

BLOM Lebanon PMI®

Lebanese private sector economy sees further growth in February

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BLOM Lebanon PMI remains in expansion territory

Stronger sales, including from abroad, support activity growth

Businesses strongly optimistic on year-ahead outlook

The BLOM Lebanon PMI® survey continued to signal an improving private sector economy midway through the opening quarter of the year. Growth was supported by greater levels of new business, especially from abroad. With sales performances strengthening, the latest survey results signalled a marked rise in purchasing volumes, while employment also ticked up. The year-ahead outlook also remained buoyant, with survey respondents predicting further activity growth over the next 12 months.

The headline BLOM Lebanon PMI® continued to record in expansion territory during February. At 50.5, the index was little-changed from January's 50.6, which was the highest reading since May 2013. Overall, the PMI pointed to one of the most marked improvements in the health of the private sector economy since the survey began almost 12 years ago.

Stronger demand conditions remained a prominent feature of the latest survey results. New order growth was sustained for a second month running

in February, albeit with the pace of expansion losing some momentum. Nevertheless, the upturn in sales was among the sharpest on record. This reflected greater new business volumes from overseas customers. For the first time since November 2023, private sector firms in Lebanon registered higher new export orders.

Greater levels of client interest underpinned a further expansion in business activity during February, marking back-to-back months of increase for the first time in just over a year-and-a-half.

Improved sales performances squeezed companies' operating capacities, however, as evidenced by an uptick in backlogged orders. In fact, the accumulation in outstanding work was the most marked since the survey began in May 2013. In response to greater workloads, private sector firms in Lebanon raised their employment levels for the first time since November 2023.

Another key finding from the latest

BLOM Lebanon PMI

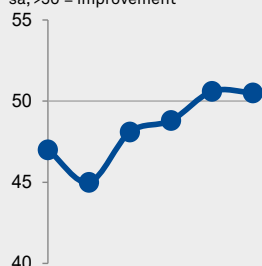
sa, >50 = improvement since previous month



50.5

LEBANON PMI
FEB '25

PMI
Sep '24 - Feb '25
sa, >50 = improvement



data was with regards to the business outlook, with the survey's sentiment gauge – the Future Output Index – posting well inside optimistic territory. Buoyant expectations partly reflected positivity surrounding the recent elections, anecdotal evidence revealed, as well as hopes of rejuvenated tourism this year.

Meanwhile, there was a renewed expansion in purchasing activity across the Lebanese private sector. The expansion was the quickest in over 11-and-a-half years. Concurrently, stocks of inputs expanded at an accelerated pace. Inventory growth was aided by speedier supplier delivery times.

Comment

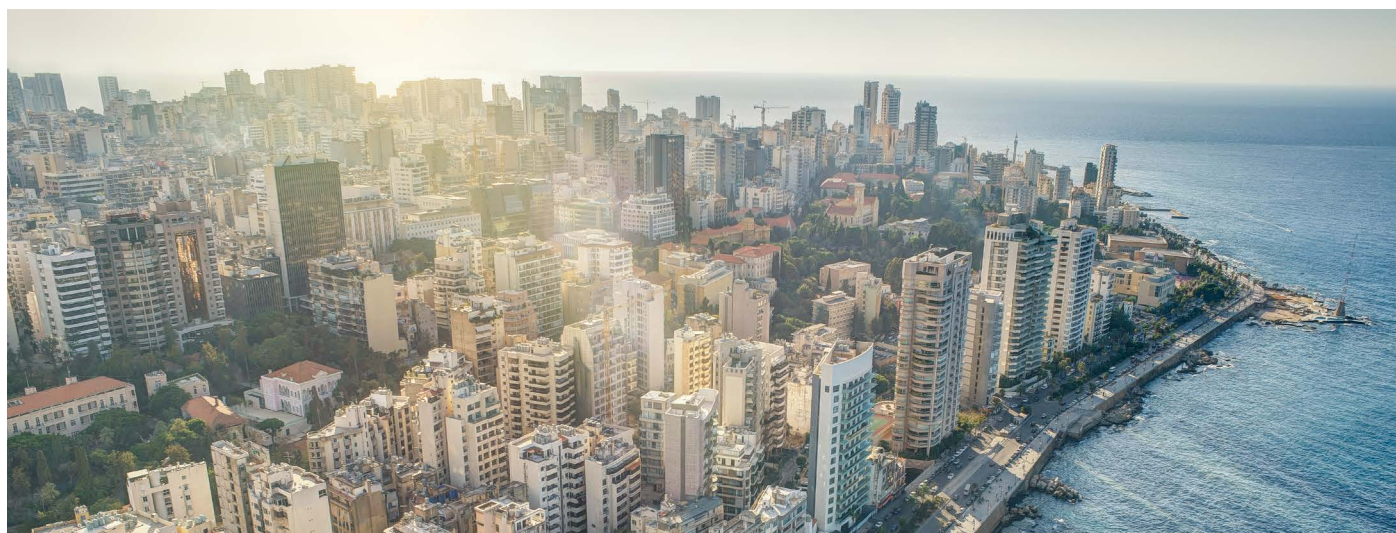
Commenting on the February 2025 BLOM Lebanon PMI, Mira Said, Senior Research Analyst at BLOMINVEST BANK said:

