

BLOM Lebanon PMI®

Faster declines in business activity and new orders in July

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Sharper drop in exports weighs on output and demand

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Firms curb purchasing to reduce costs

The July BLOM Lebanon PMI® survey continued to signal deteriorating private sector business conditions across Lebanon at the beginning of the third quarter. Weighing on the economy was an accelerated decline in new export orders, pulling total sales and business activity levels lower. Firms looked to cost save by cutting their quantities of purchases to the most marked extent since November last year.

The headline BLOM Lebanon PMI® came in at 48.9 in July, slightly below June's 49.2. Consequently, by falling further below the neutral 50.0 threshold, the headline figure signalled a slightly quicker decline in private sector operating conditions. That said, the PMI was above its long-term average (46.9) and indicated a marginal contraction.

July saw business activity volumes across Lebanon's private sector fall further, extending the current sequence of contraction to five months. Where a decline was reported, panellists linked this to subdued demand conditions, particularly from abroad.

The latest survey data pointed to a sharper reduction in new orders received from non-domestic customers. According to anecdotal evidence, regional insecurity weighed on tourism numbers. Foreign clients also reportedly refrained from placing orders with local companies due to conflicts across the Middle East. The drop in new export business was the steepest since November last year.

Weakness in foreign customer demand weighed on total order book volumes, which fell for a fifth month in succession and at the quickest pace since March. The decline was softer than that seen for exports, however, indicating relatively less challenging domestic sales conditions.

Private sector companies in Lebanon lowered their purchasing volumes at the start of the third quarter. Panel members mentioned that cutbacks were part of their efforts to reduce costs. Although the decrease was the sharpest in eight months, it was only mild overall. Despite buying activity dropping, surveyed companies saw

BLOM Lebanon PMI

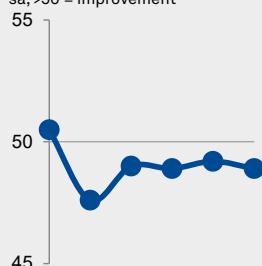
sa, >50 = improvement since previous month



48.9

LEBANON PMI
JUL '25

PMI
Feb - Jul '25
sa, >50 = improvement



their stocks of purchases increase. The pace of accumulation was only fractional, however. Inventory growth came amid a slight reduction in supply chain pressures, as evidenced by a softer rate of deterioration in vendor performance.

There was a small reduction in private sector employment across Lebanon during July, in line with the trend seen during the second quarter of the year. Subsequently, staff costs were stable.

Purchasing prices were the main source of inflation, although the rate of increase softened to a three-month low. Where costs rose, panellists cited higher import and transportation fees. The rate of increase in overall operating expenses, which account for purchase

prices, wage bills and other business costs, was its weakest since January.

In line with an easing of cost pressures, private sector companies in Lebanon raised their own prices to a softer extent in July. The rate of inflation was likewise the slowest in six months.

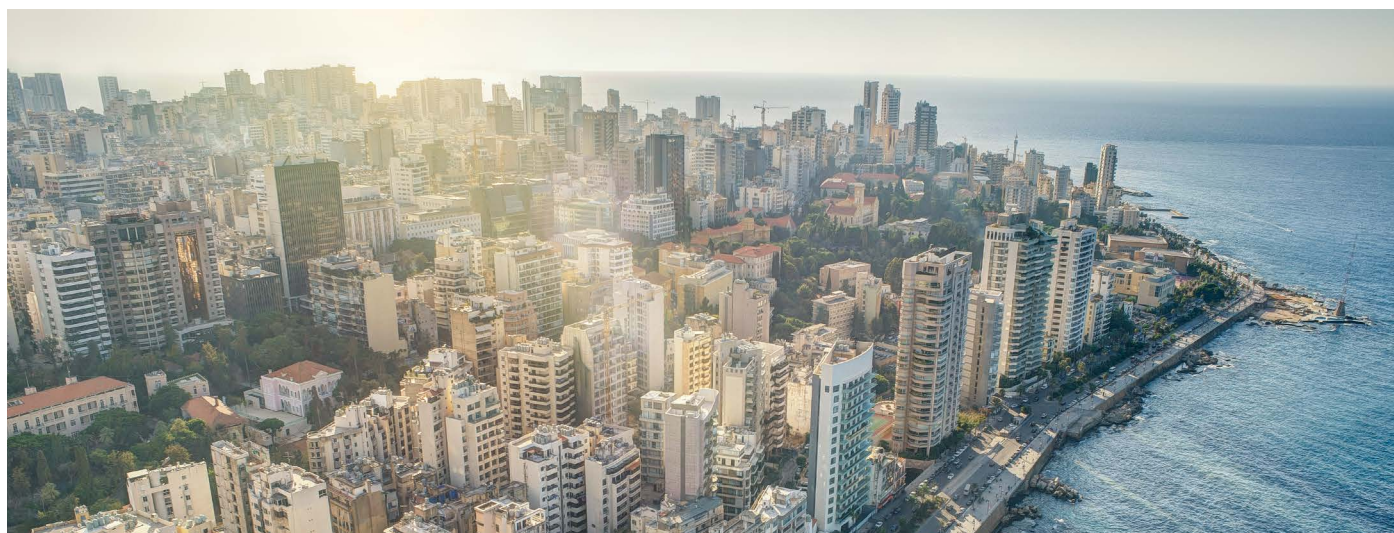
Lastly, looking ahead, surveyed companies remained pessimistic towards the year-ahead outlook for business activity. Firms were wary of a potential escalation of conflict and tensions across the Middle East, identifying this, alongside security concerns, as the main risks to the outlook.

