

August 14, 2026

Contact Information

Mira Said

Senior Research Specialist

mira.said@blom.com.lb

GDP is among the most closely tracked economic indicators, yet global GDP figures are typically released only on a quarterly basis, with even preliminary estimates subject to delay. Lebanon's data publication lags further behind, limiting its usefulness for timely analysis. By contrast, the BLOM Purchasing Managers' Index (PMI) offers more immediate insight, as it is published monthly. Constructed as a diffusion index scaled from 0 to 100, where readings above 50 signal monthly expansion and those below indicate contraction, the index offers a clear benchmark for real economy conditions. This analysis examines the relationship between the BLOM PMI and Lebanon's GDP.

Methodology: PMI–GDP Correlation Analysis (2013Q4–2024Q4)

Using quarterly GDP year-on-year (YoY) growth data from the Central Administration of Statistics (CAS) covering Q4 2013 to Q4 2024, we calculated correlations with the quarterly average BLOM PMI. This approach provides a fast estimation of the relationship, though a formal regression framework that satisfies OLS conditions would yield more accurate results.

To account for Lebanon's structural break in October 2019, when the financial crisis erupted, we conducted three sets of correlations:

- Full sample: 2013Q4–2024Q4
- Pre-crisis period: up to 2019Q3
- Post-crisis period: from 2019Q4 onward

Table 1: Lebanon's GDP and PMI Correlation

Period	PMI–GDP Correlation
All Data (2013Q4–2024Q4)	58%
Pre-Crisis (2013Q4–2019Q3)	27%
Post-Crisis (2019Q4–2024Q4)	62%

