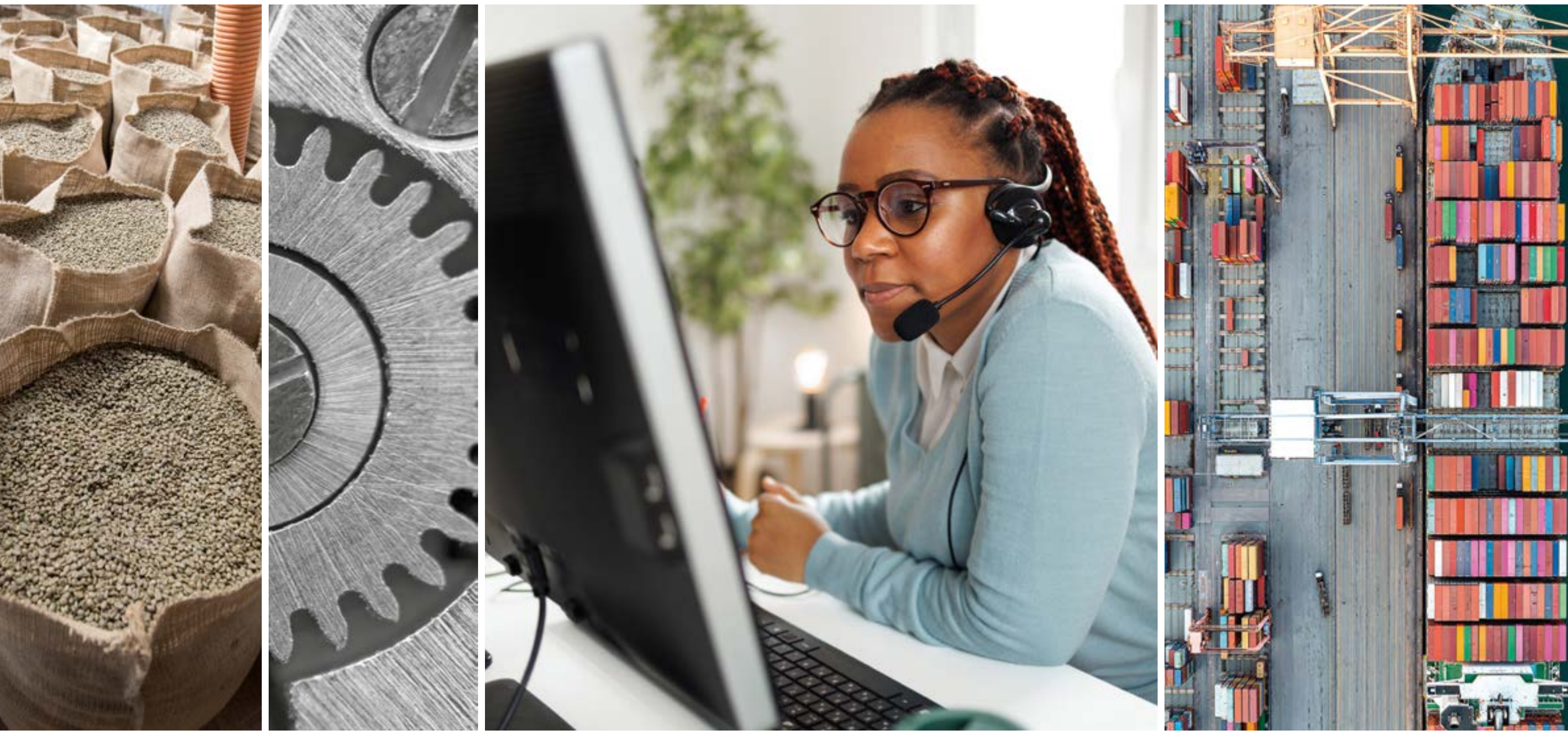
5 August 2026

Stanbic Bank Kenya PMI®

Kenya's private sector grows in July amid uplift in sales



Stanbic Bank
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PMI®
by S&P Global

5 August 2026

Stanbic Bank Kenya PMI®

Contents

About the report

The Stanbic Bank Kenya PMI® provides a timely snapshot of economic performance. The report tracks monthly changes in output, demand, employment, prices and supply chains, compiled from survey responses from a representative panel of private sector companies.

