

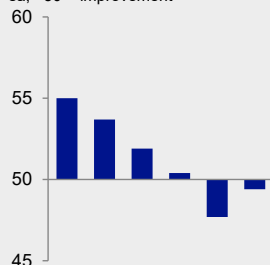
Stanbic Bank Kenya PMI®

Business conditions continue to soften as price pressures soar

49.4

KENYA PMI
APR '26

PMI
Nov '25 - Apr '26
sa, >50 = improvement



Output and new orders contract for second month running

Input prices rise at fastest pace since December 2023

Stock building returns amid supply concerns

Businesses in Kenya suffered a further decline in operating conditions in April, as increasing fuel prices lifted average cost burdens and dampened customer demand. Business activity subsequently contracted, although input inventories began to rise amid efforts by some firms to build safety stocks. Confidence also softened, although survey respondents remained broadly positive about the outlook.

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 49.4 in April, up from 47.7 in March, but remained below the 50.0 neutral threshold for the second month running. While declines in output and new business kept the index in contraction territory, the respective rates of decrease softened from March, whilst there was a renewed uplift in stocks of purchases.

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



Lower levels of new business were often associated with a tapering of customer spending due to rising prices, which was mostly driven by increased fuel costs linked to the conflict in the Middle East. That said, the overall rate of decline in sales eased markedly from March and was only marginal, as some companies reportedly benefitted from greater client interest, product innovations and marketing initiatives.

In response, firms in Kenya reduced their output to a lesser extent compared to the previous month. Higher costs and broader economic instabilities constrained activity, but the softer fall in new orders alleviated some of these pressures.

Meanwhile, April survey data signalled a rapid intensification of input cost pressures across the Kenyan private sector. The overall rate of cost inflation soared to its highest level since December 2023, with around 18% of survey respondents reporting a month-on-month rise in expenses. This was chiefly attributed to increasing fuel prices, while some firms also commented

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- Business expectations
- Employment and capacity
- Purchasing and inventories
- Prices
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on higher delivery charges and material shortages.

Elevated costs were typically passed on to clients through increased output charges, with the overall pace of inflation also climbing to its highest since late-2023. The markup contrasted with a relatively subdued increase in March as attempts to absorb the impact of the conflict on margins waned.

Purchasing activity continued to increase in April, but the latest expansion was modest and the softest in the current seven-month run of growth. Nevertheless, after falling in March, inventory levels rose to the greatest extent in 2026 so far. Anecdotal evidence indicated that some companies feared

an increase in shortages and further price rises, resulting in greater efforts to build input reserves.

After a sharp drop in March, Kenyan firms signalled a more stable level of backlogs in April. Staff numbers meanwhile increased for the fifteenth consecutive month, with survey members often citing casual hires to support ongoing projects and business expansion efforts.

Finally, business confidence slipped for the third month in a row, but remained positive overall, with approximately 18% of panellists forecasting an expansion in output over the next 12 months. Firms looked to development plans, diversification efforts and marketing spending as drivers of optimism.

Comment

Christopher Legilisho, Economist at Standard Bank commented:

“The Stanbic Kenya PMI signalled a contraction in operating conditions for a second month in April due to firms’ apprehension about the Middle East war’s impact on domestic activity. Concerns about rising costs, tied to higher transport costs, and the ability to secure supplies, especially from the Middle East and Asia, weighed on output and new orders in sectors such as wholesale and retail trade, agriculture, and services. Further, confidence about future business expectations was down m/m, although some firms remain optimistic about their expansion plans and the increased diversification of products and services.”

“Employment conditions remained robust in April, with firms mostly hiring temporary workers. Inventory levels recovered notably as firms stocked up ahead of inevitable price increases. Quantities purchased recovered following a dip in March and supplier delivery times improved albeit at a moderate pace in April due to new and ongoing customer projects. However, there are still concerns about subdued demand.”

“As expected, prices rose sharply; input and output prices increased due to higher fuel prices and shipping charges because of the conflict in the Middle East. However, wage costs rose only marginally.”



