

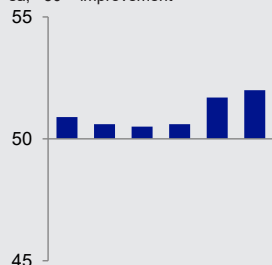
Stanbic Bank Kenya PMI®

PMI rises to 27-month high in April

52.0

KENYA PMI
APR '25

PMI
Nov '24 - Apr '25
sa, >50 = improvement



Sales volumes grow at strongest rate since February 2022

Business activity increases solidly

Cost pressures pick up but remain modest

Growth momentum in Kenya accelerated even further in April, according to the Stanbic Bank Kenya PMI®, which rose to its highest level since January 2023. Strengthening customer demand led to the fastest rise in new work in over three years, prompting a solid expansion in output and steep growth in purchasing. Job creation also quickened as firms looked to ease pressure on workloads. Although cost inflation ticked up amid rising demand pressures, it remained modest when compared with the survey's historical trend.

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 rose for the third month running to 52.0 in April, from 51.7 in March, and was at its highest level since the beginning of 2023. All five sub-

components helped to lift the headline index from its previous reading.

New orders expanded at the fastest rate since February 2022, as Kenyan companies reported a sharp upturn in demand and additional sales from marketing. Robust gains were observed across the services, agriculture and construction sectors, contrasting with lower sales in manufacturing and wholesale & retail.

As was the case in March, strong new business growth encouraged a solid expansion in overall activity during April. Notably, just over a third of surveyed businesses (34%) registered an increase in output, with some panellists also noting a positive impact from increased customer movement and subdued cost pressures.

In line with the new orders trend, purchases of inputs increased to the greatest degree since February 2022. Firms typically raised their input buying to meet rising workloads and boost their

Stanbic Bank Kenya PMI
sa, >50 = improvement since previous month



PMI®

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inventories. Subsequently, stocks grew at a modest pace that was the quickest since last October. Lead times continued to shorten, despite some reports of weather-related delays.

Although the uplift in employment was relatively mild during April, it was still the strongest observed in nearly one year, as firms also sought to address workloads through greater staffing. Anecdotal reports suggest that hiring was largely focused on temporary staff. With stocks and employment growing, capacity pressures remained relatively contained, leading to only a fractional rise in backlogs of work.

Meanwhile, the latest survey data

signalled a modest increase in input costs in April. The rate of inflation was the highest for three months, but mild compared to the survey's history. Purchase costs rose, as businesses highlighted some supply shortfalls and increased taxation, although most panellists reported no change from March. Output prices rose at their fastest pace in three months, with manufacturers the most likely to report an uplift.

Finally, after reaching a record low in March, business expectations saw a slight recovery in April, although they remained among the weakest levels ever recorded. Just 5% of firms expect output to grow over the next 12 months.

Comment

Christopher Legilisho, Economist at Standard Bank commented:

"The Kenya PMIs for April reveal a private sector expanding robustly, and at the fastest pace in over two years. Output and new orders rose due to increased customer sales from marketing, implying a steady improvement in consumer demand conditions in April. Employment conditions improved too in response to higher sales that led to increased workloads for firms, especially those in services and construction."

"To address rising demand from consumers, firms ramped up purchasing activity and increased inventories of raw materials and key inputs. This was especially so in the services and agricultural sectors."

"Price pressures rose mildly in April; input prices rose to a 3-m high, but the rate of inflation was well below the historical average. Output prices also rose as firms passed on buying-price increases to consumers."

"Overall, the April PMI implies a steady return to growth at the start of Q2:25. Further, inflationary pressures remained muted. Despite an improvement in future expectations, sentiment remains among the weakest in the survey history."



