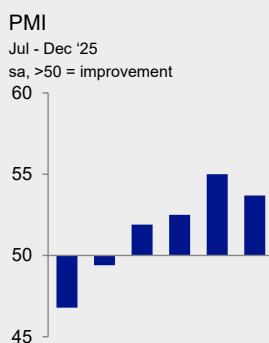


# Stanbic Bank Kenya PMI®

## Kenya finishes 2025 with another solid expansion in private sector business conditions

# 53.7

KENYA PMI  
DEC '25



Firms report marked rises in activity, sales and purchases

Strongest rate of employment growth in over six years

Inflationary pressures reaccelerate from November low

Kenya's private sector economy recorded another solid upturn in the final month of 2025, as business activity was again boosted by a robust increase in customer demand and mild cost pressures. Strong growth momentum led companies to expand their employment levels at the fastest rate since November 2019.

Kenyan firms also reported a sharp rise in purchasing activity in December, indicating greater efforts to build stocks, secure market positions and capitalise on healthy supply chains. Expectations for future output meanwhile improved, despite a quicker uptick in the rate of input price inflation.

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 stood at 53.7 in December, signalling a robust upturn in

the health of the non-oil sector. Notably, along with November's reading of 55.0, the last two monthly PMI figures are the highest recorded in four years.

Business output increased at a sharp rate as 2025 drew to an end, with firms often relating an expansion in activity to rising order book volumes. Whilst not as substantial as that recorded in November, which was the strongest in over five years, the rate of output growth during December was still historically elevated.

Kenyan firms also reported a strong increase in sales volumes in December. Anecdotal survey reports pointed to several factors enhancing growth, such as improved tourism and demand in general, greater advertising and passing on subdued cost pressures to customers via more affordable prices.

Overall, the December PMI data indicated robust efforts by Kenyan companies to build capacity, both to meet existing orders and in strong anticipation of future growth. Staffing

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



**PMI®**

by **S&P Global**

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levels increased, with the pace of expansion reaching the fastest seen since November 2019. Likewise, firms raised their input purchases, marking a third consecutive month of growth. Increased purchasing efforts coincided with a strong improvement in supply chain performance in December, as average lead times decreased to the greatest extent for more than four years. Input costs faced by Kenyan companies rose at a solid pace in December, having reaccelerated from an 18-month low in November. According to panel comments, costs typically rose due to greater tax burdens for some types of purchases, with some companies also citing higher fuel and materials prices. The overall increase in input costs was

the quickest recorded in four months, but remained much softer than the survey's long-run trend. In a similar fashion, average selling charges rose to the greatest extent since last July.

Firms' assessments towards the year ahead remained positive and even improved slightly compared to one month ago. Qualitative feedback signalled that businesses expect output to grow in 2026 because of investment and diversification plans, staffing growth, product rebrands and increased advertising.

## Comment

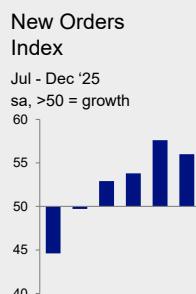
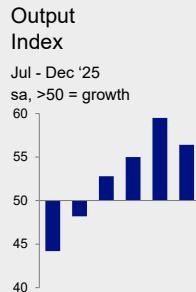
Christopher Legilisho, Economist at Standard Bank commented:

*"The Stanbic Bank Kenya Purchasing Managers Index (PMI) stayed in expansion territory, albeit slower this month, implying still strong demand conditions are driving new orders, in turn lifting output in the private sector at the end of the year. This suggests that year-end related overall output will likely turn out healthy. Notably, firms in most sectors highlighted increased employment, especially the construction sector, reflecting efforts by the authorities to stimulate activity. Furthermore, firms reportedly increased their input purchases as well as inventories to facilitate faster deliveries and maintain competitiveness in response to improving conditions."*

*"There was an increase in input prices and output prices linked to higher customer demand in December. Purchase prices increased amid lingering concerns about taxes, production costs and other factors. Wage costs increased by a small fraction but well below the historical trend. Overall, this suggests that we could see higher inflation in the coming months from improving consumer demand as firms become more confident."*



## Output and demand



### Output

Business activity across Kenya remained in expansion mode at the end of 2025. Despite falling back from November's over five-year high, the rate of increase in output was sharp overall and the second-quickest since late-2020. Firms across most monitored sectors reported substantive upturns, although there was a fresh decline among wholesale & retail companies. Where output rose, reports suggested that an increase in new order intakes was the primary cause.

