

News Release

Purchasing Managers' Index™ MARKET SENSITIVE INFORMATION

EMBARGOED UNTIL: 11:00 (BEIRUT) / 08:00 (UTC), May 6th 2025

Data collected April 9-24

BLOM Lebanon PMI®

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

BLOM Lebanon PMI rises to 49.0, from 47.6

Output and new orders fall, but at softer rates

Business confidence deteriorates

sa, >50 = improvement since previous month



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.

Commenting on the April 2025 BLOM Lebanon PMI, 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."

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

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.

-Ends-

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 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.

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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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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