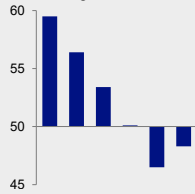
PMI®

by **S&P Global**

Output and demand

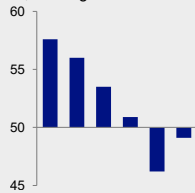
Output Index

Nov '25 - Apr '26
sa, >50 = growth



New Orders Index

Nov '25 - Apr '26
sa, >50 = growth



Output

Output levels across Kenya's private sector economy decreased for the second consecutive month in April. Following March's solid downturn, the latest contraction in activity was modest overall, with the decline led by wholesale & retail, agriculture and service sector companies. Anecdotal evidence indicated that economic instability and higher business costs often restrained business activity.

New orders

Kenyan businesses reported a further decline in order book volumes during April, although the pace of contraction eased markedly since the end of the first quarter. Survey respondents widely attributed the fall to rising prices and subdued demand, with many panellists linking these pressures in part to the conflict in the Middle East. That said, a number of firms reported new orders rising, supported by effective marketing, product innovation and business expansion.

Output Index

sa, >50 = growth since previous month



New Orders Index

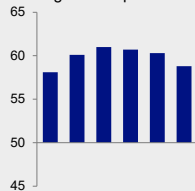
sa, >50 = growth since previous month



Business expectations

Future Output Index

Nov '25 - Apr '26
>50 = growth expected



Kenyan firms reported a slight weakening in output expectations during April, the third successive month where confidence has dipped. Approximately 18% of the survey panel expressed optimism that output would improve over the year ahead. These firms cited a range of factors shaping expectations, including business expansion plans, the diversification of products and services, marketing investments and capacity buildouts.

Future Output Index

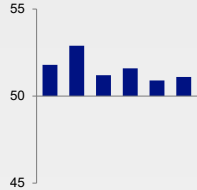
>50 = growth expected over next 12 months



Employment and capacity

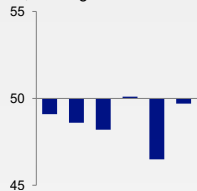
Employment Index

Nov '25 - Apr '26
sa, >50 = growth



Backlogs of Work Index

Nov '25 - Apr '26
sa, >50 = growth



Employment

Employment growth was sustained in April, despite a decrease in new work requirements. The rate of job creation ticked up from March and remained close to the survey's long-run average. Monitored companies often reported hiring casual workers to support current projects and growth plans.

