

Embargoed until 0900 EAT (0600 UTC) 03 July 2025

Stanbic Bank Uganda PMI[®]

New order growth spurs continued improvement in Ugandan business conditions in June

Key findings

Output and new business expand further

Output prices broadly unchanged despite uptick in cost burdens

Employment rises further amid optimism in the year-ahead outlook

Ugandan private sector companies indicated a further improvement in business conditions during June. Output and new orders continued to expand, supporting growth in employment, purchasing and stocks. Moreover, firms were confident of an increase in activity over the coming year amid strong demand conditions. Companies benefited from quicker delivery times for inputs and were able to reduce their backlogs again.

At the same time, increases in staff and purchase costs were noted again. Nonetheless, output charges were broadly unchanged.

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 headline PMI posted at 55.6 in June, down slightly from 56.4 in May. The latest data signalled an improvement in the health of the Ugandan private sector that was the fifth in as many months.

Supporting the overall upturn was another rise in new business at the end of the second quarter. Ugandan firms noted that demand conditions remained favourable, with new client wins also helping drive the upturn.

Subsequently, Ugandan companies raised their output levels during June. Business activity increased for the fifth month running amid strong client demand.

Moreover, the expansions in new business and activity levels were broad based by sector.

Despite accommodative demand conditions, Ugandan firms signalled a broad stagnation in output charges in

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sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.
Data were collected 12-26 June 2025.

Comment

Christopher Legilisho, Economist at Stanbic Bank commented:

"The Stanbic Uganda PMI signalled an overall expansion for a fifth straight month in June due to robust economic conditions in the private sector, with both output and new order growth still healthy. Employment also expanded in June due to positive business growth foreseen over the coming months. This was further reflected by increases in purchasing as well as higher inventories. We therefore infer that GDP growth will prove strong in 2025 due to positive aggregate demand across most sectors.

"Further, input prices, purchase costs and staffing costs rose again, but output charges were broadly unchanged on the month. Encouragingly, the long-term trends imply subdued inflation because of appropriate monetary conditions, an appreciating shilling, and deflation in energy prices. Indeed, headline inflation came to just 3.9% y/y (0.1% m/m) in June, from 3.8% y/y (0.5% m/m) in May."

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June. Although some sought to pass on higher costs to customers, others noted discounting to remain competitive. At the sector level, only agriculture and wholesale & retail recorded a rise in selling prices.

Nevertheless, input costs continued to rise in June. Higher staff and purchase costs were reported, as wage bills, fuel and material prices increased. Only construction firms recorded a drop in purchase and overall cost burdens.

At the same time, Ugandan businesses registered an increase in employment. Greater new order intakes reportedly drove a rise in both temporary and permanent staff.

An expansion in capacity also enabled firms to work through their backlogs effectively during June. The level of incomplete work fell for the sixth month running.

Meanwhile, shorter lead times for inputs and strong demand conditions spurred growth in input buying and stockpiling in June.

Finally, positive output expectations for the year ahead were broad based in June. Overall, Ugandan businesses linked confidence in the outlook to investment in advertising and greater outreach to new customers.

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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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