BLOMINVEST BANK SAL

BLOM Lebanon PMI®

PMI ticks higher as contractions in output and new orders cool, but confidence worsens

Contents

BLOM Lebanon PMI rises to 49.0, from 47.6

Output and new orders fall, but at softer rates

Business confidence deteriorates

Lebanon's private sector economy remained under pressure at the start of the second quarter, according to the latest BLOM PMI® survey data, as new orders and business activity shrank. Purchasing activity and stock levels also dipped slightly in April, while firms' expectations for the next 12 months fell into pessimistic territory for the first time since November 2024.

After slumping to a five-month low of 47.6 in March, the headline BLOM Lebanon PMI® increased to 49.0 in April. A second successive monthly reading below the crucial 50.0 no-change threshold marked back-to-back months of deteriorating business conditions, although the rate of decline signalled was only marginal and softer than that seen previously.

April survey data indicated a reduction in the volume of incoming new business received by private sector companies in Lebanon. Stagnant market conditions, security concerns, regional instability and weak customer purchasing power were noted as factors denting sales performances, anecdotal evidence revealed. That said, the pace of contraction slowed and was only modest overall.

An identical trend was registered for new export orders, which saw a slower rate of decrease compared to March that was broadly on par with that seen for total new workloads.

Surveyed companies in the Lebanese private sector responded by reducing their activity levels in April. However, just 4% of panellists cut output, resulting in a rate of contraction which was modest overall and slower than in March.

Nevertheless, amid a sustained decline in demand, April survey data signalled a renewed, albeit marginal, drop in the volume of inputs purchased by Lebanese businesses. Where a reduction was reported, this was attributed by companies to efforts to maintain lean stocks.

Indeed, the latest PMI figures revealed the first month-on-month decrease in firms' holdings of items such as raw materials and intermediate goods since

BLOM Lebanon PMI

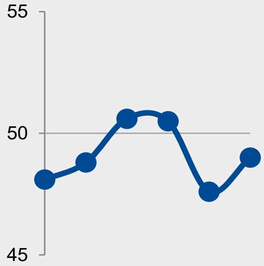
sa, >50 = improvement since previous month

PMI by S&P Global

49.0

LEBANON PMI
APR '25

PMI
Nov '24 - Apr '25
sa, >50 = improvement



last November. While only marginal overall, the pace of depletion was the fastest for six months.

There was a fractional decline in employment across the Lebanese private sector at the start of the second quarter. Although firms were still able to make additional inroads into their backlogs of work, the reduction stayed the same and was minimal.

Cost pressures retreated slightly across Lebanon during April. Imported items were cited as a principal source of inflation, with panellists also noting higher customs duties and shipping costs. The overall rate of input price inflation softened to a three-month low.

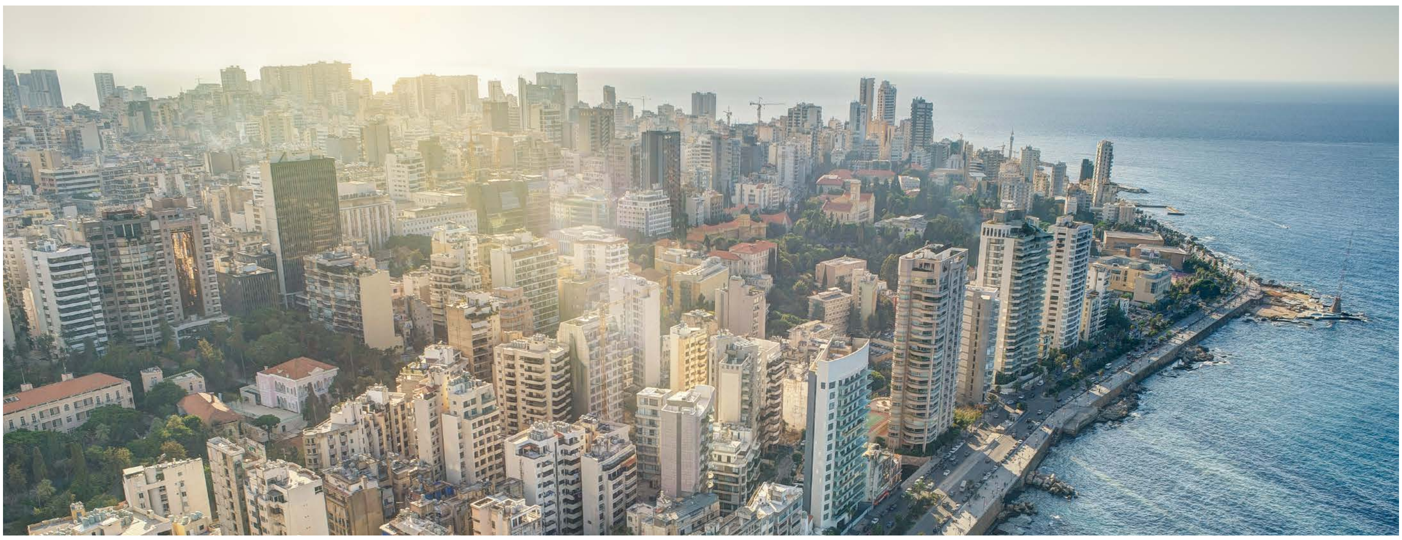
Surveyed companies lifted their prices charged, marking an eleventh successive monthly increase. The extent to which selling prices rose ticked up fractionally from that seen in March and was above its long-run trend.