Key findings

July 2026

Employment rises at fastest pace in 2026 so far

Solid new order growth contrasts with decline in output

Cost pressures remain elevated, but selling price inflation cools

Stanbic Bank Kenya PMI
July 2026

51.3

The PMI varies between 0 and 100 and is seasonally adjusted. A reading above 50 indicates an increase compared to the previous month, and below 50 a decrease. The PMI is a weighted average of five-indices tracking new orders, output, employment, suppliers' delivery times and stocks of purchases. For more information on methodology, click here.

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Kenya's private sector grows in July amid uplift in sales

Kenya's private sector returned to growth in July, marking a turning point after four months of stagnation or decline. The expansion was underpinned by the strongest increase in new orders since January, as businesses successfully attracted customers through referrals and marketing.

Positive momentum was nonetheless tempered by persistent operational challenges, including a contraction in output, supply chain disruptions, and elevated cost pressures. Despite this, Kenyan firms demonstrated greater confidence in their prospects, with employment expanding at the fastest pace so far this year, while overall business optimism surged to its highest since February 2023.

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 deterioration.

For the first time since February, the Kenya PMI registered in expansion territory, increasing from 50.0 in June to 51.3 in July. The reading signalled a moderate improvement in the private sector's performance after several months of challenging conditions.

The survey revealed a notable divergence between demand and output. New work inflows expanded solidly and for the second consecutive month following a three-month decline, with growth accelerating to its quickest pace since January. Greater customer receipts were often attributed to client referrals, marketing efforts and new products and services.

However, output contracted for the fifth straight month, albeit at the slowest rate in this sequence. This mismatch partly reflected ongoing challenges with elevated inflationary pressures and their knock-on effects on liquidity, which prevented firms from fully capitalizing on stronger demand conditions.

The labour market showed encouraging signs in July, with private sector employment rising solidly. This was done predominantly through short-term hiring to address mounting workloads. Backlogs of work accumulated for the second successive month, albeit at a softer pace than June. The buildup of unfulfilled orders was attributed both to the output-demand mismatch and delays in receiving imported components.

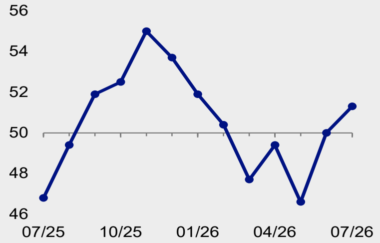
Overall input cost inflation remained elevated in July, cooling only marginally from June's 31-month peak. Approximately 37% of companies reported higher operating expenses, driven primarily by surging transportation costs, elevated fuel prices and material shortages stemming from the Middle East conflict. However, selling price inflation moderated from June's record high to its slowest pace since April, as only 15% of firms raised their charges, reflecting concerns about maintaining profit margins in a price-sensitive market.

Meanwhile, Kenyan businesses saw a decline in supplier performance for the second straight month, with delivery times lengthening slightly due to input shortages and rising costs. This prompted mixed inventory and purchasing strategies. Some firms increased stocks to buffer against shortages and meet stronger demand, while others reduced holdings to preserve capital and cut costs. Similarly, input buying was broadly unchanged as firms balanced cost considerations with greater new order intakes.

Future expectations brightened in July, with overall sentiment rising to its highest in just under three-and-a-half years. Positivity towards future output was supported by uplifted demand projections, business diversification plans, innovation, and supply chain optimisation efforts.

Stanbic Bank Kenya PMI

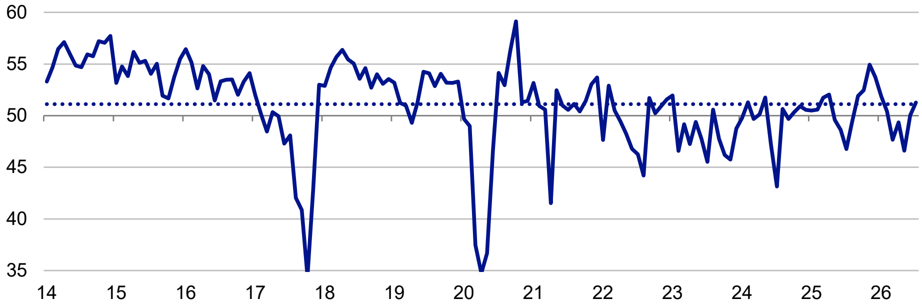
Index, sa, >50 = improvement m/m



Data were collected 9-29 July 2026.
Sources: Stanbic Bank, S&P Global PMI. ©2026 S&P Global.