### New orders

Private sector sales volumes increased for the fourth month in a row in December. The uplift was still marked, albeit slightly softer than that seen in November. Panellists highlighted a range of factors leading to higher sales, including advertisements, affordable prices, better cash flow and increased travel.

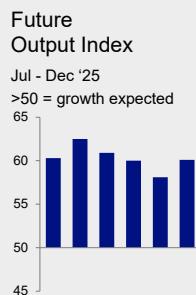
Output Index  
sa, >50 = growth since previous month



New Orders Index  
sa, >50 = growth since previous month



## Business expectations

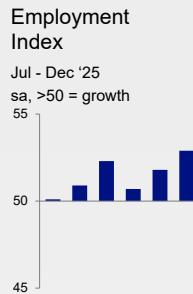


The Future Output Index ticked up to a three-month high in December, signalling a solid degree of business confidence in the year ahead outlook. Approximately a fifth of surveyed firms were hopeful for an increase in output, with mentions of business diversification plans, new marketing avenues, improved skills bases, product rebrands and investment growth buoying expectations. The latest data extended a trend of robust confidence throughout the second half of 2025 that has been much stronger than seen earlier in the year and in late-2024.

Future Output Index  
>50 = growth expected over next 12 months

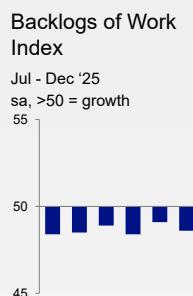


## Employment and capacity



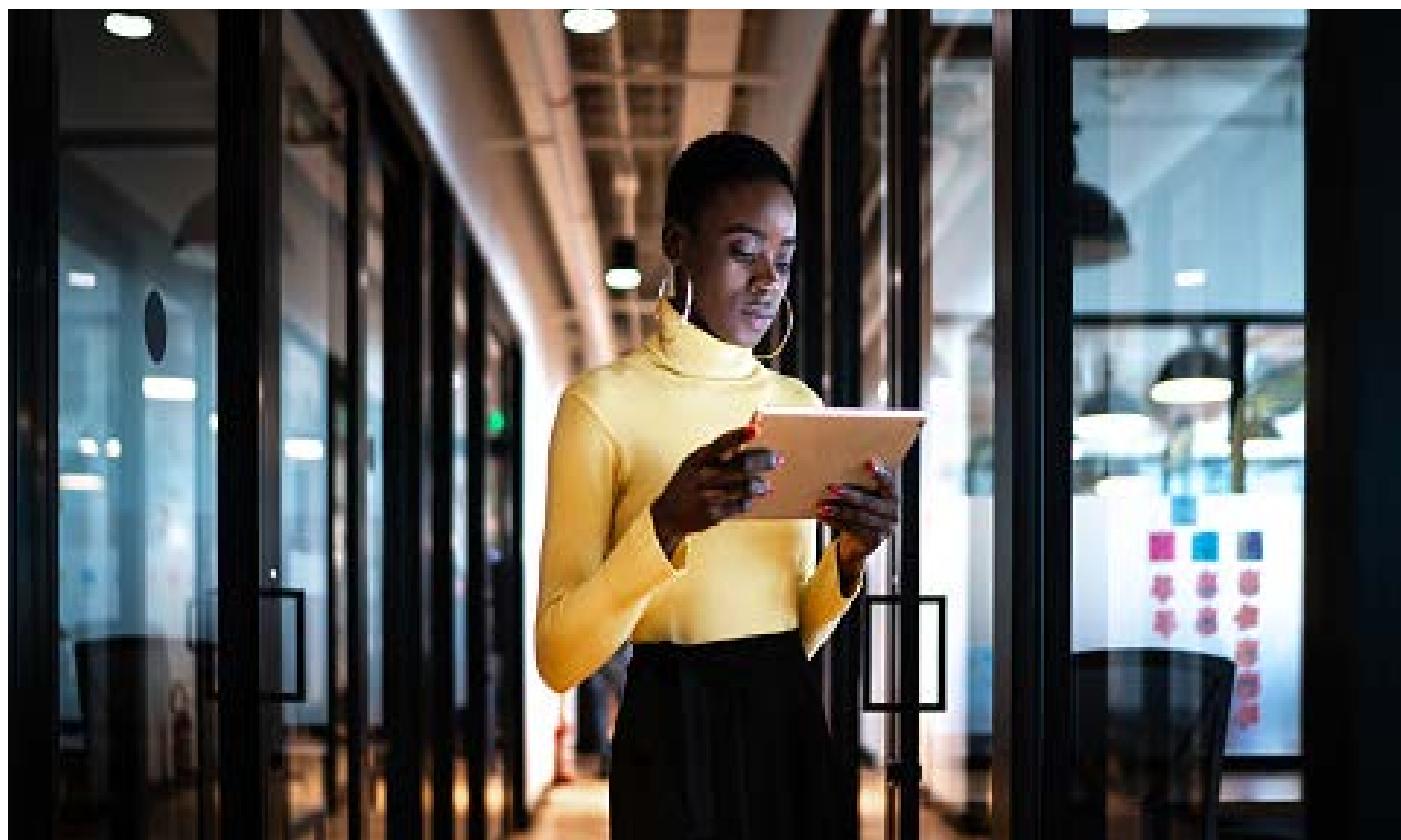
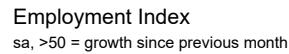
### Employment

