

BLOM Lebanon PMI®

PMI slips to six-month low but remains just inside expansion territory

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Lebanese private sector growth at six-month low in January

Business activity stagnates

Inflationary pressures ease

Lebanon's private sector expansion lost momentum at the start of 2026. While growth was recorded for a sixth month in succession, the upturn eased markedly to a fractional rate. January's slowdown reflected more subdued trends in both business activity and new orders, with the former stagnating and the latter rising at a considerably softer pace than in December. In turn, purchasing activity decreased for the first time since last July.

As for prices, Lebanese businesses reported an increase in purchasing costs. Output charges were subsequently raised as firms sought to protect margins. In both cases, however, rates of increase slowed to five-month lows.

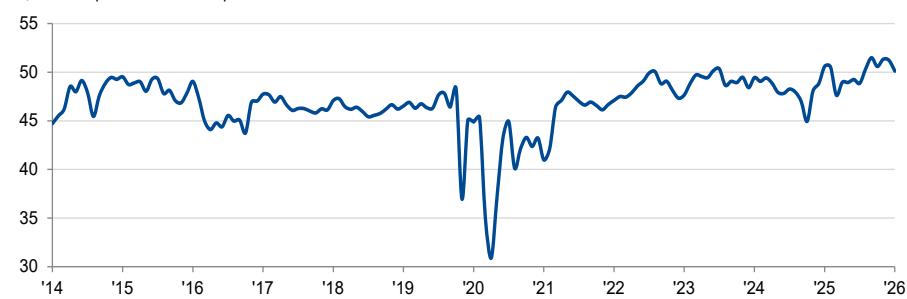
The headline BLOM Lebanon PMI® registered above the 50.0 no-change threshold in January, thereby posting in expansion territory for a sixth successive month to extend the current survey-record run of uninterrupted growth. However, having

fallen from 51.2 in December to 50.1, the headline measure was only just above the no-change mark and signalled an improvement that was only fractional overall and the slowest seen across the current upturn.

Business activity stagnated across Lebanon's private sector during the latest survey period, ending a solid five-month spell of expansion. Weighing on output was a considerable slowdown in demand, with new orders ticking up only fractionally from December. According to panel members, cancellations, postponements and sluggish investment activity weighed on sales performances. At the same time, demand from international clients weakened slightly at the beginning of the year.

Private sector companies in Lebanon reduced their purchases of raw materials, intermediate goods and other necessary items at the start of the year. This marked the first month-on-month reduction since

BLOM Lebanon PMI
sa, >50 = improvement since previous month



50.1

LEBANON PMI
JAN '26



July last year. According to anecdotal evidence, some firms had a reduced need to replenish stocks due to lower sales. Inventories were nonetheless accumulated in January, extending the current sequence of growth to seven months. Meanwhile, stable supply chain conditions were evidenced by virtually no change in delivery times during January.

Purchasing costs were pushed higher by a combination of rising import fees, and increases in metal and construction material prices. However, the rate of inflation slowed to a five-month low. This was also true for output charges, with around only 2% of private sector firms in Lebanon lifting their selling

prices in January.