Comment

Stanbic Bank Kenya PMI
Index, sa, >50 = improvement m/m. Dots = long-run average.



Sources: Stanbic Bank, S&P Global PMI. ©2026 S&P Global.

Contact

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Economist
Standard Bank
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Commenting on the survey findings, Christopher Legilisho, Economist at Stanbic Bank said:

"Kenya's PMI increased in July as conditions in the private sector improved. The headline gain was mainly driven by stronger new orders and modest short-term hiring, implying that firms are responding to pockets of demand and near-term workload pressures. However, output stayed subdued as elevated inflation, higher input costs and tight cash flows constrained production.

"At the same time, rising backlogs point to supply-side frictions, with delayed import deliveries limiting firms' ability to convert new orders into actual output. Stocks purchased and inventories were broadly stable, implying that firms took divergent approaches to increasing orders: some drew down existing stocks, while others rebuilt inventories in anticipation of firmer demand.

"Output price inflation softened, even as input cost pressures remained elevated, implying that some firms absorbed costs to protect demand, while others remained focused on preserving margins.

"The July PMI suggests that demand is beginning to recover but cost pressures and logistics bottlenecks are still constraining activity."

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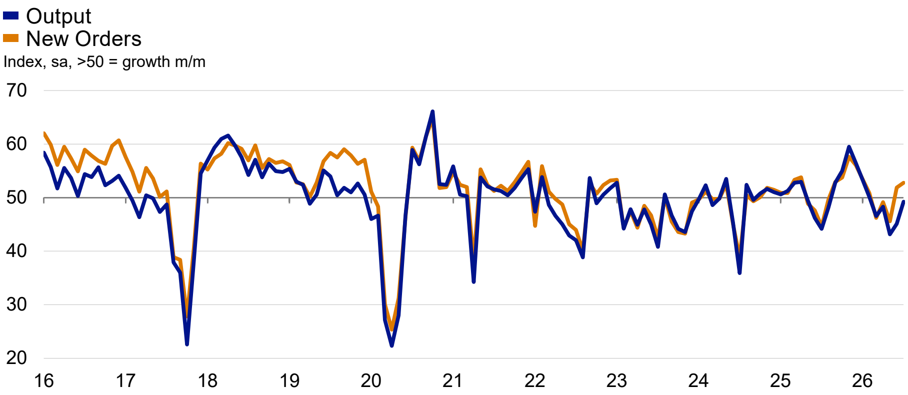
Output and demand



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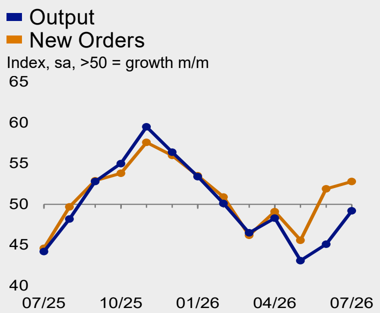


Sources: Stanbic Bank, S&P Global PMI. ©2026 S&P Global.

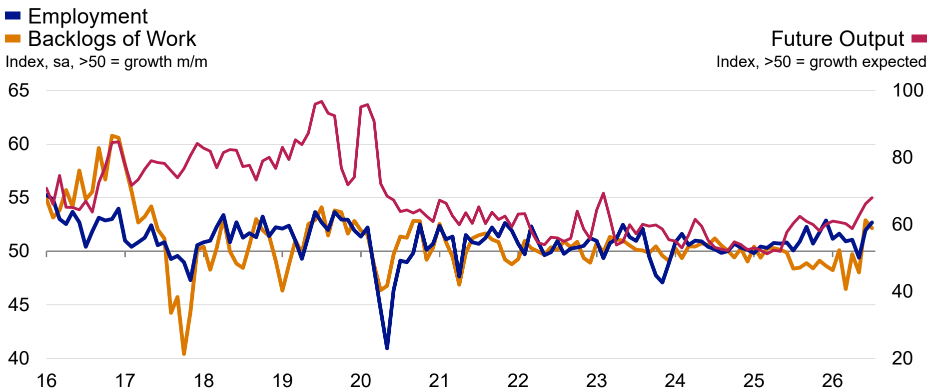
Order books continued to rise in July, leading to a slower contraction in business activity.

