

BLOM Lebanon PMI®

PMI signals further deterioration in private sector conditions but confidence improves

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Employment levels stable

Lebanon's private sector economy registered a slight deterioration midway through the second quarter, according to the latest BLOM PMI® survey data, although business confidence improved solidly. Despite further modest declines in output and new orders, employment levels held steady. Export demand was a drag on total sales, with instability across the Middle East acting as a headwind.

The headline BLOM Lebanon PMI® recorded below the 50.0 no-change mark in May, signalling a decline in private sector operating conditions compared to the previous month. At 48.9, the headline index was little changed from 49.0 in April, signalling a modest deterioration in the health of the Lebanese private sector economy.

As was the case in both March and April, business activity decreased across Lebanon during the latest survey period, extending the current period of contraction to three months. Where a reduction was reported, firms mentioned weak customer demand. That said, the extent of the latest drop

was relatively mild.

May survey data indicated a deterioration in demand conditions faced by Lebanese private sector companies. Tepid market conditions and weak customer purchasing power weighed on sales performances, anecdotal evidence suggested.

Exports were the primary drag on overall new business volumes, underlying data suggested, with the contraction in new international sales outstripping that seen for total new orders. Moreover, the rate of decline in foreign client demand quickened on the month. Unstable conditions across the Middle East hindered sales to non-domestic markets, according to panel member reports.

Lebanese firms trimmed their purchases of inputs midway through the second quarter of the year. In fact, the rate of decline accelerated to the quickest for six months, although it was only marginal overall. Despite fewer orders being placed with vendors, suppliers' delivery times lengthened in

BLOM Lebanon PMI

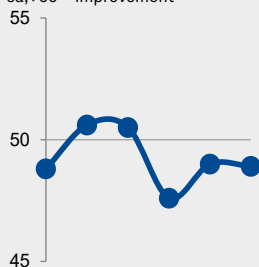
sa, >50 = improvement since previous month



48.9

LEBANON PMI
MAY '25

PMI
Dec '24 - May '25
sa, >50 = improvement



May.

There was a slight intensification of input price pressures during the latest survey period, primarily as a consequence of increased purchasing costs. Firms noted greater fees for imported items. Output charges subsequently rose as companies attempted to offset the impact of greater costs on their margins. In both cases, rates of inflation were modest.

Nevertheless, the latest PMI data showed efforts were made by firms to make cost savings. Stocks of purchases decreased for a second successive month as some respondents sought to free up cashflow, although the depletion softened.

Employment levels were broadly stable midway through the second quarter. There was evidence of a pick-up in capacity pressures as backlogs of work rose for the first time in three months. The rate of accumulation was marginal, however.

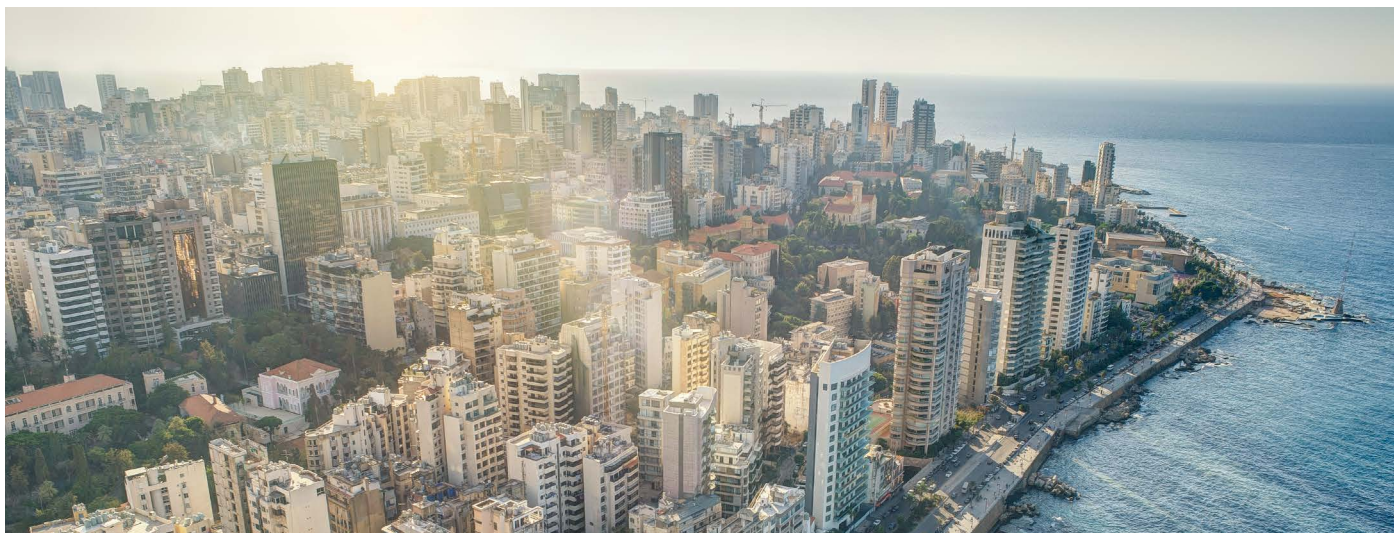
Looking ahead, private sector companies in Lebanon reported a positive year-ahead outlook for activity. This marked an improvement from April, when firms were slightly downbeat, on balance. Anecdotal evidence highlighted positive sentiment surrounding the domestic political environment, in addition to hopes of greater inbound tourism and investment.

