

BLOM Lebanon PMI®

Deterioration in private sector conditions eases, but sentiment drops sharply

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Activity levels fall at slowest pace in four months

Input prices rise solidly amid higher purchase costs

Sentiment towards the outlook sinks to seven-month low

Lebanon's private sector economy remained in contraction at the end of the second quarter, according to the latest BLOM PMI® survey data, although the pace of decline softened slightly from May. Output levels fell to a lesser extent despite a further downturn in sales, while employment and inventories were both relatively steady. However, concerns about the escalation of regional tensions led to a significant decline in business confidence and contributed to a sharper increase in purchasing costs.

The headline BLOM Lebanon PMI® registered below the 50.0 no-change mark for the fourth consecutive month in June, indicating a further decline in private sector operating conditions. However, the index was up slightly from 48.9 in May to 49.2 in June, signalling a slight moderation in the rate of deterioration.

In line with the survey trend since March, business activity in the Lebanese private sector decreased in June, which panellists often attributed to weaker demand. That said, the pace

of contraction eased from May and was the softest recorded in the current four-month sequence of decline.

Meanwhile, new order intakes received by Lebanese firms continued to fall, with the rate of reduction consistent with the average trend observed during the second quarter. A number of survey participants reported that heightened security risks in the region due to the conflict between Israel and Iran had led some customers to lower spending and cancel bookings. Export sales decreased moderately, albeit to a slightly lesser degree than seen in May.

Businesses also raised concerns in the latest survey (conducted between 12 and 24 June) that greater regional instability could lead to a contraction in future activity. Subsequently, overall sentiment towards the 12-month outlook for output worsened sharply from May, with firms in general predicting activity to fall. The degree of pessimism was the greatest observed since November 2024.

Lebanese firms reduced their

BLOM Lebanon PMI

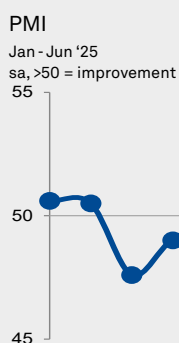
sa, >50 = improvement since previous month



49.2

LEBANON PMI

JUN '25



purchases of inputs for the third month in a row in June, although the decrease was only marginal. Some reports signalled greater caution from businesses on spending and increased efforts to free up cashflow. While there was a corresponding reduction in inventories of inputs, the overall drop was fractional and the slowest for three months.

Lower demand and the cancellation of bookings helped firms to trim their outstanding business in June. Work-in-hand decreased at the quickest pace for seven months, albeit only slightly. Signs of spare capacity meant that staffing numbers stayed relatively stable.

Comment

Commenting on the June 2025 BLOM Lebanon PMI, Dr. Fadi Osseiran, General Manager of BLOMinvest BANK said:

"BLOM Lebanon PMI rose to 49.2 in June from 48.9 in May, a small improvement, but signalling a deterioration in private sector business activity for the fourth consecutive month. The escalation of the war between Iran and Israel resulted in weaker customer sales and client cancellations, leading

Suppliers' delivery times lengthened for the third month running in June, and the rate of vendor deterioration was the strongest since last November. Firms that observed delays linked this to shipping disruption and bottlenecks at customs.

Input cost pressures in the Lebanese private sector intensified again in June, which participants largely attributed to greater prices paid for purchased inputs. Items such as food, energy and transport were frequently cited as rising in cost. The overall rate of inflation was the second-quickest in over two years, outpaced only by that seen in October 2024. Consequently, prices charged by companies rose at the fastest pace in four months.

to a drop in business activity. Moreover, purchase prices incurred by companies surged at the fastest pace in eight months, and these increases were passed to their clients. What is unfortunate is the sharp drop in the Future Output Index, revealing pessimism at private sector companies regarding future outlook, as 53% of respondents expect activity levels to diminish in the upcoming 12 months."