Comment

Commenting on the July 2025 BLOM Lebanon PMI, Dr Ali Bolbol, Chief Economist/Head of Research at BLOMInvest BANK said:

"The July 2025 BLOM Lebanon PMI dropped to 48.9. This result was not unexpected as the economy lacked any meaningful demand stimulus: the government does not have any money to spend and the private sector is not able and willing to spend. That leaves the external sector, but that was also

badly hit by a poor tourist season and a lackluster export performance, both due to an unstable security situation made worse by Hezbollah's intransigence on relinquishing its arms and the violent events in Syria. The only good news is that the resulting economic implications could have been worse, which indicates a glimmer of hope regarding the economy's flexibility and potential."



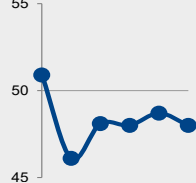
PMI®

by **S&P Global**

Output and demand

Output Index

Feb - Jul '25
sa, >50 = growth



Output

Private sector business activity decreased across Lebanon at the start of the third quarter. Conflicts across the Middle East reportedly limited output levels in July, with demand conditions subsequently worsening. The rate of decline quickened since June and was moderate overall.

New orders

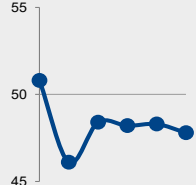
A fifth consecutive monthly contraction in new business volumes was registered by private sector Lebanese firms during the latest survey period. Insecurity, weaker client purchasing power and reduced tourism were cited as factors driving underwhelming sales performances in July. The decrease was the fastest in four months, albeit moderate.

New export orders

The seasonally adjusted New Export Orders Index recorded a notable drop in July, slipping further below the 50.0 no-change threshold to signal a sharper downturn in international customer demand. Panellists commented on the adverse impact of regional instability and conflicts across the Middle East, which reportedly deterred foreign clients from visiting Lebanon or placing orders with local companies.

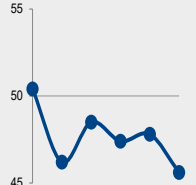
New Orders Index

Feb - Jul '25
sa, >50 = growth



New Export Orders Index

Feb - Jul '25
sa, >50 = growth



Output Index

sa, >50 = growth since previous month

48.0

Jul '25



New Orders Index

sa, >50 = growth since previous month

47.8

Jul '25



New Export Orders Index

sa, >50 = growth since previous month

45.6

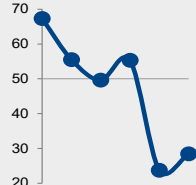
Jul '25



Business expectations

Future Output Index

Feb - Jul '25
>50 = growth expected



Lebanese companies' expectations for the year ahead remained subdued during July. The Future Output Index picked up from June's seven-month low, but stayed well below the neutral 50.0 mark, signalling a high degree of pessimism. Around 45% of survey respondents foresee activity levels decreasing in the next 12 months, with regional insecurity and a potential escalation of conflict in the Middle East cited as the principal risks to the outlook.