“The BLOM Lebanon PMI slowed marginally in February to 50.5 from January’s peak (since May 2013) of 50.6 but remained in the expansion zone. Also, all sub-indices were in positive territory. Notably, input prices rose, leading to higher purchase prices for consumers. The election of a new president, the formation of a new cabinet believed to be pro-reform, boosted optimism among Lebanese businesses. However, the PMI may

As for pricing trends, the latest survey data signalled an intensification of inflationary pressures across Lebanon. Operating expenses were driven higher by sharper rises in purchasing costs. Greater shipping fees were accompanied by vendor charge increases, according to anecdotal evidence. The uptick in total costs was the quickest in four months.

To protect their margins, surveyed businesses raised their own prices charged in February. The pace of output price inflation quickened to a 23-month high.

have eased due to Israel's continued presence in five strategic locations, which threatens Lebanon's security. Additionally, political and sectarian divisions, along with widespread corruption, add to the challenges. Despite this, the new government is committed to negotiating with the IMF and to implementing a spectrum of reforms. Amid uncertainty over Lebanon's ability to recover, some believe the country has hit rock bottom and can only improve from here.”



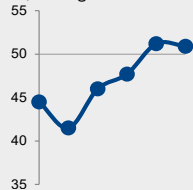
PMI®

by **S&P Global**

Output and demand

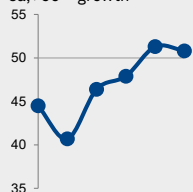
Output Index

Sep '24 - Feb '25
sa, >50 = growth



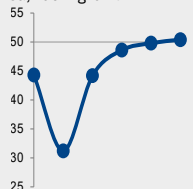
New Orders Index

Sep '24 - Feb '25
sa, >50 = growth



New Export Orders Index

Sep '24 - Feb '25
sa, >50 = growth



Output

For a second successive month, private sector business activity in Lebanon increased midway through the opening quarter of 2025. The pace of expansion eased slightly but held close to January's near 12-year record. February's upturn was supported by stronger demand, underlying survey data suggested.

New orders

Adjusted for seasonal variation, the New Orders Index posted above the 50.0 no-change threshold during February, indicating back-to-back months of growth in the volume of new business received by private sector firms in Lebanon. Although the rate of improvement slowed, as was the case with output, it remained among the strongest on record.

New export orders

For the first time since November 2023, the latest survey data revealed that private sector companies in Lebanon recorded higher levels of new work from abroad. Furthermore, in addition to the respective seasonally adjusted index rising to a 15-month high, it posted its sixth highest reading since the series began in May 2013.