Employment Index

sa, >50 = growth since previous month

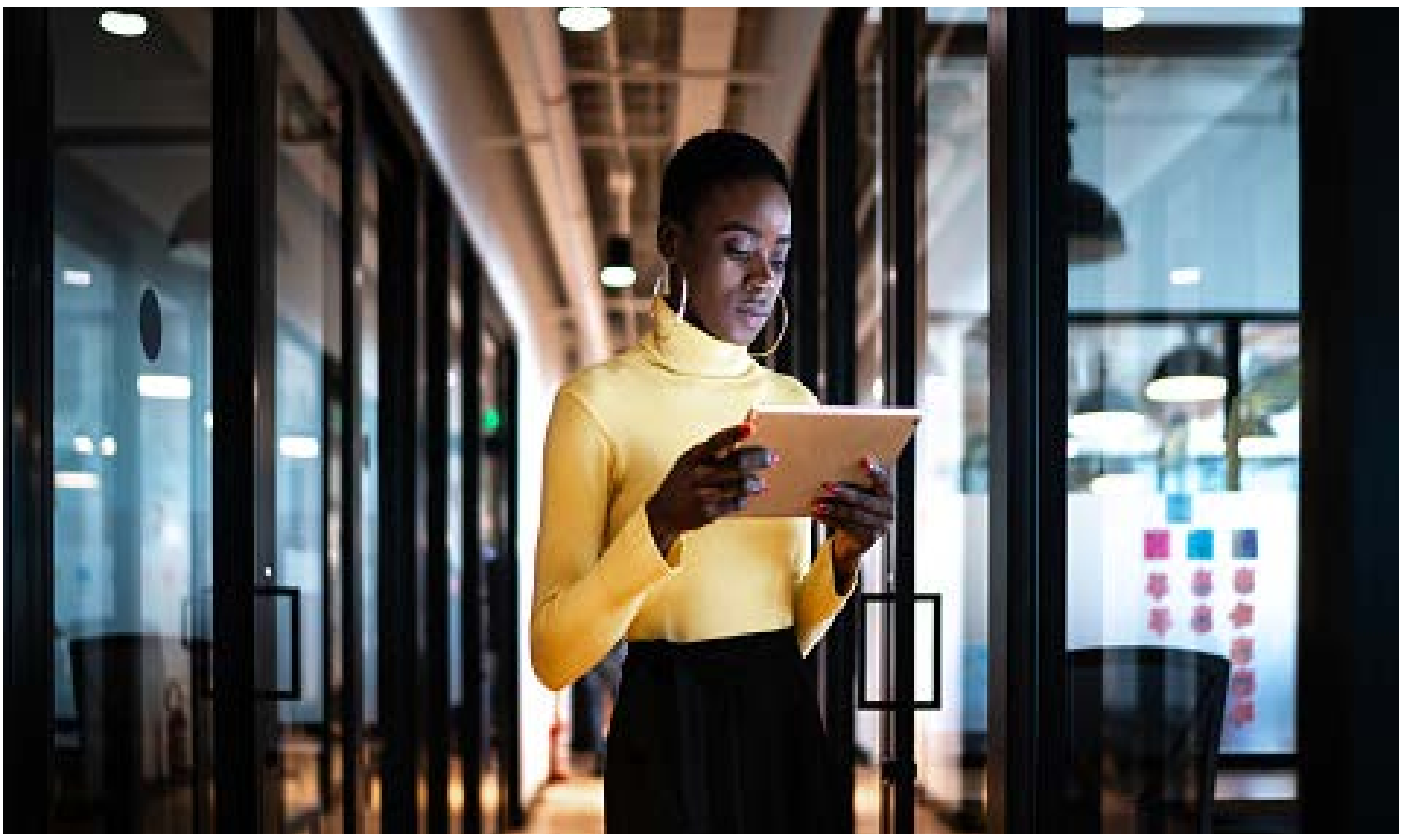


Backlogs of work

The level of work-in-hand at Kenyan businesses decreased in April, but the rate of decline was fractional and considerably slower than the near six-year record contraction observed in March. A large majority of survey respondents (93%) recorded no change in their backlogs of work on the month.

Backlogs of Work Index

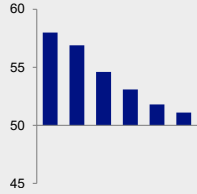
sa, >50 = growth since previous month



Purchasing and inventories

Quantity of Purchases Index

Nov '25 - Apr '26
sa, >50 = growth

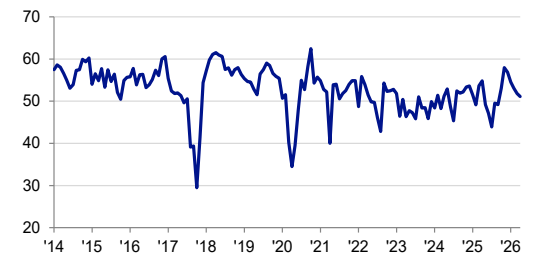


Quantity of purchases

Purchasing activity increased during April, extending the current sequence of growth to seven months. However, the rate of expansion slowed and was the least marked in the aforementioned period. Survey respondents reported procurement growth to support new customers, ongoing projects and anticipated demand rises, although this was tempered by weak sales, rising input costs and financial constraints.

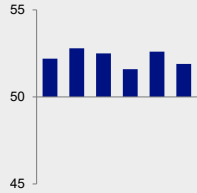
Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index

Nov '25 - Apr '26
sa, >50 = faster times



Suppliers' delivery times

Supply chains in Kenya remained healthy in April, with firms experiencing a decrease in average delivery times for the fifteenth month in succession. The rate of improvement moderated from March but was broadly aligned with the trend seen over this period. Some companies noted that suppliers were able to deliver items quicker due to softening demand pressures.