Future Output Index

>50 = growth expected over next 12 months

28.4

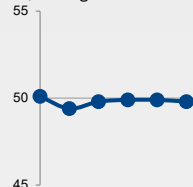
Jul '25



Employment and capacity

Employment Index

Feb - Jul '25
sa, >50 = growth



Employment

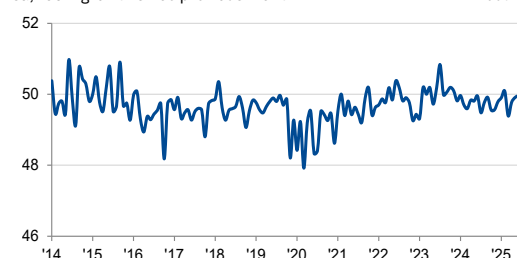
Adjusted for seasonal influences, the Employment Index registered fractionally below the 50.0 no-change mark in July, signalling a small reduction in private sector payroll numbers across the Lebanese private sector economy. This was broadly in line with the trend seen throughout the second quarter of the year.

Employment Index

sa, >50 = growth since previous month

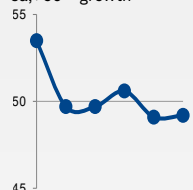
49.8

Jul '25



Backlogs of Work Index

Feb - Jul '25
sa, >50 = growth



Backlogs of work

The volume of work outstanding across the Lebanese private sector fell at the start of the third quarter, marking back-to-back months of backlog reduction. According to panellists, low intakes of new work allowed firms to clear unfinished orders. The pace of depletion was marginal and broadly similar to that seen in June.

Backlogs of Work Index

sa, >50 = growth since previous month

49.2

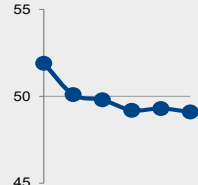
Jul '25



Purchasing and inventories

Quantity of Purchases Index

Feb - Jul '25
sa, >50 = growth



Quantity of purchases

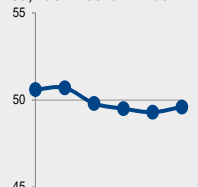
Private sector companies in Lebanon cut their purchases of raw materials, components and other necessary items during July. The rate of reduction was the fastest in eight months, albeit only marginal. Some companies reportedly lowered their spending as a means to save costs.

Suppliers' delivery times

Having adjusted for seasonal variance, the Suppliers' Delivery Times Index posted slightly below the 50.0 no-change mark in July, indicating a marginal deterioration in vendor performance. This was in line with the trend seen throughout the second quarter of the year.

Suppliers' Delivery Times Index

Feb - Jul '25
sa, >50 = faster times

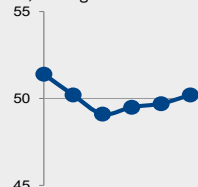


Stocks of purchases

July survey data showed a renewed uptick in stocks of purchases across the Lebanese private sector. This marked the first time since March that inventory levels have expanded.

