Embargoed until 1100 EET (0800 UTC) 7 April 2026

BLOMINVEST BANK SAL

BLOM Lebanon PMI®

War in the Middle East weighs sharply on Lebanon's economy in March

Contents

BLOM Lebanon PMI falls to 17-month low

Export demand plummets and businesses retrench

Activity expectations deteriorate sharply

The Lebanese private sector economy weakened at the end of the first quarter as the war in the Middle East weighed on business activity and demand. Companies also retrenched during March, lowering their purchasing volumes and stocks. Supply-side pressures arose as a result of conflicts in the region, with delivery times lengthening to the greatest extent in three years. Regarding the year-ahead outlook, surveyed companies turned more pessimistic.

The headline BLOM Lebanon PMI® fell to a 17-month low of 47.4 in March. Notably, this was down from 51.2 in February and marked the first sub-50.0 reading in eight months. Subsequently, the headline index pointed to the first month of deteriorating business conditions in Lebanon's private sector since July last year.

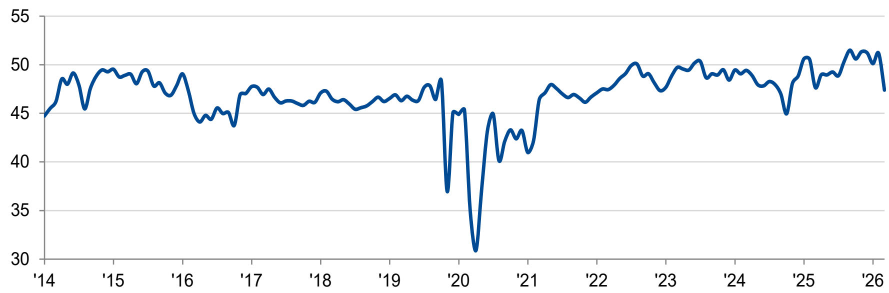
After growing in six out of the past seven months, business activity levels shrank across Lebanon during the latest survey period. The reduction was sharp overall and the fastest in close to a year-and-a-half.

Output was pulled lower by a renewed reduction in sales volumes. Where new orders declined, survey participants cited the war in the Middle East, which in some cases led to cancellations or postponements from customers. March's drop in demand was the steepest since October 2024. A considerable drag on order books came from international clients, as evidenced by a substantial decrease in new export business that was also the most pronounced since October 2024.

For the first time since last July, backlogs of work across Lebanon's private sector fell in March. Notably, anecdotal evidence suggested this partly reflected order cancellations due to the war in the Middle East, rather than genuine workload completions. Meanwhile, employment decreased fractionally at the end of the first quarter.

BLOM Lebanon PMI

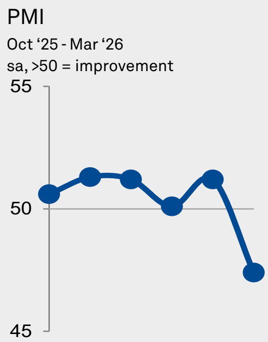
sa, >50 = improvement since previous month



PMI® by S&P Global

47.4

LEBANON PMI
MAR '26



Private sector companies in Lebanon retrenched during March. Purchasing volumes saw a renewed reduction, with the rate of decline the quickest in 16 months. Efforts to control costs and prevent overstocking were cited by those firms that cut buying activity in the latest survey period. Consequently, stocks of purchases decreased for the first time since June 2025.

Deliveries of items purchased from suppliers meanwhile lengthened in March to the greatest degree in three years. The war in the Middle East was reported to have disrupted transportation and caused issues with imports.

Price pressures crept up in March. Overall input cost inflation quickened to a six-month high, reflecting greater prices for energy and transportation, as well as a range of purchases such as commodities and food. Prices charged were subsequently raised, with the pace of increase also the most marked in six months.

Finally, the year-ahead outlook for business activity worsened sharply in March. Confidence fell as a result of the war in the region, according to survey member comments, with companies concerned about the possibility of prolonged military conflict.

