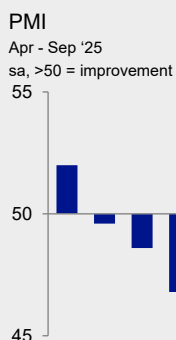


Stanbic Bank Kenya PMI®

Private sector economy starts to improve in September

51.9

KENYA PMI
SEP '25



Business activity increases for the first time since April

Sales growth returns, leading to faster rise in employment

Strongest improvement in delivery times in four years

Business conditions began to recover across the Kenyan private sector in September. The Stanbic Bank Kenya PMI® signalled an improvement in business performance for the first time in five months, driven by solid expansions in output, new orders and employment. An easing of supply-side pressures meanwhile resulted in the greatest shortening of delivery times in four years. The rate of input price inflation slowed in September, but firms signalled a quicker increase in selling 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.

The Kenya PMI rose to 51.9 in September, up from 49.4 in August and above the 50.0 neutral mark for the first time since April. The index pointed to a fresh upturn in the health of the private sector, after a period impacted by political protests and rising price

pressures.

Driving the improvement in business conditions was a renewed expansion in activity, which in turn was strongly related to rising sales and a stabilising economy. Out of the firms surveyed, roughly a third (33%) noted that their output had grown during September, compared to 23% that recorded a decline. Some businesses reportedly benefitted from effective marketing and investment into products and services. That said, some areas experienced weakness, especially in the construction industry where output fell sharply.

On sales intakes, the survey data also signalled a renewed upturn in September. New business growth was solid, having rebounded after four months of consecutive downturns.

This recovery encouraged firms to hire new staff, leading to a rise in employment that was the quickest recorded since May 2023. With staff capacity up, firms managed to deplete their backlogs for the fourth month running.

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



PMI®

by S&P Global

Contents

- Overview and comment
- Output and demand
- Business expectations
- Employment and capacity
- Purchasing and inventories
- Prices
- International PMI
- Survey methodology
- Further information

In contrast, purchasing activity continued to fall in September, with businesses citing that low sales in recent months had weighed on their ability to buy new inputs. Nevertheless, with supply-side pressures easing further after protest-related disruption and vendors willing to deliver items more quickly to gain work, input stocks did increase. Notably, delivery times improved at the strongest rate in exactly four years.

For the second month running, Kenyan businesses reported a softening of input price inflation in September. Though solid, the latest increase in overall costs was the weakest since May. Where a rise was recorded, firms signalled this was mainly due to higher taxes and rising prices for several items such as

fuel and foodstuff.

As cost pressures eased, firms raised their selling prices to a greater extent than the 12-month low seen in August. Inflation was largely linked to higher costs and rising sales. However, the increase was only modest.

Finally, Kenyan firms looked towards future activity with sustained confidence. Despite ticking down from August, the 12-month outlook was still one of the best observed in nearly three years. Several firms hope to expand their outlets, diversify product offerings and ramp up marketing.

Comment

Christopher Legilisho, Economist at Standard Bank commented:

“Business conditions expanded in September, implying the start of a recovery after the disruptions that followed protests in Q2:25. New orders and output strengthened as consumer demand improved, despite some firms reporting caution from clients due to still challenging economic conditions. Employment meanwhile increased due to gains from new orders and output. However, low sales in recent months led to sustained weakness in firms’ buying decisions; quantities purchased fell in September, although inventory stocks rose.

“Firms reported a moderation in the rate of input price inflation in September, despite some businesses remaining concerned about higher taxes and commodity prices.

“Encouragingly, business prospects for the upcoming year were still strong, albeit far off from historical trends — this implies that, while conditions for some firms have been improving, most still experience the business environment as challenging.”



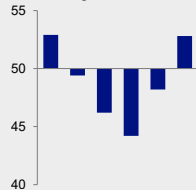
PMI®

by **S&P Global**

Output and demand

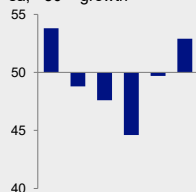
Output Index

Apr - Sep '25
sa, >50 = growth



New Orders Index

Apr - Sep '25
sa, >50 = growth



Output

Kenyan business activity rose in September, ending a four-month spell of contraction, as firms made a solid recovery after a period affected by political protests. Nearly a third of surveyed businesses recorded an increase in output, which was strongly linked to higher demand, improved economic conditions and customer engagement strategies. However, 23% of firms saw a fall due to customer caution and cash flow challenges.