Comment

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

“For the third consecutive month, the BLOM Lebanon PMI signalled contraction, slipping slightly from 49.0 in April to 48.9 in May. The downturn reflected weak demand and higher shipping costs, weighing on output and orders. Political uncertainty remains elevated domestically and regionally. The U.S. urges faster progress on disarmament—despite

Lebanon’s move to disarm Palestinian refugee camps, seen as a potential stepping stone to addressing the all-important Hezbollah’s arsenal. The Gaza war also shows no sign of ending soon. As such, the economy seems to be stuck in limbo, with the momentum witnessed at the beginning of the year dwindling away. On a more positive note, business sentiment improved in May, driven by hopes of political stability, revived GCC tourism, and renewed Arab investment.”



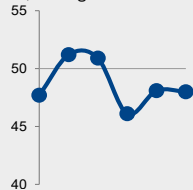
PMI®

by **S&P Global**

Output and demand

Output Index

Dec '24 - May '25
sa, >50 = growth



Output

For a third month in succession, the seasonally adjusted Output Index posted below the 50.0 no-change threshold, signalling a reduction in private sector business activity across Lebanon. Where a decline was reported (around 5% of companies), this was primarily attributed to weak demand. That said, the pace of decrease remained relatively mild.

New orders

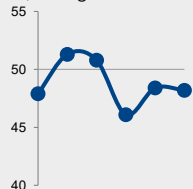
A sustained decrease in new order intakes was evidenced by another sub-50.0 reading in the respective seasonally adjusted index midway through the second quarter, extending the current period of falling sales volumes to three months. Sluggish market conditions, domestic instability and weak client purchasing power drove May's drop in new business, anecdotal evidence suggested.

New export orders

The level of new work received from clients in overseas markets contracted during the latest survey period. The rate of decline gathered pace from that seen in April and was moderate overall. Unstable conditions across the Middle East and increased shipping costs reportedly weighed on Lebanese companies' ability to secure sales with non-domestic customers.

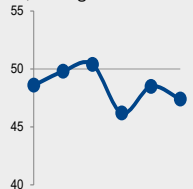
New Orders Index

Dec '24 - May '25
sa, >50 = growth



New Export Orders Index

Dec '24 - May '25
sa, >50 = growth



Output Index

sa, >50 = growth since previous month

48.0

May '25



New Orders Index

sa, >50 = growth since previous month

48.2

May '25



New Export Orders Index

sa, >50 = growth since previous month

47.4

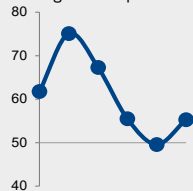
May '25



Business expectations

Future Output Index

Dec '24 - May '25
>50 = growth expected



After a sustained period of decline since January, the Future Output Index regained positive momentum during the latest survey period, rising above the 50.0 no-change mark to signal renewed expectations of activity growth among private sector firms in Lebanon. Where optimism was recorded, companies cited improved sentiment towards the domestic political situation, hopes of increased inbound tourism and a rise in investment activity.

