

News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
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Stanbic Bank Ghana PMI™

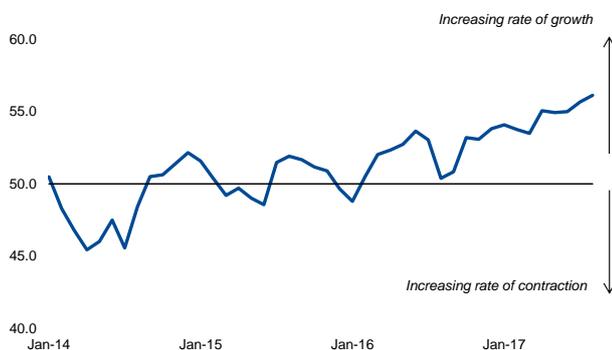
Record rise in new orders

Data collected August 11-29

- PMI hits record high of 56.1 amid sharper growth of new orders
- Purchasing activity also increases at record pace
- Further strong rise in output

Stanbic Bank Ghana PMI

sa, 50 = no change on previous month



Sources: Stanbic Bank, IHS Markit.

This report contains the first public release of data collected from the monthly survey of business conditions in the Ghanaian private sector. The survey, sponsored by Stanbic Bank and produced by IHS Markit, has been conducted since January 2014 and provides an early indication of operating conditions in Ghana. The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI™).

The PMI is a composite index, calculated as a weighted average of five individual sub-components: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

New order growth accelerated to a record high in August, feeding through to strong increases in output and purchasing activity. Employment also continued to rise, helping firms to reduce levels of outstanding work.

Commenting on August's survey findings, Ayomide Mejabi, Economist at Stanbic Bank said:

"Private sector activity as measured by the Stanbic Bank Ghana PMI continues to rise at an impressive pace. Despite the August 2017 reading being the first public release of Stanbic's PMI, data has actually been collected for well over three years and as such provides a robust dataset showing how business operating conditions have evolved in that time. The overall reading of 56.1 represents the fastest pace of increase in the PMI's history suggesting that economic growth may rise sharply in 2017. This year, real GDP growth will likely accelerate towards 6.0% y/y as the economy continues to benefit from expansion in oil production. In addition, the services sector will probably contribute reasonably well to overall growth due to the more stable exchange rate."

The main findings of the August survey were as follows:

The headline PMI rose to 56.1 in August from 55.7 in July. This was the highest reading since the survey began in January 2014, and signalled a sharp monthly improvement in business conditions.

The record improvement in operating conditions reflected the strongest rise in new business in the survey's history. Panellists mentioned good quality products and services, customer recommendations and marketing activities.

Rising new orders led to an eleventh successive monthly rise in output, with the rate of expansion little-changed from July's record.

Companies were able to raise output in part thanks to increasing capacity. Staffing levels have now increased on a monthly basis throughout the past year. This also helped firms to reduce outstanding business.

Purchasing activity increased at a record pace in August as companies responded to improving client demand. This fed through to a further marked increase in stocks of purchases. Despite strong rises in demand for inputs, suppliers' delivery times shortened. Some panellists attributed faster deliveries to prompt payments.

Strong demand for inputs did contribute to higher purchase prices during August, while the weakness of the cedi against the US dollar was also mentioned. At the same time, staff costs continued to rise. That said, overall input costs increased at one of the slowest rates in the survey's history.

With input prices increasing, companies in Ghana raised their output prices accordingly. Charges were up for the eleventh time in the past 12 months, albeit only slightly.

-Ends-

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Note to Editors:

The Stanbic Bank Ghana Purchasing Managers' Index™ is based on data compiled from monthly replies to questionnaires sent to purchasing executives in approximately 400 private sector companies, which have been carefully selected to accurately represent the true structure of the Ghanaian economy, including agriculture, construction, industry, services and wholesale & retail. The panel is stratified by GDP and company workforce size. Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the summary unadjusted and seasonally adjusted values. The unadjusted summary value is calculated as the sum of the positive responses plus a half of those responding 'the same'.

The Purchasing Managers' Index™ (PMI™) is a composite index based on five of the individual sub-components with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Suppliers' Delivery Times sub-component inverted so that it moves in a comparable direction.

The headline PMI and individual summary values for each question have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. A reading above 50 indicates an overall increase in that variable, below 50 an overall decrease. IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from IHS Markit. Please contact economics@ihsmarkit.com.

About Stanbic Bank Ghana

Stanbic Bank Ghana is part of the Standard Bank Group, Africa's largest bank by assets.

Standard Bank Group reported total assets of about USD143 billion at 31 December 2016, while its market capitalisation was about USD 18 billion.

The group has direct, on-the-ground representation in 20 African countries. Standard Bank Group has over 1 200 branches and more than 8 800 ATMs in Africa, making it one of the largest banking networks on the continent. It provides global connections backed by deep insights into the countries where it operates.

Stanbic Bank Ghana provides the full spectrum of financial services. Its Corporate & Investment Banking division serves a wide range of requirements for banking, finance, trading, investment, risk management and advisory services. Corporate & Investment Banking delivers this comprehensive range of products and services relating to: investment banking; global markets; and global transactional products and services.

Stanbic Bank Ghana's personal & business banking unit offers banking and other financial services to individuals and small-to-medium enterprises. 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. Website

About IHS Markit (www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

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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. To learn more go to www.markit.com/product/pmi.

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