Lastly, for the first time since November last year, private sector firms in Lebanon were, on balance, pessimistic towards the 12-month outlook for activity. This marked a considerable turnaround from January's record level of optimism. Security concerns, political uncertainty and expectations of weak demand, particularly from overseas, were cited by panellists.

Comment

Commenting on the April 2025, Mr. Helmi Mrad, Senior Research Analyst at BLOM BANK said:

"The BLOM Lebanon PMI recorded 49.0, implying a decline in private sector business activity for the second month in a row, but at a slower pace. This decline was mainly down to the marginal decline in new orders, reflecting weaker export demand. However, business sentiment was pessimistic for the first time since November 2024, as the Future Output index dropped below the 50 level. The debate regarding the surrendering of Hezbollah's weapons escalated in the last couple of weeks as some of Hezbollah's leaders stated that no one can forcefully remove their weapons. In the meantime, Israel's breaches of the ceasefire agreement continue. This stalemate is having negative effects on business activity in the short-run, despite the progress made on the enacting of laws essential for financial restructuring. In this respect, it is very important that the process of economic and financial reform doesn't become a hostage to the political and security situation and, as such, UN Resolution 1701 is implemented fully and immediately."

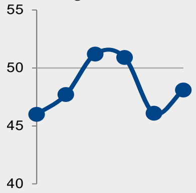


PMI® by S&P Global

BLOMINVEST BANK SAL

Output and demand

Output
Index
Nov '24 - Apr '25
sa, >50 = growth

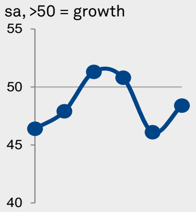


Output

Lebanon's private sector economy registered back-to-back months of falling business activity during April. Lower investment, economic stagnation and instability were given as reasons by panellists for declining output. That said, the rate of contraction slowed from that seen in March to a pace that was only moderate overall. Only 4% of surveyed companies posted a decrease in activity, with the vast majority (95%) reporting no change on the month.

Output Index 48.1
sa, >50 = growth since previous month Apr '25

New Orders
Index
Nov '24 - Apr '25
sa, >50 = growth

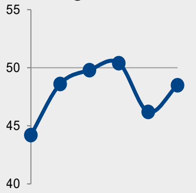


New orders

Stagnant market movement, regional instability, security concerns and purchasing power weakness were all cited as reasons for lower new order intakes during the latest survey period. Consequently, the respective seasonally adjusted index posted in sub-50.0 contraction territory for a second successive month. As was the case with output, the rate of decrease in sales slowed to a moderate pace.