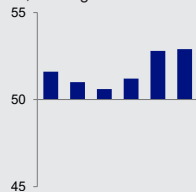
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Output and demand

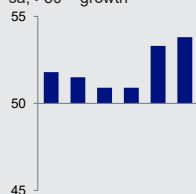
Output Index

Nov '24 - Apr '25
sa, >50 = growth



New Orders Index

Nov '24 - Apr '25
sa, >50 = growth



Output

Over a third of businesses monitored in Kenya increased their output in April. This was often done in response to rising sales and increased customer turnout, according to anecdotal evidence. The overall rate of activity growth ticked up from March and was the strongest in 11 months. That said, 29% of firms cut output, with panellists often citing economic challenges.

New orders

April data indicated a marked upturn in the volume of new orders across the Kenyan private sector. Having adjusted for seasonality, the respective index rose to its highest point since February 2022. Firms signalling an increase in new work commented on the gaining of new clients and payoff from marketing. The services sector saw an especially pronounced rise in sales.

Output Index

sa, >50 = growth since previous month



New Orders Index

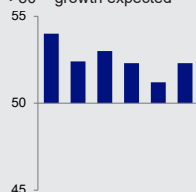
sa, >50 = growth since previous month



Business expectations

Future Output Index

Nov '24 - Apr '25
>50 = growth expected



After falling to a record low in March, business expectations picked up slightly over the course of April. Nevertheless, sentiment remained among the lowest recorded in the series history. Only 5% of surveyed companies have a positive view of future output, while the remainder of the panel were neutral about growth projections. Some companies hope to open new branches and introduce new products and services over the coming year.

Future Output Index

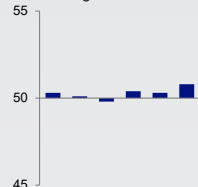
>50 = growth expected over next 12 months



Employment and capacity

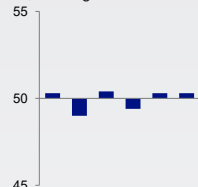
Employment Index

Nov '24 - Apr '25
sa, >50 = growth



Backlogs of Work Index

Nov '24 - Apr '25
sa, >50 = growth



Employment

Staff numbers at Kenyan firms rose for the third consecutive month in April. The pace of growth was mild, but the fastest since last May. According to anecdotal reports, hiring was mainly focused on temporary labour, as firms sought to address rising sales. Employment increased in construction, services and wholesale & retail.

Backlogs of work

In line with increased levels of new business, the volume of outstanding work in the private sector rose for the second month in a row. That said, the pace of accumulation was unchanged from March and only fractional.

