BLOMINVEST BANK SAL

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News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
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Data collected March 5-25

BLOM Lebanon PMI®

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

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.

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."

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

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.

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.

-Ends-

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.

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. For more information, see 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.

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