

BLOM Lebanon PMI®

PMI falls to five-month low in March as output and new orders decline

Contents

Overview

Comment

Output and demand

Business expectations

Employment and capacity

Purchasing and inventories

Prices

International PMI

Survey methodology

Further information

New business intakes fall at quickest pace since last October

Output and employment post renewed declines

Growth expectations ease but remain historically strong

The BLOM Lebanon PMI® signalled a weakening of the Lebanese private sector at the end of the first quarter, following two successive months of improved economic activity and sales. Output and new orders decreased in March as subdued tourism, low client spending appetites and ongoing regional instability weighed on the private sector. That said, when looking ahead to the next 12 months, surveyed companies expressed optimism for growth, with expectations among the strongest seen in the survey's history.

After two successive months in expansion territory, the headline BLOM Lebanon PMI® posted below the 50.0 no-change mark in March, signalling a renewed deterioration in the health of the private sector economy. At 47.6, the headline index was down from 50.5 in February and signalled a moderate decline that was the quickest seen since October 2024.

According to surveyed companies, subdued client purchasing power and a hesitancy among consumers to spend on non-essential goods and services

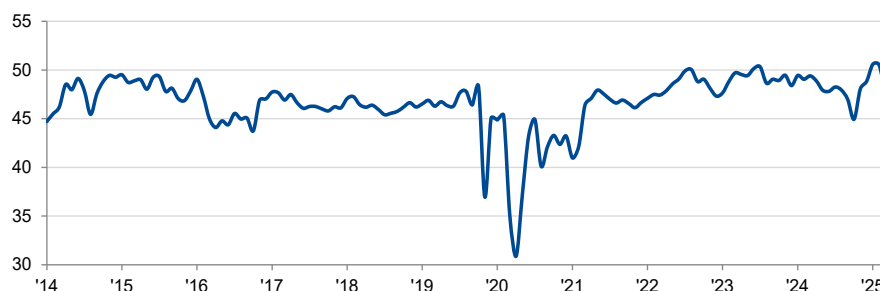
led to a contraction in new order intakes at the end of the first quarter. The reduction in new business was the quickest for five months. This also reflected a drop in tourism demand, anecdotal evidence suggested. Sales to foreign customers fell in March, with challenging shipping conditions, high export costs and regional instability acting as headwinds for international trade.

Lower intakes of new work weighed on private sector business activity across Lebanon at the end of the first quarter. The decrease in output followed back-to-back months of growth in the opening two months of 2025.

March's drop in new business led surveyed companies to clear backlogs of work for the first time in the year-to-date. That said, the rate of depletion was only marginal overall. Signs of spare capacity also prompted firms to reduce their employment levels. The decrease in workforce numbers was only mild, with job cuts registered at just 1% of respondents.

BLOM Lebanon PMI

sa, >50 = improvement since previous month



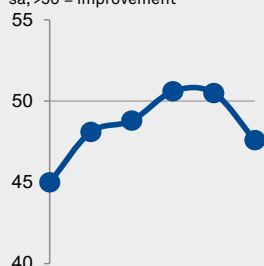
PMI®

by **S&P Global**

47.6

LEBANON PMI
MAR '25

PMI
Oct '24 - Mar '25
sa, >50 = improvement



This reduction in staffing contributed to a decrease in staff costs, which fell fractionally in March. However, purchase prices continued to rise, with foodstuff, metals, medical supplies and imports all cited as sources of inflationary pressures. Overall operating expenses subsequently increased, albeit at a slightly softer pace than in February. Firms chose to pass higher costs on to their clients where possible, with output charges rising in Lebanon for the tenth successive month.

Regarding purchasing activity, private sector firms in Lebanon showed more restraint compared to February, with buying volumes broadly unchanged. Growth in stocks of purchases also

eased to a marginal rate. Regarding the delivery of newly purchased items, surveyed companies reported speedier shipping times from vendors for a third month in a row.

