Assembly (the parliament elected by the Kuwaiti population) was suspended, pending a review of parliamentary process. The parliamentary suspension follows a period of repeated political deadlock, resulting in four elections since 2020 and eight since 2012, largely due to parliamentary opposition stalling economic and fiscal reforms. During this suspension, the cabinet--always appointed by the Emir--has been tasked with expediting reforms. The Council of Ministers or the cabinet, working with the Department of Legal Advice and Legislation, is now responsible for drafting and reviewing laws, which still require final promulgation by His Highness the Emir. During the suspension, we expect the reform momentum to continue under the oversight of key bodies such as the State Audit Bureau, the Kuwait Anti-Corruption Authority, and the State Bureau of Financial Control, along with other supervisory institutions that retain their full mandates.

### **Expedited reforms should help to achieve fiscal consolidation over the medium to long term.**

The reforms include raising non-oil government revenue, containing government expenditure, optimizing procurement, and improving the performance of public entities. This year, the government implemented the financing and liquidity law, adopted a 15% minimum domestic top-up tax for multinational enterprises, and removed the longstanding cap on fees for public services. We understand the draft sukuk law is in its final stages, which should further diversify government's debt profile. Regarding expenditure, the government is planning to moderate public sector wage growth through more efficient workforce planning and hiring caps. Various other fiscal reforms are in progress, ranging from initial planning and interministerial coordination to technical capacity building. These include implementing corporate and excise taxes, repricing state land leases, and subsidy rationalization. We expect these efforts to strengthen the government's non-oil revenue base in the medium to long term.

### **We expect Kuwait's real GDP to grow by an average of 2% in 2025-2026 following an economic contraction of 2.6% in 2024.**

In the first half of 2025, the economy grew by 1.3% compared to the first half of 2024. In this period, average oil production remained broadly flat at about 2.4 million bbl per day (in line with Kuwait's OPEC quota commitment) reflected in muted growth of the oil sector. This was more than offset by the non-oil sector, which grew by 2.5% year on year. This growth was supported by resilient sectors including construction (7.8%), real estate (5.2%), financial (2.6%), and manufacturing (2.2%), which together make up about a quarter of real GDP. Over 2027-2028, we expect real GDP growth to rebound to an average of 2.3% as project implementation and reform momentum improve. We assess Kuwait's per capita GDP forecast of \$31,000 for 2025 as moderate in a global context; we expect it will rise to about \$32,700 by 2028.

**Large scale capital investments will support growth.** Main investment projects in the country include developing the Northern Economic Zone, which includes the Mubarak al-Kabeer port along with several energy projects. We also expect the hospitality industry to benefit from Kuwait International Airport's expansion (expected by 2027) and visa reforms, which include a visa-on-

## Kuwait Upgraded To 'AA-/A-1+' On Reform Progress; Outlook Stable

arrival for all Gulf Cooperation Council (GCC) residents, an e-visa system offering single and multiple-entry options, and removing the minimum salary requirements for family visas. A pipeline of new residential cities and urban developments across the country will support broad-based economic activity over the long term. A housing law passed in 2023 enables public-private partnerships for new housing projects. Furthermore, a real estate finance law set to be approved by the cabinet will allow banks to offer long-term home financing to citizens for the first time. The development of residential zones and cities and legislative reforms will support the growth of the construction and other related industries. The Abdali Economic Zone will help to develop a new trade and industrial corridor, linking Kuwait more closely to regional markets, such as Iraq and the wider GCC. We understand the government aims to utilize public-private partnership and government-to-government models to develop projects across energy, housing, and logistics, which will help to boost growth in a fiscally sustainable way.