Output Index

sa, >50 = growth since previous month

50.9

Feb '25



New Orders Index

sa, >50 = growth since previous month

50.8

Feb '25



New Export Orders Index

sa, >50 = growth since previous month

50.4

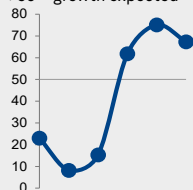
Feb '25



Business expectations

Future Output Index

Sep '24 - Feb '25
>50 = growth expected



February survey data once again highlighted a strong level of optimism among private sector firms in Lebanon. According to anecdotal evidence, the recent elections result boosted sentiment, with many panellists deriving confidence from hopes of political stability in the country. Indeed, some panel members were optimistic of greater tourism. Although lower than January's all-time high, the degree of positivity was the still the second-strongest on record.

Future Output Index

>50 = growth expected over next 12 months

67.3

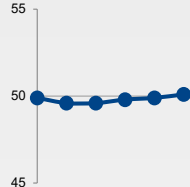
Feb '25



Employment and capacity

Employment Index

Sep '24 - Feb '25
sa, >50 = growth



Employment

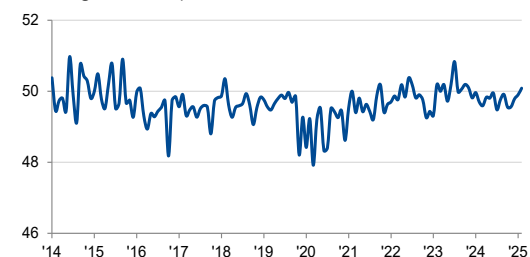
The seasonally adjusted Employment Index ticked higher in February, rising just above the 50.0 mark to signal a fractional rise in private sector workforce numbers across Lebanon. This marked the first time since November 2023 that job creation has been registered, following 14 months of generally stable staffing levels (on average).

Employment Index

sa, >50 = growth since previous month

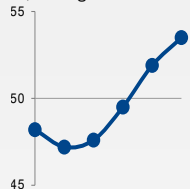
50.1

Feb '25



Backlogs of Work Index

Sep '24 - Feb '25
sa, >50 = growth



Backlogs of work

Capacity pressures grew again midway through the opening quarter, as evidenced by the seasonally adjusted Backlogs of Work Index rising further above the 50.0 no-change threshold and signalling a faster rate of backlog accumulation across the Lebanese private sector. In addition, the expansion was the steepest ever registered by the survey.

Backlogs of Work Index

sa, >50 = growth since previous month

53.5

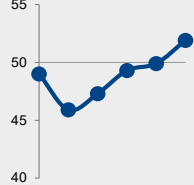
Feb '25



Purchasing and inventories

Quantity of Purchases Index

Sep '24 - Feb '25
sa, >50 = growth



Quantity of purchases

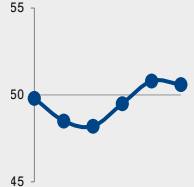
In tandem with stronger sales, private sector businesses in Lebanon raised their purchasing volumes midway through the opening quarter of 2025. Not only did this mark the first monthly expansion since June last year, it was also the fastest rate of increase in over 11-and-a-half years.

Suppliers' delivery times

For the second month in succession, surveyed companies in the Lebanese private sector reported quicker delivery times by their suppliers. According to some respondents, this reflected the speedier clearance of goods at the border. The extent to which vendor performance improved was broadly similar to that seen in January.

Suppliers' Delivery Times Index

Sep '24 - Feb '25
sa, >50 = faster times

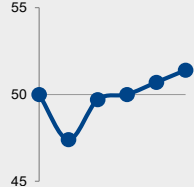


Stocks of purchases

The seasonally adjusted Stocks of Purchases Index continued its ascent in February, rising for a fourth successive month. Subsequently, it moved further above the neutral 50.0 threshold and reached its highest mark in close to seven years, signalling a relatively strong expansion in inventory levels across the Lebanese private sector.