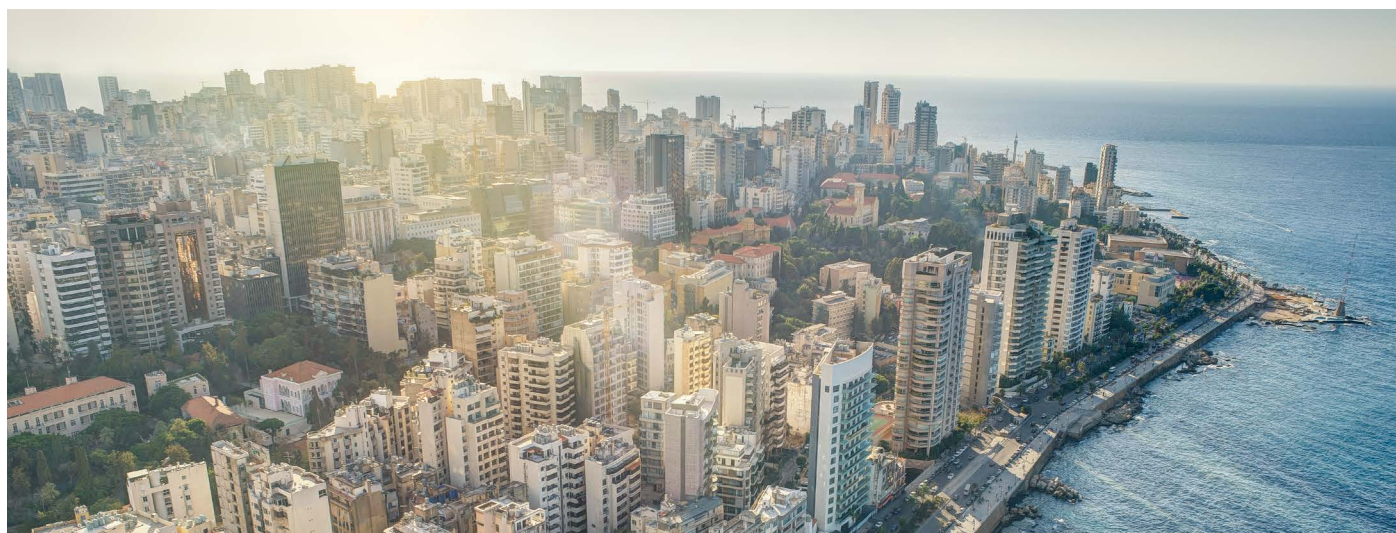
Looking towards the next 12 months, private sector companies in Lebanon retained a positive outlook. In fact, growth expectations were among the most optimistic since the survey began in May 2013, although they did soften again from January's record high. Hopes for a recovery in demand underpinned business confidence, anecdotal evidence showed.

Comment

Commenting on the March 2025 BLOM Lebanon PMI, Dr. Ali Bolbol, Chief Economist/Head of Research at BLOM BANK said:

"The BLOM Lebanon PMI for March 2025 fell to a five-month low at 47.6, indicating a change of course in the economy toward instability. The spillover effects from clashes on the Syrian coast, to renewed escalation between Israel and Hezbollah, to delays in the disarming of the latter

have all left their de-stabilizing imprint on the Lebanese private sector. What perhaps made things even worse is that the new government remains mired in the debacle of appointments, spending crucial time on how to 'divide the economic pie rather than on how to make it grow'. The only worthwhile news from the March PMI results is that expectations of a better outlook are still positive, though at a more subdued level."



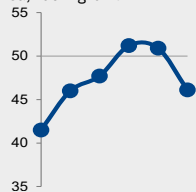
PMI®

by S&P Global

Output and demand

Output Index

Oct '24 - Mar '25
sa, >50 = growth

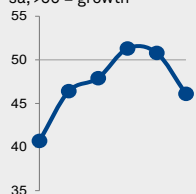


Output

After two months of growth, private sector business activity in Lebanon decreased at the end of the first quarter. Fragile domestic economic conditions weighed on output, according to anecdotal evidence, with companies also noting reduced construction work, lower tourism and weak consumer demand.