### **Risks to our GDP growth outlook could arise if infrastructure spending is significantly delayed.**

We expect non-oil growth to be driven by the government and private sector investments in the country's large-scale projects. An underexecution of those projects could impede economic growth. We do not anticipate U.S. trade tariffs will directly impact Kuwait since its non-exempt exports to the U.S. account for less than 0.5% of total exports. Kuwait exports most of its crude and refined petroleum (more than 80% of total exports) to Asia, Africa, and Europe. While we expect the direct impact of U.S. tariffs to be limited, indirect effects could stem from weaker oil prices or oil production, weighing on Kuwait's economic growth.

**We expect Kuwait's neutral geopolitical stance to continue.** We view the closure of the Strait of Hormuz, which could affect Kuwaiti crude export channels, as a remote event. We also understand the government is developing crude oil storage outside Kuwait to ensure continued export deliveries in the event of disruptions to main export routes. A comprehensive Gaza peace plan was signed on Oct. 9, 2025, in Egypt, supported by the U.S., Israel, Arab states, and Hamas. The plan, which aims to end the two-year Israel-Hamas war, includes a ceasefire that took effect Oct. 10, 2025. The agreement's multistage nature amid the complex and volatile political environment makes it very vulnerable to significant implementation risks. However, despite sporadic breaches, the ceasefire has so far held.

### **Flexibility and performance profile: A large stock of KIA assets supports the ratings amid elevated fiscal deficits**

- Despite strong net external and government asset positions, significant fiscal pressures persist (on a flow basis, excluding investment income) due to high expenditure levels and lower oil prices.
- The financing and liquidity law permits the government to issue debt in domestic and external capital markets, which will help diversify the government's funding sources.
- We expect Kuwait's exchange rate will remain pegged to an undisclosed basket of currencies, backed by large foreign reserves and government assets.

**Kuwait's economy relies heavily on the hydrocarbon sector, with oil constituting about 90% of exports and government revenue.** As a result, our fiscal and external forecasts remain closely linked with global oil price movements. Subdued oil prices and high expenditure levels will keep Kuwait's fiscal deficits elevated over the next two to three years. We recently revised our Brent oil prices down to average \$60/bbl in 2026 followed by \$65/bbl over 2027-2028, compared with our previous expectation of \$70/bbl over 2026-2028. As a result, we forecast the headline fiscal deficit to remain high, at an average of 7% of GDP over 2025-2028. In the fiscal year ended March 2025, the government recorded a deficit of Kuwaiti dinar (KWD) 1 billion (2% of GDP), significantly

## **Kuwait Upgraded To 'AA-/A-1+' On Reform Progress; Outlook Stable**

smaller than the budgeted deficit of KWD5.6 billion (11.6% of GDP) due to lower wage expenditure and higher oil revenue compared with the budgeted estimates.

**In our base case we assume the government will partially fund capital expenditure and fiscal deficits via debt issuance.** In October 2025, the government issued \$11.25 billion via three tranches which were oversubscribed by 2.5x. More than 60% of investors were based outside the Middle East. The financing and liquidity law is valid for 50 years. It sets a debt ceiling of KWD30 billion (about \$98 billion or 63% of GDP) and tenor limit of up to 50 years. Following the latest large issuance, we assume in our base case that annual borrowing (in both local and foreign currency) will reach 4%-5% of GDP over 2026-2028. We therefore expect debt will increase to about 24.0% of GDP by 2028 from about 13% at year-end 2025. About 70% of the government's gross debt is denominated in U.S. dollar and mostly held by nonresidents. In addition to borrowing, the government can draw from the GRF to cover its fiscal deficits. Given Kuwait's relatively low level of debt, we expect interest expenditure to remain below 5% of government revenue over the next three years.

**Recurring current account surpluses and a strong aggregate external and fiscal net asset position remain credit strengths.** Despite weaker oil prices, Kuwait posted a current account surplus of 13% of GDP in the first half of 2025, partially supported by large primary income receipts, largely from returns on the large stock of KIA assets. We forecast that the current account surpluses will moderate to an average of 21% of GDP over 2025-2028 due to lower oil prices, compared with 29% in 2024. Given these large current account surpluses, we estimate Kuwait's net external creditor position will average a substantial 750% of current account receipts over 2025-2028, which is among the strongest of all the sovereigns we rate.

