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Stanbic Bank Uganda PMI[®]

Higher fuel prices drive overall input costs up in March

Key findings

Purchase prices and staff costs increase further

Output and new orders rise

Employment growth sustained amid confidence in the outlook

Ugandan businesses signalled a further improvement in the health of the private sector at the end of the first quarter of 2026, according to the latest PMI[®] data. The overall upturn was supported by continued growth in output and new orders, with firms stepping up their hiring activity and input buying in response to strong demand conditions. Companies were also confident in the outlook for output over the coming year and continued to build safety stocks in anticipation of greater new business inflows despite lengthening lead times for inputs.

Meanwhile, overall cost burdens increased again amid higher wage bills and greater fuel prices in particular. An accommodative demand environment enabled firms to raise their output charges.

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.

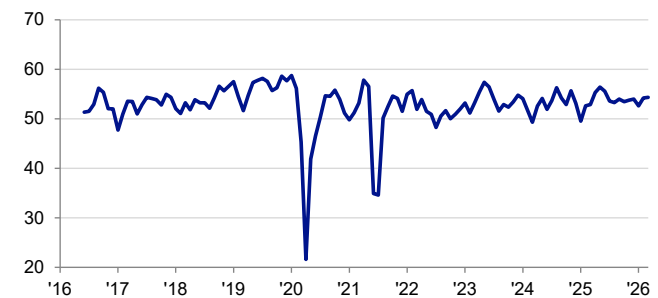
At 54.3 in March, the headline PMI was up from 54.2 in February and indicated a fourteenth consecutive monthly improvement in business conditions in the Ugandan private sector.

March data signalled further expansions in business activity and new order inflows at Ugandan companies, as has been the case since February 2025. Favourable demand conditions reportedly underpinned the upturns, with firms also noting greater customer numbers and increased client purchasing power, alongside referrals.

Growth in business activity and new orders remained broad-based by sector.

Stanbic Bank Uganda PMI

sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.
Data were collected 12-27 March 2026.

Comment

Christopher Legilisho, Economist at Stanbic Bank commented:

"The Stanbic Uganda PMI release for March 2026 showed sustained growth in the private sector at the end of Q1 '26. Firms reported expansions in output, new orders and employment, implying broad-based growth driven by robust client purchasing power and a supportive macro environment. Backlogs of work increased due to buoyant consumer demand, driving up new orders. Firms are optimistic about output expectations over the next 12 months, despite war in the Middle East. There were sustained increases in quantities purchased, and inventories. Firms indicated that higher total input prices and purchase costs were due to greater utility and fuel prices as well as costs for some raw materials, such as timber. Further, there were increases in staff costs and output charges, implying a pass-through to customers. According to the latest release by UBOS, headline inflation was down to 2.8% y/y in March this year."

On the price front, both purchase and staff costs increased during March. Firms commonly noted that higher wage bills stemmed from additional recruitment, but key drivers of inflation were hikes in fuel and utility costs. While wholesale & retail firms were alone in seeing a decrease in wage bills, construction was the only sector to record lower purchase prices.

Output charges continued to rise in March, as firms sought to pass-through higher costs to clients. Selling prices have now increased on a monthly basis for just over a year-and-a-half.

Ugandan businesses registered growth in headcounts at the end of the first quarter. Many companies stated that hiring was centred on temporary workers to help support capacity. At the same time, backlogs of work rose for a second month running amid greater new order inflows.

Similarly, Ugandan firms expanded their input buying activity amid higher business requirements in March. Some also sought to build safety stocks, as inventories grew further. Nonetheless, there was a renewed decline in vendor performance.

Finally, businesses remained optimistic regarding output growth over the coming year. Confidence reportedly stemmed from hopes of sustained demand conditions and cooling cost pressures.

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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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