

News Release

Purchasing Managers' Index™ MARKET SENSITIVE INFORMATION

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Data collected January 9-27

BLOM Lebanon PMI®

BLOM Lebanon PMI hits its highest level since May 2013

Lebanese firms buoyed by ceasefire and election of new president

12-month growth expectations hit new survey high

Output and new orders expand for first time in a year-and-a-half

sa, >50 = improvement since previous month



The BLOM Lebanon PMI® survey for January revealed a marked turnaround in the Lebanese private sector economy at the start of 2025, with new orders and business activity rising for the first time in 18 months and at their strongest rates since May 2013. Optimism for the year ahead was also buoyed by the election of a new president, anecdotal evidence showed, with growth expectations rising to the strongest seen since the survey began almost 12 years ago.

January survey data also revealed an easing of cost pressures. In turn, companies were less aggressive with their own price setting as output charge inflation cooled to a five-month low.

The headline BLOM Lebanon PMI® rose into expansion territory for the first time since July 2023, rising from 48.8 in December to 50.6 in January. Not only did this point to

a renewed improvement in the health of Lebanon's private sector economy, but it also signalled the strongest rate of month-on-month growth since May 2013.

Commenting on the January 2025 BLOM Lebanon PMI, Dr. Fadi Osseiran, General Manager of BLOMINVEST BANK said:

"BLOM Lebanon PMI for January 2025 recorded 50.6 – the highest level since May 2013 – and revealed a strong expansion of Lebanon's private sector economy. The expansion was driven by increases in output and new orders for the first time since July 2023, with rates of increase the highest in 12 years. What underlies these benign results – in addition to higher backlogs of work and softer inflation rates – is the election of President Joseph Aoun coupled with the ceasefire agreement in the Gaza strip. One could also mention the selection of a respectable Prime Minister, which could usher in a dynamic and reforming new government. As important, the good mood was reflected in companies being optimistic regarding the 12-month outlook, as the Future Output Index recorded its all-time high of 75.1. We only hope that this optimism proves sustainable and is not jinxed by the country's difficult politics!"

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

The new year began with simultaneous expansions in new orders and business activity across Lebanon. Market conditions were lifted by increased optimism, panel member reports suggested, with some companies noting that inflows of new orders were buoyed by the ceasefire agreement between Israel and Hamas. New business and output both recorded their first expansions in a year-and-a-half and rates of growth were the strongest since May 2013 in both cases.

BLOM PMI sub-index data implied that the uplift in sales was domestic-driven as new export orders were broadly unchanged since December. The stabilisation of foreign customer demand was an improvement relative to the subdued trend seen in the second half of 2024.

Greater volumes of new work led to an accumulation of backlogged orders across the Lebanese private sector in January. This was the first time since September 2023 that outstanding business levels have risen. In fact, the pace of increase was the sharpest seen since the survey began in May 2013.

Private sector companies in Lebanon maintained their employment levels at the start of the year. Purchasing volumes were also held steady, although speedier supplier delivery times facilitated the bolstering of inventories. According to survey respondents, the faster processing of goods at customs meant firms received items from vendors in a timelier manner. In turn, stocks of inputs and raw materials increased at the quickest pace in nine months.

As for prices, the latest survey data revealed a cooling of cost pressures. Purchasing price inflation eased to an eight-month low, while staff costs were broadly unchanged on the month. Firms continued to raise their prices charged, but the extent of the latest increase was only marginal and the weakest since August 2024.

Looking ahead, private sector businesses in Lebanon recorded a strong level of confidence towards the year-ahead outlook. In fact, optimism hit a fresh survey high in January. The election of a new president was commonly cited as a reason to be positive towards activity prospects.

-Ends-

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.

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For further information, please contact:

BLOMINVEST Bank:

Dr Ali Bolbol, Chief Economist / Head of Research

Telephone +961 1 739 817

Email ali.bolbol@blominvestbank.com

S&P Global Market Intelligence:

Joe Hayes, Principal Economist

Telephone +44-1344-328-099

Email joe.hayes@spglobal.com

Kriti Khurana, Corporate Communications

Telephone + 91-971-101-7186

Email kritikhurana@spglobal.com
press.mi@spglobal.com

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@spglobal.com.

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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 spglobal.com/marketintelligence/en/mi/products/pmi.html

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