Kenyan businesses reported higher inflows of new work for the second consecutive month in July, following a three-month spell of decline. Furthermore, the rate of expansion was solid and the quickest since January.

Surveyed firms often commented on higher customer numbers gained through referrals and targeted marketing. These positive reports outweighed mentions of limited cash flow and cautious client spending.

There was nevertheless a further mismatch between new orders and output, as the latter decreased for the fifth month in a row. Some panellists signalled that elevated inflationary pressures and reduced liquidity curbed activity. That said, the rate of output contraction slowed for the second month running and was the softest seen in the ongoing sequence.

Employment and outlook



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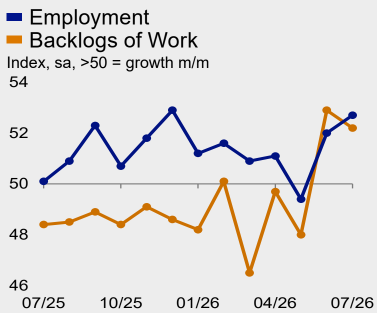

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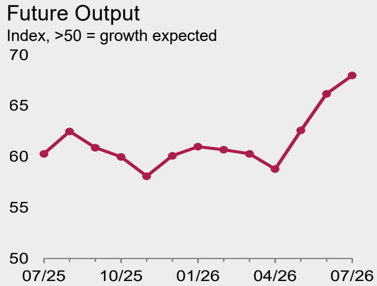

Sources: Stanbic Bank, S&P Global PMI. ©2026 S&P Global.

Kenyan businesses grew more optimistic and expanded their workforces during July.

On employment, private sector firms reported a solid increase that was the strongest recorded in 2026 to date. All surveyed sectors posted a rise, with qualitative data widely pointing to the hiring of short-term staff to help with rising workloads.

The volume of unfulfilled work at domestic businesses grew for the second successive month in July, in line with the continued discrepancy between output and new orders. Also, several panellists mentioned that delays in the delivery of imported parts led to operational pauses. The rise in backlogs was historically marked, albeit less so than in the previous month.

Year-ahead expectations rose for the third month in succession in July, with approximately 36% of monitored firms anticipating output to increase. Overall sentiment was strongly positive and the highest recorded in nearly three-and-a-half years. Business diversification, digital investment, supplier changes and client engagement activities were among the items discussed by panellists as predicted drivers of growth.

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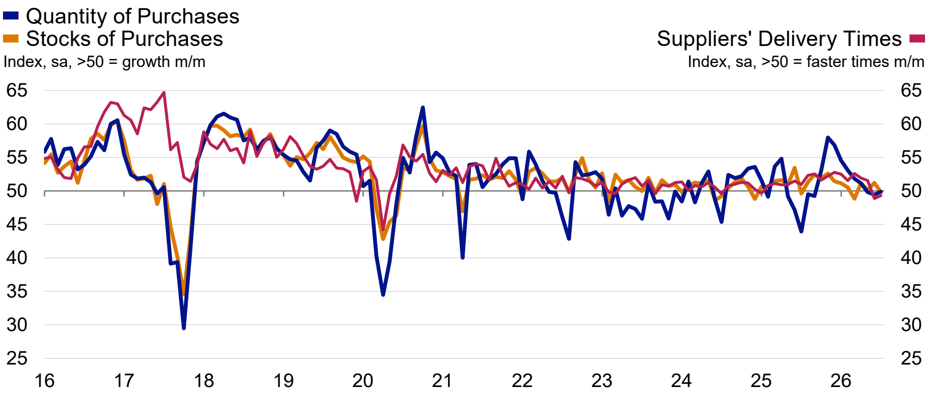
Supply chains



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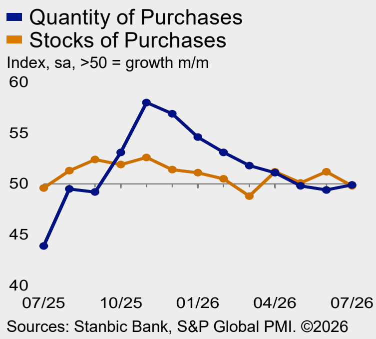