Future Output Index

>50 = growth expected over next 12 months

55.3

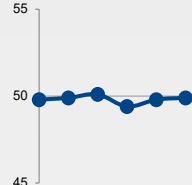
May '25



Employment and capacity

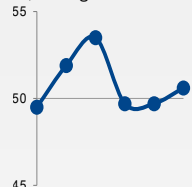
Employment Index

Dec '24 - May '25
sa, >50 = growth



Backlogs of Work Index

Dec '24 - May '25
sa, >50 = growth



Employment

The seasonally adjusted Employment Index registered close to the 50.0 no-change mark once again in May, indicating broadly stable workforce numbers across Lebanon's private sector. This was in line with the trend observed during the opening quarter of 2025.

Backlogs of work

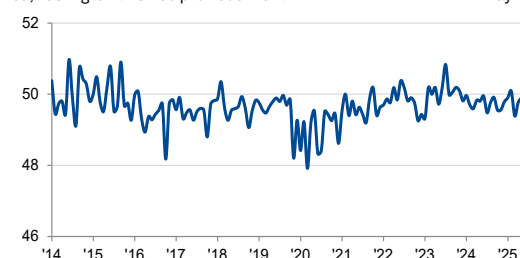
For the first time in three months, private sector companies in Lebanon recorded a rise in their levels of outstanding business. However, the rate of accumulation was only marginal overall, with the vast majority of panel members reporting no change in their backlogs of work compared to the previous month.

Employment Index

sa, >50 = growth since previous month

49.9

May '25



Backlogs of Work Index

sa, >50 = growth since previous month

50.6

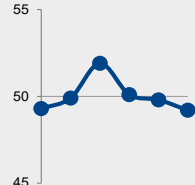
May '25



Purchasing and inventories

Quantity of Purchases Index

Dec '24 - May '25
 sa, >50 = growth



Quantity of purchases

Adjusted for seasonality, the Quantity of Purchases Index posted in sub-50.0 territory during May, indicating a reduction in input buying by private sector firms in Lebanon. Survey members linked lower purchasing activity to weaker demand conditions. Although the rate of decline was the quickest in six months, it was only mild.

Quantity of Purchases Index

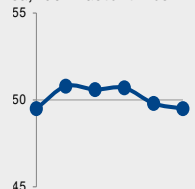
sa, >50 = growth since previous month

49.2
 May '25



Suppliers' Delivery Times Index

Dec '24 - May '25
 sa, >50 = faster times



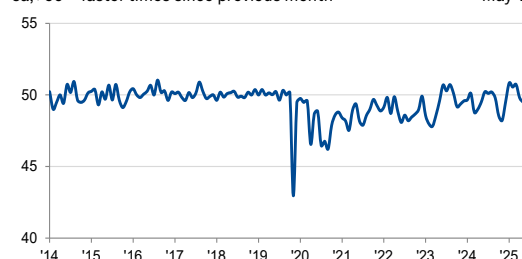
Suppliers' delivery times

Amid reports of shipping delays and slow customs clearances, May survey data highlighted a lengthening of average suppliers' delivery times. The extent to which vendor performance deteriorated was the joint-sharpest in six months (level with last December), but only marginal.

Suppliers' Delivery Times Index

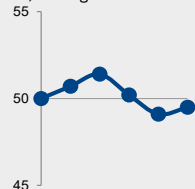
sa, >50 = faster times since previous month