**We expect Kuwait's exchange rate will remain pegged to an undisclosed basket of currencies.** We understand the basket is dominated by the U.S. dollar, the currency in which most of Kuwait's hydrocarbon exports are priced and sold. This monetary regime has historically helped Kuwait manage inflation, although we note that Kuwait's domestic debt markets are less developed than those of similarly rated peers. Despite U.S. tariff-related pressures, we expect consumer price index inflation will remain modest at about 2.4% over 2025-2028. This is lower than in many developed and emerging markets, due in part to sizable government subsidies, particularly for energy and food staples.

**We do not envisage significant contingent liabilities for the Kuwaiti government from the banking sector.** Following robust performance over the last two years, we anticipate a slight decline in the profitability of Kuwaiti banks in 2025. This is partly due to the introduction of a minimum corporate tax (which will only affect multinational Kuwaiti banks) and partly from reduced margins resulting from comparatively lower interest rates. The lending books of Kuwait's eight largest banks expanded by 11% annually in the first half of 2025. We expect 8%-10% growth over 2025-2026 supported by a modest improvement in the country's economic environment and lower interest rates. The banking sector's credit losses and nonperforming loans (NPLs) are approaching cyclical lows, and we expect Kuwaiti banks' cost of risk to remain at 40-50 basis points (bps) over 2025-2026, compared with about 19 bps in the first six months of 2025. High provision buffers have helped banks manage their NPLs through economic cycles. As of June 30, 2025, provision coverage for the eight largest banks stood at 248%. We expect banks will resort to write-offs to limit the increase in NPL ratios. Kuwaiti banks have so far managed risks to asset quality stemming from a sluggish real estate sector, but risks remain, given the banks' still-significant exposure to the sector. An unexpected increase in geopolitical risk also poses a challenge to banks' operating environment and asset quality.