Comment

Commenting on the March 2026 BLOM Lebanon PMI, Dr. Ali Bolbol, Chief Economist/Head of Research at BLOMINVEST Bank, said:

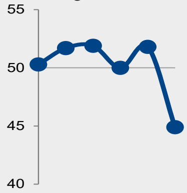
"Amid war on its doorstep, Lebanon's BLOM PMI fell to 47.4 in March 2026 from a level of 51.2 in February 2026, the lowest in 17 months. Though expected, what makes this steep decline interesting is that it mirrored, almost perfectly, the level obtained in October 2024, when a largely similar war had occurred. All main sub-indicators followed suit, notably exports which fell to a steeper 41.8, mostly because of the raging war in the region. The only redeeming quality is that employment and wages have held steady so far. These results show, yet again, that what Lebanon needs, first and foremost, for its full stability and sovereignty is a strong state that holds in its hands, and its hands only, all decisions pertaining to war and peace in the country."

PMI®
by S&P Global

Output and demand

Output
Index

Oct '25 - Mar '26
sa, >50 = growth

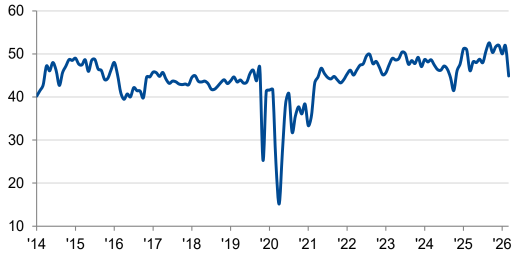


Output

March survey data signalled that, for the first time since July last year, private sector business activity across Lebanon decreased when compared with the previous month. The rate of reduction was marked and the quickest since October 2024. The war in the Middle East and the attacks in Lebanon resulted in lower output, according to anecdotal evidence.

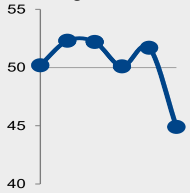
Output Index
sa, >50 = growth since previous month

44.9
Mar '26



New Orders
Index

Oct '25 - Mar '26
sa, >50 = growth



New orders

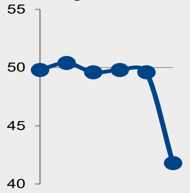
The volume of new business placed with private sector companies in Lebanon declined sharply at the end of the first quarter, marking the first monthly decrease in eight months. Furthermore, the rate of contraction was the steepest in close to a year-and-a-half. Where weaker demand was reported (around 12% of companies), panel members attributed this to the war, causing clients to postpone orders and reduce expenditure.

New Orders Index
sa, >50 = growth since previous month

44.9
Mar '26

New Export
Orders Index

Oct '25 - Mar '26
sa, >50 = growth



New export orders

The seasonally adjusted New Export Orders Index sank almost eight points in March, bringing it down to a level that was indicative of a steep reduction in international customer demand. Overall, the decrease was the fastest since October 2024. The war in the Middle East was frequently cited as a reason for lower export sales, anecdotal evidence showed.

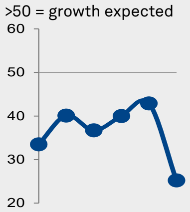
New Export Orders Index
sa, >50 = growth since previous month

41.8
Mar '26

Business expectations

Future
Output Index

Oct '25 - Mar '26
>50 = growth expected

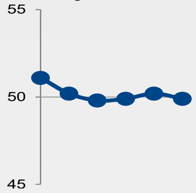


The Future Output Index sank to its lowest level in nine months at the end of the first quarter as the war in the Middle East led private sector companies in Lebanon to become more pessimistic towards the year-ahead outlook. Half of respondents (50%) expect output levels to decrease over the coming 12 months, reflecting businesses' concerns of prolonged military conflict, heightened insecurity domestically and a subsequent hit to the local economy.

