

## News Release

**Purchasing Managers' Index™**  
**MARKET SENSITIVE INFORMATION**  
**Embargoed until: 10:30 (Lusaka) / 08:30 (UTC) July 5th 2017**

### Stanbic Bank Zambia PMI™

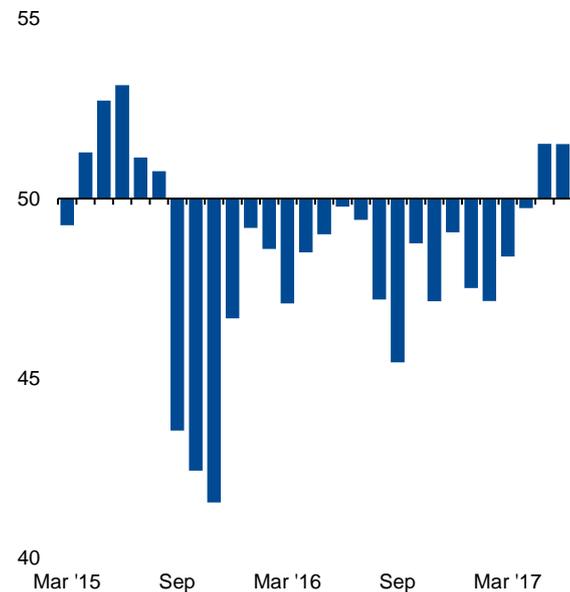
#### Business activity rises for first time in two years

##### Data collected 12-26 June

- Zambian private-sector output returns to growth in June
- New orders rise at fastest pace since last October
- Input costs increase at weaker pace

##### Stanbic Bank Zambia 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 Zambian private sector. The survey, sponsored by Stanbic Bank and produced by IHS Markit, has been conducted since March 2015 and provides an early indication of operating conditions in Zambia. 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.

##### Commenting on June's survey findings, Samantha Singh, Africa Strategist at Stanbic Bank said:

*"The PMI numbers signified improvements in private sector activity for the second consecutive month, reflective of recovery in overall economic activity in the country. Economic activity slowed in 2015 and 2016, largely due the declining trend in commodity prices, particularly copper, high inflation and apprehension ahead of the 2016 elections. Notably, the overall PMI was mainly below the 50 level that is the threshold delineating expansion from contraction in that period. However, due to a pickup in copper prices and an easing of monetary policy conditions by the Bank of Zambia, we are likely to see a pickup in corporate activity. Moreover, credit to the private sector, which contracted for the bulk of 2016, will likely show growth in coming months and provide support to business and general economic activity."*

##### The main findings of the June survey were as follows:

Latest PMI data for Zambia suggested that private-sector business conditions improved in June, backing up the return to growth seen in May. Output increased, supported by a faster upturn in new orders. Higher workloads encouraged companies to raise their staffing levels and purchasing activity. Meanwhile, the rate at which input costs rose continued to ease and output prices were reduced for the fourth month running.

Unchanged at 51.5, the headline seasonally adjusted PMI remained above the 50.0 no-change mark, signalling an improvement in business conditions.

New order growth quickened to an eight-month high, with increasing customer numbers leading to a third successive monthly rise in new work. Higher new orders resulted in a first rise in output for two years in June, although the rate of expansion was only marginal.

Companies in Zambia increased employment for the second month running, the first back-to-back job creation since early-2016. This helped firms to keep on top of workloads despite accelerating new order growth. As a result, backlogs of work were broadly unchanged.

Purchasing activity also expanded in line with improving client demand. Moreover, the rate of growth was at a two-year high. Rising input buying led to another solid

increase in stocks of purchases, the third accumulation in as many months.

Output prices decreased for the fourth month running as panellists attempted to attract clients. Meanwhile, the pace at which input prices increased continued to ease. Overall input costs rose modestly, and at the slowest pace in the current nine-month sequence of inflation. Weaker rises were seen for both purchase prices and staff costs.

Finally, suppliers' delivery times were unchanged in June, ending a four-month sequence of lengthening lead times.

-Ends-

#### For further information, please contact:

##### Stanbic Bank:

Samantha Singh, Africa Strategist  
Telephone +27-11-415-4179  
Email [Samantha.singh@standardbank.co.za](mailto:Samantha.singh@standardbank.co.za)

Chanda Katongo, Public Relations & Communications Manager  
Telephone +260-964-645-232 or +260-977-875-011  
Email [katongoc@stanbic.com](mailto:katongoc@stanbic.com)

##### IHS Markit:

Andrew Harker, Senior Economist  
Telephone +44-1491-461-016  
Email [andrew.harker@ihsmarkit.com](mailto:andrew.harker@ihsmarkit.com)

Joanna Vickers, Corporate Communications  
Telephone +44-207-260-2234  
Email [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com)

#### Note to Editors:

The Stanbic Bank Zambia 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 Zambian 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](mailto:economics@ihsmarkit.com).

#### About Stanbic Bank Zambia Limited

Stanbic Bank Zambia Limited is part of the Standard Bank Group, Africa's largest bank by assets. The Standard Bank Group, with strong African roots and leader in emerging markets, has on-the-ground representation in 20 African countries

Stanbic Bank Zambia Limited is the largest bank in Zambia by balance sheet, offering a full range of banking and related financial services. The Bank is well capitalized and its capital position is above the regulatory minimum.

The Bank which has more than 60 years' operating experience has a huge network of branches countrywide offering full spectrum of financial services from retail to corporate and investment banking

Our strategy is to be the leading financial services organisation in, for and across Zambia, delivering exceptional client experiences and superior value. We believe we can achieve this as Zambia is our home, we drive her growth. The Bank has been an integral part of the Zambian economy and is a leading player in the country's financial services sector.

<http://www.stanbicbank.co.zm/>

**About IHS Markit ([www.ihsmarkit.com](http://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 © 2017 IHS Markit Ltd. All rights reserved.

**About PMI**

Purchasing Managers' Index™ (PMI™) surveys are now available for over 30 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](http://www.markit.com/product/pmi).

**The intellectual property rights to the Stanbic Bank Zambia 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.**