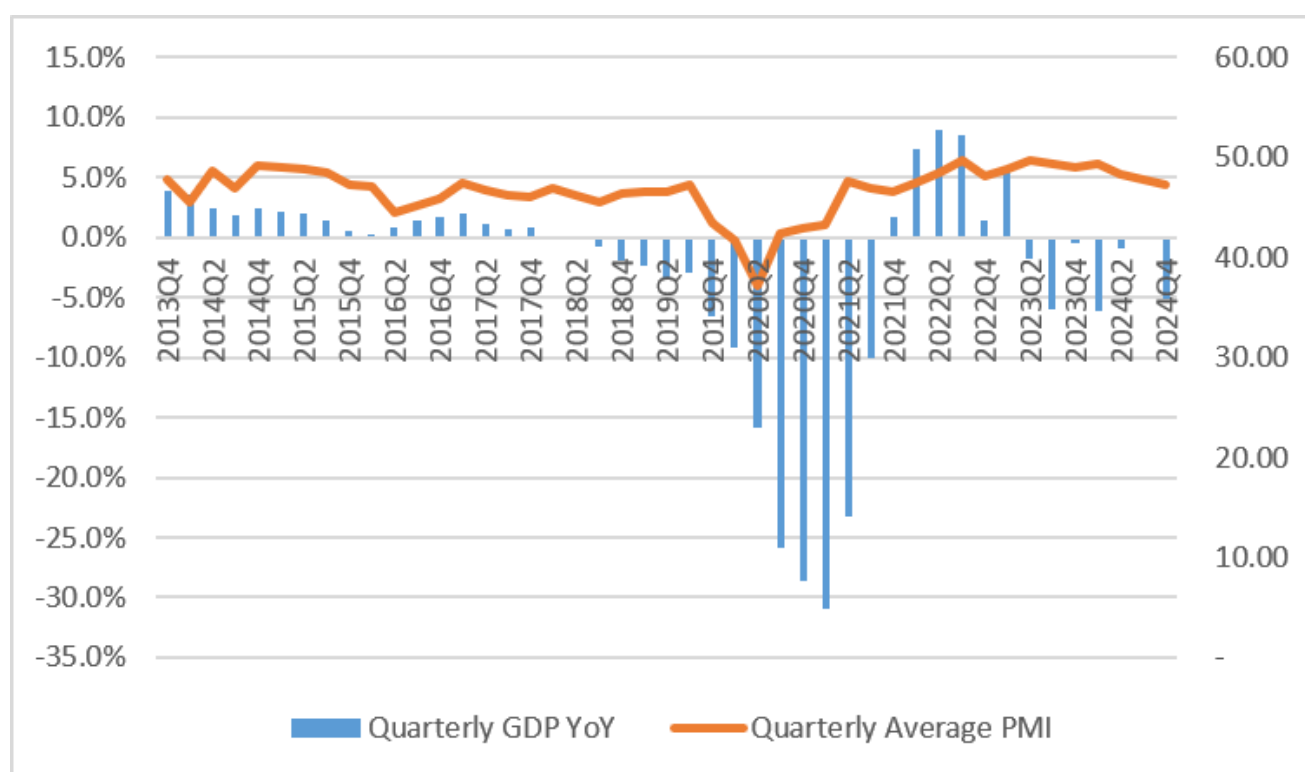
Sources: CAS, BLOM Bank

Results

PMI shows a strong positive correlation of 58% with GDP growth across the full sample. In the pre-crisis era, correlations were weaker (27%), indicating PMI was only loosely associated with GDP before October 2019. In contrast, in the post-crisis era, correlations strengthen markedly to 62%, underscoring PMI's heightened role after October 2019.

For further analysis, we charted the results below.

Chart 1: Lebanon's Quarterly GDP YoY vs. Lebanon's Quarterly Average PMI



Sources: CAS, BLOM Bank

A literature reading might expect PMI and GDP to move in comparable amplitude, since PMI is often described as a real-time proxy for GDP growth. PMI is even expected to be more volatile than GDP growth.

However, the Lebanese data tell a different story. First, GDP has always been more volatile than PMI in absolute terms, even before the crisis. Second, the crisis widened this gap rather than narrowing it. If PMI were a faithful, comparably scaled proxy for GDP, their fluctuations should align more closely. The reason they do not is that Lebanon's crisis was simultaneously multidimensional — spanning the exchange rate, banking sector, public debt, and governance. These shocks drove GDP much wider than PMI's scope, since PMI captures strictly private-sector activity.

This divergence also reflects a fundamental difference in how GDP and PMI are constructed: GDP captures the total economy, while PMI magnifies margin adjustments in surveyed firms.

Table 2: Lebanon's GDP and PMI Correlation

Divergence Factor	GDP	PMI
Measurement Unit	Dollar amounts or % growth (e.g., \$28T / +2.1%)	PMI measures the percentage of companies reporting growth, not actual dollar output
Data Nature	Hard financial volume (actual output, revenue)	Directional sentiment ("Better, Worse, or Same")
Economic Scope	100% of economy (Govt, Services, Agri, Tech)	Only some surveyed private firms in certain sectors
Scale Weighting	Weighted heavily by giant enterprises	Weighted by equal survey responses
Time Period Covered	Full calendar period (100% of days in the quarter/year)	Late-month activity is excluded

Source: BLOM Bank

Credibility of Official Figures

PMI is best used to capture trends rather than the magnitude of economic change, which is the reason focus usually shifts to GDP figures.

However, official figures themselves face credibility issues. In 2025, [Reuters](#) reported that nearly 90% of leading economists were worried about US data quality, citing falling survey participation. In 2025, budget cuts and DOGE-driven layoffs further strained public agencies.

In Lebanon, GDP accuracy is also questioned, especially given the size of the shadow economy. Alongside official statistics from CAS, institutions such as the International Monetary Fund, World Bank, and Institute of International Finance publish their own estimates, reflecting the uncertainty surrounding national accounts.

Conclusion

Lebanon's experience highlights both the usefulness and the limits of PMI. While PMI provides timely signals and its correlation with GDP strengthened after the 2019 crisis, it cannot fully capture the systemic shocks that drive GDP volatility. The divergence between the two indicators underscores the importance of using PMI as a trend monitor rather than a scaled proxy for output. At the same time, doubts over official GDP figures, both in Lebanon and globally, reinforce the need for complementary measures and institutional estimates to achieve a fuller picture of economic performance. That said, Lebanon is a special case: GDP growth is more volatile than PMI growth, whereas in most other countries it is the other way around.

For your Queries:

BLOM Bank s.a.l.

Research Department

Zaituna Bay

POBOX 11-1540 Riad El Soloh

Beirut 1107 2080 Lebanon

Mira Said

mira.said@blom.com.lb

Research Department

Tel: +961 1 991 784

research@blom.com.lb

Disclaimer

This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness or accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.