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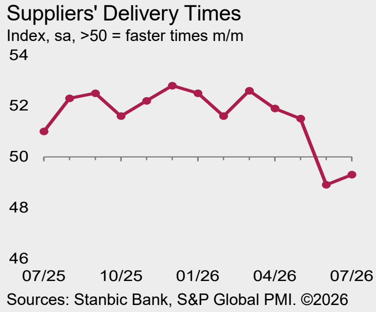

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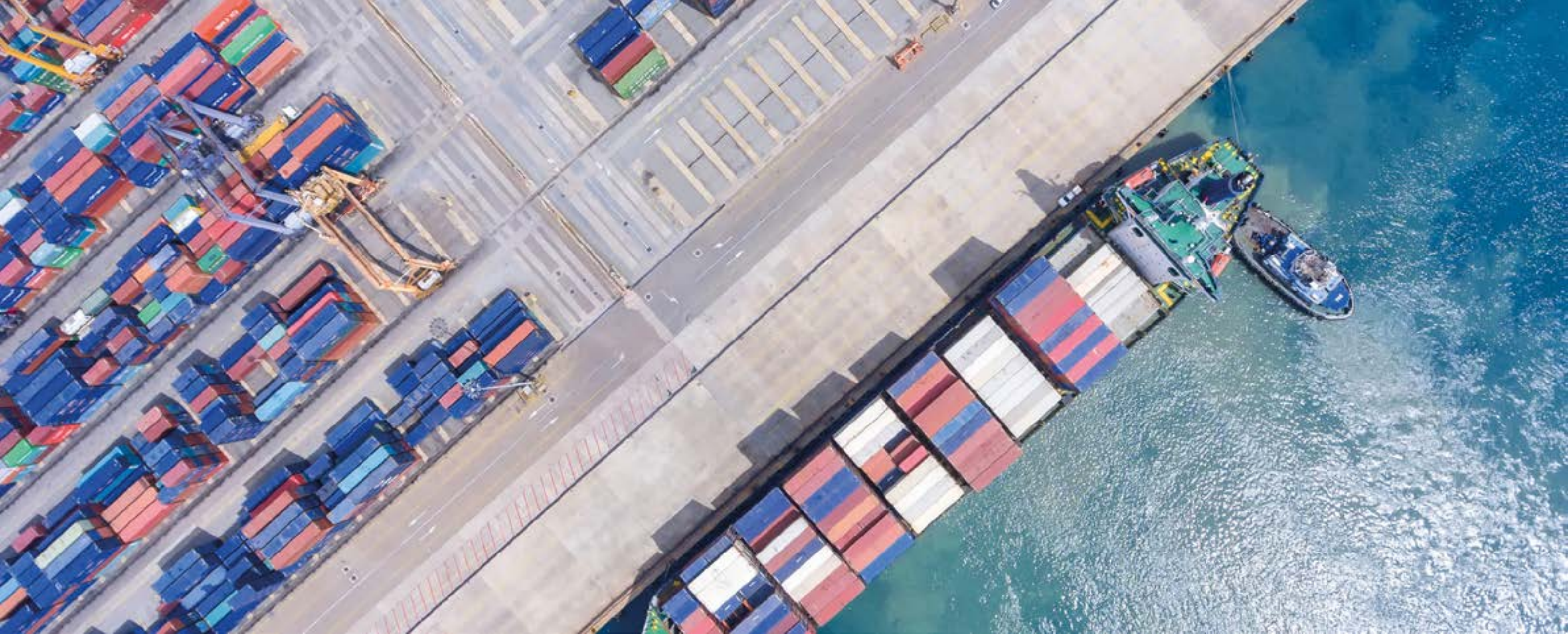
Supplier delays extended into July amid ongoing shortages.

A deterioration in vendor performance was observed for the second month in succession as the third quarter of 2026 began. Domestic firms reported longer delivery times, albeit only slightly and to a lesser extent than in June.