New Orders Index

Oct '24 - Mar '25
sa, >50 = growth

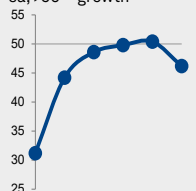


New orders

March survey data signalled a fall in the level of new incoming work received by private sector companies in Lebanon. This marked the first decline in three months, with the pace of contraction the quickest since October 2024. Lower client purchasing power, reduced demand for non-essential goods and services and instability across the region were reported as factors that dented sales performances.

New Export Orders Index

Oct '24 - Mar '25
sa, >50 = growth



New export orders

Adjusted for seasonal fluctuations, the New Export Orders Index fell below the 50.0 no-change threshold at the end of the first quarter, signalling a renewed reduction in new business from non-domestic customers. Regional instability, high export costs and challenging shipping conditions were cited by panel members as headwinds to international trade.

Output Index

sa, >50 = growth since previous month

46.1

Mar '25



New Orders Index

sa, >50 = growth since previous month

46.1

Mar '25



New Export Orders Index

sa, >50 = growth since previous month

46.2

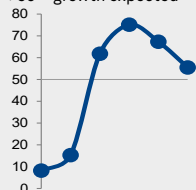
Mar '25



Business expectations

Future Output Index

Oct '24 - Mar '25
>50 = growth expected



Although the Future Output Index declined for a second month running, it remained above the neutral 50.0 threshold in March and signalled one of the highest levels of positive sentiment since the survey began in May 2013. Hopes of a recovery in demand underpinned firms' confident assessment for the year ahead, qualitative information from respondents revealed.

Future Output Index

>50 = growth expected over next 12 months

55.5

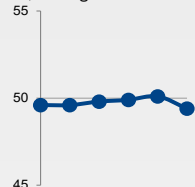
Mar '25



Employment and capacity

Employment Index

Oct '24 - Mar '25
sa, >50 = growth

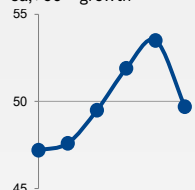


Employment

Having showed stability in the previous months of the year, March survey data signalled a reduction in private sector employment levels across Lebanon. Subdued demand conditions reportedly led some companies to cut their workforce capacity. That said, with just 1% of the survey panel reducing staff numbers, the rate of job shedding was only marginal overall.

Backlogs of Work Index

Oct '24 - Mar '25
sa, >50 = growth



Backlogs of work

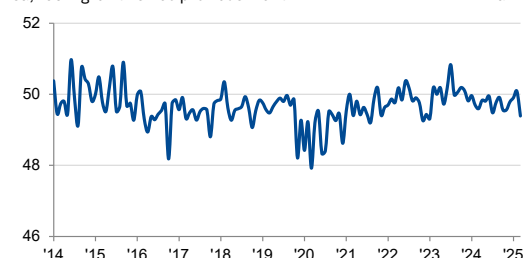
The seasonally adjusted Backlogs of Work Index posted just beneath the no-change mark of 50.0 in March, signalling a fractional reduction in the volume of outstanding business across Lebanon. This decrease contrasted sharply with February's survey-record accumulation in unfinished orders. A lack of incoming new work reportedly afforded companies the capacity to clear backlogs.