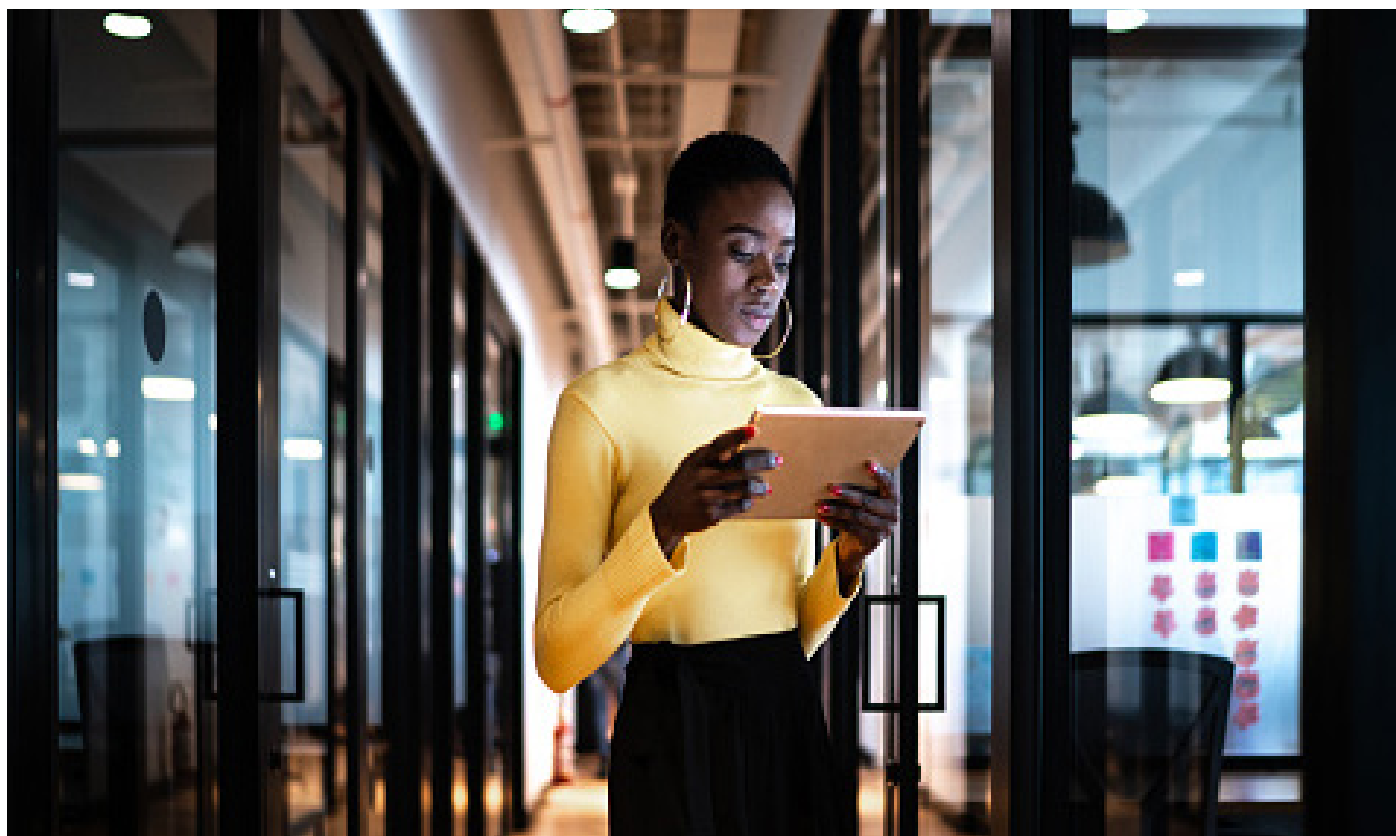
Employment Index

sa, >50 = growth since previous month



Backlogs of Work Index

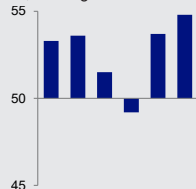
sa, >50 = growth since previous month



Purchasing and inventories

Quantity of Purchases Index

Nov '24 - Apr '25
sa, >50 = growth



Quantity of purchases

Kenyan businesses increased their purchases of raw materials and key components during April, which was widely attributed to increased orders and higher output levels. In line with sales growth, the latest upturn in purchasing was strong and the quickest recorded since February 2022. The expansion was especially sharp in the services and agriculture categories.

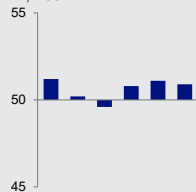
Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index

Nov '24 - Apr '25
sa, >50 = faster times



Suppliers' delivery times

April data indicated another slight improvement in supply chain performance, with the respective seasonally adjusted index posting above the 50.0 mark for the third month running. Some firms signalled that vendors were more efficient at delivering items, although there were some reports of delays due to weather-related blockages.

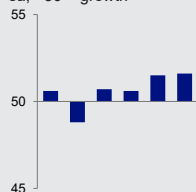
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index

Nov '24 - Apr '25
sa, >50 = growth



Stocks of purchases

As has been the case since the start of the year, inventories of inputs expanded in April. The uplift was also the fastest seen for six months, albeit moderate and below the long-run trend. Several panellists commented on being able to stock more inputs to satisfy rising demand and avoid shortfalls.