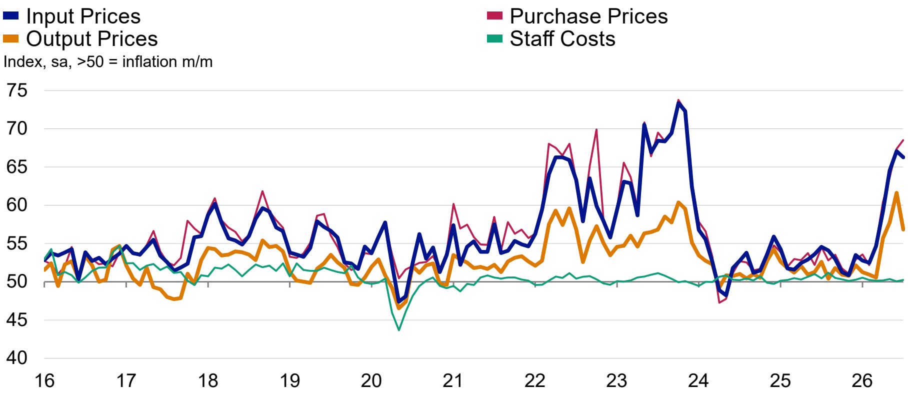
Where delays were recorded, panellists often related this to a shortfall of input availability, as well as rising transportation costs. This was partly countered by reports of vendors sending items quickly to retain clients.

With delays continuing, input demand across the Kenyan private sector was relatively subdued. The seasonally adjusted Quantity of Purchases Index posted roughly on par with the neutral 50.0 mark, following slight reductions in purchases in both May and June.

Responses to the Stocks of Purchases question were similarly mixed. While many businesses decided to raise stocks because of stronger customer demand and concerns over input shortages, others drew down their holdings to cut costs and avoid tying up capital. Consequently, the respective seasonally adjusted index was closely aligned with the 50.0 neutral threshold.



Prices



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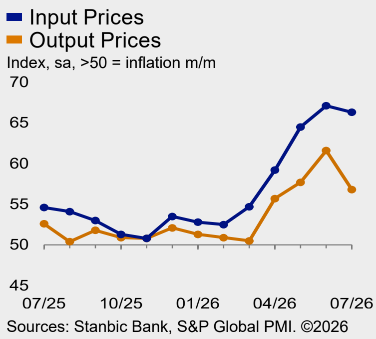

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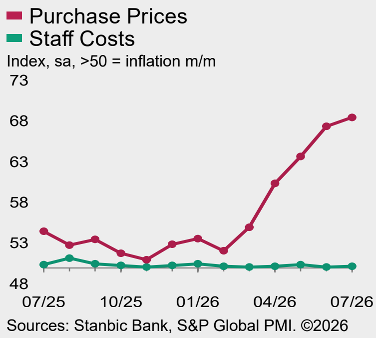

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Selling price inflation eased back from its record high, despite another steep rise in input costs.

Private sector firms reported a considerable uplift in total operating costs during July, with the rate of inflation cooling only slightly from June's 31-month peak. In total, 37% of monitored companies saw input prices increase over the month, whereas less than 1% posted a fall.

The rate of purchase price inflation edged higher in July, marking a substantial increase in prices paid for inputs at Kenyan companies – the greatest since November 2023. Respondents widely mentioned an uplift in transport costs driven by higher fuel prices. Material shortfalls linked to the war in the Middle East were also cited.

Kenyan firms continued to benefit from subdued salary pressures. The seasonally adjusted Staff Costs Index printed only marginally above the neutral value of 50.0.

After hitting its highest level on record in June, the pace of selling charge inflation softened markedly at the start of the third quarter. Roughly 15% of companies increased their prices, which they largely related to concerns about profit margins.

