

BLOM Lebanon PMI®

BLOM Lebanon PMI hits its highest level since May 2013

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Lebanese firms buoyed by ceasefire and election of new president
12-month growth expectations hit new survey high

Output and new orders expand for first time in a year-and-a-half

The BLOM Lebanon PMI® survey for January revealed a marked turnaround in the Lebanese private sector economy at the start of 2025, with new orders and business activity rising for the first time in 18 months and at their strongest rates since May 2013. Optimism for the year ahead was also buoyed by the election of a new president, anecdotal evidence showed, with growth expectations rising to the strongest seen since the survey began almost 12 years ago.

January survey data also revealed an easing of cost pressures. In turn, companies were less aggressive with their own price setting as output charge inflation cooled to a five-month low.

The headline BLOM Lebanon PMI® rose into expansion territory for the first time since July 2023, rising from 48.8 in December to 50.6 in January. Not only did this point to a renewed improvement in the health of Lebanon's private sector economy, but it also signalled the strongest rate of month-on-month growth since May 2013.

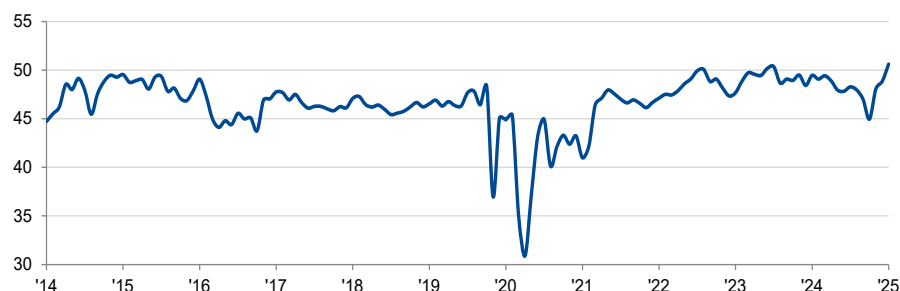
The new year began with simultaneous expansions in new orders and business activity across Lebanon. Market conditions were lifted by increased optimism, panel member reports suggested, with some companies noting that inflows of new orders were buoyed by the ceasefire agreement between Israel and Hamas. New business and output both recorded their first expansions in a year-and-a-half and rates of growth were the strongest since May 2013 in both cases.

BLOM PMI sub-index data implied that the uplift in sales was domestic-driven as new export orders were broadly unchanged since December. The stabilisation of foreign customer demand was an improvement relative to the subdued trend seen in the second half of 2024.

Greater volumes of new work led to an accumulation of backlogged orders across the Lebanese private sector in January. This was the first time since September 2023 that outstanding business levels have risen. In fact, the pace of increase was the sharpest seen

BLOM Lebanon PMI

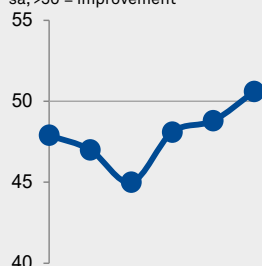
sa, >50 = improvement since previous month



50.6

LEBANON PMI
JAN '25

PMI
Aug '24 - Jan '25
sa, >50 = improvement



since the survey began in May 2013.

Private sector companies in Lebanon maintained their employment levels at the start of the year. Purchasing volumes were also held steady, although speedier supplier delivery times facilitated the bolstering of inventories. According to survey respondents, the faster processing of goods at customs meant firms received items from vendors in a timelier manner. In turn, stocks of inputs and raw materials increased at the quickest pace in nine months.

As for prices, the latest survey data revealed a cooling of cost pressures. Purchasing price inflation eased to an eight-month low, while staff costs were

broadly unchanged on the month. Firms continued to raise their prices charged, but the extent of the latest increase was only marginal and the weakest since August 2024.