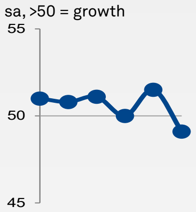
Future Output Index
>50 = growth expected over next 12 months

25.2
Mar '26

Employment Index
Oct '25 - Mar '26
sa, >50 = growth



Backlogs of Work Index
Oct '25 - Mar '26
sa, >50 = growth



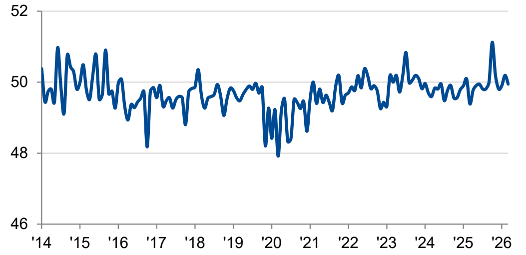
Employment and capacity

Employment

The seasonally adjusted Employment Index posted just below the 50.0 no-change threshold in March, signalling a fractional drop in payroll numbers across Lebanon's private sector. This was broadly in line with the long-run average of the series (49.8). Where lower staffing capacity was mentioned, firms linked this to weak activity and demand.

Employment Index
sa, >50 = growth since previous month

49.9
Mar '26



Backlogs of work

After increasing in six out of the past seven months, backlogs of work at private sector firms in Lebanon shrank during the latest survey period. The cancellation of orders was cited as a reason for lower outstanding business volumes. The rate of depletion was marginal overall, but nonetheless the fastest since last June.

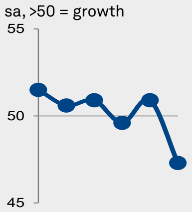
Backlogs of Work Index
sa, >50 = growth since previous month

49.1
Mar '26

Quantity of Purchases Index

Oct '25 - Mar '26

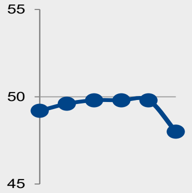
sa, >50 = growth



Suppliers' Delivery Times Index

Oct '25 - Mar '26

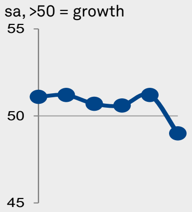
sa, >50 = faster times



Stocks of Purchases Index

Oct '25 - Mar '26

sa, >50 = growth



Purchasing and inventories

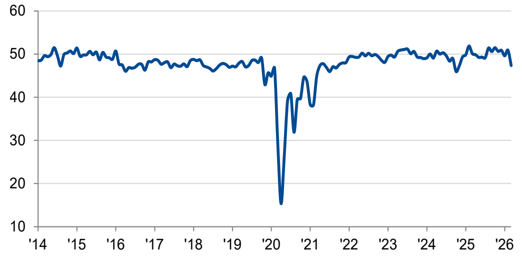
Quantity of purchases

Adjusted for seasonal influences, the Quantity of Purchases Index posted below the 50.0 no-change mark in March, indicating a renewed reduction in buying activity across the Lebanese private sector. The decline was moderate and the most marked since November 2024. Purchasing volumes were reduced to prevent overstocking and control costs, according to some panel members.

Quantity of Purchases Index

sa, >50 = growth since previous month

47.3
Mar '26



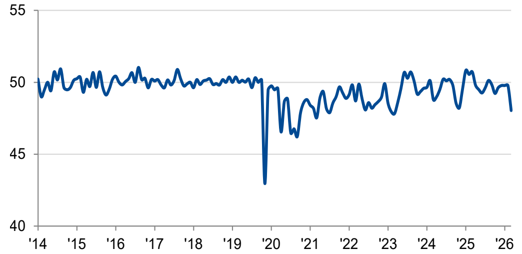
Suppliers' delivery times

Delays receiving imported products were widely reported by survey participants during March, with the war in the Middle East adversely impacting logistics markets. According to the latest survey data, average suppliers' delivery times lengthened to the greatest extent in three years.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