## Kuwait--Selected indicators

	2019	2020	2021	2022	2023	2024	2025bc	2026bc	2027bc	2028bc
<b>Economic indicators (%)</b>										
Nominal GDP (bil. KWD)	42.8	34.0	44.8	56.2	50.8	49.1	47.3	46.7	49.6	51.5
Nominal GDP (bil. \$)	140.9	111.1	148.4	183.5	165.4	160.0	153.9	151.8	161.3	167.5
GDP per capita (000s \$)	29.5	23.8	32.1	38.7	33.7	32.8	31.2	30.4	32.0	32.8
Real GDP growth	2.3	(4.8)	1.7	6.8	(1.7)	(2.6)	2.0	2.1	2.2	2.4
Real GDP per capita growth	(1.0)	(2.7)	2.6	4.3	(5.2)	(1.9)	1.0	0.9	1.0	1.2
Real investment growth	(8.4)	(35.5)	1.4	41.8	(2.8)	(2.6)	2.0	2.1	2.2	2.4
Investment/GDP	23.0	18.7	14.5	16.6	17.7	17.7	17.7	17.7	17.7	17.7
Savings/GDP	35.7	23.0	39.7	50.9	48.8	46.9	41.0	37.5	37.2	36.6
Exports/GDP	52.1	43.7	51.7	60.5	57.7	54.7	52.4	49.6	49.5	48.2
Real exports growth	(8.5)	(2.9)	(3.2)	15.3	2.4	(6.2)	9.0	6.0	(2.0)	1.0
Unemployment rate	--	--	--	--	--	--	--	--	--	--
<b>External indicators (%)</b>										
Current account balance/GDP	12.7	4.4	25.2	34.4	31.1	29.2	23.3	19.8	19.5	18.9
Current account balance/CARs	18.4	7.1	35.9	44.4	38.6	36.1	29.4	25.2	25.4	25.1
CARs/GDP	68.8	61.4	70.3	77.4	80.6	80.7	79.3	78.4	76.5	75.3
Trade balance/GDP	25.1	14.0	27.3	39.2	30.9	27.5	22.0	17.2	16.9	15.2
Net FDI/GDP	2.2	(6.9)	(2.8)	(13.0)	(5.5)	(6.1)	(6.0)	(6.0)	(6.0)	(6.0)
Net portfolio equity inflow/GDP	(29.5)	(33.7)	(34.8)	(10.3)	(13.4)	(5.3)	(1.0)	(1.0)	(1.0)	(1.0)
Gross external financing needs/CARs plus usable reserves	119.1	132.3	102.1	81.0	89.1	93.1	100.2	114.6	116.0	116.8
Narrow net external debt/CARs	(621.1)	(942.8)	(683.1)	(425.9)	(527.4)	(578.8)	(641.9)	(684.7)	(690.3)	(708.0)
Narrow net external debt/CAPs	(761.5)	(1,015.0)	(1,064.8)	(766.3)	(858.7)	(906.1)	(909.3)	(915.5)	(925.8)	(945.0)
Net external liabilities/CARs	(691.3)	(1,086.2)	(745.7)	(480.0)	(588.8)	(644.8)	(712.5)	(757.0)	(761.5)	(780.9)
Net external liabilities/CAPs	(847.6)	(1,169.3)	(1,162.4)	(863.8)	(958.7)	(1,009.4)	(1,009.2)	(1,012.3)	(1,021.3)	(1,042.3)
Short-term external debt by remaining maturity/CARs	52.5	63.7	50.7	33.6	40.0	41.5	43.9	56.1	56.6	57.1
Usable reserves/CAPs (months)	1.8	2.4	2.3	2.2	2.7	2.5	2.4	2.3	2.1	2.1
Usable reserves (Mil. \$)	12,567.9	12,985.5	14,447.6	18,396.0	17,066.8	17,420.7	16,841.8	16,142.4	16,390.3	16,825.7
<b>Fiscal indicators (general government %)</b>										
Balance/GDP	(9.2)	(31.7)	(9.7)	11.5	(3.2)	(2.2)	(5.7)	(9.1)	(7.5)	(6.5)
Change in net debt/GDP	(68.4)	(30.4)	(42.9)	51.1	(61.1)	(28.3)	(20.3)	(20.7)	(21.7)	(22.9)
Primary balance/GDP	(8.8)	(31.3)	(9.5)	11.6	(3.1)	(2.1)	(5.6)	(8.6)	(6.9)	(5.9)
Revenue/GDP	40.3	30.9	41.6	51.3	46.5	44.9	41.6	39.3	39.7	39.5
Expenditures/GDP	49.4	62.6	51.3	39.8	49.7	47.0	47.3	48.4	47.1	46.0
Interest/revenue	1.0	1.1	0.6	0.2	0.3	0.2	0.4	1.3	1.5	1.5
Debt/GDP	10.6	10.3	7.2	2.9	3.1	2.9	12.8	17.5	20.8	24.1
Debt/revenue	26.2	33.2	17.4	5.7	6.7	6.4	30.8	44.7	52.4	61.1
Net debt/GDP	(422.0)	(561.1)	(469.3)	(322.6)	(418.0)	(460.4)	(498.4)	(526.2)	(516.8)	(520.5)
Liquid assets/GDP	432.5	571.4	476.6	325.6	421.1	463.3	511.2	543.7	537.6	544.6
<b>Monetary indicators (%)</b>										
CPI growth	1.1	2.1	3.4	4.0	3.6	2.9	2.5	2.5	2.3	2.3
GDP deflator growth	(0.1)	(16.5)	29.4	17.6	(8.1)	(0.7)	(5.6)	(3.4)	4.0	1.4