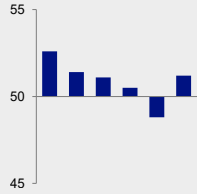
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index

Nov '25 - Apr '26
sa, >50 = growth



Stocks of purchases

Input stocks recovered at the start of the second quarter, following a decrease for the first time in eight months in March. The overall expansion was modest, but represented the fastest recorded in the year-to-date. Anecdotal evidence indicated that firms had escalated stocking efforts in anticipation of price rises and potential shortages.

Stocks of Purchases Index

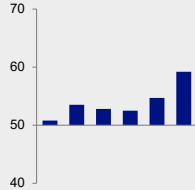
sa, >50 = growth since previous month



Prices

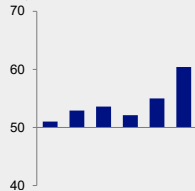
Input Prices Index

Nov '25 - Apr '26
sa, >50 = inflation



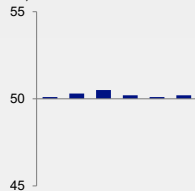
Purchase Prices Index

Nov '25 - Apr '26
sa, >50 = inflation



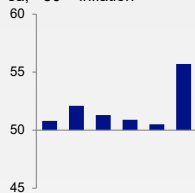
Staff Costs Index

Nov '25 - Apr '26
sa, >50 = inflation



Output Prices Index

Nov '25 - Apr '26
sa, >50 = inflation



Input prices

Kenyan companies signalled a rapid acceleration of input price pressures as the second quarter began, with the respective seasonally adjusted index rising to its highest level since December 2023. Over 18% of respondents reported an increase in their input costs during the month, compared to 1% where a decline was observed. The acceleration was broad-based by sector, with panellists typically highlighting rising fuel prices as a key driver.

Purchase prices

A steeper increase in purchase prices was recorded in April, marking an uptick in inflation for the second month running. The month-on-month rise in the seasonally adjusted index represented one of the largest seen on record, with the overall uplift in prices the quickest for 28 months. Firms mostly attributed higher purchase prices to elevated fuel costs, increased shipping charges and rising charges for items in short supply.

Staff costs

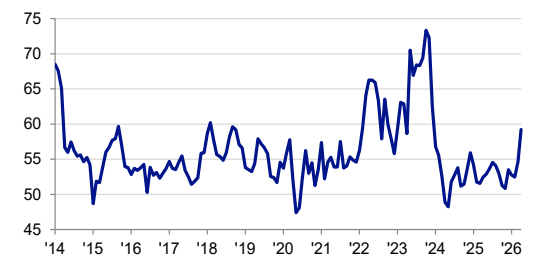
Staff costs edged only fractionally higher from March, remaining largely unchanged over the latest survey period. This correlated with the recent trend of subdued wage inflation in the private sector economy.

Output prices

After opting to keep price hikes down in March, Kenyan businesses made sharp upward adjustments to their selling charges in April. Moreover, the rate of increase was the fastest recorded in almost two-and-a-half years. Survey members attributed higher charges to an increase in input costs.

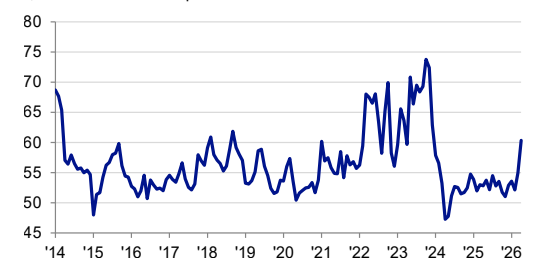
Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

sa, >50 = inflation since previous month



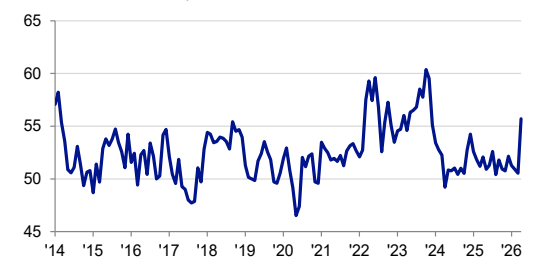
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