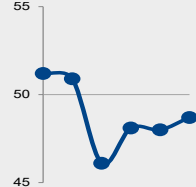
PMI®

by **S&P Global**

Output and demand

Output Index

Jan - Jun '25
sa, >50 = growth



Output

Overall activity at Lebanese private sector companies decreased for the fourth consecutive month in June. Survey participants related the fall to weaker customer sales and client cancellations. That said, adjusted for seasonal factors, the respective index rose closer to the 50.0 no-change threshold, indicating only a modest contraction and one that was the slowest in the aforementioned period.

Output Index

sa, >50 = growth since previous month

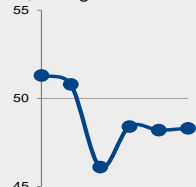
48.7

Jun '25



New Orders Index

Jan - Jun '25
sa, >50 = growth



New orders

Lebanese firms received lower intakes of new orders at the end of the second quarter, extending the trend of contraction that started in March. The latest downturn was moderate and broadly similar to that recorded in May. Several businesses commented that greater security risks in the region had contributed to a loss of new work.

New Orders Index

sa, >50 = growth since previous month

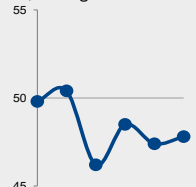
48.3

Jun '25



New Export Orders Index

Jan - Jun '25
sa, >50 = growth



New export orders

New orders from international customers declined in June, albeit with the pace of reduction easing since the previous survey period. Comments from surveyed companies suggested that unstable conditions across the Middle East was the primary reason for a drop in export sales.

New Export Orders Index

sa, >50 = growth since previous month

47.8

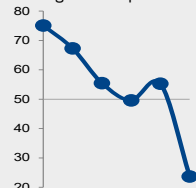
Jun '25



Business expectations

Future Output Index

Jan - Jun '25
>50 = growth expected



The Future Output Index fell sharply in June, pointing to a rapid decline in business sentiment towards the next 12 months. Most respondents (53%) expressed pessimism, with qualitative reports widely citing the expected negative impact of conflict between Israel and Iran on domestic and regional economic conditions. Overall expectations were the lowest seen since last November.

Future Output Index

>50 = growth expected over next 12 months

23.7

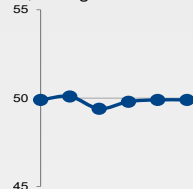
Jun '25



Employment and capacity

Employment Index

Jan - Jun '25
sa, >50 = growth



Employment

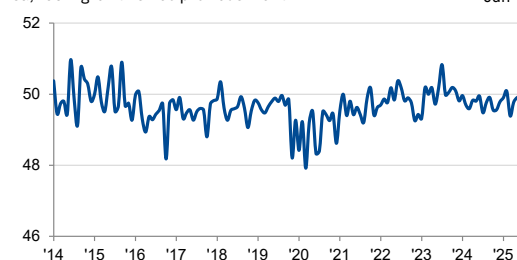
The seasonally adjusted Employment Index continued to hold close to the 50.0 neutral threshold at the end of the second quarter, indicating a broadly stable staffing level across the private sector economy. This continued the trend of stagnating employment numbers that has been recorded since the first quarter of 2025.

Employment Index

sa, >50 = growth since previous month

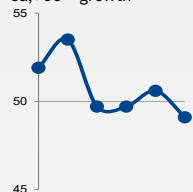
49.9

Jun '25



Backlogs of Work Index

Jan - Jun '25
sa, >50 = growth



Backlogs of work

Following a fresh increase in the previous survey, Lebanese private sector firms recorded a renewed drop in outstanding business in June. Although marginal, the pace of decline was the quickest seen for seven months. Firms remarked that a reduction in new orders had resulted in lower backlogs.