## Kuwait Upgraded To 'AA-/A-1+' On Reform Progress; Outlook Stable

### Kuwait--Selected indicators

	2019	2020	2021	2022	2023	2024	2025bc	2026bc	2027bc	2028bc
Exchange rate, year-end (KWD/\$)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Banks' claims on resident non-gov't sector growth	4.4	(3.8)	5.3	8.0	2.4	4.6	10.0	8.0	6.0	6.0
Banks' claims on resident non-gov't sector/GDP	94.4	114.2	91.3	78.5	88.9	96.2	109.8	120.3	120.0	122.4
Foreign currency share of claims by banks on residents	0.0	0.0	0.0	0.0	0.0	0.0	N/A	N/A	N/A	N/A
Foreign currency share of residents' bank deposits	5.8	3.4	3.7	3.8	3.7	3.7	3.74	3.74	3.74	3.74
Real effective exchange rate growth	1.6	(0.7)	(0.6)	3.8	0.7	2.6	N/A	N/A	N/A	N/A

Sources: Central Bank of Kuwait, Central Statistical Bureau (Economic Indicators); International Monetary Fund, Central Bank of Kuwait (Monetary Indicators), Ministry of Finance, Central Bank of Kuwait (Fiscal Indicators), Central Bank of Kuwait, Ministry of Finance, International Monetary Fund (External Indicators).

Adjustments: Usable reserves adjusted by subtracting monetary base from reported international reserves. Liquid assets include the estimated assets of the General Reserve Fund and the Future Generations Fund.

Definitions: Savings is defined as investment plus the current account surplus (deficit). Investment is defined as expenditure on capital goods, including plant, equipment, and housing, plus the change in inventories. Banks are other depository corporations other than the central bank, whose liabilities are included in the national definition of broad money. Gross external financing needs are defined as current account payments plus short-term external debt at the end of the prior year plus nonresident deposits at the end of the prior year plus long-term external debt maturing within the year. Narrow net external debt is defined as the stock of foreign and local currency public- and private- sector borrowings from nonresidents minus official reserves minus public-sector liquid claims on nonresidents minus financial-sector loans to, deposits with, or investments in nonresident entities. A negative number indicates net external lending. N/A- Not applicable. bc—Base-case scenario. KWD--Kuwaiti dinar. CARs--Current account receipts. FDI--Foreign direct investment. CAPs--Current account payments. The data and ratios above result from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information.

### Kuwait--Rating component scores

Key rating factors	Score	Explanation
Institutional assessment	4	Kuwait has traditionally had a three-pillared governance structure with the prime minister and cabinet appointed by the Emir, a vocal elected parliament, and a judiciary. Kuwait's parliament and cabinet have often clashed, making important decisions difficult and frequently resulting in policy paralysis. On May 10, 2024, the parliament was suspended for a period of up to four years, during which, according to official statements, the country's democratic practices will be put under review. While potentially affecting checks and balances, Kuwait's dissolution of its parliament could speed up reforms, in our view. Kuwait has accumulated very large savings within its sovereign wealth fund, the KIA, but fiscal expenditure pressures are currently high.
Economic assessment	3	Based on GDP per capita in U.S. dollars and growth trends as per the Selected Indicators table. Kuwait's per capita GDP growth is below that of peers.
External assessment	1	Based on narrow net external debt and gross external financing needs/(current account receipts + usable reserves) as per the Selected Indicators table.  We estimate that the sovereign's net external liability position is more favorable than the narrow net external debt position, as per the Selected Indicators table; and both ratios are very strong when compared with peers'.  However, weak disclosures restrict our visibility on external risks.
Fiscal assessment: flexibility and performance	1	Based on the change in net general government debt (% of GDP) as per the Selected Indicators table.  Kuwait has substantial net savings accumulated within the KIA, estimated at over 500% of GDP as of 2025.

