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## Stanbic Bank Zambia PMI®

### Zambian business activity falls further as demand conditions soften

#### Key findings

Faster drop in output as new order growth slows

Total costs rise at slowest pace in two-and-a-half years

Employment rises at steepest rate in five months

Zambian private sector firms continued to see strengthening business conditions at the end of the second quarter, according to the latest PMI® data. That said, the extent to which the health of the private sector improved moderated and was only slight. A faster fall in output was recorded, despite new orders rising further. Nonetheless, greater new sales spurred another round of job creation, purchasing activity and stock building. Meanwhile, business confidence softened.

On the price front, total input costs rose further amid higher purchase prices and wage bills. However, the rate of cost inflation slowed with firms reflecting less marked upticks through broadly unchanged selling prices.

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 50.3 in June, down from 51.4 in May. The latest upturn in the health of the private sector was the third in as many months, but only fractional overall.

Weighing on the headline index was a second consecutive monthly decrease in output at Zambian firms in June. The fall was linked to the impact of load shedding and a period of national mourning.

Moreover, Zambian companies recorded a less marked expansion in new orders during June. The rise was marginal and the slowest in the current three-month sequence of growth.

At the sector level, only service providers saw upturns in both output and new orders. Wholesale & retail firms also recorded a rise in new business.

At the same time, total cost burdens faced by Zambian firms increased at the slowest pace in the current two-and-a-half

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sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.  
Data were collected 12-24 June 2025

#### Comment

Musenge Komeki, Head of Sales at Stanbic Bank commented:

*"In June 2025, while the Zambian private sector showed resilience, especially in employment and stock-building, lingering challenges like power outages and inflationary pressures are clearly tempering stronger overall growth."*

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year sequence of inflation. The rise in total input prices stemmed from further increases in both staff and purchase costs, however. Greater employment and unfavourable exchange rate movements reportedly pushed up costs.

Although staff costs rose at the same rate as in May, purchase prices ticked up at the softest pace in almost two years.

In a bid to drive new sales, businesses tempered their pricing strategies, as output charges were left broadly unchanged in June. Reductions in manufacturing and services output charges dampened the overall picture.

Despite a softer rise in new orders, firms expanded their workforce numbers at the fastest pace in five months in June. Companies increased their capacity following a sharper accumulation of backlogs of work, with incomplete business increasing at the quickest rate since September 2024.

Meanwhile, firms remained confident of a rise in output over the coming year amid hopes of stronger demand and greater exchange rate stability. The degree of optimism slipped to the lowest since January, however.

Finally, Zambian companies continued to expand their input buying and build stocks amid anticipations of greater new order inflows in the coming months. Growth in the former was the strongest since October 2023.

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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](mailto: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](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)

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# PMI®

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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>

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