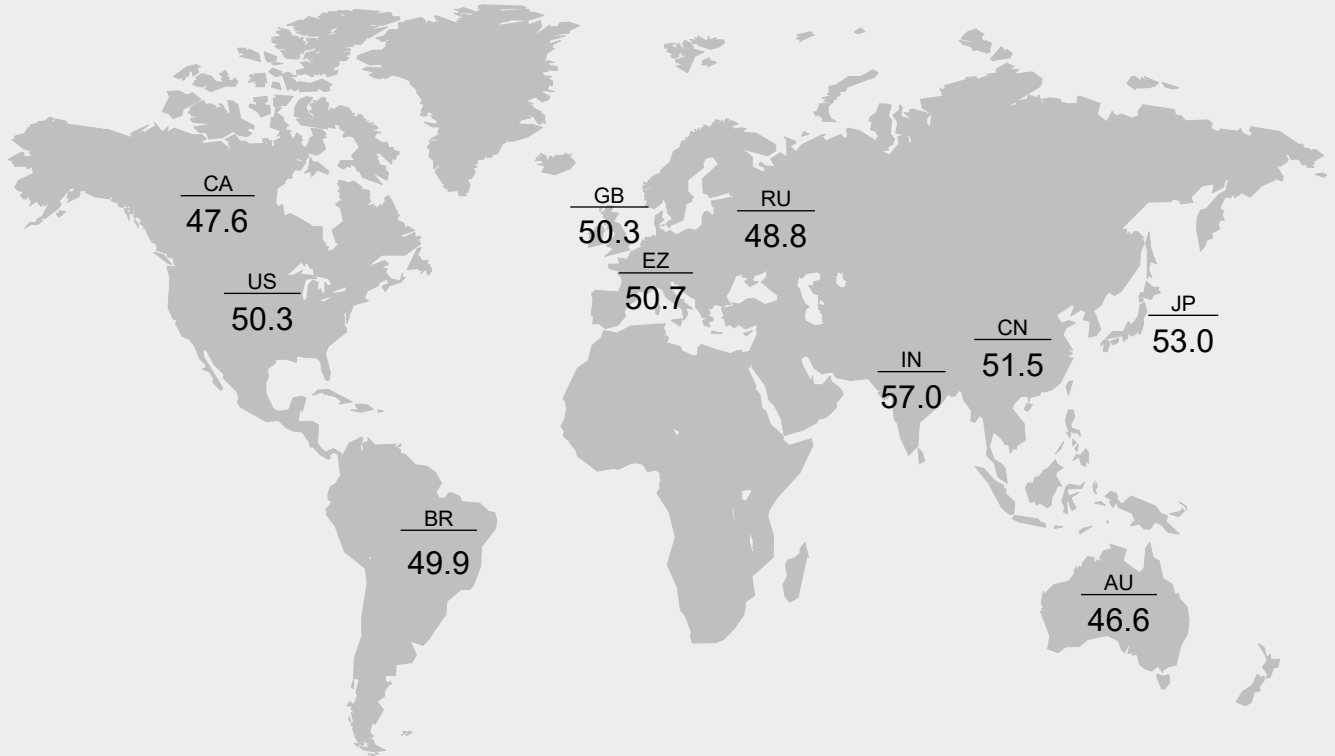
sa, >50 = inflation since previous month



