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Stanbic Bank Zambia PMI®

Zambian business conditions decline for the first time in almost a year in February

Key findings

Renewed contractions in output and new orders

Purchase costs fall amid weaker US dollar exchange rate

Employment returns to growth, but job numbers up only slightly

February data signalled a fresh decline in business conditions in the Zambian private sector, according to the latest PMI® data. The downturn stemmed from renewed contractions in output and new orders as firms struggled to stay competitive against cheaper imported items amid an appreciation of the kwacha against the US dollar. In turn, companies reduced their purchasing activity and raised employment only fractionally.

Cheaper imported goods led to a decrease in purchase costs. Despite a slight uptick in wage bills, overall input prices fell on the month. In a bid to price competitively, output charges were reduced for the second month running.

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 PMI posted at 49.3 in February, down from 50.2 in January, and indicated the first decline in the health of the Zambian private sector in just under a year.

Zambian companies recorded a fresh decrease in business activity, and one that was the fastest since March 2025. Lower output levels were often attributed to falling new orders and reduced purchasing power at customers. Moreover, the decline in new business was only the second in almost a year and the sharpest since October 2024.

At the sector level, firms in the manufacturing, construction and wholesale & retail segments all saw lower activity and new orders. Expansions were recorded in agriculture and services.

On the price front, total input costs were dampened by a reduction in purchase prices during February. Prices paid

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sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.
Data were collected 10-23 February 2026

Comment

Musenge Komeki, Head of Sales at Stanbic Bank commented:

"The February 2026 Stanbic Bank Zambia PMI report shows that overall private sector business conditions declined for the first time in almost a year, with the PMI falling to 49.3 from 50.2 in January. Output and new orders contracted amid weaker demand and increased competition from cheaper imports driven by an appreciating kwacha. Firms responded by cutting purchasing activity, slightly raising employment, reducing inventories, and lowering selling prices for competitiveness. Meanwhile, total input costs fell due to lower purchase prices despite marginal wage inflation. Although activity weakened across manufacturing, construction, and wholesale & retail, private sector optimism improved as businesses anticipate stronger demand in the year ahead."

PMI®

by **S&P Global**

for purchased items decreased for the second month running and at the sharpest rate since May 2020. A more favourable kwacha exchange rate against the US dollar spurred the decline, according to panellists. Wage bills, meanwhile, increased at a marginal pace that was the fastest in five months.

In an effort to boost new sales and remain competitive versus items sourced from abroad, Zambian companies cut their selling prices in February. The fall was only slight, but the second-steepest since September 2021 (behind January 2026).

Lower business requirements led firms to reduce their input buying during February. The decline was the first since March 2025. Nonetheless, companies expanded their workforce numbers. The rise in headcounts was only fractional, but helped facilitate a renewed depletion of backlogs of work.

At the same time, lower purchasing activity eased pressure on vendors, as supplier performance improved again in February. A reduction in input buying and efforts to run down stocks also drove a decrease in inventories.

Finally, Zambian companies were more upbeat in their expectations for output over the coming year in February. The degree of confidence was the strongest for four months and was underpinned by hopes of improvements in demand conditions.

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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

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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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