48.0
Mar '26



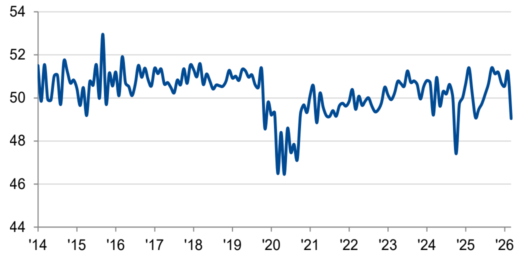
Stocks of purchases

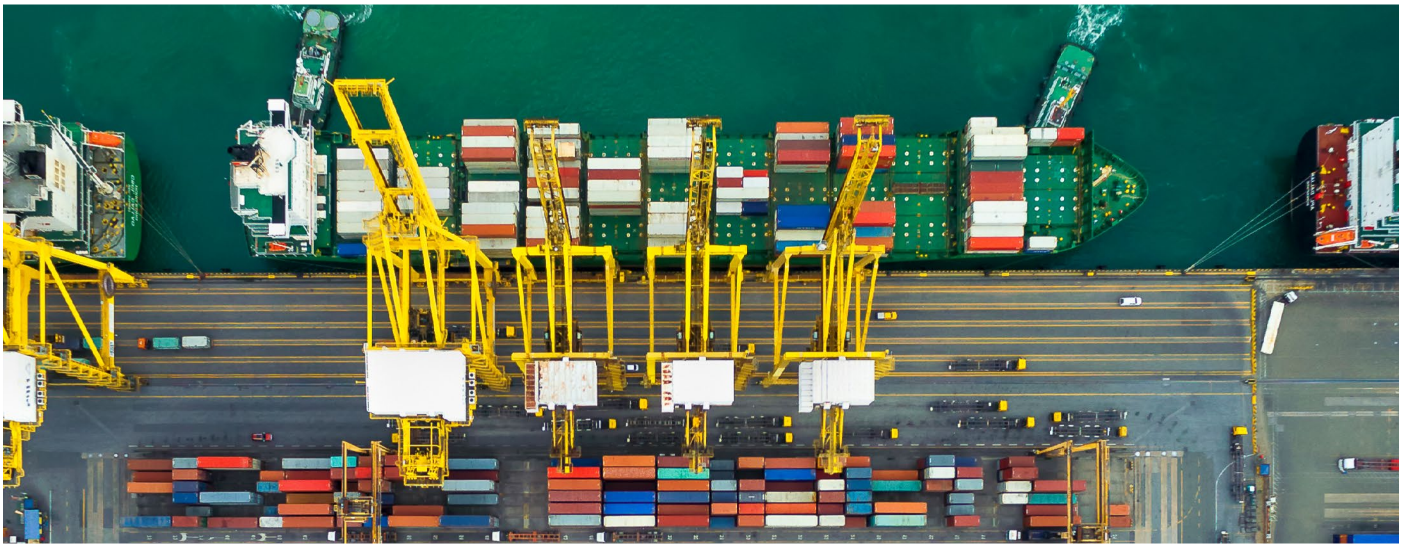
Following eight straight months of stock building, private sector firms in Lebanon reduced their holdings of purchased items at the end of the first quarter. The reduction reflected the use of existing stocks and purchasing cutbacks. The pace of depletion was the quickest since October 2024.

Stocks of Purchases Index

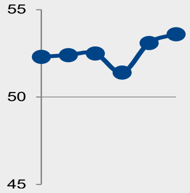
sa, >50 = growth since previous month

49.0
Mar '26

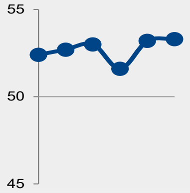




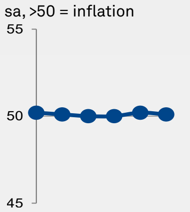
Input Prices Index
Oct '25 - Mar '26
sa, >50 = inflation



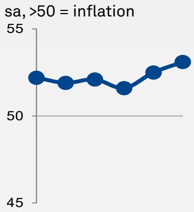
Purchase Prices Index
Oct '25 - Mar '26
sa, >50 = inflation