New Orders Index 48.4
sa, >50 = growth since previous month Apr '25

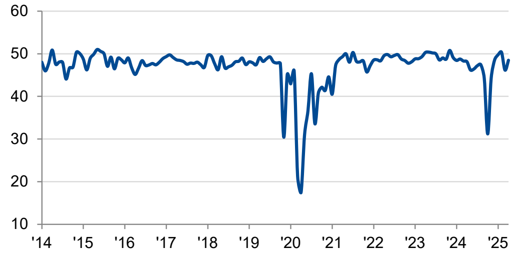
New Export
Orders Index
Nov '24 - Apr '25
sa, >50 = growth



New export orders

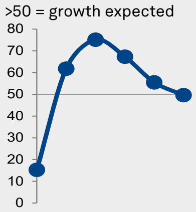
Private sector companies in Lebanon reported lower demand from international clients at the beginning of the second quarter. Regional instability was commonly cited as a reason for lower new export orders. April's decline was softer than that seen in March, with less than 4% of respondents registering weaker foreign customer demand.

New Export Orders Index 48.5
sa, >50 = growth since previous month Apr '25



Business expectations

Future
Output Index
Nov '24 - Apr '25
>50 = growth expected



After surging in the latter months of 2024, the Future Output Index saw its third successive decrease in April. Notably, this brought the survey's business confidence gauge below the crucial 50.0 level, therefore signalling a slightly pessimistic assessment of the economic outlook for the next 12 months. Companies anticipating a decline in activity linked this to expectations of low tourism, ongoing security concerns, weak customer purchasing power and political uncertainty.

Future Output Index 49.6
>50 = growth expected over next 12 months Apr '25

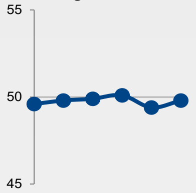
PMI® by S&P Global

Employment and capacity

Employment Index

Nov '24 - Apr '25

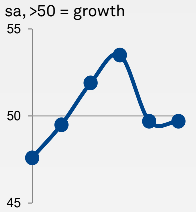
sa, >50 = growth



Backlogs of Work Index

Nov '24 - Apr '25

sa, >50 = growth

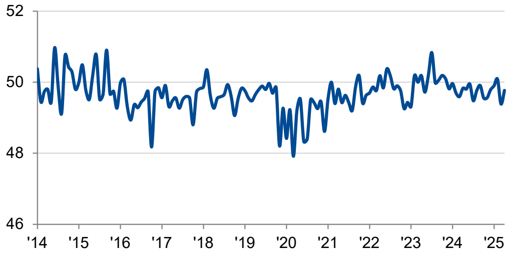


Employment

The seasonally adjusted Employment Index recorded just below the 50.0 no-change threshold at the start of the second quarter of 2025, signalling only a fractional reduction in workforce numbers across Lebanon's private sector. This was in line with the historical average since the survey began 12 years ago.

Employment Index — 49.8

sa, >50 = growth since previous month — Apr '25



Backlogs of work

A second successive monthly reduction in backlogs of work was registered by surveyed businesses in the Lebanese private sector during April. The respective seasonally adjusted index was unchanged from March and therefore pointed to another marginal decrease in outstanding work volumes. A lack of incoming new orders led to the clearance of pending orders, anecdotal evidence showed.

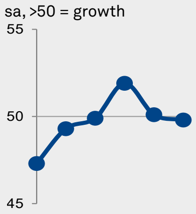
Backlogs of Work Index — 49.7

sa, >50 = growth since previous month — Apr '25

Quantity of Purchases Index

Nov '24 - Apr '25

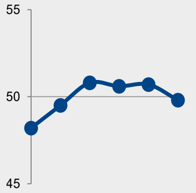
sa, >50 = growth



Suppliers' Delivery Times Index

Nov '24 - Apr '25

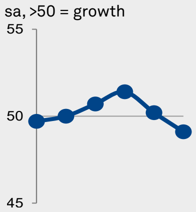
sa, >50 = faster times



Stocks of Purchases Index

Nov '24 - Apr '25

sa, >50 = growth



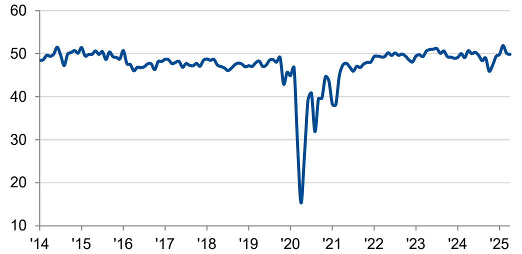
Purchasing and inventories

Quantity of purchases

Efforts to avoid holding too much stock amid weak market activity led some private sector companies in Lebanon to reduce their quantities of purchases during the latest survey period. However, with just 1% of respondents reporting lower purchasing volumes, the rate of contraction signalled was only fractional overall.

