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Stanbic Bank Kenya PMI®

PMI rises to 27-month high in April

Key findings

Sales volumes grow at strongest rate since February 2022

Business activity increases solidly

Cost pressures pick up but remain modest

Growth momentum in Kenya accelerated even further in April, according to the Stanbic Bank Kenya PMI®, which rose to its highest level since January 2023. Strengthening customer demand led to the fastest rise in new work in over three years, prompting a solid expansion in output and steep growth in purchasing. Job creation also quickened as firms looked to ease pressure on workloads. Although cost inflation ticked up amid rising demand pressures, it remained modest when compared with the survey's historical trend.

The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

The headline PMI rose for the third month running to 52.0 in April, from 51.7 in March, and was at its highest level since the beginning of 2023. All five sub-components helped to lift the headline index from its previous reading.

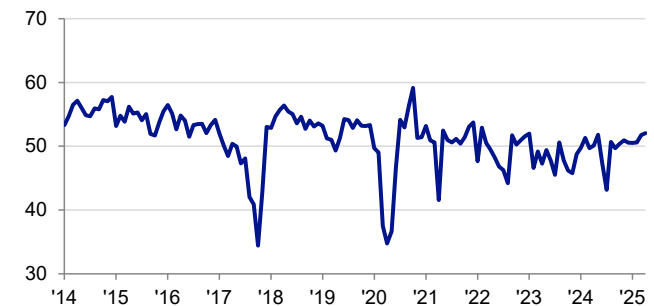
New orders expanded at the fastest rate since February 2022, as Kenyan companies reported a sharp upturn in demand and additional sales from marketing. Robust gains were observed across the services, agriculture and construction sectors, contrasting with lower sales in manufacturing and wholesale & retail.

As was the case in March, strong new business growth encouraged a solid expansion in overall activity during April. Notably, just over a third of surveyed businesses (34%) registered an increase in output, with some panellists also noting a positive impact from increased customer movement and subdued cost pressures.

In line with the new orders trend, purchases of inputs increased to the greatest degree since February 2022. Firms typically raised their input buying to meet rising workloads and boost their inventories. Subsequently, stocks grew at a modest pace that was the quickest since last October. Lead times continued to shorten, despite some reports of weather-related delays.

Stanbic Bank Kenya PMI

sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.
Data were collected 9-28 April 2025.

Comment

Christopher Legilisho, Economist at Standard Bank commented:

“The Kenya PMIs for April reveal a private sector expanding robustly, and at the fastest pace in over two years. Output and new orders rose due to increased customer sales from marketing, implying a steady improvement in consumer demand conditions in April. Employment conditions improved too in response to higher sales that led to increased workloads for firms, especially those in services and construction.”

“To address rising demand from consumers, firms ramped up purchasing activity and increased inventories of raw materials and key inputs. This was especially so in the services and agricultural sectors.”

“Price pressures rose mildly in April; input prices rose to a 3-m high, but the rate of inflation was well below the historical average. Output prices also rose as firms passed on buying-price increases to consumers.”

“Overall, the April PMI implies a steady return to growth at the start of Q2:25. Further, inflationary pressures remained muted. Despite an improvement in future expectations, sentiment remains among the weakest in the survey history.”

PMI®

by **S&P Global**

Although the uplift in employment was relatively mild during April, it was still the strongest observed in nearly one year, as firms also sought to address workloads through greater staffing. Anecdotal reports suggest that hiring was largely focused on temporary staff. With stocks and employment growing, capacity pressures remained relatively contained, leading to only a fractional rise in backlogs of work.

Meanwhile, the latest survey data signalled a modest increase in input costs in April. The rate of inflation was the highest for three months, but mild compared to the survey's history. Purchase costs rose, as businesses highlighted some supply shortfalls and increased taxation, although most panellists reported no change from March. Output prices rose at their fastest pace in three months, with manufacturers the most likely to report an uplift.

Finally, after reaching a record low in March, business expectations saw a slight recovery in April, although they remained among the weakest levels ever recorded. Just 5% of firms expect output to grow over the next 12 months.

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Survey methodology

The Stanbic Bank Kenya PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include agriculture, mining, manufacturing, construction, wholesale, retail and services. Data were first collected January 2014.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi

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