Staff Costs Index
Oct '25 - Mar '26
sa, >50 = inflation



Output Prices Index
Oct '25 - Mar '26
sa, >50 = inflation



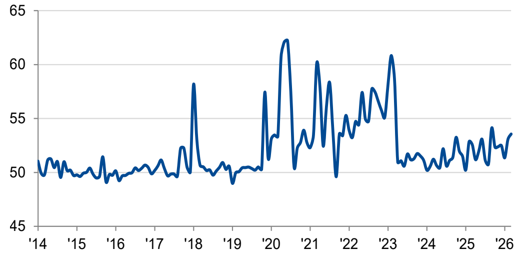
Prices

Overall input prices

Private sector companies in Lebanon registered a further rise in their total operating costs during March. Furthermore, the rate of inflation ticked up to a six-month high. Purchasing prices remained the main source of inflationary pressure, underlying data revealed.

Input Prices Index
sa, >50 = inflation since previous month

53.6
Mar '26

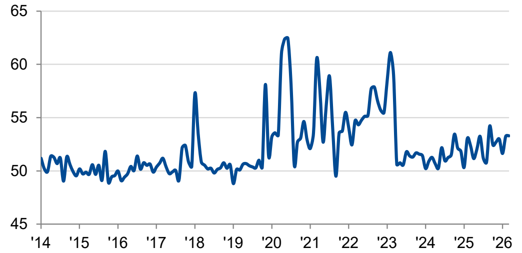


Purchase prices

The seasonally adjusted Purchase Prices Index remained above the 50.0 no-change mark in March, signalling a further rise in the cost of paid-for items. The rate of inflation ticked up slightly to the quickest since September 2025. Higher prices for energy, commodities, food, shipping and transportation were reported by firms.

Purchase Prices Index
sa, >50 = inflation since previous month

53.3
Mar '26

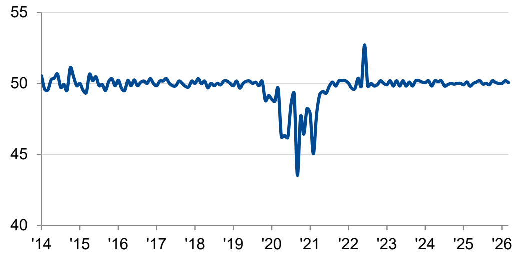


Staff costs

The seasonally adjusted Staff Costs Index held broadly stable in March, remaining fractionally above the 50.0 no-change threshold to signal a faint uptick in wages across Lebanon's private sector.

Staff Costs Index
sa, >50 = inflation since previous month

50.1
Mar '26

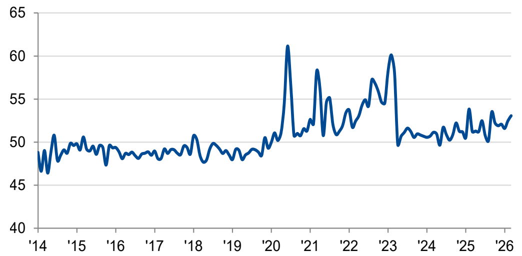


Output prices

Prices charged by private sector companies in Lebanon rose during the final month of the opening quarter of 2026. In fact, the extent to which charges were raised was the steepest since September 2025. Where selling prices increased, this was reportedly to pass higher material costs and insurance expenses on to customers.