Amid sharply increasing new business, firms in Kenya added to their workforces at a historically strong pace in December. In fact, when adjusted for seasonal variation, the Employment Index rose to its highest point in just over six years. Job creation was widespread across sectors, but easily the most pronounced in construction.



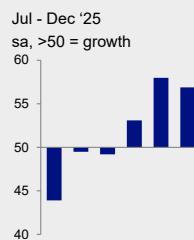
### Backlogs of work

An additional rise in staff capacity enabled Kenyan businesses to reduce their outstanding business further at the end of the year. The level of work-in-hand fell modestly, with the rate of depletion quickening slightly from November. Backlogs of work have now decreased for seven straight months, marking the longest sequence of decline in the survey data for over 11 years.



## Purchasing and inventories

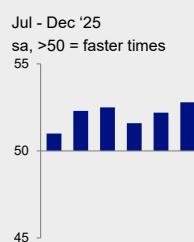
Quantity of Purchases Index



### Quantity of purchases

December survey data revealed another sharp increase in the volume of inputs bought by private sector companies in Kenya. The monthly expansion was the third in a row and, similar to the trends observed in output and new orders, the second-fastest in over five years. Survey panellists tended to strengthen their purchases because of higher demand volumes.

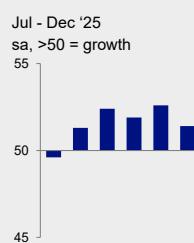
Suppliers' Delivery Times Index



### Suppliers' delivery times

There was a notable improvement in supplier delivery times at the end of the year. After adjusting for seasonal factors, the respective index climbed to its highest level since September 2021, indicating a solid decrease in the time taken for inputs to arrive at Kenyan businesses. Anecdotal reports highlighted a competitive environment among vendors that often made them eager to deliver items quicker to win business.

Stocks of Purchases Index



### Stocks of purchases

Stocks of purchases increased in December for the fifth month in a row. However, the rate of growth lost momentum from November and was modest. Although many firms reportedly expanded their inventories to meet higher demand and avoid shortages, there were some mentions of businesses holding less to avoid retaining dead stocks.

Quantity of Purchases Index  
sa, >50 = growth since previous month

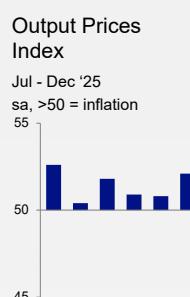
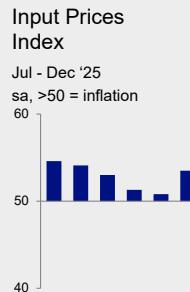
Suppliers' Delivery Times Index



Stocks of Purchases Index



# Prices



## Input prices

Kenyan businesses reported a solid increase in their input prices in December, marking an acceleration in cost pressures from the 18-month low recorded in November. Input prices tended to rise due to an uplift in purchase costs, as wage inflation remained relatively mild. That said, despite quickening, the overall rate of input price inflation was noticeably softer than the series' long-run trend.

**Input Prices Index**  
sa, >50 = inflation since previous month



## Purchase prices

Purchase prices rose at the quickest rate for three months during December. Survey panellists mainly attributed this to rising tax burdens, although some commented on higher production and fuel costs, and supplier price hikes linked to rising demand. Purchase prices rose in most sectors, the exception being agriculture where a slight drop was observed.

**Purchase Prices Index**  
sa, >50 = inflation since previous month



## Staff costs

Latest survey data signalled only a fractional increase in staff pay over the course of December. Nearly all monitored companies reported no change in their wage costs during the month. Where an increase was noted, firms linked this to higher living costs.