Stocks of Purchases Index

Sep '24 - Feb '25
sa, >50 = growth



Quantity of Purchases Index

sa, >50 = growth since previous month

51.9

Feb '25

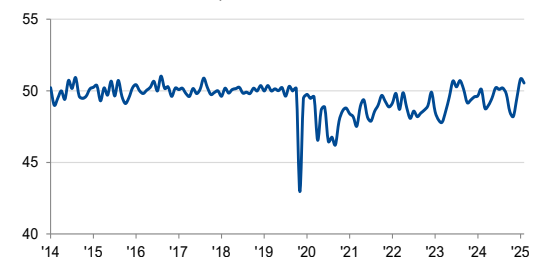


Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

50.6

Feb '25

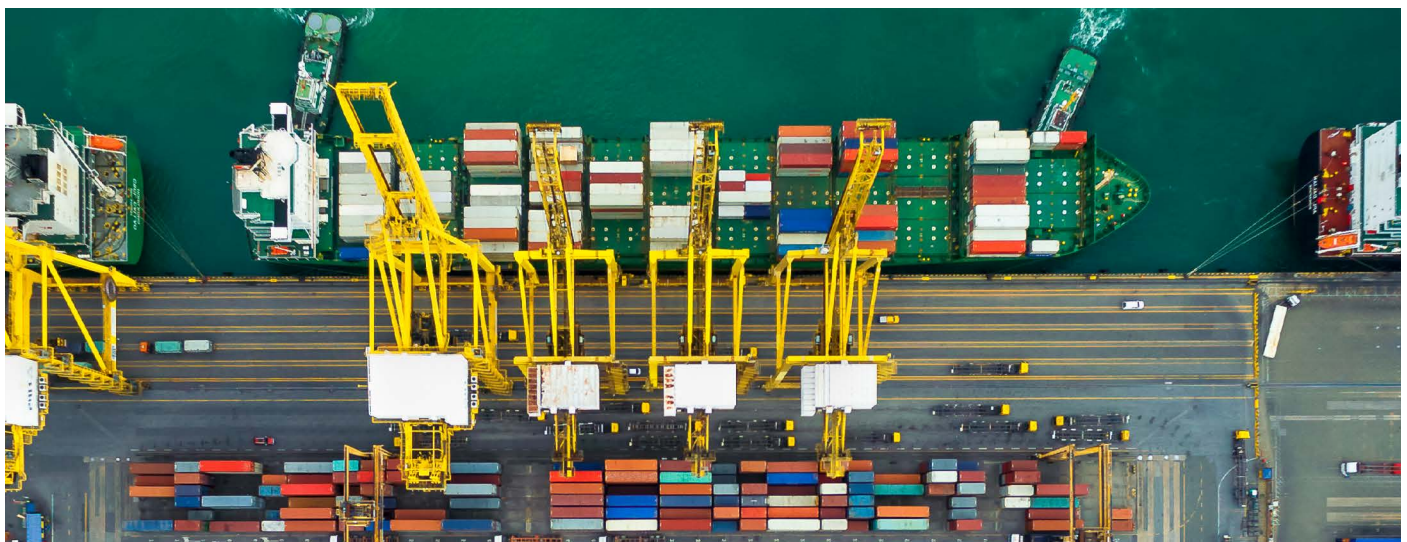


Stocks of Purchases Index

sa, >50 = growth since previous month

51.4

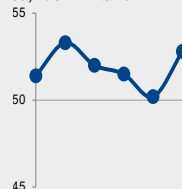
Feb '25



Prices

Input Prices Index

Sep '24 - Feb '25
sa, >50 = inflation



Overall input prices

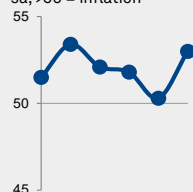
February survey data indicated an uptick in overall operating expenses for private sector businesses in Lebanon. Purchasing costs were the principal driver of inflation, anecdotal evidence and underlying data revealed. The rate of increase was the fastest in four months.

Purchase prices

Amid reports from surveyed businesses in the Lebanese private sector of higher shipping fees and supplier price hikes, the latest survey data pointed to greater purchasing costs. Moreover, the pace of increase ticked up to a four-month high and recorded just above its historical average.