Stocks of Purchases Index

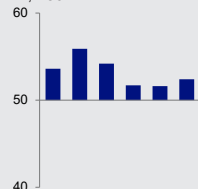
sa, >50 = growth since previous month



Prices

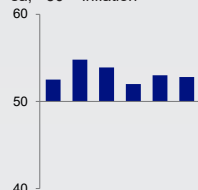
Input Prices Index

Nov '24 - Apr '25
sa, >50 = inflation



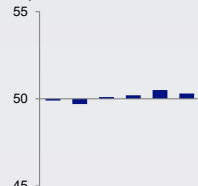
Purchase Prices Index

Nov '24 - Apr '25
sa, >50 = inflation



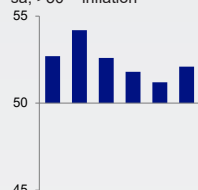
Staff Costs Index

Nov '24 - Apr '25
sa, >50 = inflation



Output Prices Index

Nov '24 - Apr '25
sa, >50 = inflation



Input prices

Input price inflation ticked up to a three-month in April. Although the latest rise was broadly aligned with the trend observed last year, it was still much slower than the average since the survey began in 2014. Indeed, just 5% of respondents noted an increase in input costs, with the vast majority registering no change. Manufacturers saw the fastest rise, while agriculture firms saw the slowest.

Purchase prices

Purchasing prices were the main driver of cost inflation in April, as Kenyan companies reported a solid increase in the costs of buying materials and components used in their processes. Several firms associated rising prices with a weak supply of inputs and higher taxes. That said, the pace of inflation remained much softer than its long-run trend.

Staff costs

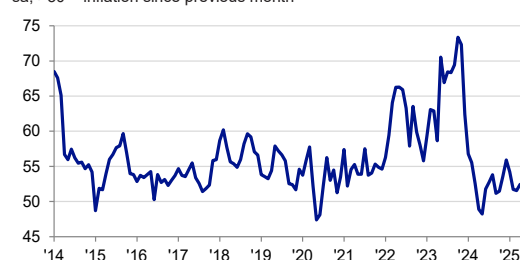
For the fourth successive month, the survey data indicated a rise in staff costs at Kenyan firms. However, the pace of increase softened from March and was only fractional. Nearly all panellists reported no change in their payroll costs over the latest month.

Output prices

Kenyan firms reported a moderate increase in selling prices at the start of the second quarter, and one which was the fastest recorded since January. In most cases, panellists signalled that a rise in buying prices led them to mark up fees. All five monitored sectors recorded an uptick, with the sharpest in manufacturing.

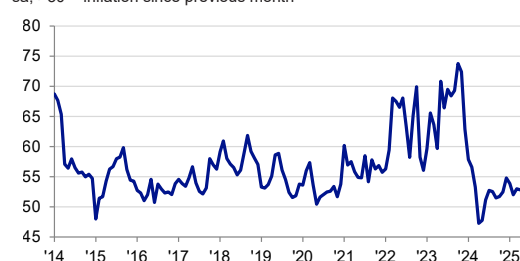
Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

sa, >50 = inflation since previous month



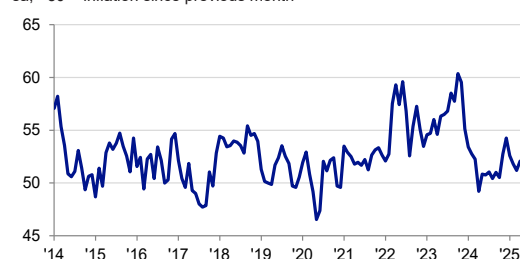
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