Stocks of Purchases Index

Feb - Jul '25
sa, >50 = growth



Quantity of Purchases Index

sa, >50 = growth since previous month

49.1

Jul '25

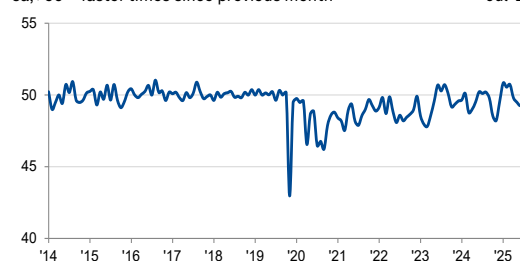


Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

49.6

Jul '25

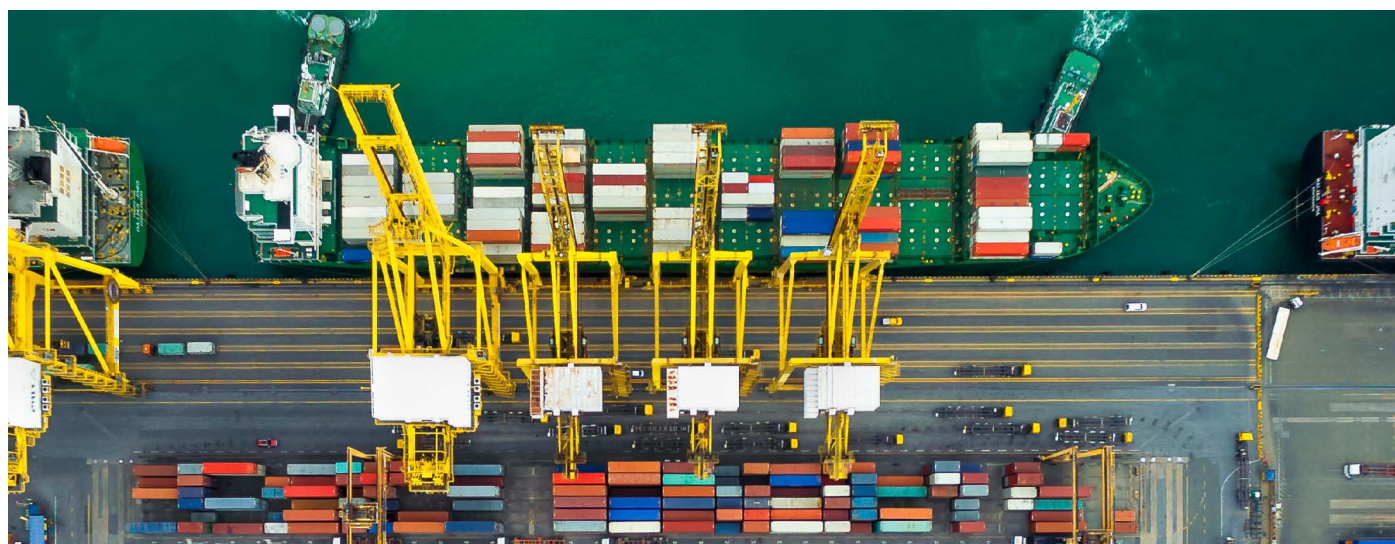


Stocks of Purchases Index

sa, >50 = growth since previous month

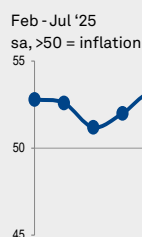
50.2

Jul '25



Prices

Input Prices Index



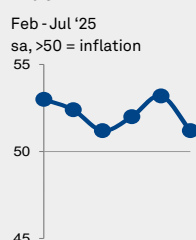
Overall input prices

Operating expenses faced by private sector companies in Lebanon continued to rise in July. However, just 2% of respondents signalled an increase on the month, meaning the overall rate of inflation was only mild and the slowest since January.

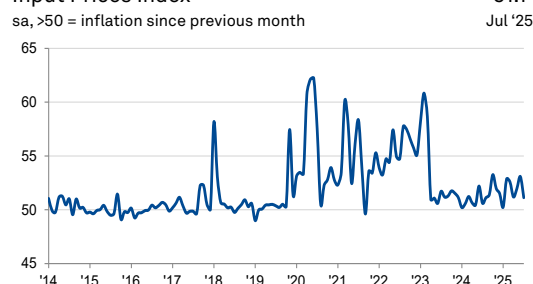
Purchase prices

Purchasing costs increased during the latest survey period, extending the current period of inflation to nearly four years. Many panellists linked the uptick to a rise in import prices and greater transportation cost. That said, inflationary pressures eased on the month.

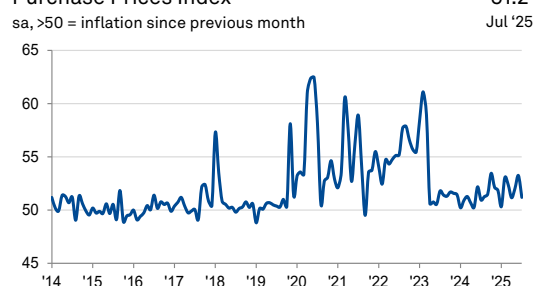
Purchase Prices Index



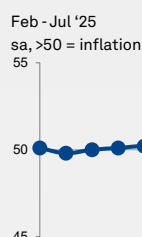
Input Prices Index



Purchase Prices Index



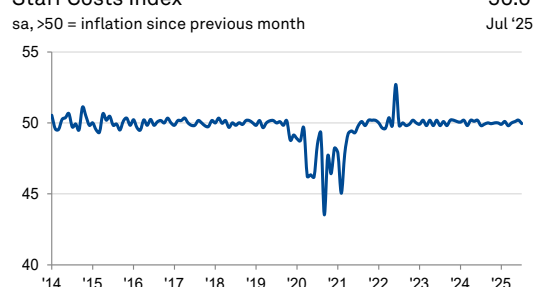
Staff Costs Index



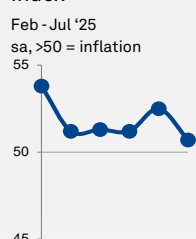
Staff costs

Registering exactly 50.0, the seasonally adjusted Staff Costs Index signalled no change in labour expenses faced by private sector businesses in Lebanon. Staff costs have generally been stable on average over the past three years.