Backlogs of Work Index

sa, >50 = growth since previous month

49.1

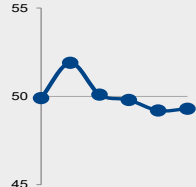
Jun '25



Purchasing and inventories

Quantity of Purchases Index

Jan - Jun '25
sa, >50 = growth



Quantity of purchases

Private sector firms in Lebanon continued to curtail their purchases of materials and key components over the course of June, marking a third successive month of weaker buying volumes. In general, this was attributed to lower sales and cautious spending policies. That said, the respective seasonally adjusted index was little-changed from May and consistent with only a slight pace of contraction.

Quantity of Purchases Index

sa, >50 = growth since previous month

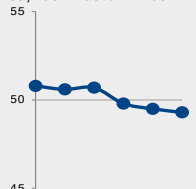
49.3

Jun '25



Suppliers' Delivery Times Index

Jan - Jun '25
sa, >50 = faster times



Suppliers' delivery times

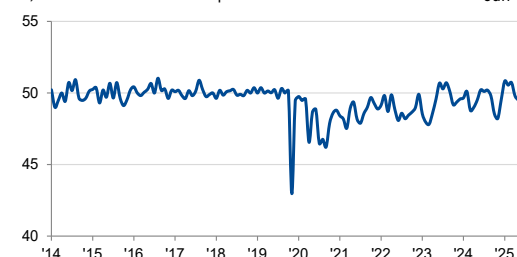
As has been the case throughout the second quarter of the year, suppliers' delivery times lengthened in June. The pace at which lead times increased was the sharpest for seven months, though only marginal. Where delays occurred, panellists cited shipping disruption and customs bottlenecks.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

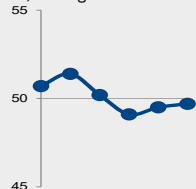
49.3

Jun '25



Stocks of Purchases Index

Jan - Jun '25
sa, >50 = growth



Stocks of purchases

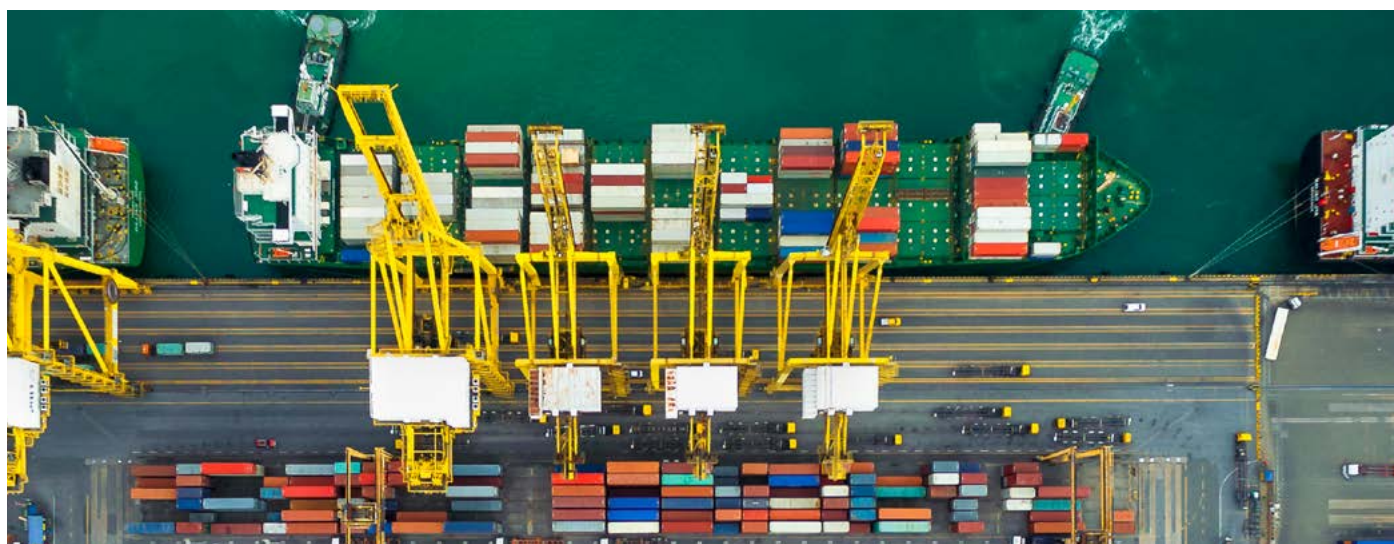
There were additional reports of companies seeking to limit their stockpiles to free up cash flow in June, leading to a reduction in stocks of purchases for the third month running. However, the rate of decline softened further from April and was only mild, as signalled by the seasonally adjusted index moving closer to the 50.0 no-change mark.

