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## Stanbic Bank Zambia PMI®

### Renewed fall in new orders spurs faster drop in output in May

#### Key findings

Weak client demand leads to fresh decline in new business

Higher fuel costs drive input price inflation

Output expectations strongest since January 2018

Zambian companies signalled a decline in the health of the private sector during May, according to the latest PMI® data. The deterioration followed back-to-back expansions in March and April, but was only slight overall. The downturn stemmed from a further fall in output levels and a fresh drop in new orders amid weak demand conditions. Although firms recorded another monthly rise in input buying in a bid to boost stocks, job shedding was seen for a third month running. Nonetheless, business optimism was at its highest since January 2018.

On the price front, higher fuel and transportation costs pushed up overall operating expenses. Despite challenging demand conditions, output charges rose at the quickest rate in just over a year.

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 latest PMI reading, at 49.3 in May, was down from 51.2 in April and indicated the first decline in business conditions at Zambian firms since February.

The drop in the headline figure reflected a renewed fall in new orders at Zambian private sector firms in May. Demand conditions reportedly weakened amid lower money in circulation. The rate of contraction was the fastest since October 2024 despite being only modest overall.

Subsequently, Zambian companies registered a second successive monthly decline in output levels. The pace of decrease was only slight, but the fastest in three months.

At the sector level, construction and wholesale & retail businesses recorded a decline in both activity and new

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sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.  
Data were collected 12-22 May 2026

#### Comment

Musenge Komeki, Head of Sales at Stanbic Bank commented:

"Zambia's PMI declined to 49.3 in May, signalling a slight contraction after two months of growth, as weaker demand and reduced money in circulation led to a renewed fall in new orders and a second consecutive, though marginal, monthly drop in output. The slowdown was most evident in construction and wholesale & retail sectors. Meanwhile, firms continued to trim workforce numbers for a third successive month due to subdued business activity, even as backlogs increased due to delayed customer payments. Despite current softness, overall business sentiment strengthened significantly—reaching its highest level since the start of 2018—with firms increasing purchasing and inventory levels in anticipation of a recovery in demand."

orders, with manufacturing firms also noting a drop in new sales.

Inflationary pressures picked up in May, as higher purchase costs drove overall input price increases. Zambian firms noted that greater fuel and transportation costs raised purchase prices at the fastest rate in 2026 to date. Although wage bills also rose, here the pace of inflation softened.

Meanwhile, despite weak demand conditions, companies hiked their selling prices at the steepest pace since April 2025.

Zambian firms were confident of a rise in output over the coming year in May, with the degree of optimism ticking up to the highest since January 2018. Greater positive sentiment was reportedly underpinned by hopes of strengthening demand conditions and increased price stability.

Consequently, businesses continued to raise their input buying midway through the second quarter. Efforts to build safety stocks amid anticipated growth in activity also led to the fastest expansion in inventories in a year. Plans to stockpile were supported by the largest improvement in vendor performance since January.

At the same time, lower business requirements led to a reduction in workforce numbers in May, despite a renewed rise in backlogs of work. That said, incomplete business reportedly stemmed from difficulties receiving payment from customers.

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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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