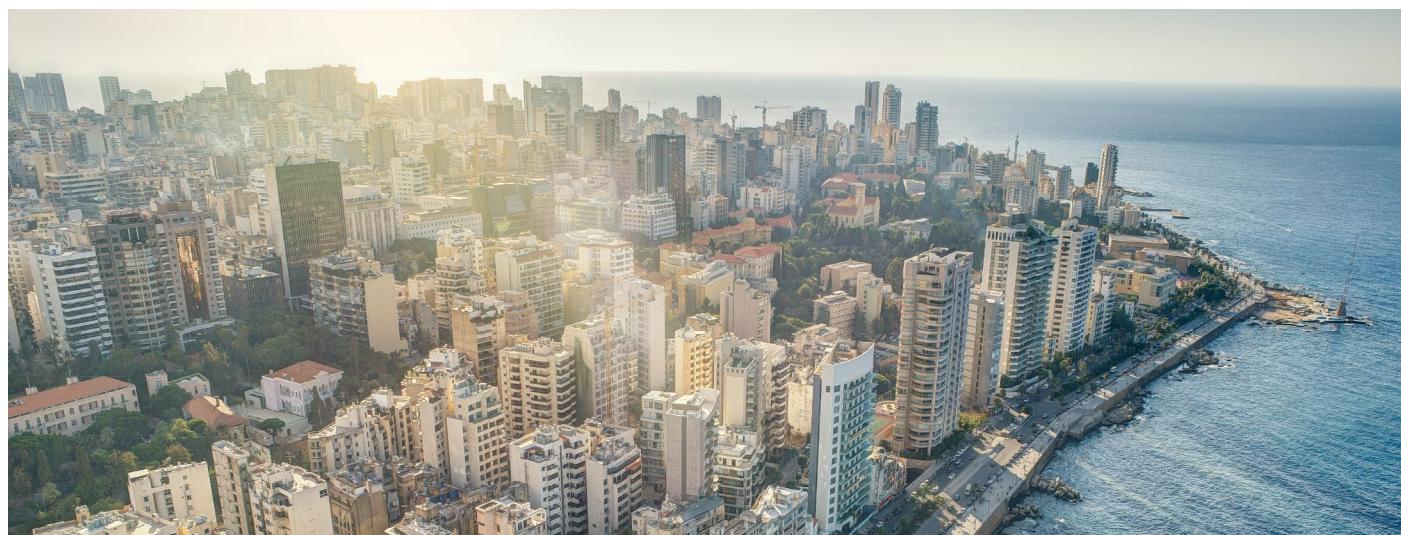
Looking ahead, surveyed companies remained pessimistic towards the 12-month outlook for business activity. Downbeat sentiment primarily reflected firms' fears of an escalation in military conflict. That said, firms were less negative than they were during December.

Comment

Commenting on the January 2026 BLOM Lebanon PMI, Helmi Mrad, Senior Research Analyst at BLOMINVEST BANK, said:

"The BLOM Lebanon PMI for January 2026 fell to 50.1 from 51.2 in December 2025, yet it remained marginally above the 50.0 threshold. As such, output was unchanged in January due to limited new order inflows, along with a continued marginal deterioration in foreign clients' orders. Overall, it is the first time since the inception

of this survey (May 2013) that private sector business conditions witnessed expansion for six consecutive months. However, the slowdown likely reflects heightened geopolitical risks, as the US military buildup in the region suggests the possibility of war with Iran. Looking forward, surveyed businesses remain pessimistic regarding business sentiment in the upcoming 12 months due to lasting security concerns."

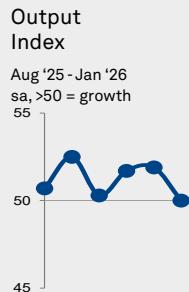


PMI®

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Output and demand



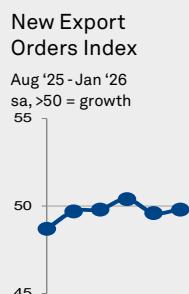
Output

After a strong five-month spell of expansion, private sector business activity in Lebanon stagnated during January. This was evidenced by the respective seasonally adjusted index posting 50.0. Order cancellations and a slowdown in new investment projects were reported by some panel members.



New orders

Matching the trend in output, the seasonally adjusted New Orders Index lost momentum during January. That said, posting fractionally above the 50.0 no-change threshold, it signalled a further, albeit small, expansion in new business received by private sector companies in Lebanon. January's uptick extended the current sequence of growth to six months, the longest uninterrupted period of increase in the history of the survey.

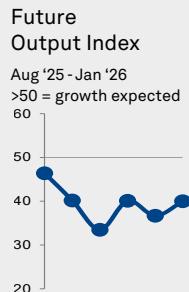


New export orders

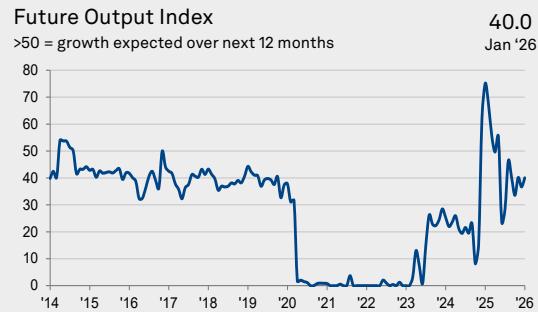
Export conditions for Lebanese companies that sell their goods and services internationally remained difficult in January, with survey respondents reporting a further deterioration in demand from non-domestic clients. That said, the respective seasonally adjusted index posted just below the 50.0 no-change mark, indicating a decline that was only fractional overall.