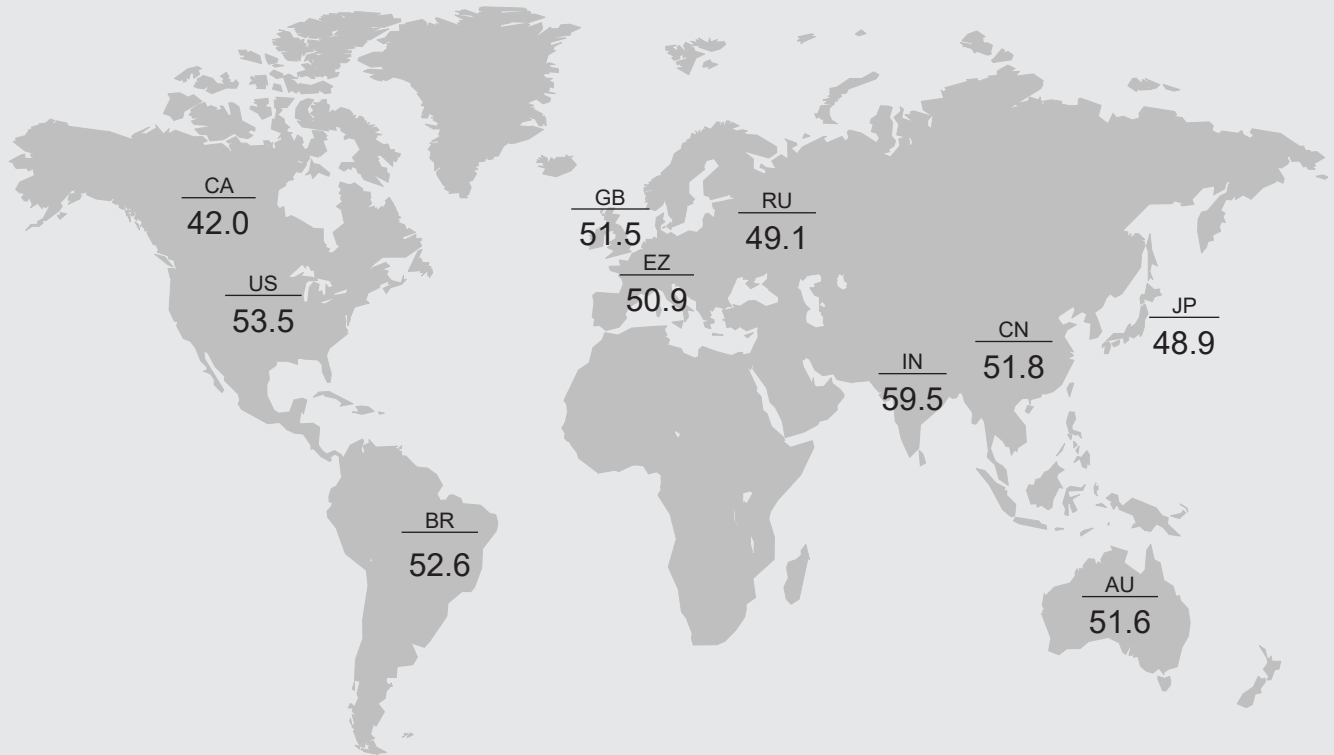
sa, >50 = inflation since previous month



International PMI

Composite Output Index, Mar '25
 sa, >50 = growth since previous month

The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.