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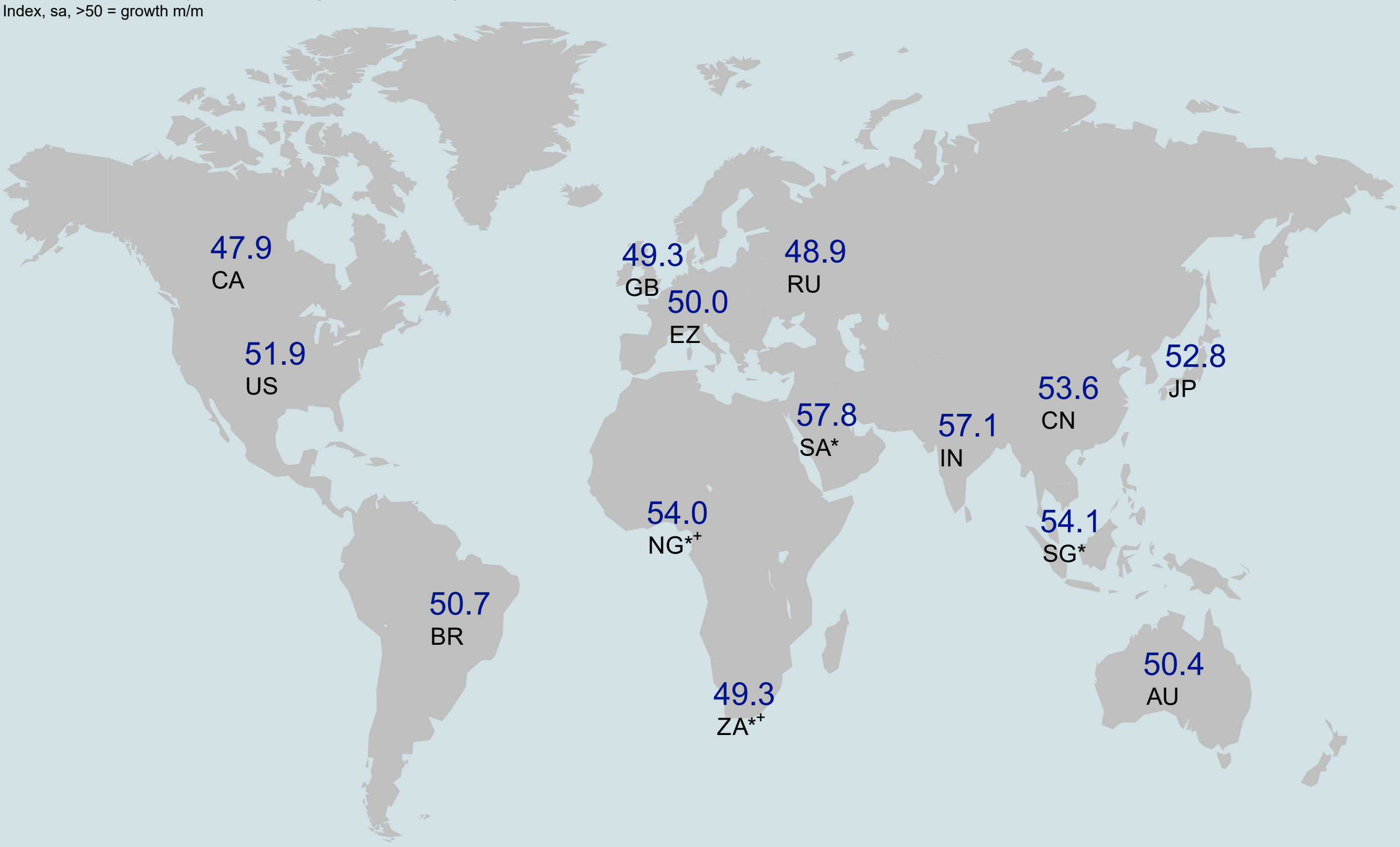
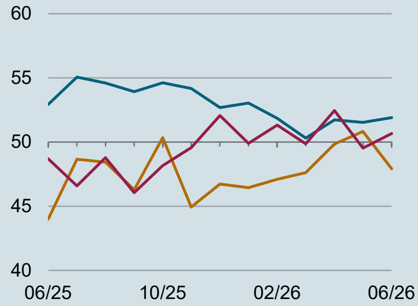
International PMI

Composite Output (manufacturing and services)
Index, sa, >50 = growth m/m

Jun '26



Americas
US CA BR
Index, sa, >50 = growth m/m



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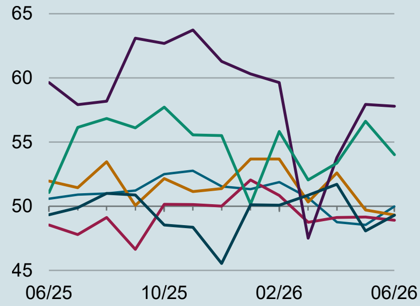
Europe, Middle East & Africa
EZ GB RU SA NG ZA
Index, sa, >50 = growth m/m