Employment Index

sa, >50 = growth since previous month

49.4

Mar '25



Backlogs of Work Index

sa, >50 = growth since previous month

49.7

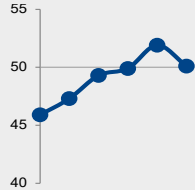
Mar '25



Purchasing and inventories

Quantity of Purchases Index

Oct '24 - Mar '25
sa, >50 = growth



Quantity of purchases

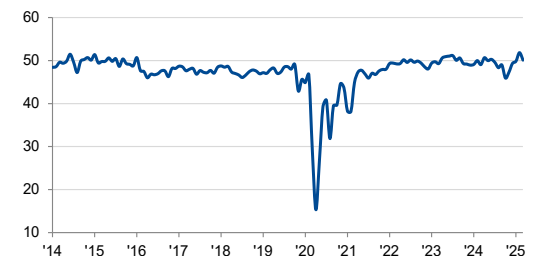
After a relatively solid upturn in purchasing volumes midway through the first quarter, private sector companies in Lebanon showed more restraint towards buying activity in March as the respective seasonally adjusted index retreated towards the neutral 50.0 level. Registering a fraction above the no-change threshold, the latest survey data signalled a small uptick in input demand.

Quantity of Purchases Index

sa, >50 = growth since previous month

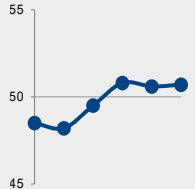
50.1

Mar '25



Suppliers' Delivery Times Index

Oct '24 - Mar '25
sa, >50 = faster times



Suppliers' delivery times

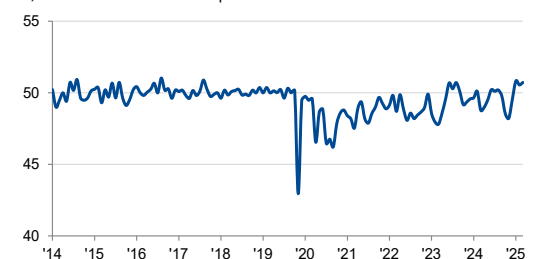
For a third month in succession, private sector businesses in Lebanon reported an improvement in vendor delivery times in March. The extent to which supplier performance improved was modest overall, but relatively marked in the context of the survey history.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

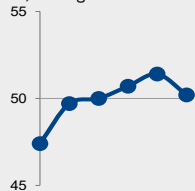
50.7

Mar '25



Stocks of Purchases Index

Oct '24 - Mar '25
sa, >50 = growth



Stocks of purchases

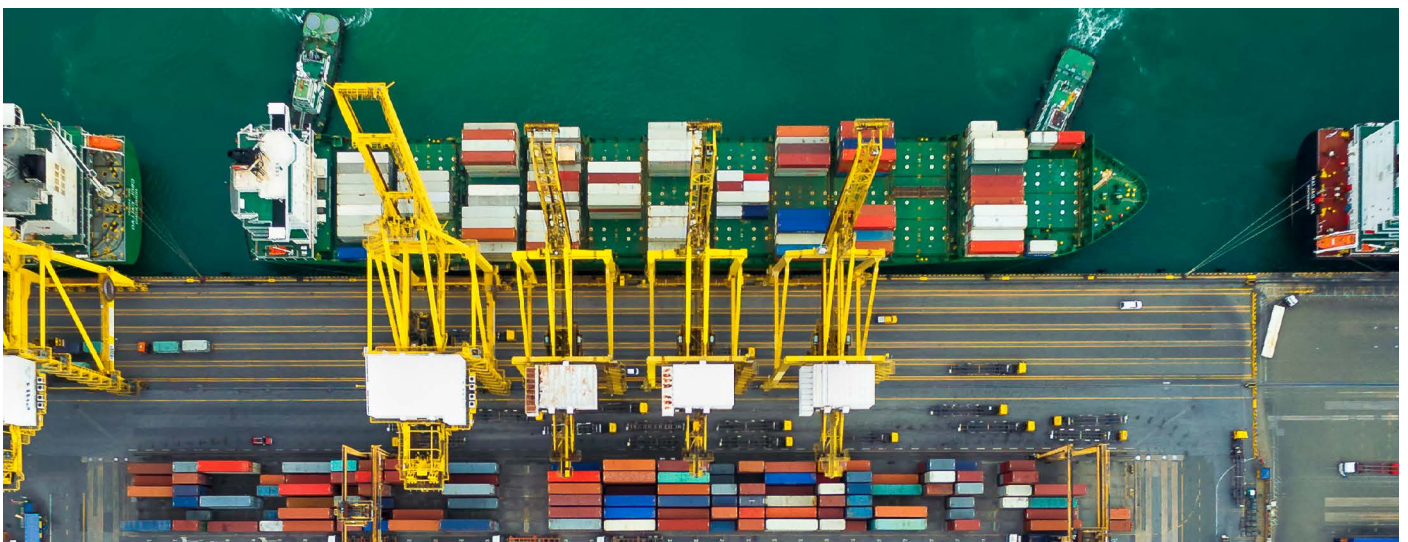
The seasonally adjusted Stocks of Purchases Index posted above the 50.0 mark and therefore in expansion territory at the end of the first quarter. As a result, this signalled a third consecutive month-on-month increase in the volume of materials and other necessary items held by private sector Lebanese companies. That said, the pace of increase was fractional and the slowest over the current sequence.