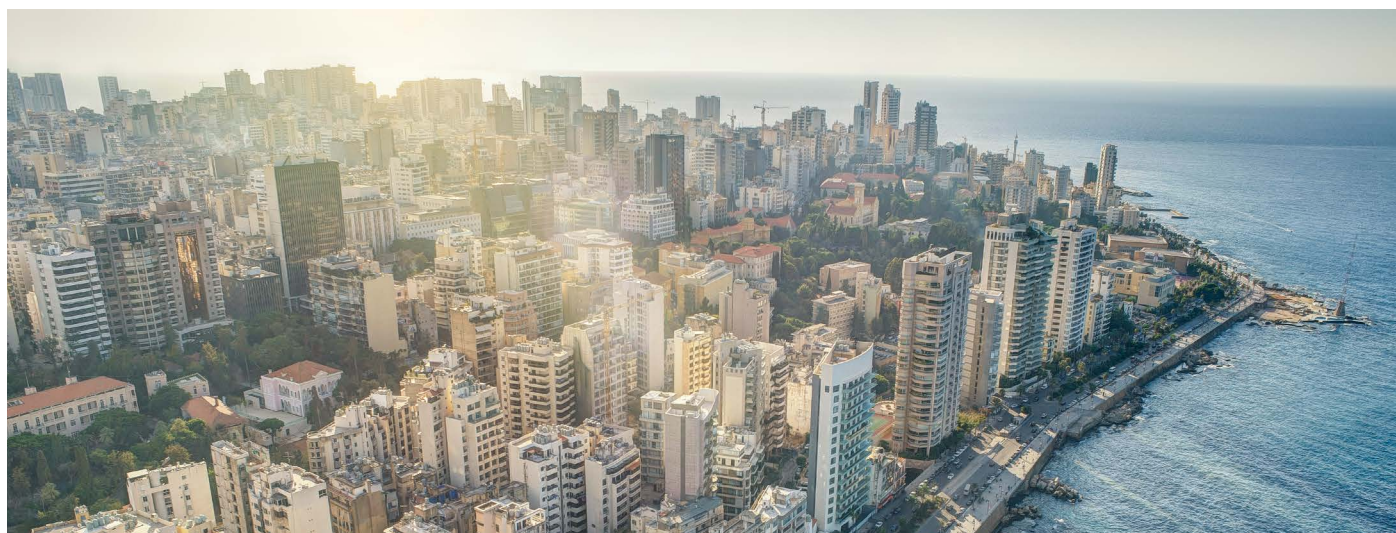
Looking ahead, private sector businesses in Lebanon recorded a strong level of confidence towards the year-ahead outlook. In fact, optimism hit a fresh survey high in January. The election of a new president was commonly cited as a reason to be positive towards activity prospects.

Comment

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

“BLOM Lebanon PMI for January 2025 recorded 50.6 – the highest level since May 2013 – and revealed a strong expansion of Lebanon’s private sector economy. The expansion was driven by increases in output and new orders for the first time since July 2023, with rates of increase the highest in 12 years. What underlies these benign results – in addition to higher backlogs of work and softer inflation rates – is the election of President Joseph Aoun

coupled with the ceasefire agreement in the Gaza strip. One could also mention the selection of a respectable Prime Minister, which could usher in a dynamic and reforming new government. As important, the good mood was reflected in companies being optimistic regarding the 12-month outlook, as the Future Output Index recorded its all-time high of 75.1. We only hope that this optimism proves sustainable and is not jinxed by the country’s difficult politics!”



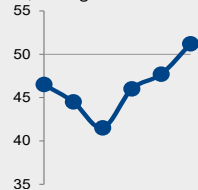
PMI®

by **S&P Global**

Output and demand

Output Index

Aug '24 - Jan '25
sa, >50 = growth



Output

For the first time since July 2023, the seasonally adjusted Output Index posted above the neutral 50.0 level, indicating a renewed expansion in private sector business activity across Lebanon during January. Moreover, the rate of increase was the sharpest since May 2013 and the second-fastest on record. Increased market optimism spurred activity higher, according to anecdotal evidence.

Output Index

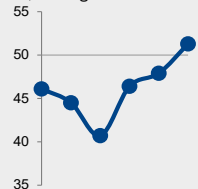
sa, >50 = growth since previous month

51.2
Jan '25



New Orders Index

Aug '24 - Jan '25
sa, >50 = growth



New orders

The volume of new work received by private sector companies in Lebanon increased at the start of 2025. This was the first month in a year-and-a-half that total new order inflows have risen. Furthermore, the expansion was the most marked in almost 12 years. Panel members noted that the ceasefire agreement between Israel and Hamas had a positive influence on sales.

