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Stanbic Bank Uganda PMI®

Ugandan business conditions continue to improve at the end of 2025

Key findings

Expansions in output and new orders sustained

Employment broadly unchanged on the month

Higher input costs spur further rise in output charges

The Ugandan private sector remained in growth territory in December, according to the latest PMI® data. Business conditions continued to improve amid sustained expansions in output and new orders. Firms were also upbeat regarding the outlook for output in the coming year, which spurred greater input buying and efforts to build stocks. That said, businesses signalled broadly unchanged employment levels.

Meanwhile, input price inflation was sustained as purchase costs rose further. Accommodative demand conditions enabled firms to increase selling prices.

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 54.0 in December, the headline PMI was up slightly from 53.8 in November and signalled a further upturn in the health of the Ugandan private sector. The latest data indicated an eleventh successive monthly improvement in business conditions.

Supporting overall growth was another monthly rise in business activity at Ugandan firms in December. Greater new orders reportedly drove the latest expansion, with new sales increasing on a continuous basis since February 2025. Anecdotal evidence suggested that demand conditions improved amid greater client numbers.

At the sector level, increases in business activity and new orders were broad-based.

Nonetheless, Ugandan companies saw a broad stagnation in employment levels at the end of the year,

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sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.
Data were collected 04-19 December 2025.

Comment

Christopher Legilisho, Economist at Stanbic Bank commented:

"Conditions in Uganda's private sector were upbeat as the Uganda Stanbic Purchasing Managers Index (PMI) remained in expansion territory in December, implying that strong consumer demand conditions drove new orders and boosted output in the private sector. The state of employment was healthy, with staffing levels broadly steady following a ten-month period of growth, while backlogs mounted due to capacity pressure from increasing orders. This was evident in further expansions in quantities purchased and inventories held by Ugandan firms.

"The rise in input prices was linked to elevated water and electricity costs in December. Purchase prices also increased due to concerns about construction costs, among other factors. Wage costs were broadly flat, while output prices increased due to robust customer demand. On the whole, this suggests that the economy is performing briskly, which should be confirmed when official growth data is released."

following a ten-month period of job creation. Survey respondents noted that where workforce numbers rose it was due to a rise in temporary workers. Greater new order inflows alongside little change in employment led to a renewed rise in backlogs during December.

At the same time, inflationary pressures built further as overall input prices and output charges increased again at the end of the year. The rise in total operating expenses stemmed from higher purchase costs, as wage bills ticked down. Greater utility, construction material and sugar prices reportedly drove the latest increase in purchase costs. Companies sought to pass through higher input prices to customers via greater selling prices amid accommodative demand conditions.

Meanwhile, input buying increased again at Ugandan businesses amid greater new order inflows in December. Demand for items placed pressure on suppliers who saw lead times lengthen, but firms were able to accumulate stocks again, nonetheless.

Finally, output expectations for 2026 across the private sector were positive in December. Hopes of stronger demand following investment in advertising and customer outreach reportedly underpinned broad-based optimism by sector.

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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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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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