Staff Costs Index



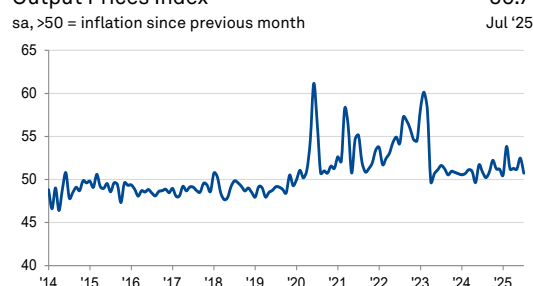
Output Prices Index



Output prices

Greater costs prompted private sector firms in Lebanon to lift their own prices at the beginning of the third quarter. The rate of inflation was, however, only marginal and the softest since January. Only 1% of respondents lifted their selling fees in July.

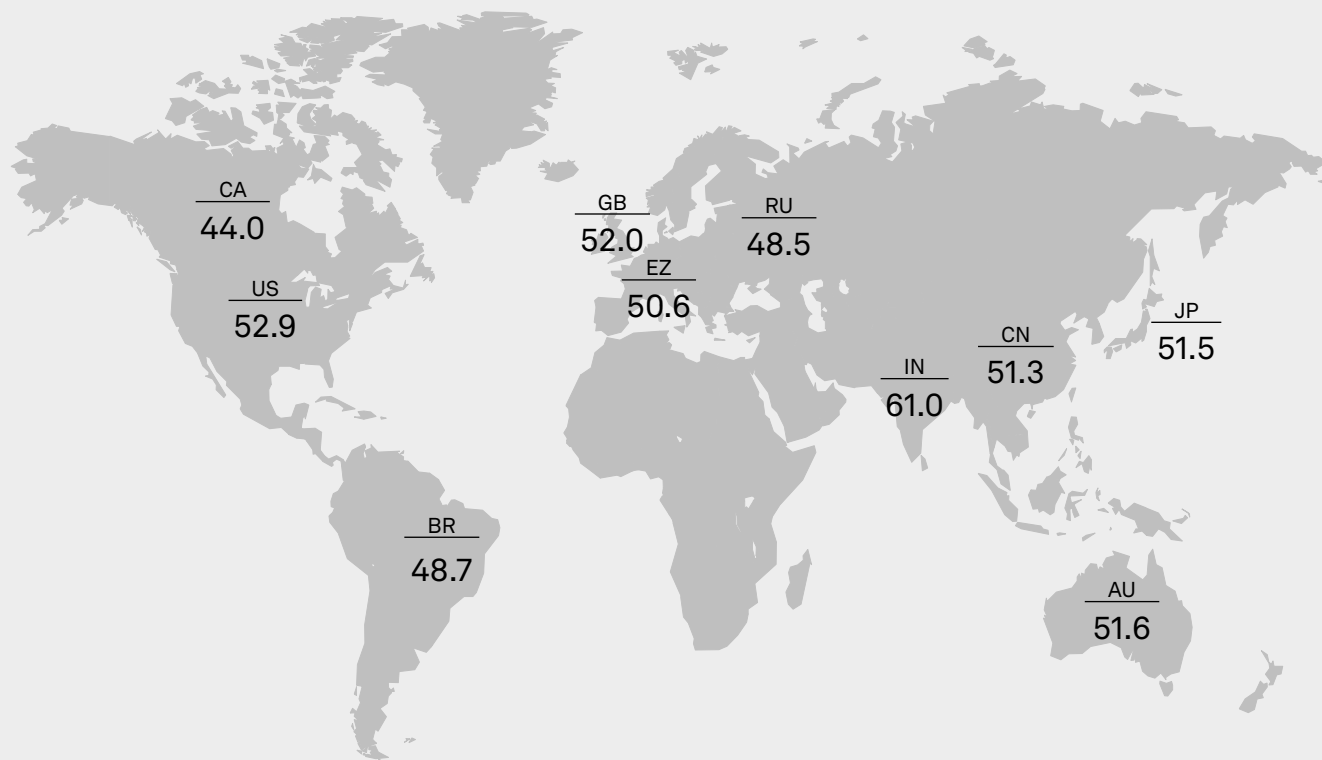
Output Prices Index



International PMI

Composite Output Index, Jun '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.

