# News Release

Stanbic Bank
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# Stanbic Bank Kenya PMI®

## Business activity growth surges in October as sales continue to strengthen

### Key findings

Sharpest increase in output levels in nearly four years

New business improves for second month running

Input cost inflation at 13-month low

Business activity in the Kenyan private sector expanded markedly in October, according to the latest survey data, as companies highlighted a further improvement in sales intakes amid broader economic strengthening. Rising demand encouraged firms to increase their purchasing activity for the first time since April. The improved economic environment was also supported by a milder increase in business expenses, with input costs rising at the slowest pace 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 PMI registered in expansion territory for the second month running in October. At 52.5, up from 51.9 in September, the index signalled a solid improvement in overall operating conditions. Notably, this was highest that the index has been since February 2022.

The PMI survey indicated a further rebound in the Kenyan private sector following the disruptions caused by protests in the second quarter of the year. Output and new business intakes increased for the second consecutive month, with both growth rates accelerating. In terms of output, the latest expansion was the strongest since December 2021. Firms frequently cited robust demand conditions amid improving economic prospects, along with the impact of new product launches and promotional pricing strategies.

Notably, all of the main sectors monitored by the survey experienced an upturn in activity in October. This contributed to a broad-based increase in input procurement, with total purchasing activity rising for the first time since April. There were also some initiatives to enhance workforce capacity, although the pace of job creation was only marginal.

Kenyan businesses reported relatively stable conditions regarding supply chains and price pressures at the start of the fourth quarter. Lead times shortened for the ninth consecutive

Stanbic Bank Kenya PMI

sa, >50 = improvement since previous month


Sources: Stanbic Bank, S&P Global PMI.
Data were collected 9-29 October 2025.

### Comment

Christopher Legilisho, Economist at Standard Bank commented:

*"Kenya's private sector in October saw both output and new orders up sharply as conditions improved for consumers and firms benefited from softer inflation. Firms ramped up quantities purchased and increased inventory levels, expecting higher consumer demand. They also reported quicker deliveries reflecting increased efficiency and vendor competition. However, firms were less optimistic about future output conditions. Employment was stable in October for most firms as they maintained their workforce, while backlogs shrank as they cleared outstanding orders.*

*"Pricing indicators were soft in October, as input prices, purchase prices, staff costs and output prices increased only modestly. Low prices pressures imply that, while output conditions have improved, they are not fueling demand-driven inflation."*



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month, with panellists often attributing efficiency gains to subdued input demand in recent months and increased vendor competition. However, the pace of improvement eased from September's four-year high. With purchases increasing and delivery times improving, Kenyan firms were able to expand their input inventories during October.

Regarding prices, firms indicated that input costs rose in October, but only marginally. In fact, the overall rate of inflation was the slowest in 13 months, with both purchase prices and overall wage costs increasing at a slower pace than in September. When cost increases were reported, businesses mainly cited a combination of rising import prices and higher taxes, including increases in VAT and fuel duties.

Output prices also increased, but the rate of growth was similarly modest. Notably, the wholesale & retail sector was the only one to see a noticeable uptick. Several firms mentioned offering discounts to attract sales as economic activity improved.

Finally, output expectations dipped to a four-month low in October, yet they remained among the strongest since early 2023. Exactly 20% of survey respondents forecasted an increase in activity by October next year, while the rest maintained a neutral outlook for the private sector.

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### Survey methodology

The Stanbic Bank Kenya 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 January 2014.

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.
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### About Stanbic Bank Kenya

Stanbic Bank Kenya is a member of the Standard Bank Group, Africa's largest bank by assets. With a solid foundation in Kenya and history spanning over 110 years, Stanbic is one of the top banks operating in Kenya focused on fostering her socio-economic growth wide with a branch network across the country providing services to individuals, businesses and Commercial clients. Standard Bank Group which is the largest financial institution in Africa by Market capitalization, has on- the-ground representation in 20 African countries - making them one of the largest banking networks on the continent. Standard Bank Group's largest shareholder is Industrial and Commercial Bank of China (ICBC), the world's largest bank, with a 20.1% shareholding. Standard Bank Group has direct, on-the-ground representation in 20 African countries.

At Stanbic Bank, we are proudly Kenyan with a clear purpose which is Kenya is our Home, we drive her Growth. This informs everything we do as an organization as we are committed to the growth and development of Kenya, its people and industries. It is with this drive that Stanbic Bank Kenya continues to move forward with its purposeful strategy to drive Kenya's growth by actively seeking opportunities to partner with both Government and private Sector to unlock their potential and contribution to the economy.

Stanbic Bank Kenya provides the full spectrum of financial services. The Consumer and High Net-worth division Stanbic Bank continue to serve the people of Kenya with a range of personal banking products and solutions. Stanbic Bank also offers Wealth services and product offerings, including insurance, investment, fiduciary, bespoke banking and multi-generational wealth preservation solutions to high net worth individuals, retail, business, commercial, and corporate clients across the Bank's footprint.

Its Corporate and Investment Banking division serves a wide range of requirements for banking, finance, trading, investment, risk management and advisory services. Corporate and Investment Banking delivers this comprehensive range of products and services relating to investment banking; global markets; and global transactional products and services. Stanbic Bank's Corporate and Investment Banking expertise is focused on industry sectors that are most relevant to emerging markets. It has strong offerings in oil, gas and renewables; power and infrastructure and agriculture.

With regard to Business and Commercial unit, Stanbic Bank Kenya offers banking and other financial services to medium-sized enterprises and high value small businesses. 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.

Stanbic Bank is listed on the Nairobi Securities Exchange (NSE).
http://www.stanbicbank.co.ke

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