News Release

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Stanbic Bank Zambia PMI®

Renewed drop in output drives softest improvement in business conditions for three months

Key findings

Fresh decline in business activity despite further rise in new orders

Rates of input buying and employment growth accelerate

Renewed decrease in output prices despite further uptick in costs

Zambian companies recorded a further improvement in business conditions at the start of the fourth quarter, according to the latest PMI® data. The upturn stemmed from further rises in new orders, employment and stocks of purchases. That said, growth was dampened by a renewed decrease in output. Meanwhile, input buying expanded at the sharpest pace since the end of 2017, with vendor delivery times continuing to improve despite additional pressure on supply chains. Firms were also more optimistic regarding the outlook for output over the coming year.

Meanwhile, the rate of total input cost inflation softened despite a sharper rise in purchase prices. In a bid to drive new sales, firms cut their output charges.

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 posted at 50.8 in October, down from 52.2 in September, and signalled the softest improvement in the health of the private sector for three months.

Supporting the overall upturn was a seventh successive monthly increase in new business in October. Zambian firms noted an improvement in demand conditions following greater marketing spending. The rate of expansion eased but was solid overall.

In contrast, output levels at Zambian businesses fell in October, following a three-month sequence of growth. Some companies stated that inconsistent energy supplies dented activity. The fall was only marginal, but the fastest since March.

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sa, >50 = improvement since previous month

Sources: Stanbic Bank, S&P Global PMI.
Data were collected 09-27 October 2025

Comment

Musenge Komeki, Head of Sales at Stanbic Bank commented:

"Zambia's PMI slipped to 50.8 in October, signalling slower growth. New orders rose, but output fell due to power issues. Firms remained optimistic, boosted inventories, and cut prices despite rising costs."

At the sector level, only agriculture saw expansions in both output and new orders.

Greater new order inflows contributed to increased employment and purchasing activity at Zambian companies in October. Rates of job creation and input buying growth quickened amid expectations of future expansions in new sales.

Moreover, business confidence picked up to the highest in five months in October. The degree of optimism was historically elevated amid hopes of stronger new order growth.

Meanwhile, total input prices rose slightly amid inflation of both purchase prices and staff costs in October. Although the rise in wage bills softened to the weakest in three months, purchase prices increased at the steepest pace since May amid reports of greater raw material and fuel costs.

Efforts to boost new sales led to a fresh fall in output charges, however. Zambian firms recorded the first drop in selling prices since November 2022, with output charges declining at the quickest pace in four years.

At the same time, Zambian firms utilised purchased inputs to help work through backlogs and build safety stocks. Moreover, pre-production inventories were expanded at the fastest pace since May, aided by a further shortening of suppliers' delivery times.

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Survey methodology

The Stanbic Bank Zambia 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 March 2015.

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

About Stanbic Bank

Stanbic Bank Zambia Limited is part of the Standard Bank Group, Africa's largest bank by assets. The Standard Bank Group, with strong African roots and leader in emerging markets, has on-the-ground representation in 20 African countries

Stanbic Bank Zambia Limited is the largest bank in Zambia by balance sheet, offering a full range of banking and related financial services. The Bank is well capitalized and its capital position is above the regulatory minimum.

The Bank which has more than 60 years' operating experience has a huge network of branches countrywide offering full spectrum of financial services from retail to corporate and investment banking

Our strategy is to be the leading financial services organisation in, for and across Zambia, delivering exceptional client experiences and superior value. We believe we can achieve this as Zambia is our home, we drive her growth. The Bank has been an integral part of the Zambian economy and is a leading player in the country's financial services sector.
http://www.stanbicbank.co.zm

About S&P Global

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