Purchase Prices Index

Sep '24 - Feb '25
sa, >50 = inflation

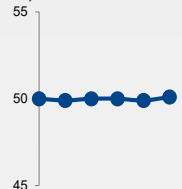


Staff costs

Stable labour expenses were signalled by the seasonally adjusted Staff Costs Index, which recorded broadly at the 50.0 no-change level midway through the opening quarter of the year. This was in line with the trend seen over the past two-and-a-half years.

Staff Costs Index

Sep '24 - Feb '25
sa, >50 = inflation

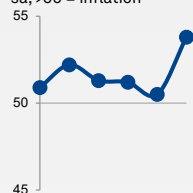


Output prices

For a ninth month in succession, private sector companies in Lebanon raised their selling prices in February. According to businesses that increased charges (around 7%), this was in response to higher operating costs. The rate of output price inflation was the fastest seen in close to two years.

Output Prices Index

Sep '24 - Feb '25
sa, >50 = inflation

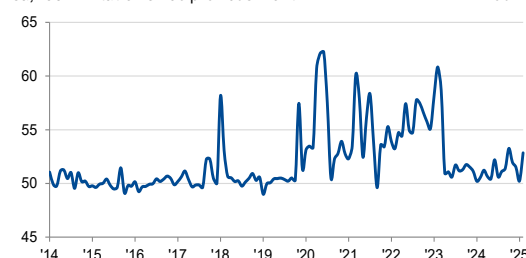


Input Prices Index

sa, >50 = inflation since previous month

52.8

Feb '25

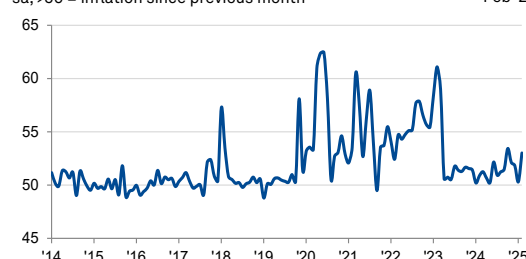


Purchase Prices Index

sa, >50 = inflation since previous month

53.0

Feb '25



Staff Costs Index

sa, >50 = inflation since previous month

50.1

Feb '25



Output Prices Index