## Kuwait--Rating component scores

Key rating factors	Score	Explanation
		Kuwait has a volatile revenue base, as over 90% of general government revenue is based on hydrocarbon production.
Fiscal assessment: debt burden	1	Based on net general government debt (% of GDP) and general government interest expenditure (% of general government revenue) as per the Selected Indicators table. Substantial net asset position compared with peers.
Monetary assessment	4	The Kuwaiti dinar is pegged to a U.S.-dollar-dominated basket of currencies. There is operational independence, but it is less secure than at better assessments. There is prevalence of market based monetary instruments, but effectiveness may be untested in a downside scenario. The consumer price index is relatively low, as per the Selected Indicators table.
Indicative rating	a	
Notches of supplemental adjustments and flexibility	2	We estimate Kuwait's government assets are substantially more than the 100% of GDP. Kuwait's exceptionally large sovereign wealth fund asset base relative to the size of its economy combined with the financing and liquidity law enabling access to external financing gives it superior financial and balance sheet flexibility relative to its peer group.
<b>Final rating</b>		
Foreign currency	AA-	
Notches of uplift	0	Default risks do not apply differently to foreign- and local-currency debt.
Local currency	AA-	

S&P Global Ratings' analysis of sovereign creditworthiness rests on its assessment and scoring of five key rating factors: (i) institutional assessment; (ii) economic assessment; (iii) external assessment; (iv) the average of fiscal flexibility and performance, and debt burden; and (v) monetary assessment. Each of the factors is assessed on a continuum spanning from 1 (strongest) to 6 (weakest). S&P Global Ratings' "Sovereign Rating Methodology," published on Dec. 18, 2017, details how we derive and combine the scores and then derive the sovereign foreign currency rating. In accordance with S&P Global Ratings' sovereign ratings methodology, a change in score does not in all cases lead to a change in the rating, nor is a change in the rating necessarily predicated on changes in one or more of the scores. In determining the final rating the committee can make use of the flexibility afforded by §15 and §§126-128 of the rating methodology.

## Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Governments | Sovereigns: Sovereign Rating Methodology](#), Dec. 18, 2017
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011
- [General Criteria: Methodology: Criteria For Determining Transfer And Convertibility Assessments](#), May 18, 2009

## Related Research

- [Sovereign Ratings List](#), Nov. 11, 2025
- [Sovereign Ratings History](#), Nov. 11, 2025
- [S&P Global Ratings Revises Hydrocarbon Price Deck Assumptions](#), Nov. 10, 2025
- [Sovereign Ratings Score Snapshot](#), Nov. 6, 2025

## Kuwait Upgraded To 'AA-/A-1+' On Reform Progress; Outlook Stable

- [Global Sovereign Rating Trends Third-Quarter 2025, Oct. 21](#), Oct. 21, 2025
- [Sovereign Risk Indicators](#), Oct. 9, 2025
- [CreditWeek: How Could The Israel-Iran Escalation Stress Sovereigns, Banks, And Corporates](#), June 19, 2025
- [Israel-Iran Escalation Stresses Geopolitical Risk Scenarios For Regional Sovereigns And Banks](#), June 16, 2025
- [Kuwait](#), May 26, 2025
- [Bulletin: Kuwait's Public Debt Law Will Help Diversify The Government's Funding Base](#), March 17, 2025
- [Default, Transition, and Recovery: 2024 Annual Global Sovereign Default And Rating Transition Study](#), March 24, 2025
- [Economic Research: Kuwait Banking Sector 2025 Outlook: Economic Recovery To Boost Performance](#), Jan. 8, 2025

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see "Related Criteria"). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Rating Component Scores above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see "Related Criteria").

## Ratings List

### Ratings List

#### Upgraded

	To	From
<b>Kuwait</b>		
Sovereign Credit Rating	AA-/Stable/A-1+	A+/Stable/A-1
Transfer & Convertibility Assessment	AA	AA-
Senior Unsecured	AA-	A+

## Kuwait Upgraded To 'AA-/A-1+' On Reform Progress; Outlook Stable

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

## Kuwait Upgraded To 'AA-/A-1+' On Reform Progress; Outlook Stable

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