Stocks of Purchases Index

sa, >50 = growth since previous month

49.7

Jun '25

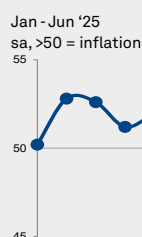


PMI®

by S&P Global

Prices

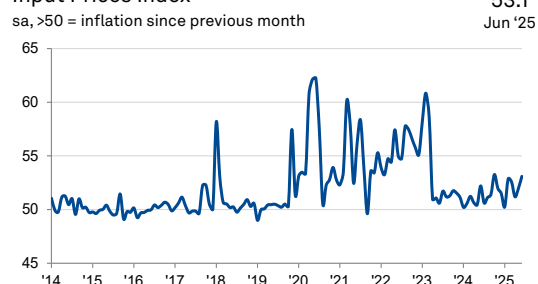
Input Prices Index



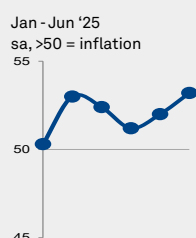
Overall input prices

Lebanese companies highlighted increased pressure on their costs during June. The overall rate of input price inflation was the second-quickest in over two years, outpaced only by October 2024's reading. In addition, the increase in input costs was solid and faster than the historical average.

Input Prices Index



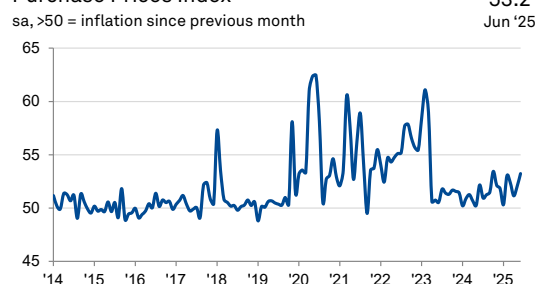
Purchase Prices Index



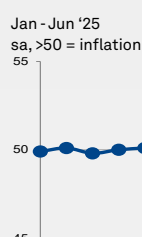
Purchase prices

Prices for purchased items continued to rise at the end of the second quarter. Moreover, the latest increase was solid and the most pronounced for eight months. Survey respondents often remarked on higher prices for imported items, with food, energy, transportation and building materials reported as up in price.

Purchase Prices Index



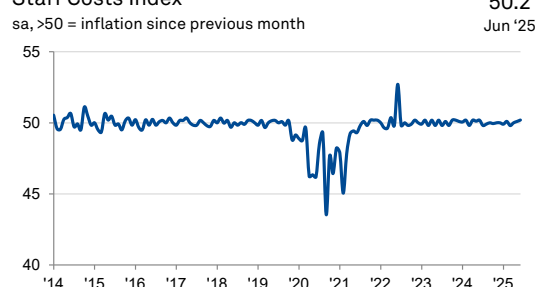
Staff Costs Index



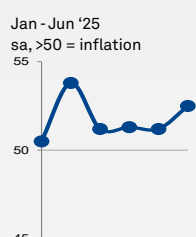
Staff costs

Once again, private sector firms in Lebanon reported little change to their employment costs in the latest survey period. Although the seasonally adjusted Staff Costs Index rose to its highest in 12 months, it indicated only a fractional uptick in labour expenses.

