

News Release

**Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION**

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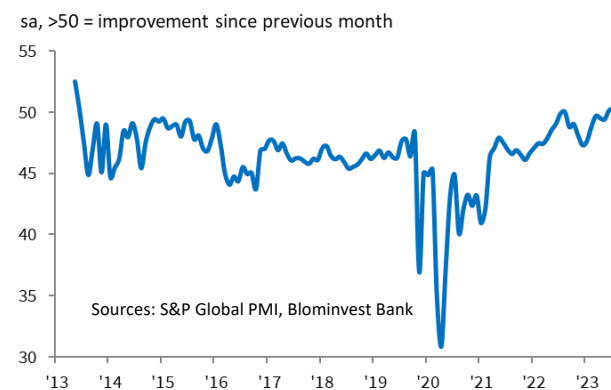
BLOM Lebanon PMI®

PMI rises again in July to signal strongest improvement in private sector since June 2013

Data collected July 12-25

BLOM Lebanon PMI records 50.3, up from 50.2 in June
Purchasing activity and employment rise amid stronger demand

Business confidence improves from June's four-month low



The BLOM Lebanon PMI® signalled a sustained improvement in the health of the country's private sector during July, with key indicators of business conditions such as new orders, employment and output all registering in growth territory. Overall, the private sector economy of Lebanon registered its fastest expansion since June 2013.

Meanwhile, business confidence also improved following June's deterioration. Supplier delivery times shortened once again, although inflationary pressures intensified slightly at the start of the third quarter.

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.

The headline BLOM Lebanon PMI® moved higher in July to 50.3, from 50.2 in June. This marked a second successive month above the crucial 50.0 level that separates growth from contraction. Overall, the health of Lebanon's private sector economy improved to the greatest extent since June 2013.

Commenting on BLOM Lebanon PMI for July 2023, Dr. Fadi Osseiran, General Manager of BLOMINVEST Bank, said:

"It is truly uplifting that the BLOM Lebanon PMI rose again in July to 50.3, signaling the strongest improvement in the Lebanese economy since June 2013. This follows on the heels of the June 50.2 reading; and what is interesting is that this momentum is driven by stronger domestic demand and higher employment. Also interesting, is that the outlook for economic activity shows signs of notable improvement, at least for the tourist summer season. We hope that this better outlook is carried over to the long run, underpinned as soon as possible by successful presidential elections, an effective economic reform program, and last but not least durable monetary and exchange rate stability."

The main findings of July's survey were as follows:

July survey data signalled a sustained rise in new orders received by private sector firms in Lebanon. Notably, it was the first time in the survey history (which dates back over ten years) that back-to-back months of growth in new business have been registered. With

export demand stagnating, this suggests July's uptick in sales was driven by domestic customers. Business activity levels also rose during July, albeit fractionally.

Amid evidence of stronger demand conditions, private sector employment levels continued to rise across Lebanon during the latest survey period. Furthermore, the rate of job creation accelerated to the fastest since September 2015. Despite greater operating capacity, private sector companies in Lebanon saw their volumes of outstanding work pick up in July.

To meet higher intakes of new business, firms raised their purchasing activity at the start of the third quarter. In fact, July's expansion in buying levels was the strongest since January 2015. Stocks of purchases subsequently rose as firms prepared their inventories for higher activity.

Indeed, the outlook for activity did show signs of improvement in July, with the Future Output Index rising to its highest mark since March 2020. On balance though, firms remained pessimistic, with the challenging domestic political landscape expected to continue, weighing on prospects.

Meanwhile, the latest survey data showed a slight intensification of price pressures across Lebanon, with rates of input cost and output price inflation edging up to four-month highs. According to firms, purchase costs were pushed higher by unfavourable exchange rate movements against the US dollar, which firms passed on to their clients through increased charges.

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Note to Editors:

The BLOM Lebanon 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 Lebanese economy, including manufacturing, services, construction and retail. The panel is stratified 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 'diffusion' index. This index is 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 indexes 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 Delivery Times index inverted so that it moves in a comparable direction.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

S&P Global 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 S&P Global. Please contact economics@ihsmarkit.com.

About BLOMINVEST BANK

BLOMINVEST BANK, established in 1994, is the investment arm of BLOM Bank SAL, one of the largest banks in Lebanon. As part of its expansionary vision towards the MENA region, the bank has established one investment arm in Saudi Arabia, "BLOMINVEST KSA" and launched three brokerage and trading firms in Egypt, Syria, and Jordan, namely "BLOM Bank Egypt Securities", "Syria and Overseas for Financial Services", and "Financial Services Experts Company". BLOMINVEST BANK is one of few institutions within the greater Levant region that offer Private banking, Investment banking, Asset Management, Brokerage, and Research services under one roof. Based on its track record, BLOMINVEST BANK to date remains the most awarded local investment bank. For more information, see www.blominvestbank.com.

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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 <https://ihsmarkit.com/products/pmi.html>.

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