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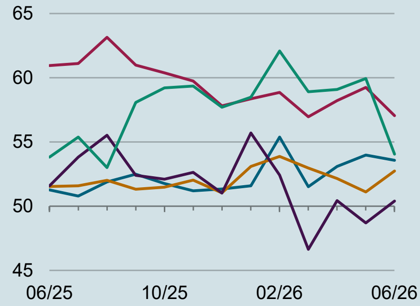
Asia-Pacific
CN JP IN AU SG
Index, sa, >50 = growth m/m



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Key

US United States
CA Canada
BR Brazil
EZ Eurozone
GB United Kingdom
RU Russia
SA Saudi Arabia*
NG Nigeria*+
ZA South Africa*+
CN Mainland China
JP Japan
IN India
AU Australia
SG Singapore*

*Sector coverage also includes construction, wholesale and retail. +Sector coverage also includes agriculture and energy.

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Advanced economies Emerging economies Jun '26
X axis = PMI Output Index, sa, >50 = growth m/m . Y = Change in Index vs. six-month average

Source: S&P Global PMI. ©2026 S&P Global.

Expansion
Regions are growing at a faster rate than the six-month trend. Regions furthest right are growing at the strongest rate, and the highest regions are seeing the greatest acceleration in growth.

Slowdown
Regions are growing at a slower rate than the six-month trend. Regions furthest right are growing at the strongest rate, and the lowest regions are seeing the greatest deceleration in growth.

Contraction
Regions are contracting at a faster rate than the six-month trend. Regions furthest left are contracting at the strongest rate, and the lowest regions are seeing the greatest acceleration in the rate of contraction.

Recovery
Regions are contracting at a slower rate than the six-month trend. Regions furthest left are contracting at the strongest rate, and the highest regions are seeing the greatest deceleration in the rate of contraction.

Key

AE United Arab Emirates*
AU Australia
BR Brazil
CA Canada
CN Mainland China
EG Egypt*
ES Spain
FR France
DE Germany
GB United Kingdom
GH Ghana*+
HK Hong Kong SAR*
IE Ireland
IN India
IT Italy
JP Japan
KE Kenya*+
KW Kuwait*
KZ Kazakhstan
LB Lebanon*
MZ Mozambique*+
NG Nigeria*+
QA Qatar*
RU Russia
SA Saudi Arabia*
SG Singapore*
UG Uganda*+
US United States
ZA South Africa*+
ZM Zambia*+

*Sector coverage also includes construction, wholesale and retail. +Sector coverage also includes agriculture and energy.

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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 sectors covered by the survey include agriculture, mining, manufacturing, construction, wholesale, retail and services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in 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 size

400 companies

Survey history

January 2014

Survey questions

Output, new orders, new export orders, future output, employment, backlogs of work, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, purchase prices, staff costs

Sector coverage

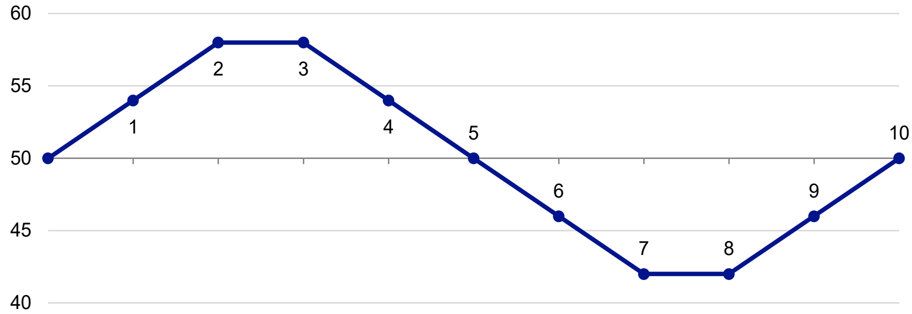
International Standard Industry Classification (ISIC) code

- 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

Index interpretation

Index, sa, >50 = growth m/m



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Key

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

Further information

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 organisations plan for tomorrow, today.

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PMI by S&P Global

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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