New Orders Index

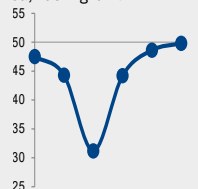
sa, >50 = growth since previous month

51.3
Jan '25



New Export Orders Index

Aug '24 - Jan '25
sa, >50 = growth



New export orders

The level of new orders received from customers in overseas markets was broadly stable in January. This was evidenced by the respective seasonally adjusted index posting close to the neutral threshold of 50.0. Overall, the index recorded its highest reading in 14 months, indicating a relative improvement in export demand compared to the trend seen throughout 2024.

New Export Orders Index

sa, >50 = growth since previous month

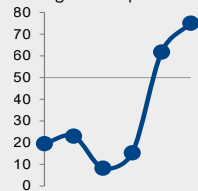
49.8
Jan '25



Business expectations

Future Output Index

Aug '24 - Jan '25
>50 = growth expected



The Future Output Index – a gauge of business expectations for the next 12 months – saw another notable month-on-month increase during January, rising to a fresh survey high and signalling strongly upbeat growth forecasts for 2025. Of the companies citing positive growth expectations (50% of respondents), the election of a new president was widely cited as a reason to be optimistic, with firms hoping this would create political stability and pave the way for economic recovery.

Future Output Index

>50 = growth expected over next 12 months

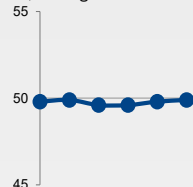
75.1
Jan '25



Employment and capacity

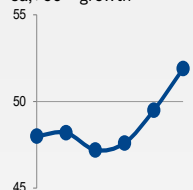
Employment Index

Aug '24 - Jan '25
sa, >50 = growth



Backlogs of Work Index

Aug '24 - Jan '25
sa, >50 = growth



Employment

For another month, the seasonally adjusted Employment Index signalled broadly unchanged workforce numbers across Lebanon's private sector, with the indicator holding close to the no-change level of 50.0. At 49.9, the index was in line with its average seen over the past three-and-a-half years.

Backlogs of work

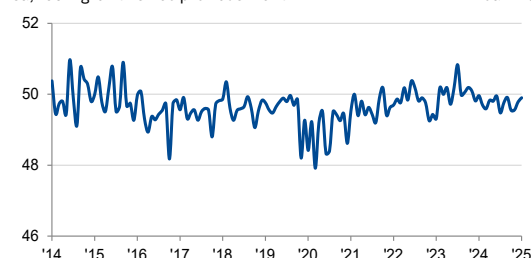
Private sector companies in Lebanon recorded a fresh increase in the amount of work pending completion at the start of 2025. Anecdotal evidence indicated that backlogged orders were accumulated due to higher client demand. The extent to which outstanding business rose was the most marked since the survey began in May 2013.

Employment Index

sa, >50 = growth since previous month

49.9

Jan '25



Backlogs of Work Index

sa, >50 = growth since previous month

51.9

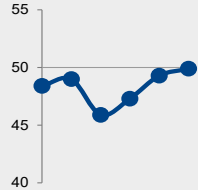
Jan '25



Purchasing and inventories

Quantity of Purchases Index

Aug '24 - Jan '25
sa, >50 = growth



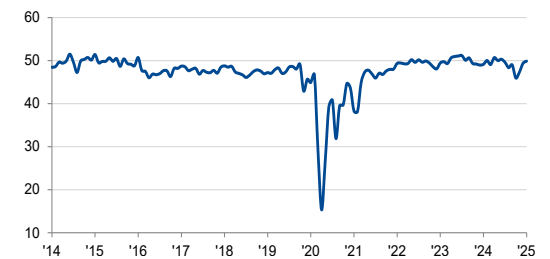
Quantity of purchases

Purchasing activity at private sector businesses in Lebanon broadly stabilised during the latest survey period. Compared to the trend in the second half of 2024, this represented an improvement, as the data signalled a sustained sequence of contractions between July and December of last year. Increased demand was noted as a reason by some firms to expand buying volumes.