sa, >50 = inflation since previous month

53.8

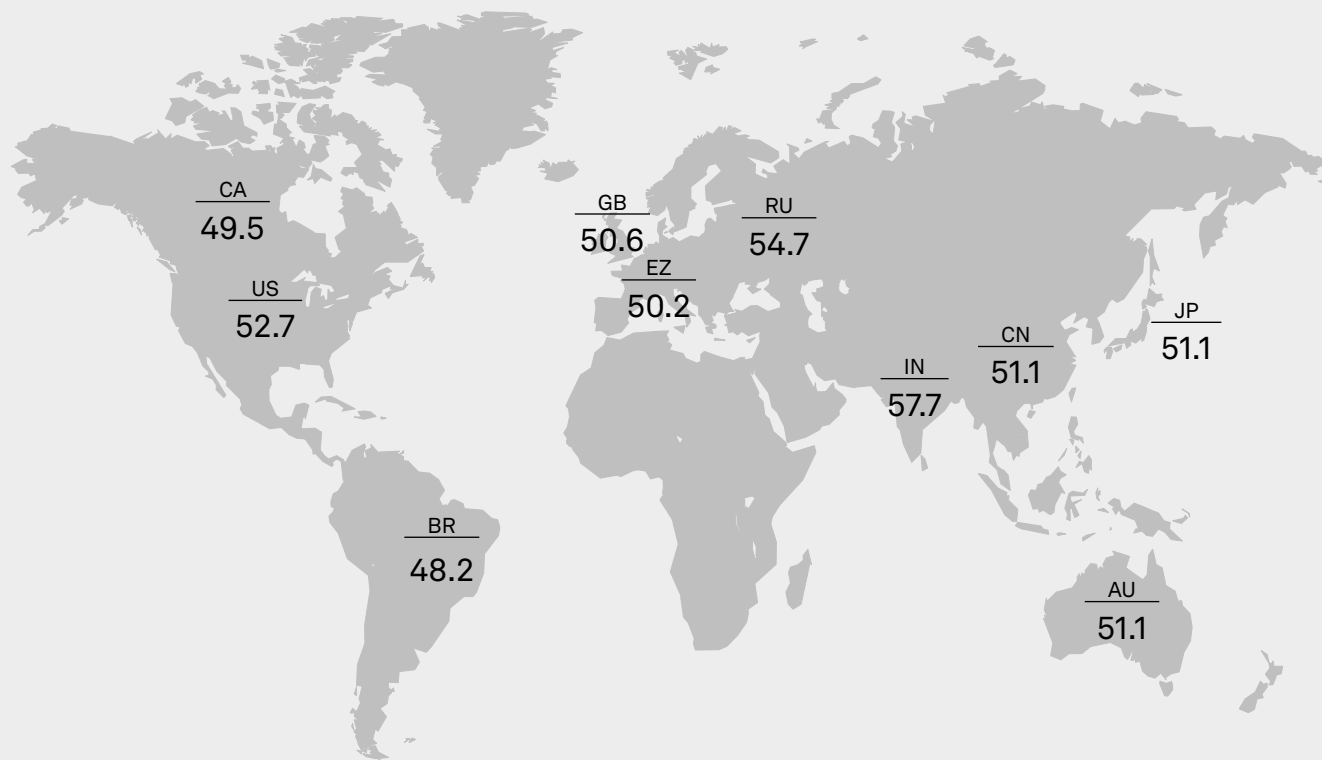
Feb '25



International PMI

Composite Output Index, Jan '25
 sa, >50 = growth since previous month

The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.

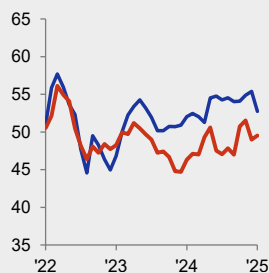


Composite Output Index

■ USA

■ Canada

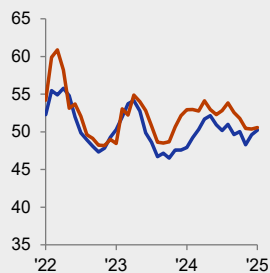
sa, >50 = growth



■ Eurozone

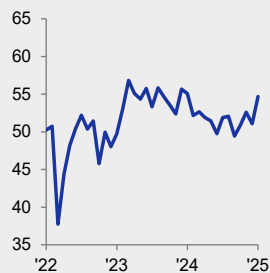
■ UK

sa, >50 = growth



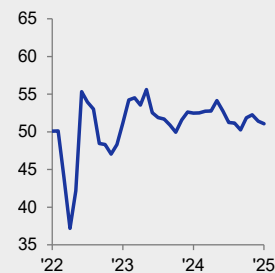
■ Russia

sa, >50 = growth



■ China

sa, >50 = growth



■ Brazil

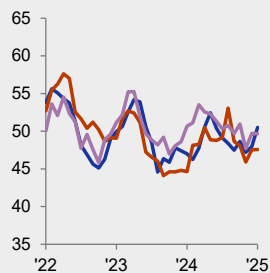
sa, >50 = growth



■ Germany ■ Italy

■ France

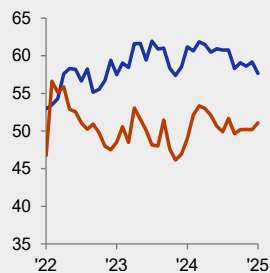
sa, >50 = growth



■ India

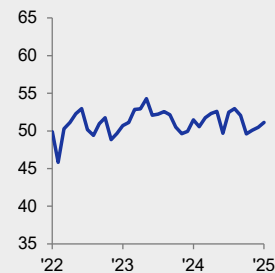
■ Australia

sa, >50 = growth



■ Japan

sa, >50 = growth



Survey methodology

The BLOM Lebanon PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include agriculture, mining, manufacturing, construction, wholesale, retail and services. Data were first collected May 2013.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

Survey dates

Data were collected 10-24 February 2025.