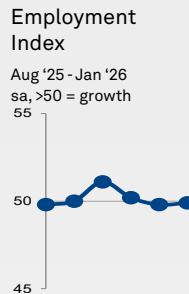
Business expectations



Looking at the next 12 months, private sector businesses in Lebanon foresee a reduction in activity levels. Around 24% of panellists predict a contraction in output, versus less than 4% anticipating growth. Pessimistic expectations reflected firms' concerns of an escalation in military tensions. Security risks were also noted as a factor weighing on sentiment.

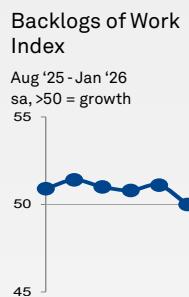


Employment and capacity



Employment

Adjusted for seasonal influences, January's reading of the Employment Index was fractionally below the 50.0 no-change threshold. As a consequence, back-to-back monthly reductions in workforce capacity were registered across Lebanon's private sector. However, as was the case in December, the latest decrease was minimal overall.



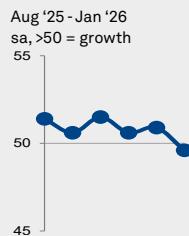
Backlogs of work

Posting precisely 50.0, the seasonally adjusted Backlogs of Work Index indicated no change in outstanding business volumes when compared with the month prior across Lebanon's private sector at the beginning of 2026. Some companies noted that a slowdown in demand enabled them to process orders at a faster rate. January's stabilisation brought a five-month sequence of backlog accumulation to an end.

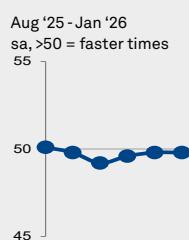


Purchasing and inventories

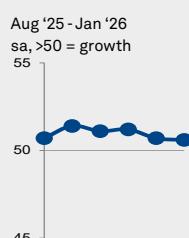
Quantity of Purchases Index



Suppliers' Delivery Times Index



Stocks of Purchases Index



Quantity of purchases

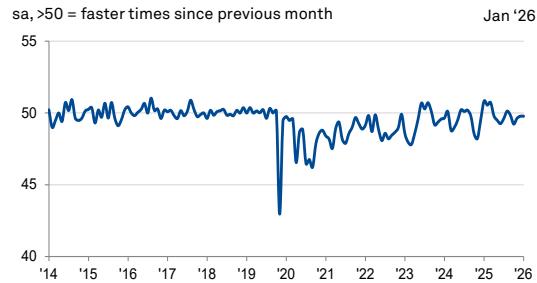
January saw a renewed decrease in purchasing activity across Lebanon's private sector economy. This was evidenced by the respective seasonally adjusted index falling below the 50.0 no-change mark for the first time since July last year. According to anecdotal evidence, buying volumes were downwardly adjusted due to lower stock replenishment requirements. However, the decrease in quantities of purchases was only marginal overall.

Quantity of Purchases Index
sa, >50 = growth since previous month

Suppliers' delivery times

The seasonally adjusted Suppliers' Delivery Times Index indicated that there were little frictions across the supply chains of Lebanese private sector businesses. Posting only just below 50.0, the index pointed to negligible delays on the receipt of items purchased from vendors.

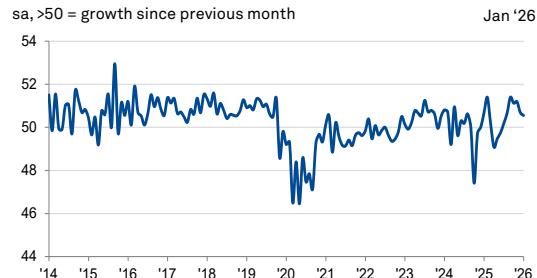
Suppliers' Delivery Times Index



Stocks of purchases

The accumulation trend in stocks of purchases that began last July continued into 2026, with private sector companies in Lebanon posting a further uptick in January. In some cases, inventory growth reflected a slowdown in sales, with firms placing excess items into stocks. That said, the expansion was marginal and the slowest in six months.