Quantity of Purchases Index

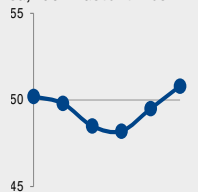
sa, >50 = growth since previous month

49.9
Jan '25



Suppliers' Delivery Times Index

Aug '24 - Jan '25
sa, >50 = faster times



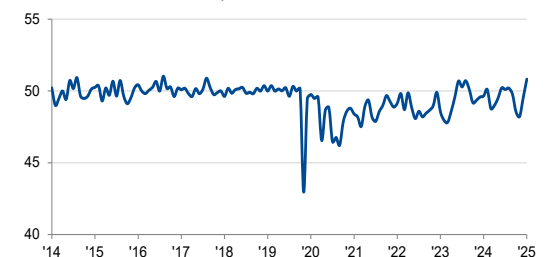
Suppliers' delivery times

The seasonally adjusted Suppliers' Delivery Times Index registered above the 50.0 no-change threshold in January, thereby pointing to an improvement in vendor performance. A speedier clearance of goods at customs led to quicker deliveries, panel member reports revealed. Albeit modest, the extent to which lead times shortened was the most pronounced since August 2017.

Suppliers' Delivery Times Index

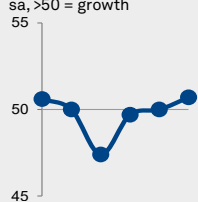
sa, >50 = faster times since previous month

50.8
Jan '25



Stocks of Purchases Index

Aug '24 - Jan '25
sa, >50 = growth



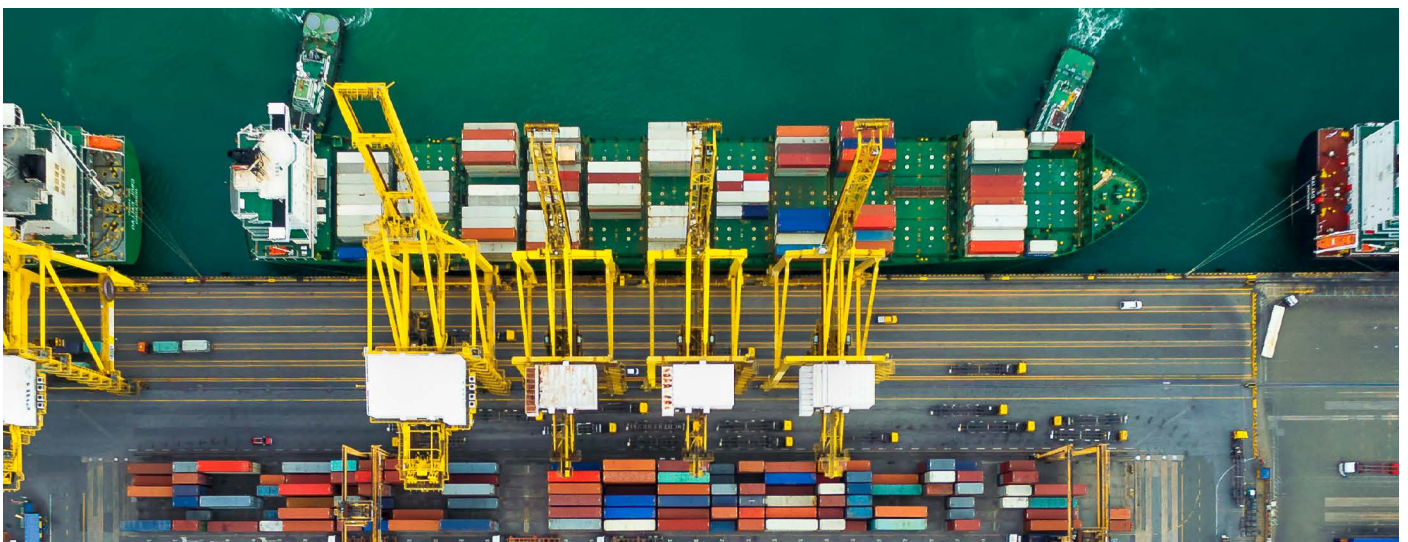
Stocks of purchases

The volume of purchased items placed into stocks by private sector companies in Lebanon increased during January. It was the first time in five months that inventory levels have risen. The pace of expansion was marginal, but the strongest since last April.

