

News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
Embargoed until: 09:00 (Accra) / 09:00 (UTC) January 4th 2018

Stanbic Bank Ghana PMI™

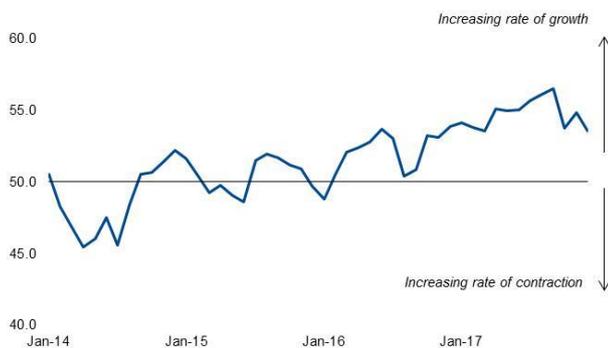
Business conditions improve solidly again at end of 2017

Data collected December 5-19

- Further growth of output and new orders, albeit at reduced rates
- Rate of job creation quickens
- Output prices rise at fastest pace since March 2017

Stanbic Bank Ghana PMI

sa, 50 = no change on previous month



Sources: Stanbic Bank, IHS Markit.

The Ghanaian private sector ended 2017 firmly inside growth territory. Output and new orders rose solidly, albeit at reduced rates, while job creation picked up pace. Firms responded to higher demand by increasing their input buying and stocks of purchases. On the price front, purchase costs rose sharply, while companies increased their selling prices at the fastest pace since March.

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.

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

"After staging something of a comeback in November 2017, the Headline PMI moderated once more to 53.5 in December 2017 from 54.8 as surveyed businesses reported slightly lower but still strong output growth. The output PMI moderated to 53.8 in December from 54.6 in the prior month. This relatively strong PMI reading suggests that while the economy is unlikely to record the same level of growth that it did in the third quarter (9.3% y/y), it should remain robust. Heading into 2018, we expect Ghana's economy to continue posting strong growth, albeit slightly weaker than in 2017 as the strong base effects wear off. In December 2017, headline inflation will probably rise slightly higher than the 11.6% y/y posted in November, especially as the output price PMI also rose to 55.0 from 54.6 in November."

The main findings of the December survey were as follows:

The headline PMI posted 53.5 in December, down from 54.8 in November but still signalling a solid monthly improvement in business conditions at the end of the year. Operating conditions have now strengthened in each of the past 23 months.

Although new orders continued to rise in December, the rate of expansion slowed sharply from the previous month to the weakest since September 2016. Where new business increased, panellists linked this to good quality products and successful marketing strategies.

The rate of expansion in output also eased, but remained solid amid growth of new orders. Business activity has now increased for 15 months in a row.

Slower growth of new orders and reports of specific efforts to complete projects led to a reduction in backlogs of work, following a rise in the previous month.

Firms responded to higher output requirements by increasing their staffing levels again in December, the sixteenth successive month in which a rise has been recorded. Moreover, the rate of job creation quickened.

A sharp rise in purchasing activity was also recorded at the end of the year, in line with higher client demand. This resulted in another accumulation of stocks of purchases. Some panellists also linked inventory building to expectations of further improvements in demand in coming months.

Overall input prices rose at the fastest pace in nine months during December. Despite accelerating, the rate of inflation remained slower than the series average. Data suggested that higher purchase costs was the main driver of overall inflationary pressures as wage bills rose only modestly. Panellists linked higher purchase prices to cedi weakness and rising raw material prices.

Robust demand enabled firms to increase their output prices in response to higher input costs. Charges rose at a marked pace, and one that was the sharpest since March. Output prices have now increased in each of the past six months.

-Ends-

For further information, please contact:

Stanbic Bank:

Ayomide Mejabi, Economist, Research
Telephone +234 1 422 8651
Email ayomide.mejabi@stanbicbtc.com

Kojo Akoi-Larbi, Manager, Communications
Telephone +233 (0)302 610 690
Email Akoi-LarbiK@stanbic.com.gh

IHS Markit:

Andrew Harker, Associate Director
Telephone +44-1491-461-016
Email andrew.harker@ihsmarkit.com

Joanna Vickers, Corporate Communications
Telephone +44-207-260-2234
Email joanna.vickers@ihsmarkit.com

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.

IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2018 IHS Markit Ltd. All rights reserved.

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.

The intellectual property rights to the Stanbic Bank Ghana PMI™ provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI™ are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Stanbic Bank use the above marks under licence. IHS Markit is a registered trade mark of IHS Markit Limited.