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Stanbic Bank Uganda PMI[®]

Ugandan private sector new order growth sustained in July

Key findings

Business activity expands following further rise in new sales

Renewed increase in backlogs of work despite job creation

Further uptick in selling prices as costs tick higher

Ugandan private sector firms signalled another upturn in business conditions at the start of the third quarter, according to the latest PMI[®] data, following further expansions in output and new orders. Buoyant demand also prompted firms to increase their purchasing activity and hire additional workers as backlogs of work returned to growth. Moreover, further confidence in the outlook for output over the coming year spurred efforts to build inventories.

At the same time, overall input costs rose again in July amid higher purchase prices and wage bills. Subsequently, firms increased their output charges in a bid to pass-through greater costs to customers.

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.

At 53.6 in July, the headline PMI was down from 55.6 in June, but continued to signal an improvement in the health of the Ugandan private sector. The latest data indicated a sixth successive monthly pick-up in business conditions.

Contributing to the overall upturn were sustained increases in business activity and new sales. Growth in each was broad-based by sector.

Driving the latest expansion in new orders were strong demand conditions, new client wins and more frequent customer referrals, according to panellists. July data signalled an extension to the current sequence of growth which now spans six months.

In turn, Ugandan businesses upwardly adjusted their

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sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.
Data were collected 10-29 July 2025.

Comment

Christopher Legilisho, Economist at Stanbic Bank commented:

"The Stanbic Bank Uganda PMI signalled further expansion in July amid healthy economic conditions in the private sector. Further, quantities purchased increased, and inventories were positive. Current and anticipated output growth culminated in robust employment conditions in July. Backlogs of work increased for the first time since December 2024 – likely due to strong new order demand.

"Inflationary pressures remained amid increases in input prices, purchase costs, and staff costs. Ugandan firms are optimistic about future business conditions across all sectors of the economy, implying strong economic growth in the upcoming months."

PMI[®]

by **S&P Global**

output levels in July, to facilitate increased new orders.

That said, some strain on capacity was recorded as firms indicated a fresh accumulation of backlogs of work in July. The latest rise was the first in seven months.

To help process incoming new work, Ugandan businesses expanded their staffing levels again. Panellists noted hiring both temporary and permanent workers, with the manufacturing sector the only segment to see a fall in employment.

Similarly, greater new order inflows spurred further growth in input buying in July. Firms sought to also build safety stocks, as inventory levels expanded for the fifth month running. The rise in purchasing activity came despite a renewed decline in vendor performance.

On the price front, increases in both staff and purchase costs drove another uptick in overall operating expenses. Alongside higher wage bills, companies stated that inputs including utilities, fuel, timber and cereals rose in price.

Consequently, output charges at Ugandan firms were raised again in July. At the sector level, only construction companies saw a drop in selling prices.

Finally, output expectations among Ugandan firms remained positive in July. Forecasts of greater customer numbers and favourable demand conditions reportedly spurred optimism.

Contact

Christopher Legilisho
 Economist
 Stanbic Bank
LegilishoC@stanbic.com

David Kamugisha
 Head of Trading, Global Markets
 Stanbic Bank
 T: +256 31 222 4969
kamugishad@stanbic.com

Siân Jones
 Principal Economist
 S&P Global Market Intelligence
 T: +44 1491 461 017
sian.jones@spglobal.com

Kriti Khurana
 Corporate Communications
 S&P Global Market Intelligence
 T: +91-971-101-7186
kritikhurana@spglobal.com
press.mi@spglobal.com

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Survey methodology

The Stanbic Bank Uganda 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 June 2016.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month.

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 series is inverted so that it moves in a comparable direction to the other series.

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 Uganda is a member of the Standard Bank Group, Africa's largest bank by assets. As of 30th June 2023, Standard Bank Group had total assets of R3.0 trillion (about USD 146 billion), while its market capitalisation was R297.5 billion (about USD 14.5 billion).

The group has direct, on-the-ground representation in 20 African countries. Standard Bank Group has 1 221 branches and 8 815 ATMs in Africa, making it one of the largest banking networks on the continent. It provides global connections backed by deep insights into the countries where it operates.

Stanbic Bank Uganda provides the full spectrum of financial services. Its Corporate & Investment Banking division serves a wide range of requirements for banking, finance, trading, investment, risk management and advisory services. Corporate & Investment Banking delivers this comprehensive range of products and services relating to: investment banking; global markets; and global transactional products and services.

Stanbic Bank Uganda personal & business banking unit offers banking and other financial services to individuals and small-to-medium enterprises. This unit serves the increasing need among Africa's small business and individual customers for banking products that can meet their shifting expectations and growing wealth. <http://www.stanbicbank.co.ug>

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