Stocks of Purchases Index

sa, >50 = growth since previous month

50.2

Mar '25

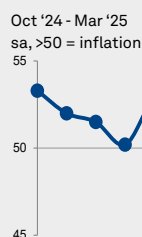


PMI®

by S&P Global

Prices

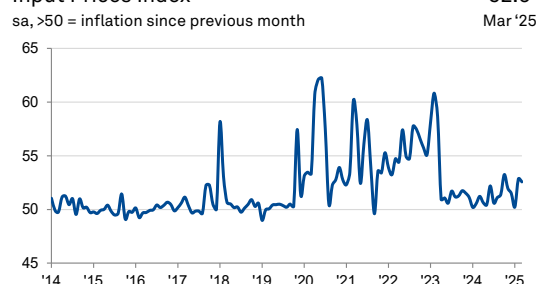
Input Prices Index



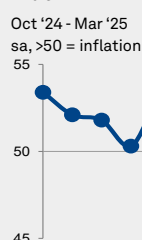
Overall input prices

Private sector businesses in Lebanon reported an increase in their total operating expenses during March. Prices paid for purchases were the main source of inflation, underlying data revealed, as staff costs ticked down on the month. The overall rate of increase was slightly faster than the average observed across the survey history, but below that seen in February.

Input Prices Index



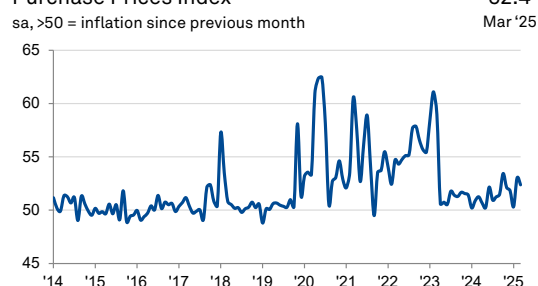
Purchase Prices Index



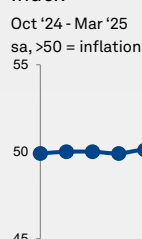
Purchase prices

Amid reports of greater costs for imported items and medical supplies, as well as higher prices for foodstuff and metals, March survey data highlighted sustained purchase price pressures for private sector firms in Lebanon. The rate of inflation did ease slightly on the month, however.

Purchase Prices Index



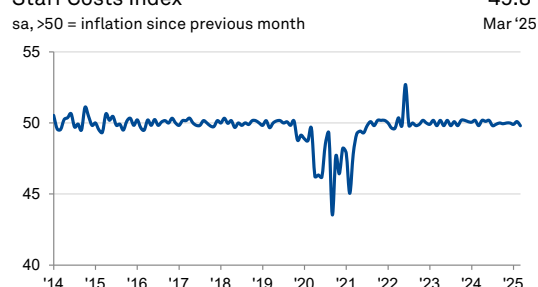
Staff Costs Index



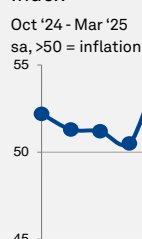
Staff costs

The seasonally adjusted Staff Costs Index dipped below the 50.0 no-change threshold at the end of the first quarter, signalling a slight reduction in employment expenses for private sector businesses in Lebanon.