Stocks of Purchases Index

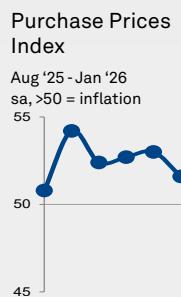


Prices



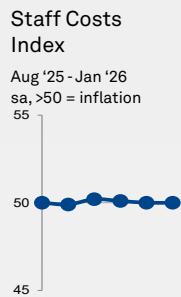
Overall input prices

Private sector companies in Lebanon saw their total operating expenses increase during the first month of 2026. This reflected purchasing cost inflation, underlying data showed, although the rate of increase eased to a five-month low and was below the long-run average of the survey.



Purchase prices

Amid reports of a rise in construction material prices, greater costs for imported items, in part due to rises in shipping fees and custom duties, as well as increases in market prices for certain metals such as gold and steel, January survey data indicated a rise in purchase prices faced by private sector firms in Lebanon. Nevertheless, the rate of inflation was the softest since August last year.



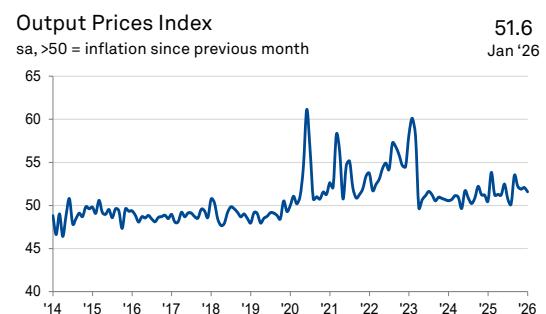
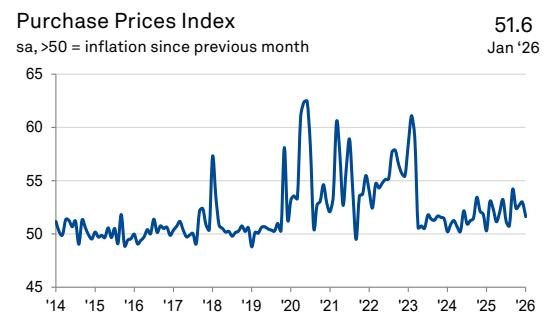
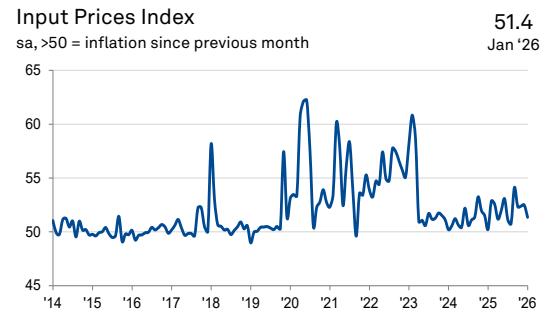
Staff costs

The seasonally adjusted Staff Costs Index posted 50.0 in January, indicating no change in labour-related expenses for private sector companies in Lebanon. Since the survey began in 2013, the index has averaged 49.8.