49.5
 May '25



Stocks of Purchases Index

Dec '24 - May '25
 sa, >50 = growth



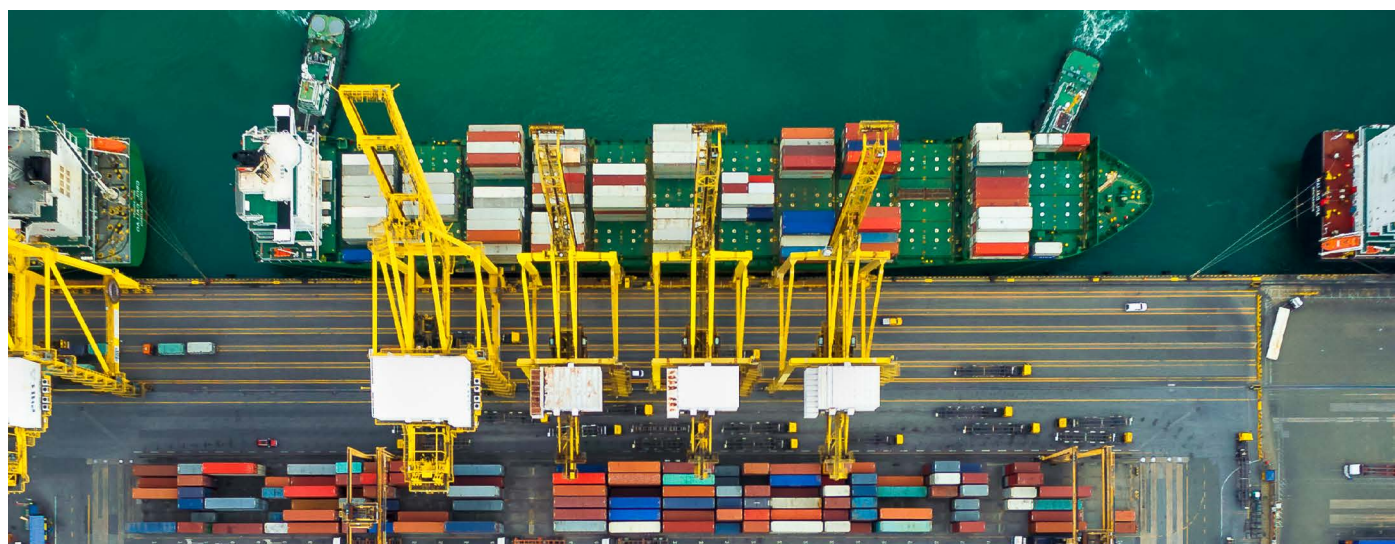
Stocks of purchases

To free up cashflow and reduce costs, private sector businesses in Lebanon lowered their stocks of purchases midway through the second quarter. This marked back-to-back monthly declines, following three successive expansions between January and March. The rate of depletion was mild, however.

Stocks of Purchases Index

sa, >50 = growth since previous month

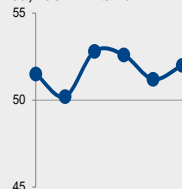
49.5
 May '25



Prices

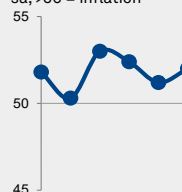
Input Prices Index

Dec '24 - May '25
sa, >50 = inflation



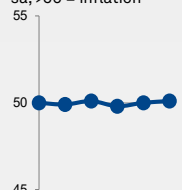
Purchase Prices Index

Dec '24 - May '25
sa, >50 = inflation



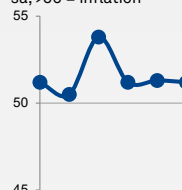
Staff Costs Index

Dec '24 - May '25
sa, >50 = inflation



Output Prices Index

Dec '24 - May '25
sa, >50 = inflation



Overall input prices

In line with the trend since October 2021, overall input costs rose for private sector companies in Lebanon. Furthermore, the rate of inflation ticked higher for the first time since February. Purchasing prices remained the principal driver of cost pressures, underlying data showed.

Purchase prices

Prices paid for purchases by Lebanese private sector businesses increased in May. According to survey respondents, import prices were a major source of inflationary pressure. Gold, food, beverages, metals and electricity were also reported to have risen. The pace of increase in purchasing costs was moderate and slightly quicker than in April.

Staff costs

The seasonally adjusted Staff Costs Index ticked up midway through the second quarter, recording only just above the 50.0 no-change threshold to indicate a fractional uptick in wage bills for private sector companies in Lebanon.

Output prices

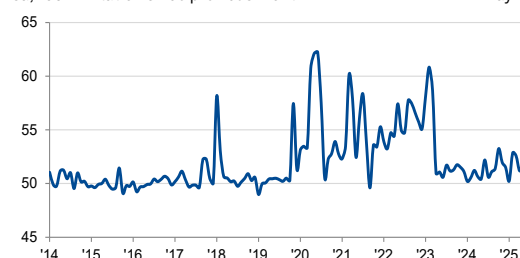
There was a further increase in selling prices set by private sector companies in Lebanon during the latest survey period. In many cases, charges were lifted to offset the impact of greater operating costs. However, the rate of inflation was little-changed from the month prior and only modest.