New orders

Like output, companies in Kenya reported an increase in new orders for the first time in five months in September. The upturn was solid and one of the quickest seen for nearly three years. New business improvements were mainly attributed to rising client demand, with some panellists noting the impact of pricing decisions and product diversification. New orders rose in all sub-sectors except construction.

Output Index

sa, >50 = growth since previous month



New Orders Index

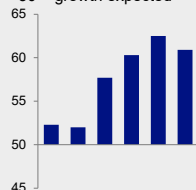
sa, >50 = growth since previous month



Business expectations

Future Output Index

Apr - Sep '25
>50 = growth expected



Although business optimism slipped from August's two-and-a-half-year high at the end of the third quarter, it was still one of the best levels in the aforementioned period. When asked about their expectations for output in the next 12 months, 22% of respondents were positive, while 78% were neutral. Among those firms with an optimistic outlook, comments revolved around expansion plans, product launches, greater marketing activities and investments in operating capacity.

Future Output Index

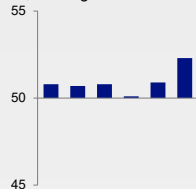
>50 = growth expected over next 12 months



Employment and capacity

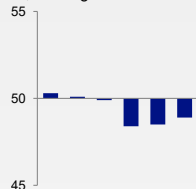
Employment Index

Apr - Sep '25
sa, >50 = growth



Backlogs of Work Index

Apr - Sep '25
sa, >50 = growth



Employment

The renewed increase in sales volumes at Kenyan firms sparked a greater rise in employment during the latest survey period. In fact, the rate of job creation was the fastest observed since May 2023, with sector data signalling that agriculture and manufacturing were mainly responsible for the rise. In contrast, job numbers decreased in the construction industry.

Backlogs of work

Companies in Kenya were able to lower their unfinished business levels in September, as the seasonally adjusted Backlogs of Work Index posted below 50.0 for the fourth month running. Firms indicated this was largely due to a lingering effect from weak demand over the past few months. The pace of decrease softened slightly, however, and was only marginal.

