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Stanbic Bank Zambia PMI[®]

Stronger client demand spurs renewed rise in output in July

Key findings

Business activity returns to growth

Input costs fall for the first time since December 2022

Employment and purchasing activity growth quicken

Zambian businesses saw a renewed expansion in output during July, as fewer issues with load shedding and greater new order inflows boosted business activity, according to the latest PMI[®] data. Increased new sales also helped drive sharper upturns in employment and purchasing activity. Meanwhile, suppliers' delivery times improved to the greatest extent in seven years.

At the same time, overall input prices fell for the first time in just over two-and-a-half years, and output charges stabilised.

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 50.1 in July, down from 50.3 in June and signalled only a slight improvement in the overall health of the Zambian private sector. Weighing on the upturn was a sharp improvement in suppliers' delivery times (this index is inverted in the calculation of the PMI) and a softer rise in stocks of purchases.

Nonetheless, Zambian businesses recorded a fresh expansion in output in July. Although only marginal, the upturn was spurred by a stronger rise in new orders and a reduction in the impact from load shedding.

July data signalled a faster rise in new orders at Zambian firms, as more favourable exchange rate movements reportedly helped support sales growth.

At the sector level, the agriculture and service sectors drove expansions in output and new orders in July. Contractions in output were seen elsewhere. With regards to new business, wholesale & retail also recorded an upturn.

Meanwhile, overall input costs declined on the month in July. The decrease was led by lower purchase prices and

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sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.
Data were collected 10-25 July 2025

Comment

Musenge Komeki, Head of Sales at Stanbic Bank commented:

"Zambia's private sector saw slight growth in July, with improved output and new orders driven by reduced load shedding and a stronger kwacha. Overall input costs fell for the first time since late-2022, while delivery times improved significantly. Business confidence rose, though it remains below average."

PMI[®]

by **S&P Global**

was recorded despite a further rise in staffing costs. The fall in total cost burdens was the first since December 2022 and the sharpest in almost three years. Firms stated that an appreciation of the kwacha against the dollar lowered the cost of imported goods.

Output charges stabilised on the month as firms saw no change in selling prices from June, bringing an end to a 30-month sequence of charge inflation. Despite seeking to protect margins, companies were keen to pass on cost savings to customers.

Greater new orders influenced companies' hiring and purchasing activity, as expansions in both accelerated. Moreover, a notable improvement in suppliers' delivery times aided input buying, which rose at the steepest rate since December 2017.

At the same time, stocks of purchases increased for the fourth month running, albeit at the slowest rate in this period.

Despite shorter lead times for inputs, backlogs of work were accumulated again in July. The pace of growth softened to only a marginal rate, however.

Finally, business confidence strengthened in July amid hopes of diversification of products and stronger demand conditions. That said, the degree of optimism was still below the long-run series average.

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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>

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