

News Release

Purchasing Managers' Index™ MARKET SENSITIVE INFORMATION

EMBARGOED UNTIL: 11:00 (BEIRUT) / 08:00 (UTC), April 3rd 2025

Data collected March 12-25

BLOM Lebanon PMI®

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

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.

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."

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

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.

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. Hopes for a recovery in demand underpinned business confidence, anecdotal evidence showed.

-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.

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, [click here](#).

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.

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.

About S&P Global (www.spglobal.com)

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.

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

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.