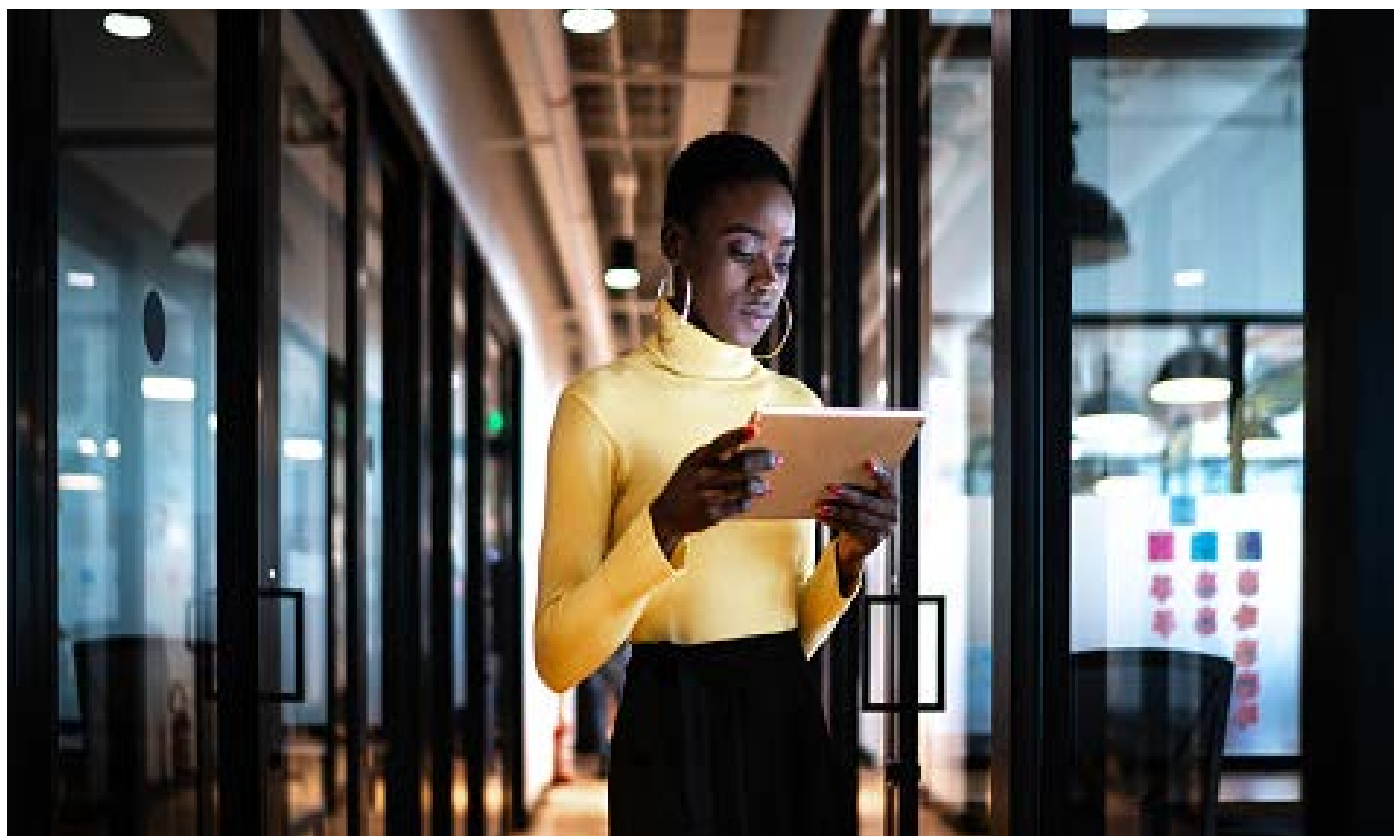
Employment Index

sa, >50 = growth since previous month



Backlogs of Work Index

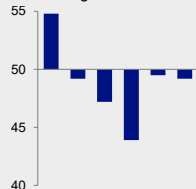
sa, >50 = growth since previous month



Purchasing and inventories

Quantity of Purchases Index

Apr - Sep '25
sa, >50 = growth



Quantity of purchases

Kenyan companies reported lower volumes of input purchases at the end of the third quarter. The decline was slight, but nevertheless the fifth monthly reduction in a row. Although some firms responded to rising orders by scaling up procurement, weak demand over previous months continued to act as a drag on spending, according to survey panellists, as did lower cash flow.

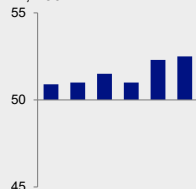
Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index

Apr - Sep '25
sa, >50 = faster times



Suppliers' delivery times

As has been the case since February, private sector firms in Kenya registered an improvement in suppliers' delivery times in September. Moreover, the speed at which delivery times were cut accelerated to the fastest in four years. Several respondents mentioned that vendor competition had boosted supply efficiency.

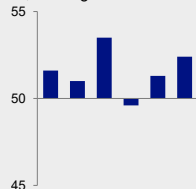
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index

Apr - Sep '25
sa, >50 = growth



Stocks of purchases

With lead times improving, Kenyan companies were able to increase their inventories despite cutting purchases. September's rise was moderate and the strongest since June. Efforts to stock more amid sales growth reportedly played a part in the latest uplift.

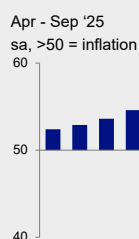
Stocks of Purchases Index

sa, >50 = growth since previous month



Prices

Input Prices Index



Input prices

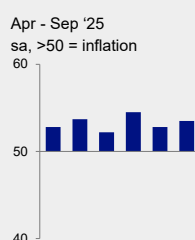
Kenyan firms saw a further softening in the rate of input price inflation from July's seven-month high in September. The increase in input prices was solid, but less marked than the historical average. Approximately 9% of the survey panel faced higher costs compared to August (versus less than 1% seeing a fall), which was mainly due to a rise in purchase prices.

Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index



Purchase prices

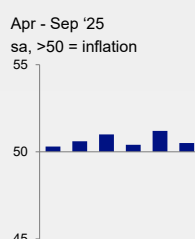
Purchase prices rose during September, which monitored businesses related to a mix of higher taxes, increased fuel prices and greater costs for some commodities, partially due to short supply. The rate of inflation picked up from August but was not far from the average recorded in 2025 so far. All five of the monitored sub-sectors experienced higher purchase costs, with the strongest rise seen in construction.

Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index



Staff costs

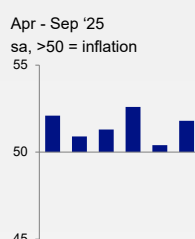
Staff costs increased in September, extending the run of inflation that began at the start of the year. However, the rate of increase slowed from August and was only marginal, with the vast majority of survey panellists reporting stable wages.

Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

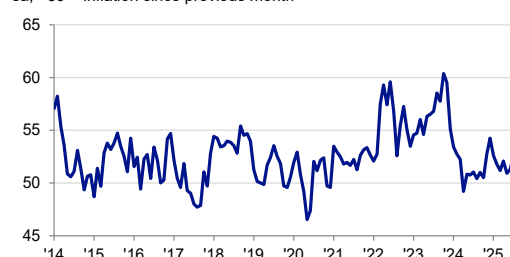


Output prices

Kenyan companies raised their output prices at the end of the third quarter. The rate of inflation was modest, despite accelerating from August's 12-month low. Those firms that increased their fees (roughly 8% of survey respondents) did so due to higher input prices, elevated taxes and rising client demand, according to qualitative evidence.

Output Prices Index

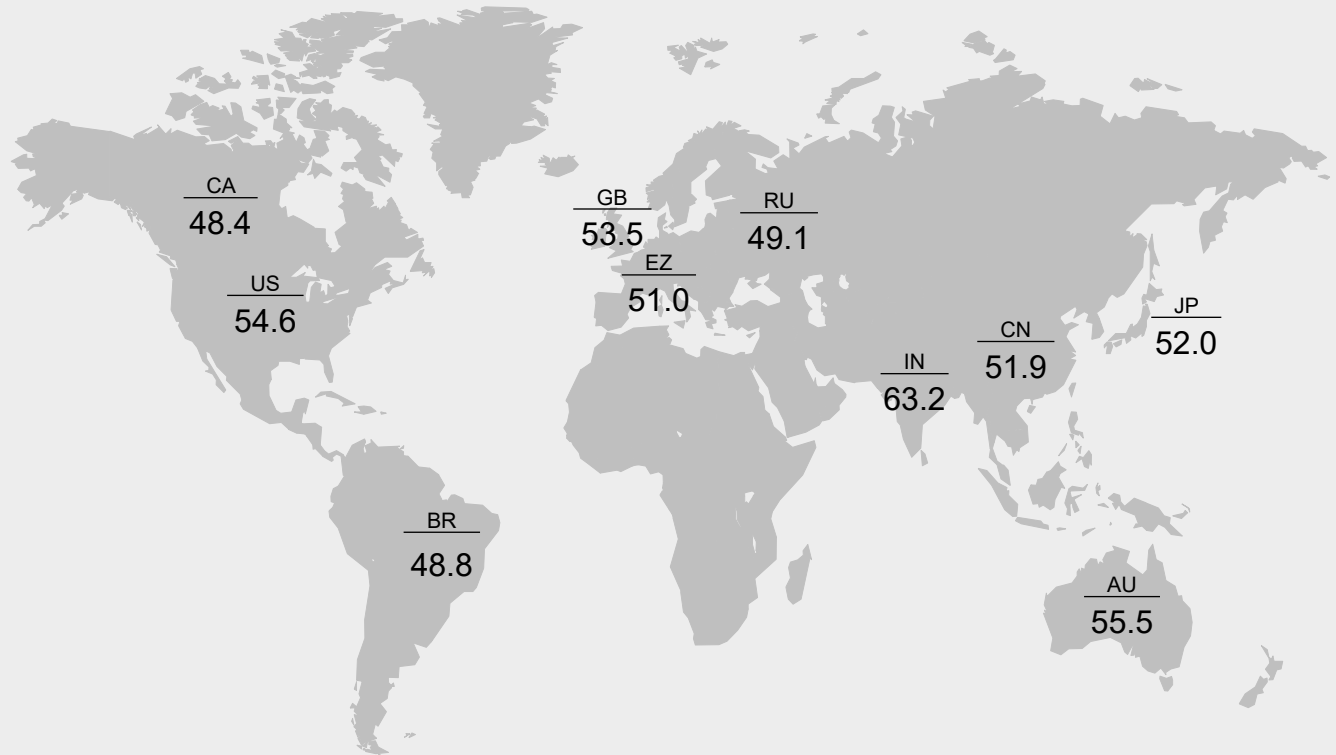
sa, >50 = inflation since previous month



International PMI

Composite Output Index, Aug '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.