Stocks of Purchases Index

sa, >50 = growth since previous month

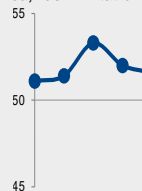
50.7
Jan '25



Prices

Input Prices Index

Aug '24 - Jan '25
sa, >50 = inflation



Overall input prices

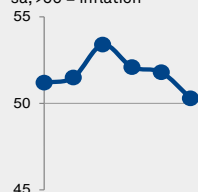
Total cost pressures faced by private sector businesses in Lebanon eased markedly during January, with overall input price inflation cooling. This marked the softest month-on-month increase in operating expenses since January 2024.

Purchase prices

Prices paid by private sector companies in Lebanon for purchased items were up only fractionally on the month. This was evidenced by the respective seasonally adjusted index posting only narrowly above the 50.0 no-change mark that separates inflation from deflation.

Purchase Prices Index

Aug '24 - Jan '25
sa, >50 = inflation

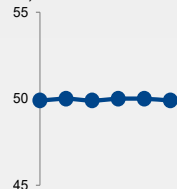


Staff costs

Staff costs for companies in the Lebanese private sector economy were broadly stable as 2025 got underway, as they have been on average since the survey began in May 2013.

Staff Costs Index

Aug '24 - Jan '25
sa, >50 = inflation

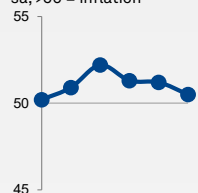


Output prices

With firms' cost pressures easing in January, prices charged by private sector companies increased at a softer rate. Although some companies noted that they raised their fees due to purchasing cost hikes, the latest survey data showed that the increase was shallow and the slowest seen since last August.