Input Prices Index

sa, >50 = inflation since previous month

52.0

May '25

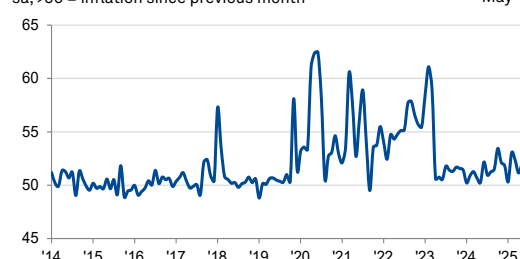


Purchase Prices Index

sa, >50 = inflation since previous month

52.0

May '25

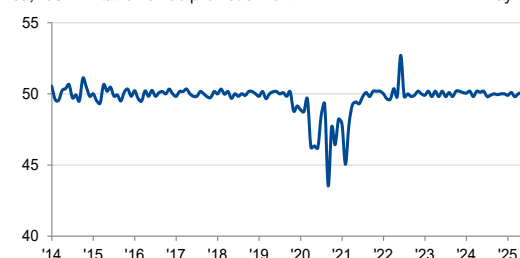


Staff Costs Index

sa, >50 = inflation since previous month

50.1

May '25

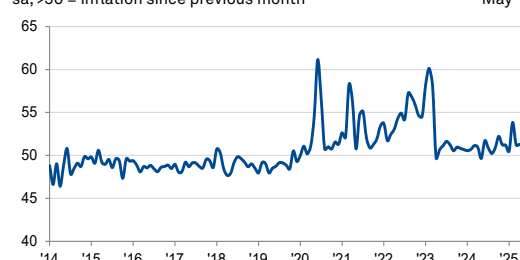


Output Prices Index

sa, >50 = inflation since previous month

51.2

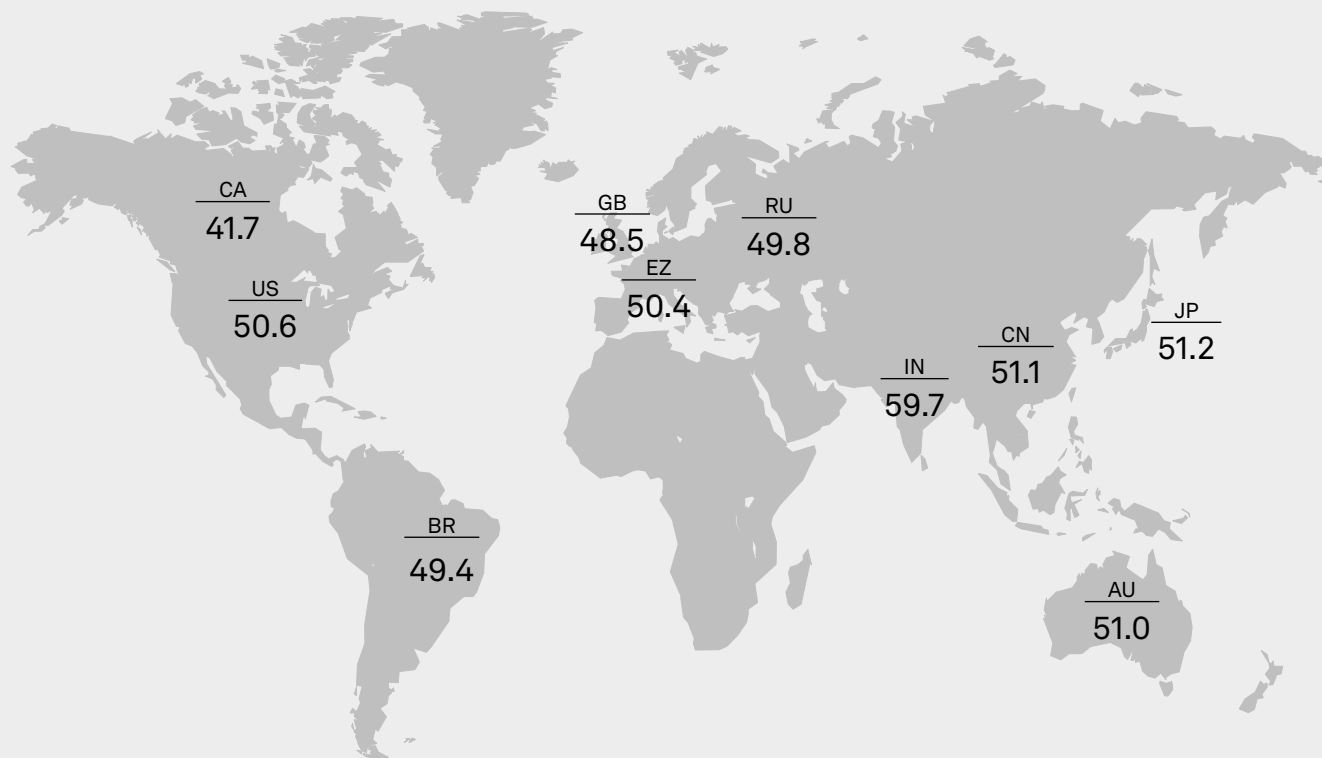
May '25



International PMI

Composite Output Index, Apr '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.

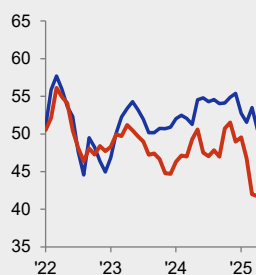


Composite Output Index

■ USA

■ Canada

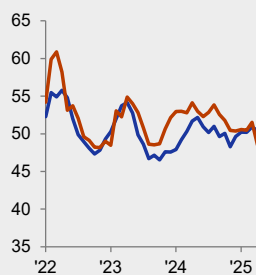
sa, >50 = growth



■ Eurozone

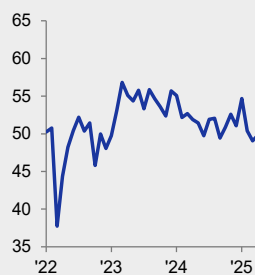
■ UK

sa, >50 = growth



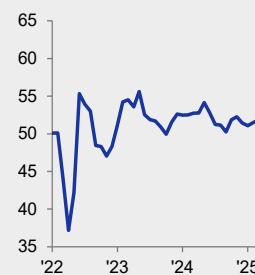
■ Russia

sa, >50 = growth



■ China

sa, >50 = growth



■ Brazil

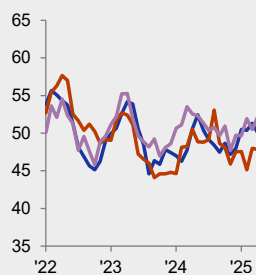
sa, >50 = growth



■ Germany ■ Italy

■ France