Staff Costs Index



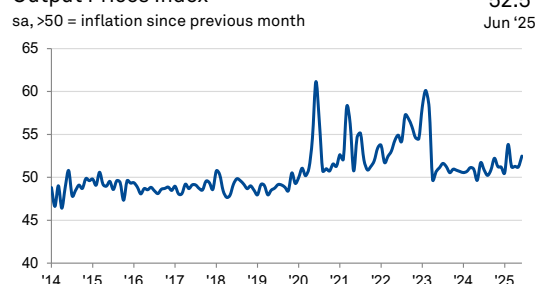
Output Prices Index



Output prices

Output prices set by private sector companies rose solidly in June, with the rate of inflation climbing to its highest mark since February and well above the long-run average. According to anecdotal evidence, firms that increased their charges largely did this to cover the impact of higher material costs.

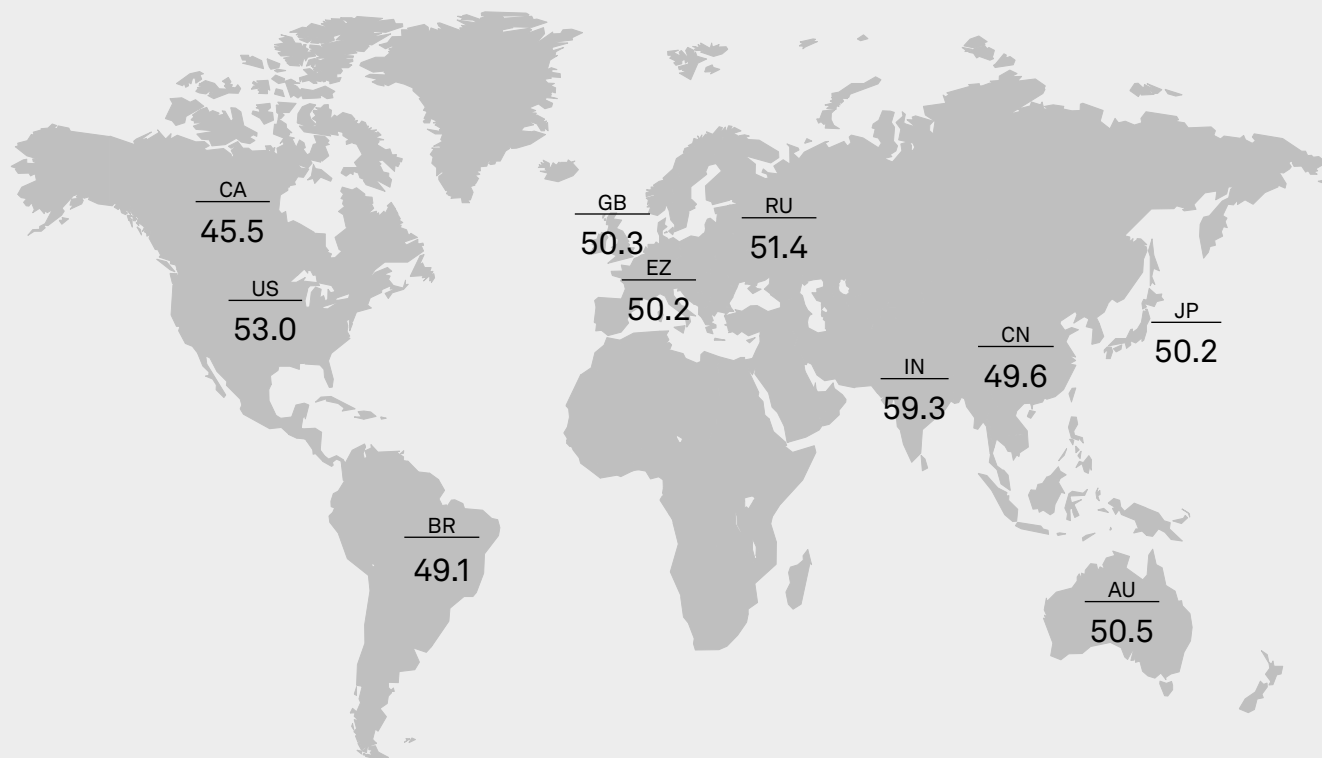
Output Prices Index



International PMI

Composite Output Index, May '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.