Quantity of Purchases Index — 49.8

sa, >50 = growth since previous month — Apr '25

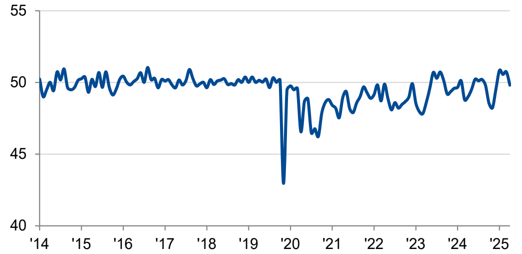


Suppliers' delivery times

After a sustained period of shortening delivery times, the latest survey data indicated a month of renewed delays during April. This was signalled by the respective seasonally adjusted index falling below the 50.0 no-change mark for the first time since last December.

Suppliers' Delivery Times Index — 49.8

sa, >50 = faster times since previous month — Apr '25

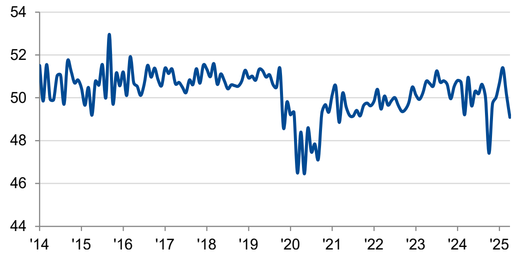


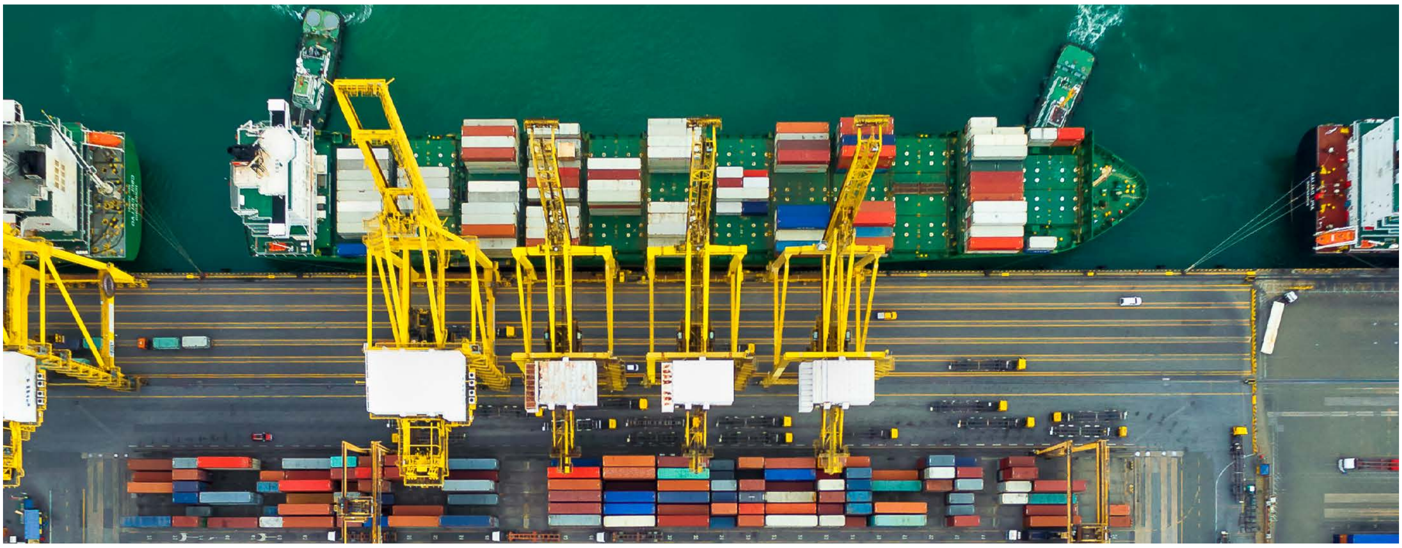
Stocks of purchases

Private sector businesses in Lebanon lowered their stocks of purchased items at the start of the second quarter. Weaker demand reportedly prompted panel members to reduce their inventories. The rate of depletion was marginal but the fastest seen for six months.