Staff Costs Index



Output Prices Index



Output prices

In response to increased operating costs, private sector businesses in Lebanon raised their prices charged during March for a tenth month in a row. The extent to which selling prices rose was weaker than in February, but remained sharper than seen on average across the survey's near 12-year history.

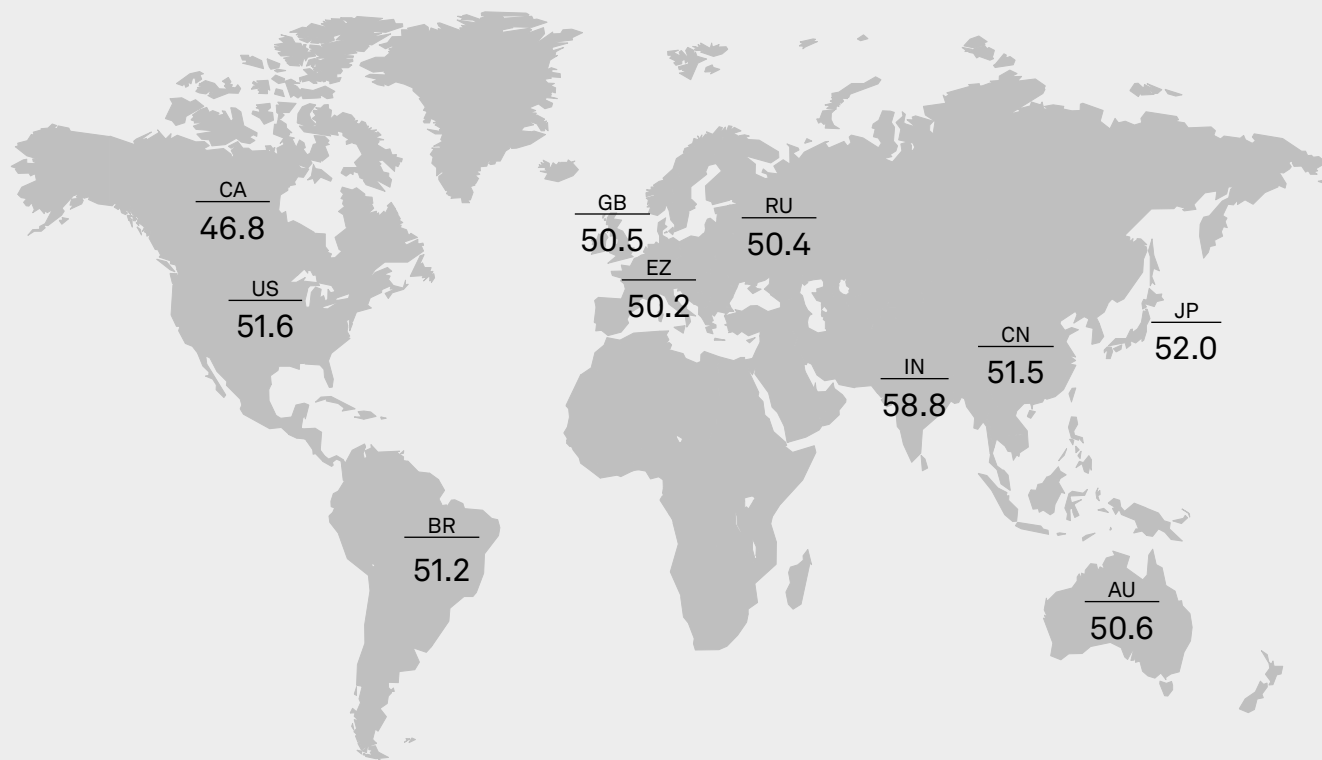
Output Prices Index



International PMI

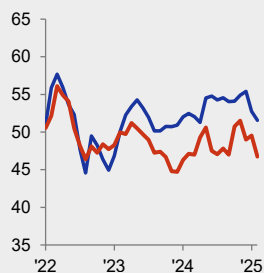
Composite Output Index, Feb '25
 sa, >50 = growth since previous month