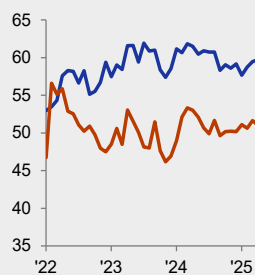
sa, >50 = growth



■ India

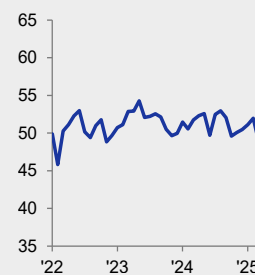
■ Australia

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 12-23 May 2025.

Survey questions

Private sector

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

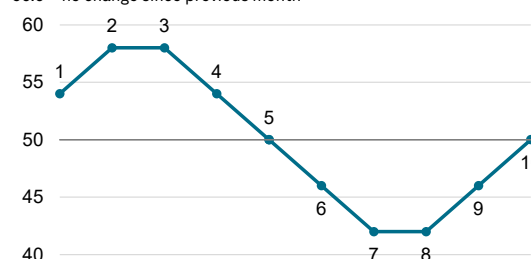
Suppliers' Delivery Times
Stocks Of Purchases
Input Prices
Purchase Prices
Staff Costs
Output Prices

Index calculation

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

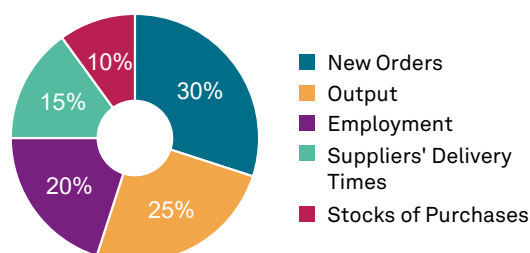
Index interpretation

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
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
05 '25	48.9	48.0	48.2	47.4	55.3	49.9	50.6	49.2	49.5	49.5	52.0	52.0	50.1	51.2

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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.

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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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