Output Prices Index

Aug '24 - Jan '25
sa, >50 = inflation

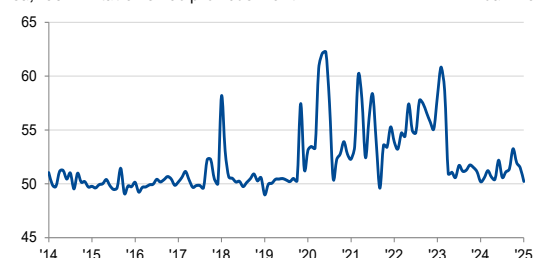


Input Prices Index

sa, >50 = inflation since previous month

50.2

Jan '25

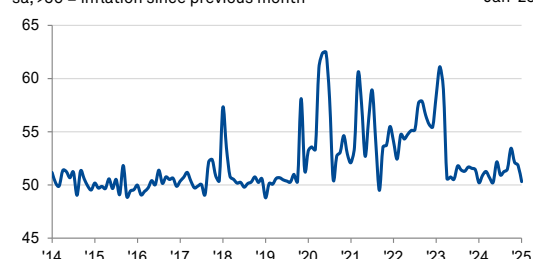


Purchase Prices Index

sa, >50 = inflation since previous month

50.3

Jan '25

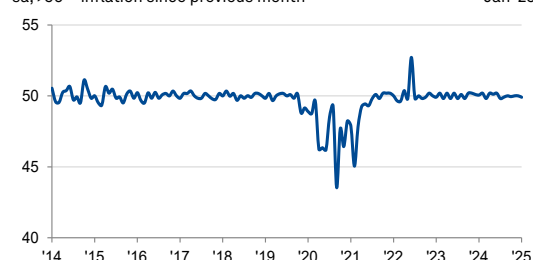


Staff Costs Index

sa, >50 = inflation since previous month

49.9

Jan '25

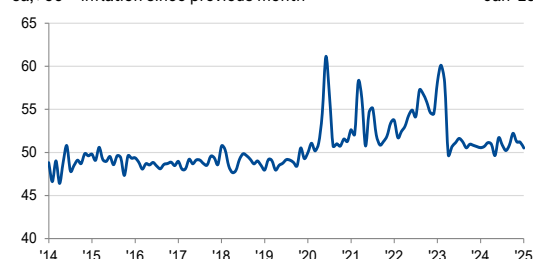


Output Prices Index

sa, >50 = inflation since previous month

50.5

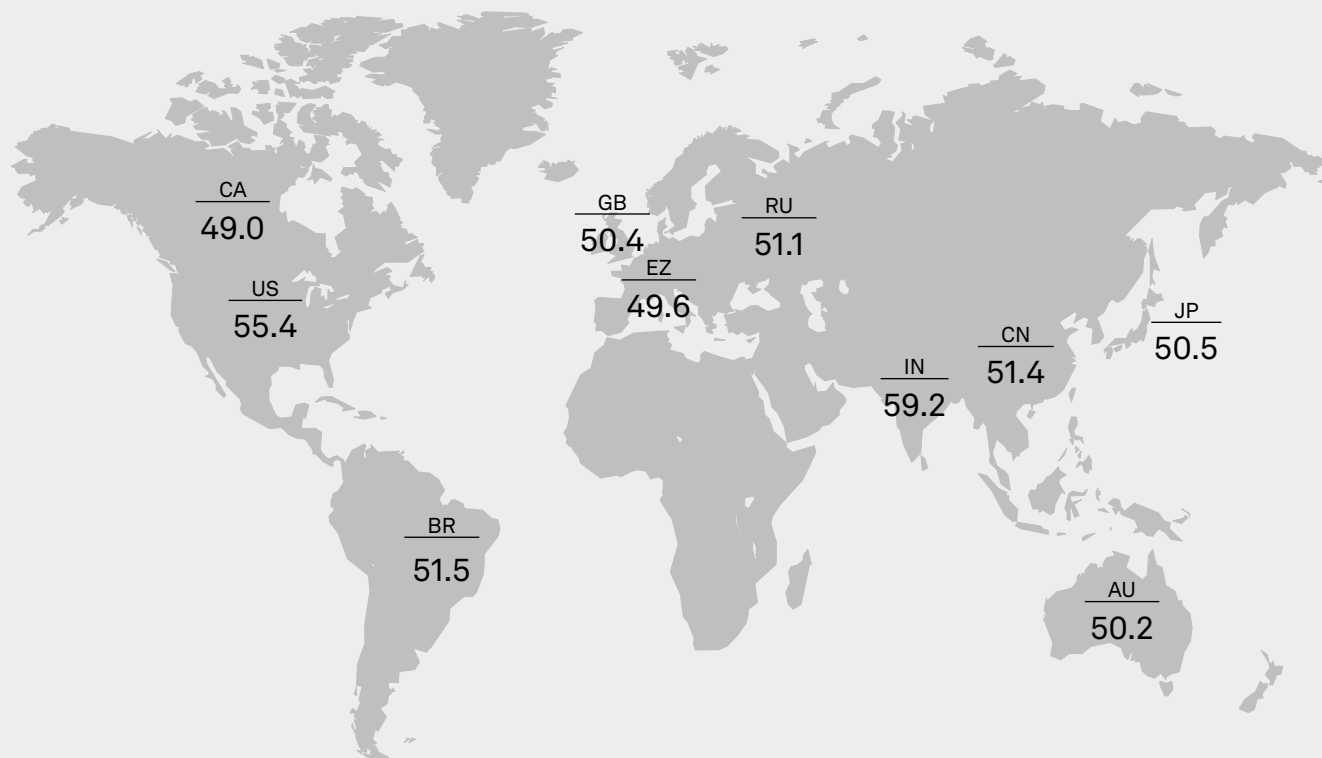
Jan '25



International PMI

Composite Output Index, Dec '24
 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.