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

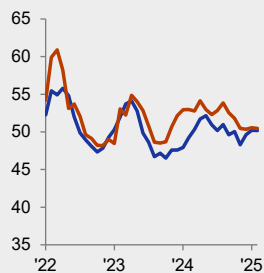


Composite Output Index

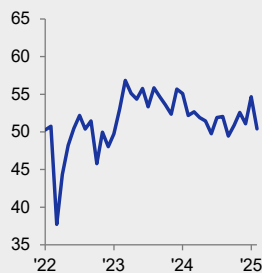
■ USA
 ■ Canada
 sa, >50 = growth



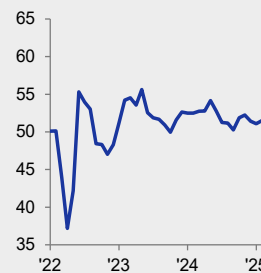
■ Eurozone
 ■ UK
 sa, >50 = growth



■ Russia
 sa, >50 = growth



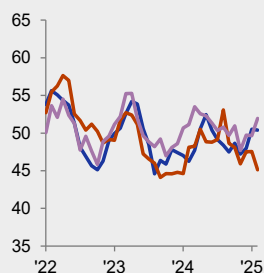
■ China
 sa, >50 = growth



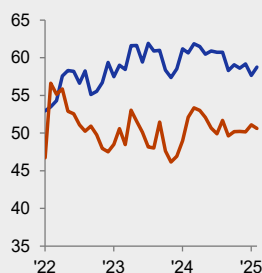
■ Brazil
 sa, >50 = growth



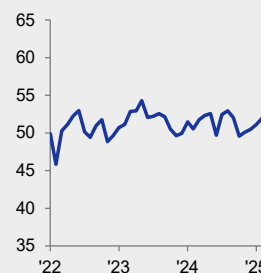
■ Germany ■ Italy
 ■ France
 sa, >50 = growth



■ 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 12-25 March 2025.

Survey questions

Private sector

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

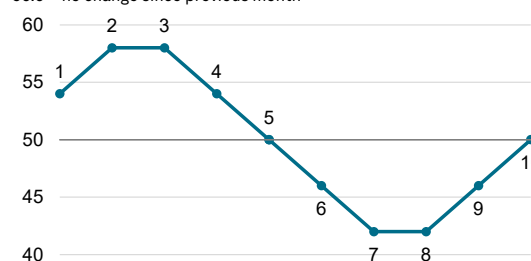
Suppliers' Delivery Times
Stocks Of Purchases
Input Prices
Purchase Prices
Staff Costs
Output Prices

Index calculation

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

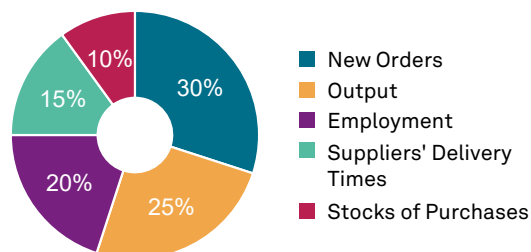
Index interpretation

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
F Construction
G Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
H Transportation and Storage
I Accommodation and Food Service Activities
J Information and Communication
K Financial and Insurance Activities

M Professional, Scientific and Technical Activities
N Administrative and Support Service Activities
P Education*
Q Human Health and Social Work Activities*
R Arts, Entertainment and Recreation
S Other Service 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
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
03 '25	47.6	46.1	46.1	46.2	55.5	49.4	49.7	50.1	50.7	50.2	52.6	52.4	49.8	51.2

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

About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

www.spglobal.com

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.

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

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global 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 S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.

PMI®

by **S&P Global**