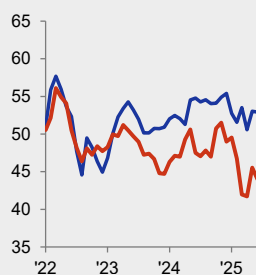


Composite Output Index

■ USA

■ Canada

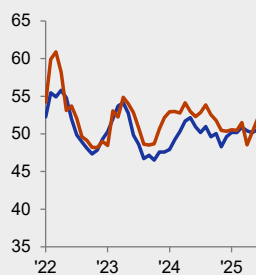
sa, >50 = growth



■ Eurozone

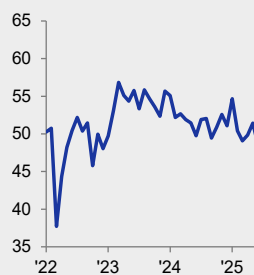
■ UK

sa, >50 = growth



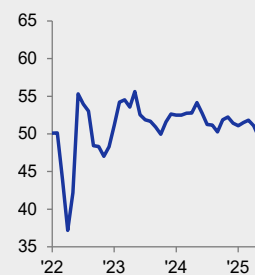
■ Russia

sa, >50 = growth



■ China

sa, >50 = growth



■ Brazil

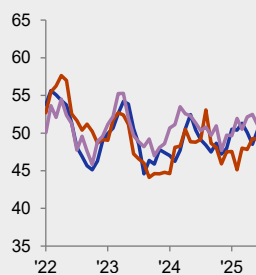
sa, >50 = growth



■ Germany ■ Italy

■ France

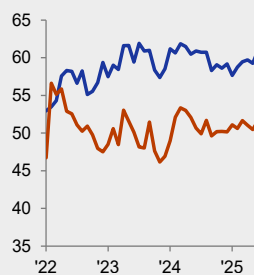
sa, >50 = growth



■ India

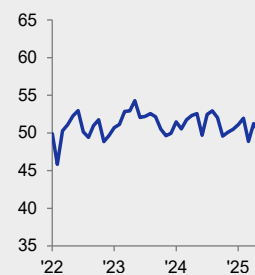
■ Australia

sa, >50 = growth



■ Japan

sa, >50 = growth



PMI®

by **S&P Global**

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 10-25 July 2025.

Survey questions

Private sector

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

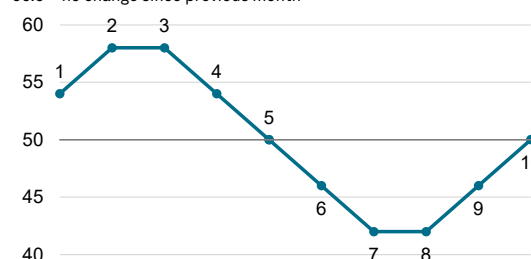
Suppliers' Delivery Times
Stocks Of Purchases
Input Prices
Purchase Prices
Staff Costs
Output Prices

Index calculation

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

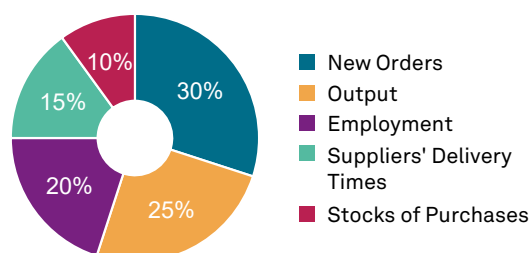
Index interpretation

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
02 '25	50.5	50.9	50.8	50.4	67.3	50.1	53.5	51.9	50.6	51.4	52.8	53.0	50.1	53.8
03 '25	47.6	46.1	46.1	46.2	55.5	49.4	49.7	50.1	50.7	50.2	52.6	52.4	49.8	51.2
04 '25	49.0	48.1	48.4	48.5	49.6	49.8	49.7	49.8	49.8	49.1	51.2	51.2	50.0	51.3
05 '25	48.9	48.0	48.2	47.4	55.3	49.9	50.6	49.2	49.5	49.5	52.0	52.0	50.1	51.2
06 '25	49.2	48.7	48.3	47.8	23.7	49.9	49.1	49.3	49.3	49.7	53.1	53.2	50.2	52.5
07 '25	48.9	48.0	47.8	45.6	28.4	49.8	49.2	49.1	49.6	50.2	51.1	51.2	50.0	50.7

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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.

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.

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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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