Stocks of Purchases Index — 49.1

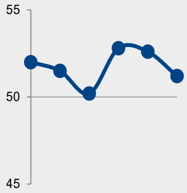
sa, >50 = growth since previous month — Apr '25



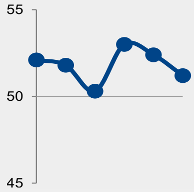


Prices

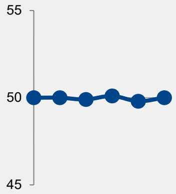
Input Prices Index
Nov '24 - Apr '25
sa, >50 = inflation



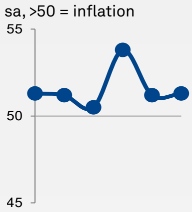
Purchase Prices Index
Nov '24 - Apr '25
sa, >50 = inflation



Staff Costs Index
Nov '24 - Apr '25
sa, >50 = inflation



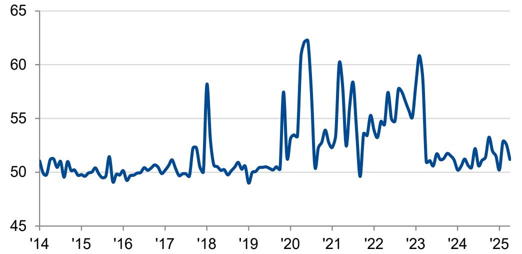
Output Prices Index
Nov '24 - Apr '25
sa, >50 = inflation



Overall input prices

Overall operating costs for private sector businesses in Lebanon continued to increase during April. Prices paid for imported goods were commonly cited as sources of inflation, according to firms. That said, the extent of the latest rise was only modest and the slowest for three months.

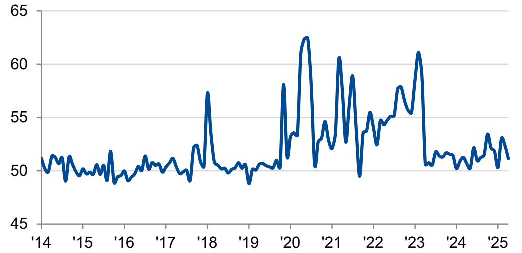
Input Prices Index 51.2
sa, >50 = inflation since previous month Apr '25



Purchase prices

Prices paid for purchased items were up on the month, according to April survey data. Imported products were reportedly more expensive, with customs duties and shipping costs also rising. However, the rate of purchase cost inflation was the softest since January.

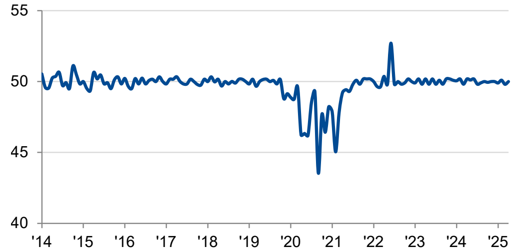
Purchase Prices Index 51.2
sa, >50 = inflation since previous month Apr '25



Staff costs

Posting precisely 50.0, the seasonally adjusted Staff Costs Index moved to the no-change level in April, rising marginally from March. Every company on the survey panel reported no change in their employment costs when compared to March.

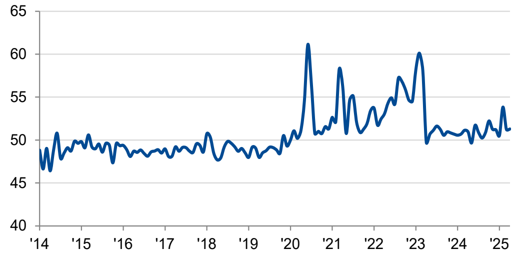
Staff Costs Index 50.0
sa, >50 = inflation since previous month Apr '25



Output prices

Prices charged by private sector companies in Lebanon continued to increase during April, as has been the case in each month since June 2024. Furthermore, the extent to which selling prices rose ticked up fractionally. The rate of inflation was above the long-run trend, but only modest overall.