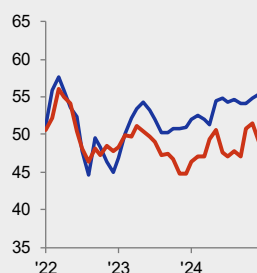


Composite Output Index

■ USA

■ Canada

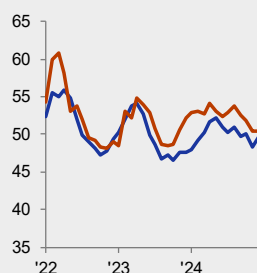
sa, >50 = growth



■ Eurozone

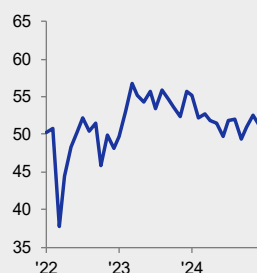
■ UK

sa, >50 = growth



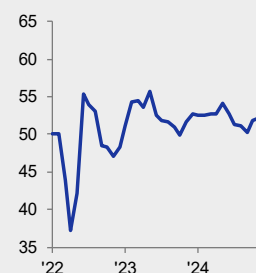
■ Russia

sa, >50 = growth



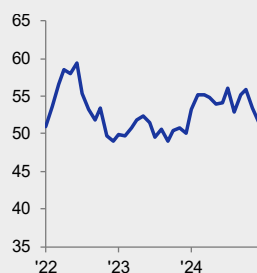
■ China

sa, >50 = growth



■ Brazil

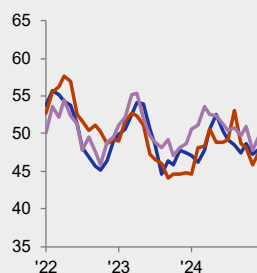
sa, >50 = growth



■ Germany ■ Italy

■ France

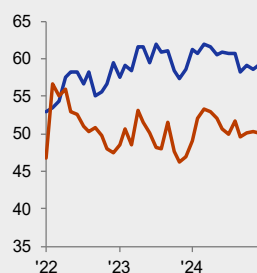
sa, >50 = growth



■ India

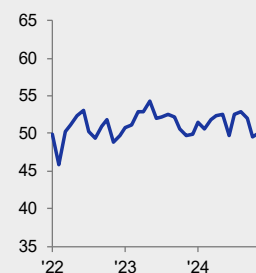
■ Australia

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 09-27 January 2025.

Survey questions

Private sector

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

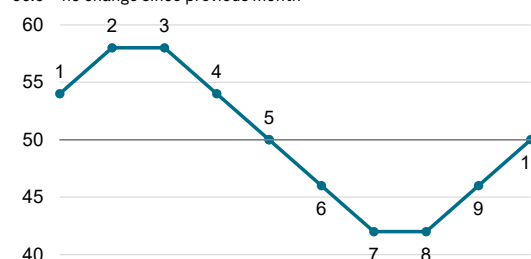
Suppliers' Delivery Times
Stocks Of Purchases
Input Prices
Purchase Prices
Staff Costs
Output Prices

Index calculation

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

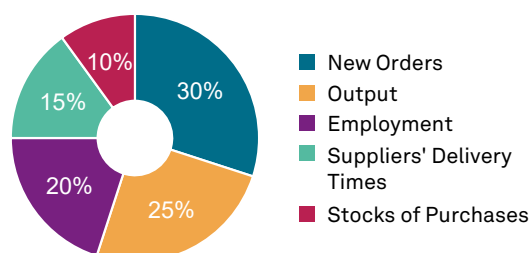
Index interpretation

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
08 '24	47.9	46.5	46.1	47.5	19.5	49.8	48.0	48.4	50.2	50.6	51.1	51.2	49.9	50.2
09 '24	47.0	44.5	44.5	44.3	23.0	49.9	48.2	49.0	49.8	50.0	51.4	51.5	50.0	50.9
10 '24	45.0	41.5	40.7	31.2	8.2	49.6	47.2	45.9	48.5	47.4	53.3	53.4	49.9	52.2
11 '24	48.1	46.0	46.4	44.2	15.3	49.6	47.6	47.3	48.2	49.7	52.0	52.1	50.0	51.3
12 '24	48.8	47.7	47.9	48.6	61.8	49.8	49.5	49.3	49.5	50.0	51.5	51.8	50.0	51.2
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

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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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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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