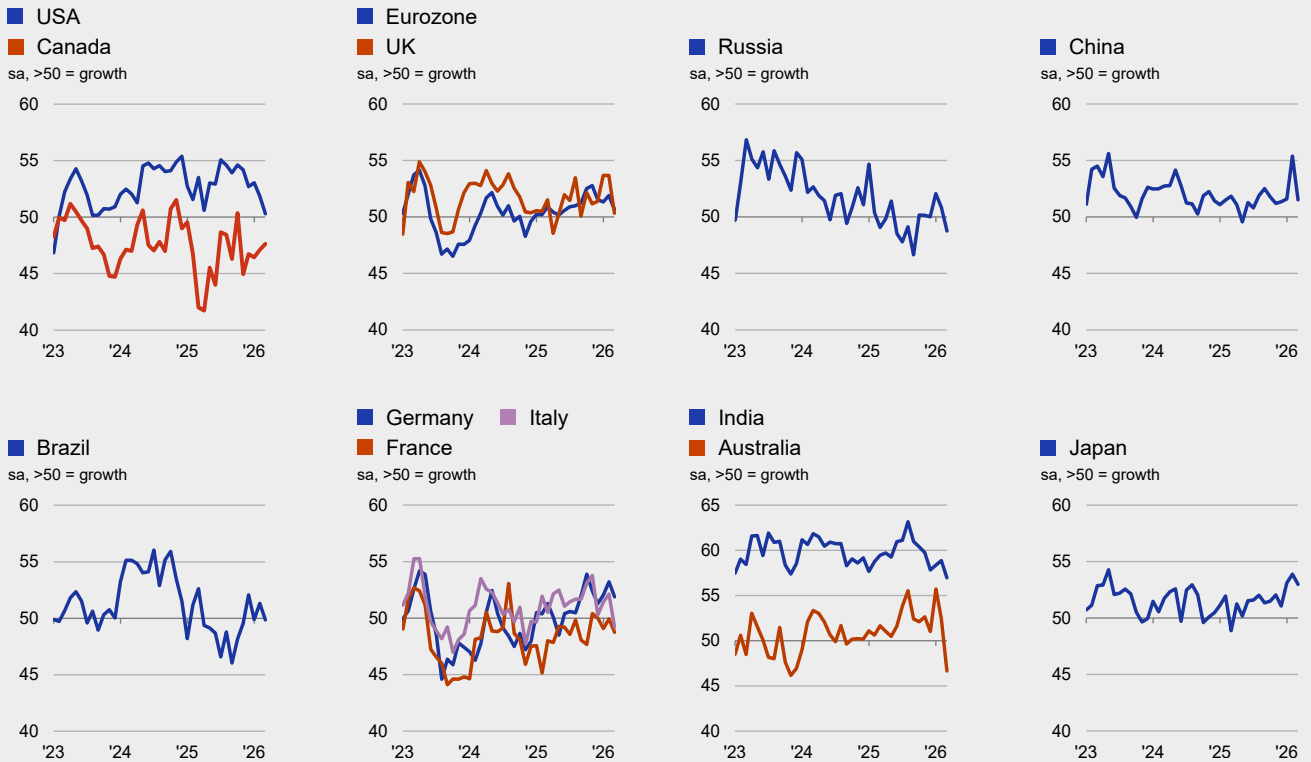
International PMI

Composite Output Index, Mar '26
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.

Survey dates

Data were collected 9-28 April 2026.

Survey questions

Private sector

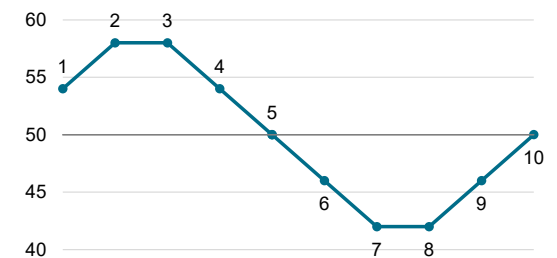
Output	Suppliers' Delivery Times
New Orders	Stocks Of Purchases
New Export Orders	Input Prices
Future Output	Purchase Prices
Employment	Staff Costs
Backlogs Of Work	Output Prices
Quantity Of Purchases	

Index calculation

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

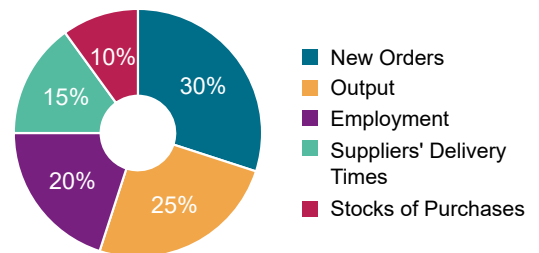
Index interpretation

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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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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