Output Prices Index 51.3
sa, >50 = inflation since previous month Apr '25

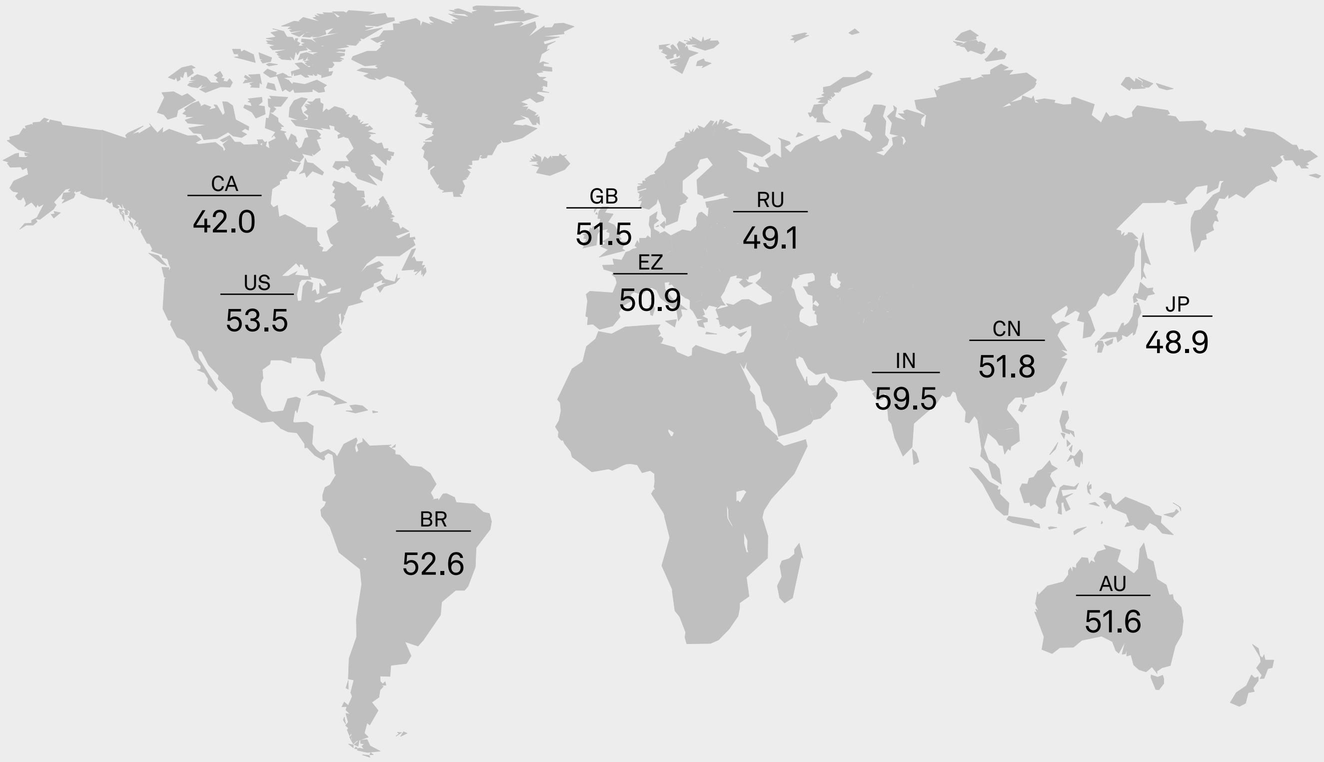


International PMI

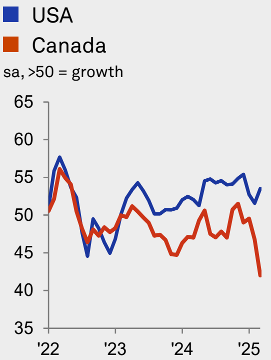
Composite Output Index, Mar '25

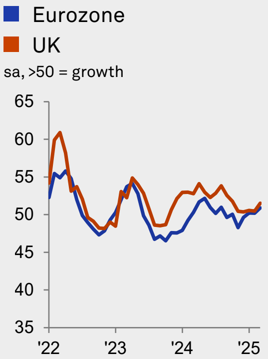
sa, >50 = growth since previous month

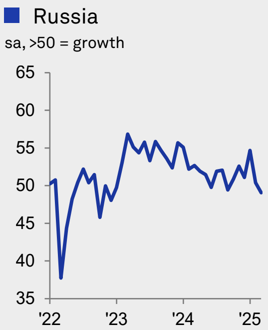
The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.

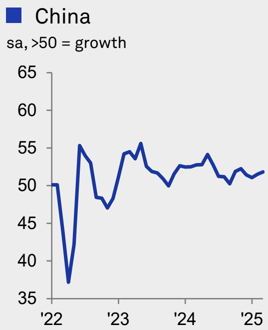


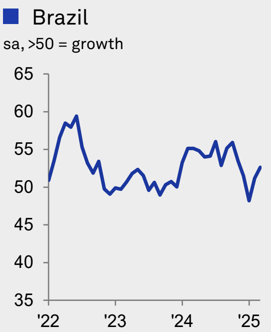
Composite Output Index

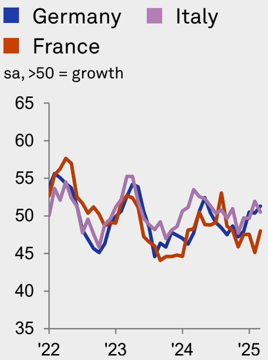


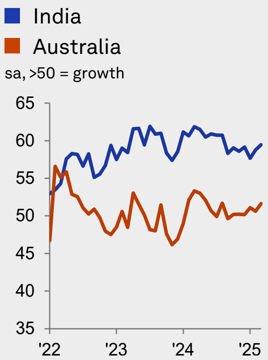


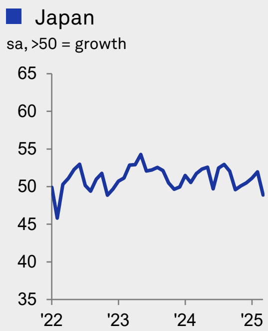












Survey methodology

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 9-24 April 2025.

Survey questions

Private sector