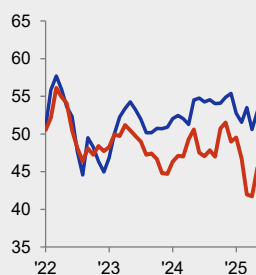


Composite Output Index

■ USA

■ Canada

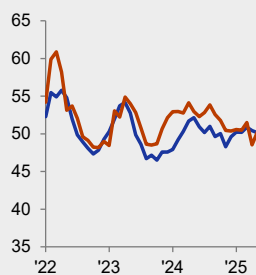
sa, >50 = growth



■ Eurozone

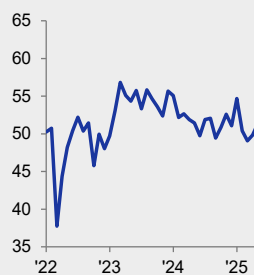
■ UK

sa, >50 = growth



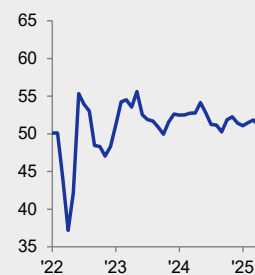
■ Russia

sa, >50 = growth



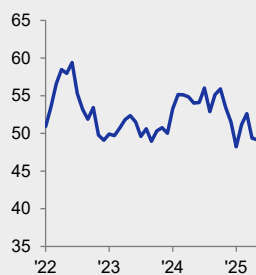
■ China

sa, >50 = growth



■ Brazil

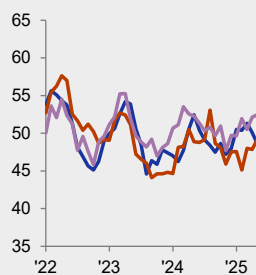
sa, >50 = growth



■ Germany ■ Italy

■ France

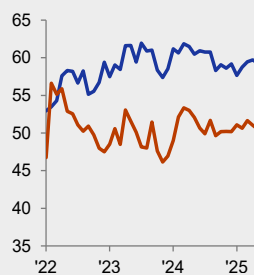
sa, >50 = growth



■ India

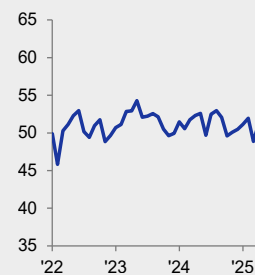
■ Australia

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 12-24 June 2025.

Survey questions

Private sector

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

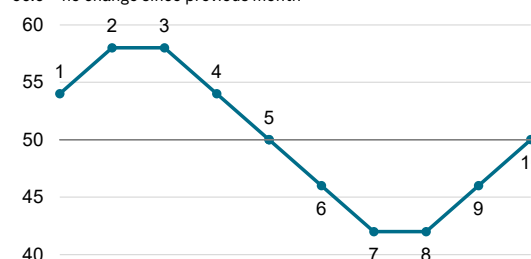
Suppliers' Delivery Times
Stocks Of Purchases
Input Prices
Purchase Prices
Staff Costs
Output Prices

Index calculation

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

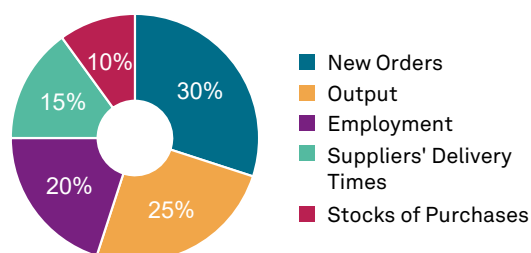
Index interpretation

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
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
06 '25	49.2	48.7	48.3	47.8	23.7	49.9	49.1	49.3	49.3	49.7	53.1	53.2	50.2	52.5

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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.

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