Output Prices Index
sa, >50 = inflation since previous month

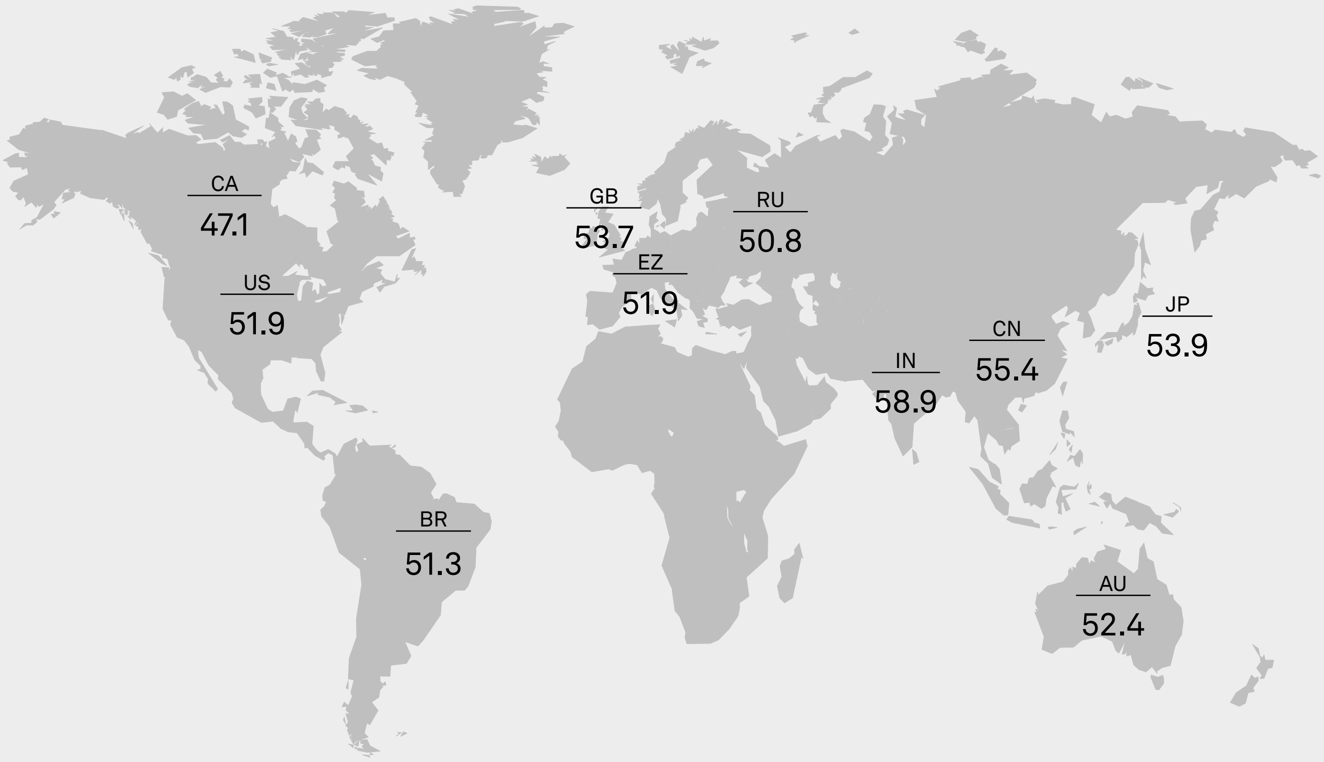
53.1
Mar '26



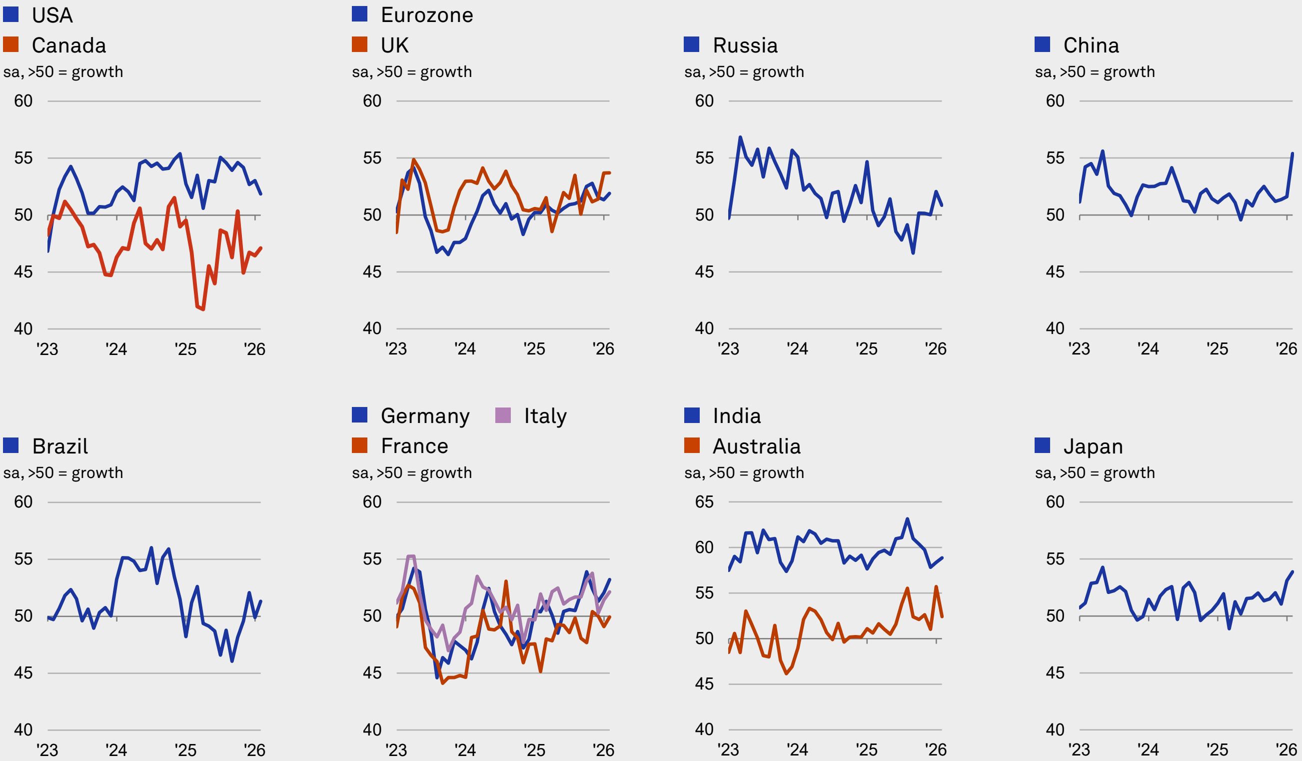
International PMI

Composite Output Index, Feb '26
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 05-25 March 2026.

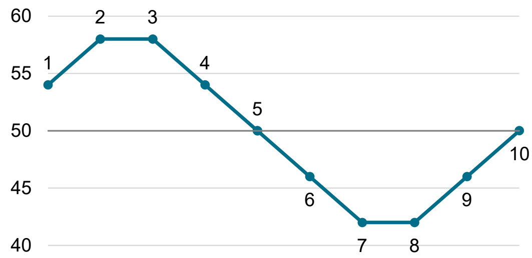
Survey questions
Private sector

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

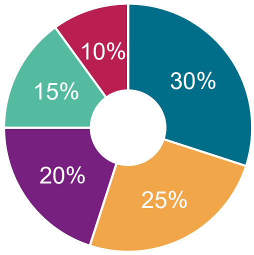
% "Higher" + (% "No change")/2

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
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
02 '26	51.2	51.8	51.7	49.6	42.9	50.2	51.5	50.9	49.8	51.2	53.1	53.2	50.2	52.5
03 '26	47.4	44.9	44.9	41.8	25.2	49.9	49.1	47.3	48.0	49.0	53.6	53.3	50.1	53.1

Contact

Dr Ali Bolbol
Chief Economist / Head of Research
BLOMINVEST Bank
T: +961 1 739 817
ali.bolbol@blominvestbank.com

Joe Hayes
Principal Economist
S&P Global Market Intelligence
T: +44-1344-328-099
joe.hayes@spglobal.com

Kriti Khurana
Corporate Communications
S&P Global Market Intelligence
T: +91-971-101-7186
kritikhurana@spglobal.com
press.mi@spglobal.com

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

About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

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.
www.spglobal.com.

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