**Staff Costs Index**  
sa, >50 = inflation since previous month



## Output prices

Firms in Kenya increased their output prices at the end of the year. Whilst modest in general, the rate of increase accelerated to a five-month high, although sector data signalled that this was mainly down to higher charges at manufacturers. Prices also rose in the services and construction sectors, but declined elsewhere. Qualitative evidence signalled that a boost in demand had often encouraged firms to raise their prices.

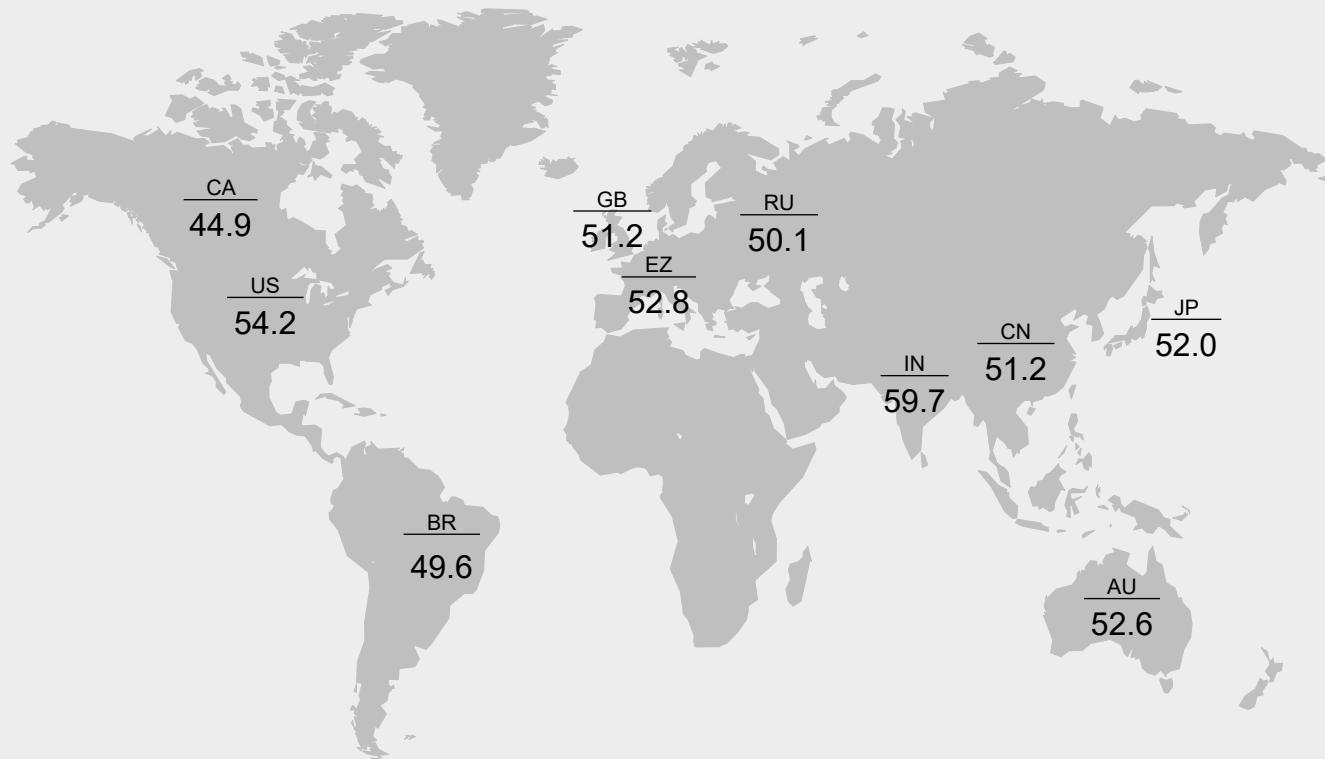
**Output Prices Index**  
sa, >50 = inflation since previous month