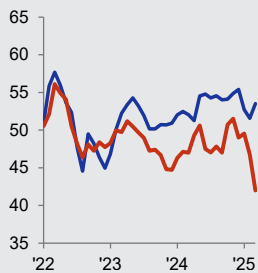


Composite Output Index

■ USA

■ Canada

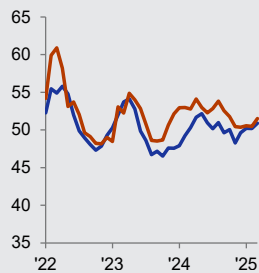
sa, >50 = growth



■ Eurozone

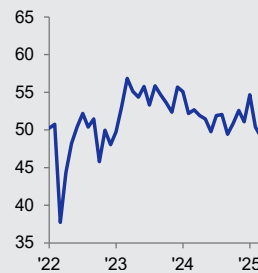
■ UK

sa, >50 = growth



■ Russia

sa, >50 = growth



■ China

sa, >50 = growth



■ Brazil

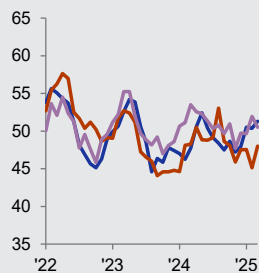
sa, >50 = growth



■ Germany

■ France

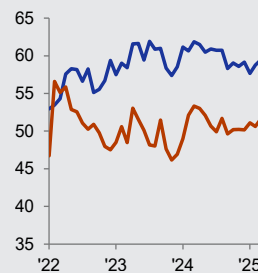
sa, >50 = growth



■ India

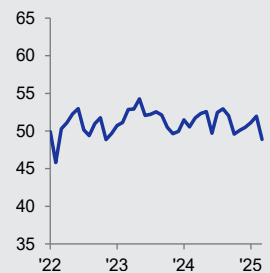
■ Australia

sa, >50 = growth



■ Japan

sa, >50 = growth



PMI®

by **S&P Global**

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.

Survey dates

Data were collected 9-28 April 2025.

Survey questions

Private sector

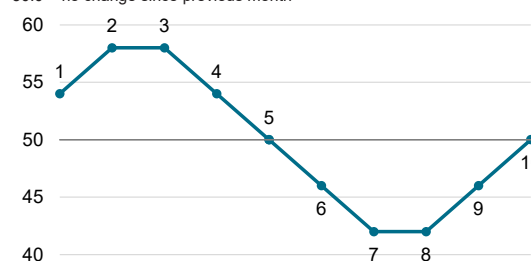
Output	Suppliers' Delivery Times
New Orders	Stocks Of Purchases
New Export Orders	Input Prices
Future Output	Purchase Prices
Employment	Staff Costs
Backlogs Of Work	Output Prices
Quantity Of Purchases	

Index calculation

$$\% \text{ "Higher"} + (\% \text{ "No change"})/2$$

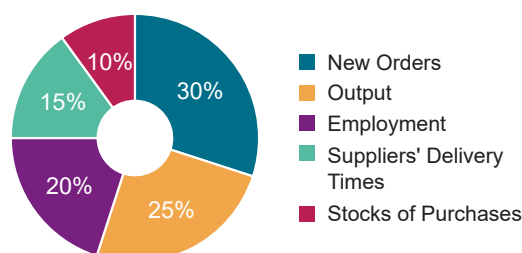
Index interpretation

50.0 = no change since previous month



- | | |
|--------------------------|----------------------------|
| 1 Growth | 6 Decline, from no change |
| 2 Growth, faster rate | 7 Decline, faster rate |
| 3 Growth, same rate | 8 Decline, same rate |
| 4 Growth, slower rate | 9 Decline, slower rate |
| 5 No change, from growth | 10 No change, from decline |

PMI component weights



Sector coverage

PMI data include responses from companies operating in sectors classified according to the following ISIC Rev.4 codes:

A Agriculture, Forestry and Fishing	K Financial and Insurance Activities
B Mining and Quarrying	M Professional, Scientific and Technical Activities
C Manufacturing	N Administrative and Support Service Activities
F Construction	P Education*
G Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	Q Human Health and Social Work Activities*
H Transportation and Storage	R Arts, Entertainment and Recreation
I Accommodation and Food Service Activities	S Other Service Activities
J Information and Communication	

*Private sector

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Contact

Christopher Legilisho
Economist
Standard Bank
LegilishoC@stanbic.com

David Owen
Senior Economist
S&P Global Market Intelligence
T: +44 1491 461 002
david.owen@spglobal.com

Corporate Communications
S&P Global Market Intelligence
press.mi@spglobal.com

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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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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