Output prices

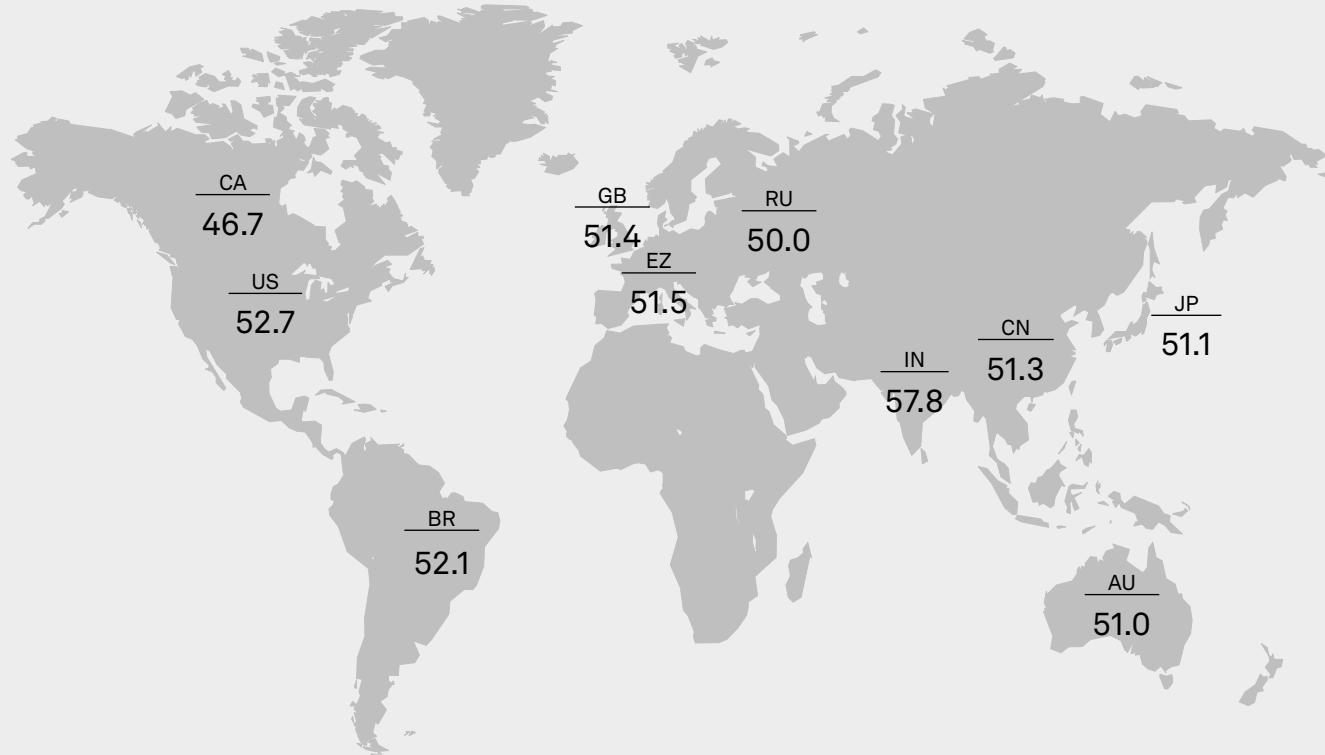
As has been the case since June 2024, private sector firms in Lebanon raised their prices charged during the opening month of the year. Where fees were increased, survey respondents commonly noted that this was to offset higher costs. However, the rate of inflation eased to a five-month low and was only moderate overall, with just over 2% raising their charges on the month.



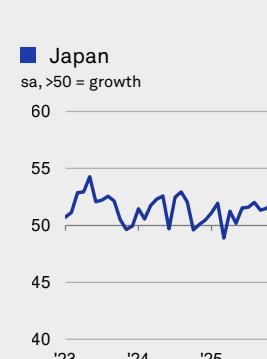
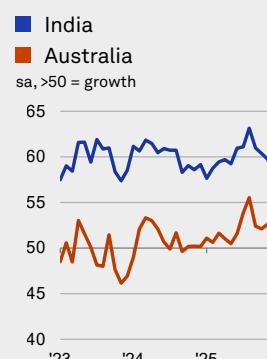
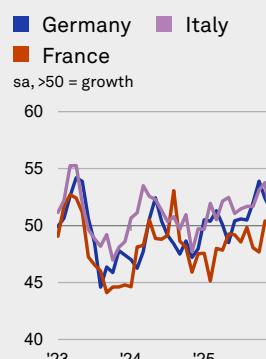
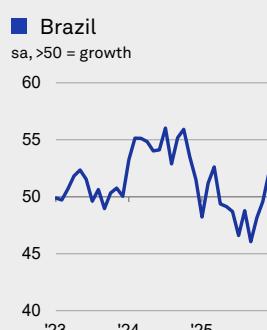
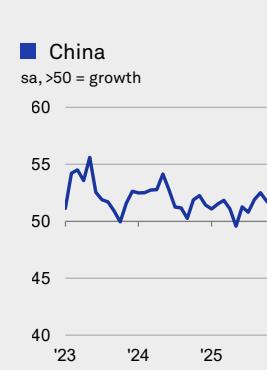
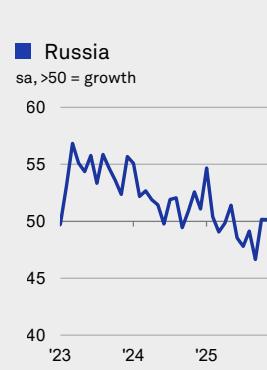
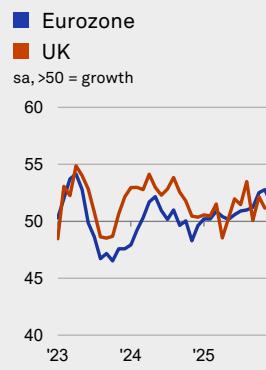
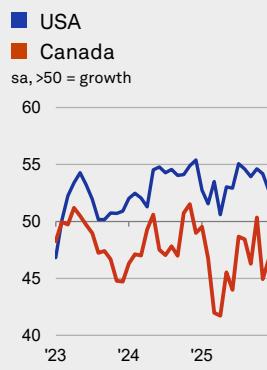
International PMI