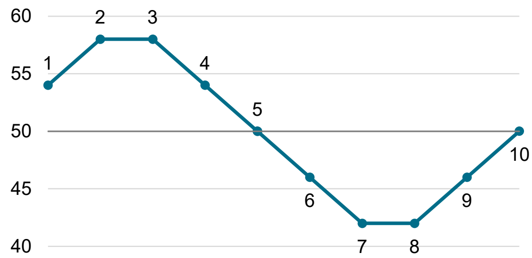
Output	Suppliers' Delivery Times
New Orders	Stocks Of Purchases
New Export Orders	Input Prices
Future Output	Purchase Prices
Employment	Staff Costs
Backlogs Of Work	Output Prices
Quantity Of Purchases	

Index calculation

% "Higher" + (% "No change")/2

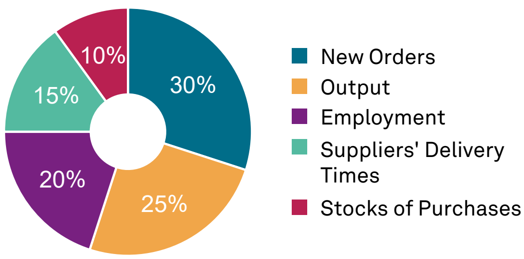
Index interpretation

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*	Employ-ment	Backlogs of Work	Quantity of Purchases	Suppliers' Delivery Times	Stocks of Purchases	Overall Input Prices	Purchase Prices	Staff Costs	Output Prices
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
04 '25	49.0	48.1	48.4	48.5	49.6	49.8	49.7	49.8	49.8	49.1	51.2	51.2	50.0	51.3

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