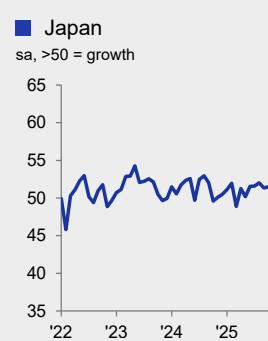
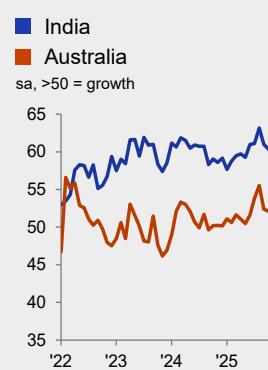
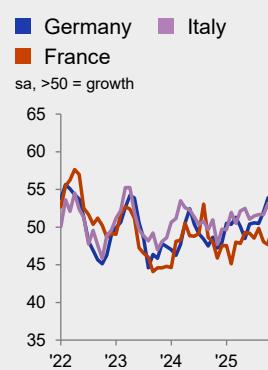
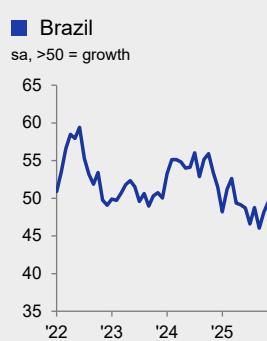
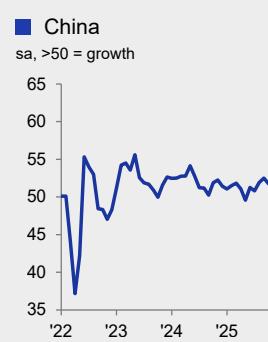
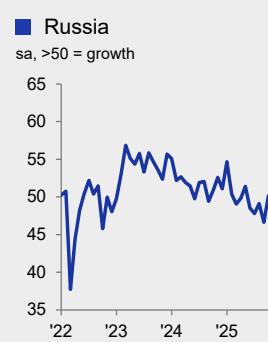
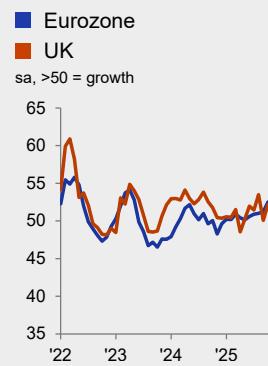
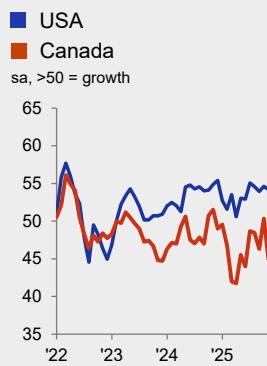
## International PMI

Composite Output Index, Nov '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



## 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](mailto:economics@spglobal.com).

## Survey dates

Data were collected 4-19 December 2025.

### Survey questions Private sector

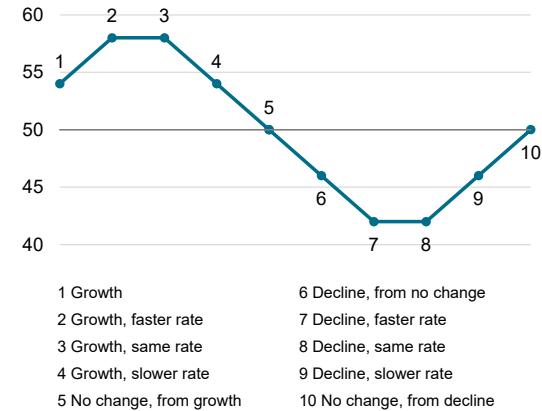
Output	Suppliers' Delivery Times
New Orders	Stocks Of Purchases
New Export Orders	Input Prices
Future Output	Purchase Prices
Employment	Staff Costs
Backlogs Of Work	Output Prices
Quantity Of Purchases	

### Index calculation

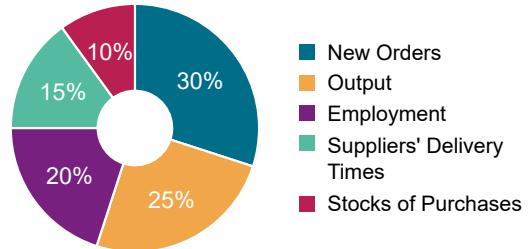
$$\% \text{ "Higher" } + (\% \text{ "No change"})/2$$

### 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
- B Mining and Quarrying
- C Manufacturing
- F Construction
- G Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
- H Transportation and Storage
- I Accommodation and Food Service Activities
- J Information and Communication

- K Financial and Insurance Activities
- M Professional, Scientific and Technical Activities
- N Administrative and Support Service Activities
- P Education\*
- Q Human Health and Social Work Activities\*
- R Arts, Entertainment and Recreation
- S Other Service Activities

\*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).

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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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