Composite Output Index, Dec '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 12-26 January 2026.

Survey questions Private sector

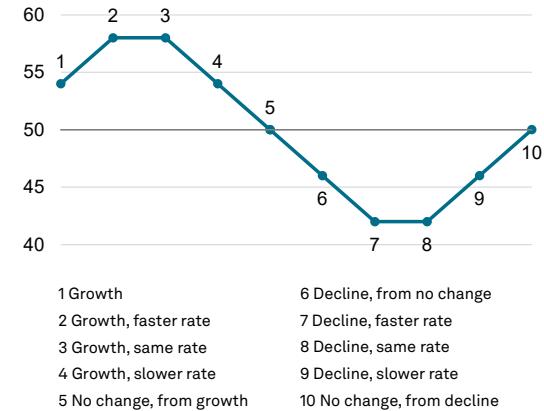
Output	Suppliers' Delivery Times
New Orders	Stocks Of Purchases
New Export Orders	Input Prices
Future Output	Purchase Prices
Employment	Staff Costs
Backlogs Of Work	Output Prices
Quantity Of Purchases	

Index calculation

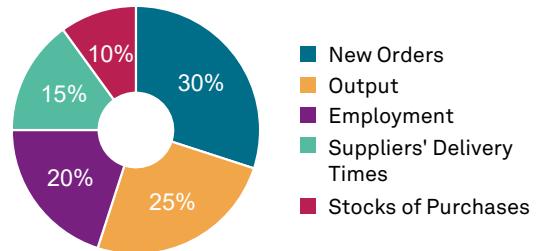
$$\% \text{ "Higher"} + (\% \text{ "No change"})/2$$

Index interpretation

50.0 = no change since previous month



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
- F Construction
- G Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
- H Transportation and Storage
- I Accommodation and Food Service Activities
- J Information and Communication
- K Financial and Insurance Activities

- M Professional, Scientific and Technical Activities
- N Administrative and Support Service Activities
- P Education*
- Q Human Health and Social Work Activities*
- R Arts, Entertainment and Recreation
- S Other Service 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
08 '25	50.3	50.7	50.5	48.7	46.4	49.8	50.9	51.4	50.1	50.7	50.8	50.8	50.0	50.2
09 '25	51.5	52.5	52.3	49.7	40.2	50.0	51.4	50.6	49.8	51.4	54.1	54.2	49.9	53.5
10 '25	50.6	50.3	50.2	49.8	33.5	51.1	51.0	51.5	49.2	51.1	52.3	52.4	50.2	52.2
11 '25	51.3	51.7	52.3	50.4	40.1	50.2	50.8	50.6	49.6	51.2	52.4	52.7	50.1	51.9
12 '25	51.2	51.9	52.2	49.6	36.7	49.8	51.1	50.9	49.8	50.7	52.5	53.0	50.0	52.1
01 '26	50.1	50.0	50.1	49.8	40.0	49.9	50.0	49.6	49.8	50.6	51.4	51.6	50.0	51.6

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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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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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