Survey questions

Private sector

Output
New Orders
New Export Orders
Future Output
Employment
Backlogs Of Work
Quantity Of Purchases

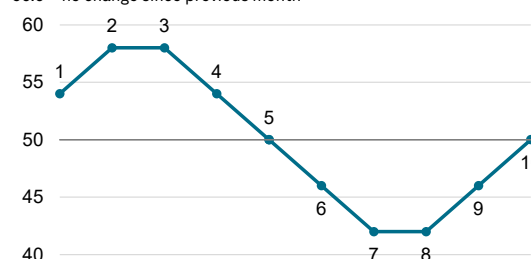
Suppliers' Delivery Times
Stocks Of Purchases
Input Prices
Purchase Prices
Staff Costs
Output Prices

Index calculation

$$\% \text{ "Higher"} + (\% \text{ "No change"})/2$$

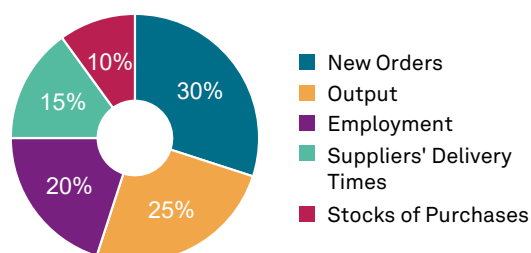
Index interpretation

50.0 = no change since previous month



- | | |
|--------------------------|----------------------------|
| 1 Growth | 6 Decline, from no change |
| 2 Growth, faster rate | 7 Decline, faster rate |
| 3 Growth, same rate | 8 Decline, same rate |
| 4 Growth, slower rate | 9 Decline, slower rate |
| 5 No change, from growth | 10 No change, from decline |

PMI component weights



Sector coverage

PMI data include responses from companies operating in sectors classified according to the following ISIC Rev.4 codes:

C	Manufacturing	M	Professional, Scientific and Technical Activities
F	Construction	N	Administrative and Support Service Activities
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	P	Education*
H	Transportation and Storage	Q	Human Health and Social Work Activities*
I	Accommodation and Food Service Activities	R	Arts, Entertainment and Recreation
J	Information and Communication	S	Other Service Activities
K	Financial and Insurance Activities		

*Private sector

Index summary

Private sector

sa, 50 = no change over previous month. *50 = no change over next 12 months.

	PMI	Output	New Orders	New Export Orders	Future Output*	Employment	Backlogs of Work	Quantity of Purchases	Suppliers' Delivery Times	Stocks of Purchases	Overall Input Prices	Purchase Prices	Staff Costs	Output Prices
09 '24	47.0	44.5	44.5	44.3	23.0	49.9	48.2	49.0	49.8	50.0	51.4	51.5	50.0	50.9
10 '24	45.0	41.5	40.7	31.2	8.2	49.6	47.2	45.9	48.5	47.4	53.3	53.4	49.9	52.2
11 '24	48.1	46.0	46.4	44.2	15.3	49.6	47.6	47.3	48.2	49.7	52.0	52.1	50.0	51.3
12 '24	48.8	47.7	47.9	48.6	61.8	49.8	49.5	49.3	49.5	50.0	51.5	51.8	50.0	51.2
01 '25	50.6	51.2	51.3	49.8	75.1	49.9	51.9	49.9	50.8	50.7	50.2	50.3	49.9	50.5
02 '25	50.5	50.9	50.8	50.4	67.3	50.1	53.5	51.9	50.6	51.4	52.8	53.0	50.1	53.8

Contact

Dr Ali Bolbol
 Chief Economist / Head of Research
 BLOMINVEST Bank
 T: +961 1 739 817
ali.bolbol@blominvestbank.com

Joe Hayes
 Principal Economist
 S&P Global Market Intelligence
 T: +44-1344-328-099
joe.hayes@spglobal.com

Kriti Khurana
 Corporate Communications
 S&P Global Market Intelligence
 T: +91-971-101-7186
kritikhurana@spglobal.com
press.mi@spglobal.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.

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.

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