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Stanbic Bank Zambia PMI[®]

Fresh improvement in business conditions in Zambian private sector in April

Key findings

Output and new orders return to growth following brief declines

Employment falls for the first time in five months

Higher purchase costs drive input price inflation

The Zambian private sector returned to growth territory in April, according to the latest PMI[®] data. The upturn in the health of the sector followed a brief contraction at the end of the first quarter, and was driven by fresh expansions in output and new orders. The rise in new business was supported by stronger demand conditions, as confidence in the outlook was also buoyed. Nonetheless, evidence of spare capacity and a fall in backlogs of work led to a decline in workforce numbers.

Although at a softer pace, panellists recorded a further rise in input costs in April. Purchase prices and wage bills increased again, with the former rising at the sharper rate. Moreover, firms passed through greater costs to customers as selling prices increased at an accelerated pace.

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 50.9 in April, the headline PMI was up from 49.3 in March, and signalled the joint-fastest improvement in the health of the Zambian private sector since July 2023. The renewed upturn in business conditions also compared favourably with the long-run series average.

Contributing to the overall upturn were renewed increases in business activity and new orders at Zambian firms. April data signalled modest expansions in each, with companies mentioning that stronger customer demand and new client wins drove new sales up.

At the sector level, only manufacturing and services saw consistent growth in both output and new orders. In contrast, the construction segment saw contractions in activity and new business.

Stanbic Bank Zambia PMI

sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.
Data were collected 09-24 April 2025

Comment

Musenge Komeki, Head of Sales at Stanbic Bank commented:

“The Zambian private sector rebounded in April, with the headline PMI rising to 50.9 from March's 49.3, marking the joint-fastest improvement since July 2023. Growth was driven by increased output and new orders, supported by stronger customer demand and improved business confidence. However, workforce numbers declined as firms reported sufficient capacity to handle new business, leading to a drop in backlogs of work.”

PMI[®]

by **S&P Global**

Despite business confidence ticking up to its highest level in ten months, Zambian firms cut their workforce numbers during April. The fall followed four consecutive monthly expansions in employment, but reportedly stemmed from sufficient capacity to process new orders, as backlogs of work also returned to contraction territory.

Meanwhile, recorded increases in both staff and purchase costs drove the latest rise in total operating expenses. The rise in wage bills was only slight, however, as overall cost inflation was mainly driven by higher purchase prices. At the sector level, only agriculture registered a decrease in total input prices.

Companies noted the pass through of greater costs to customers, as selling prices rose at a faster pace in April. Nonetheless, the pace of charge inflation was slightly weaker than the series average. Of the five monitored sectors, only construction recorded lower output prices.

At the same time, Zambian companies registered broadly unchanged supplier performance in April, following three successive monthly improvements. That said, firms raised their input buying for the first time in four months, amid successful efforts to build safety stocks. Pre-production inventories rose at a marginal pace, but the latest increase contrasted with a fall seen in March.

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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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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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