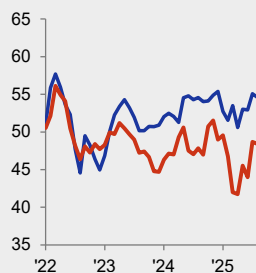


Composite Output Index

■ USA

■ Canada

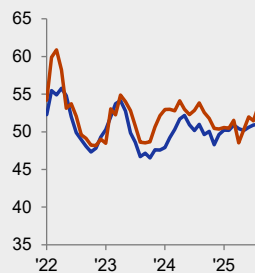
sa, >50 = growth



■ Eurozone

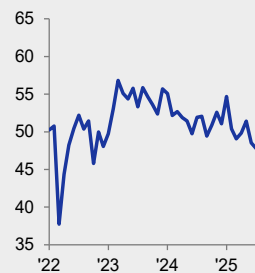
■ UK

sa, >50 = growth



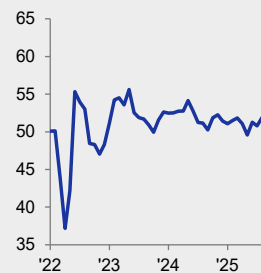
■ Russia

sa, >50 = growth



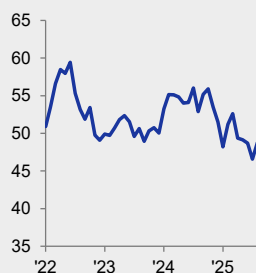
■ China

sa, >50 = growth



■ Brazil

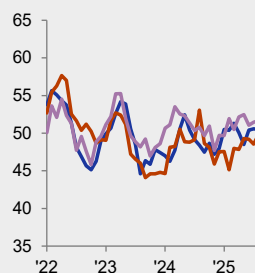
sa, >50 = growth



■ Germany

■ France

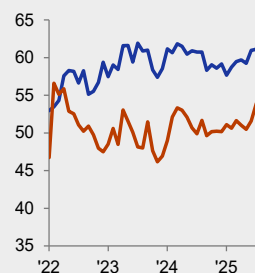
sa, >50 = growth



■ India

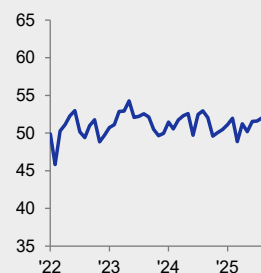
■ Australia

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 11-26 September 2025.

Survey questions

Private sector

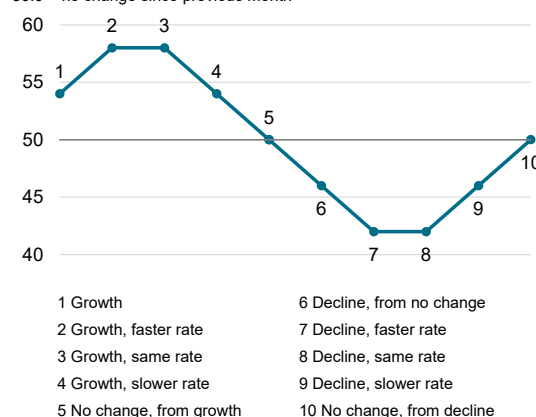
Output	Suppliers' Delivery Times
New Orders	Stocks Of Purchases
New Export Orders	Input Prices
Future Output	Purchase Prices
Employment	Staff Costs
Backlogs Of Work	Output Prices
Quantity Of Purchases	

Index calculation

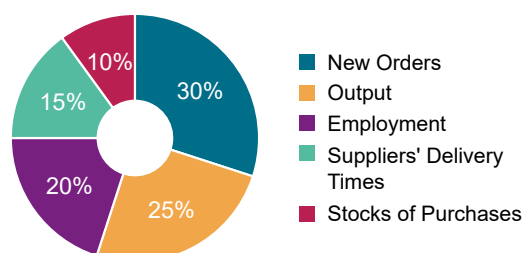
$$\% \text{ "Higher"} + (\% \text{ "No change"})/2$$

Index interpretation

50.0 = no change since previous month



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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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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We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

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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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