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BLOM Lebanon PMI®

PMI slips back into contraction zone in October

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Renewed declines in new business and output

Sharper fall in exports

Confidence drops to five-month low but cost inflation eases

Lebanon's private sector economy deteriorated in October, according to the latest BLOM PMI® survey data, marking the first time since May that this was the case. A sharper decline in new export orders weighed on demand and, in turn, activity levels. Nonetheless, employment remained stable, even though expectations for the next 12 months were the most downbeat since May.

The headline BLOM Lebanon PMI® fell below the 50.0 no-change level in October, from 50.5 in September, indicating the first deterioration in business conditions across the Lebanese private sector since May. However, at 49.8, the contraction signalled was only fractional overall.

The fourth quarter of 2026 began with a marginal decline in total new order receipts. Survey respondents linked the reduction to constrained purchasing power, uncertainty and unfavourable economic conditions. Regional instability was also often noted as a reason for lower export sales. New orders received from international clients fell sharply and to the greatest extent for three months.

With total volumes of new work decreasing during the month, October saw a renewed reduction in business activity levels across Lebanon. Some panel members linked lower output to price pressures, insecurity and project delays.

Businesses opted for a more cautious stance regarding their inventories in October. Stocks of purchases were cut for the first time since May. This came despite increased evidence of supply-side challenges as delivery times from vendors lengthened to a greater degree than in September. Disruption to transportation in the Middle East was often a factor that caused delays, anecdotal evidence indicated.

Purchase cost inflation subsequently continued in October. Companies mentioned that they paid more

BLOM Lebanon PMI

sa, >50 = improvement since previous month



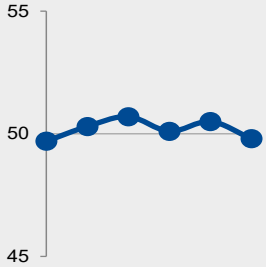
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49.8

LEBANON PMI
OCT '26

PMI
May - Oct '26
sa, >50 = improvement



for imported products, fuel and construction materials. Shipping fees were also mentioned as a driver of cost pressures. That said, the extent that purchasing prices rose was the softest since June. Private sector firms in Lebanon raised their charges in October as they sought to pass on increases in costs where possible. However, the pace of inflation slowed to a five-month low.

Regarding operating capacities, October survey data signalled no change in both the levels of employment and outstanding work. Backlogged order volumes were stable, ending a five-month sequence of accumulation. This coincided with unchanged workforce numbers (after seven months of marginal cutbacks) and a fresh decrease in new work intakes.

Looking ahead, Lebanese businesses were more pessimistic towards the 12-month outlook, with expectations the most downbeat since May. Fears of an intensification in conflict dampened sentiment.

Comment

Commenting on the October 2026 BLOM Lebanon PMI, Helmi Mrad, Senior Research Specialist at BLOM Bank said:

"The BLOM Lebanon PMI decreased from 50.5 in September to 49.8 in October, marking the first month of contraction in private business conditions since May. This marginal contraction was mainly driven by a decrease in new orders and new export orders. The decrease in citizens' purchasing power, economic and security uncertainty along with unfavourable economic conditions led to a reduction in new orders. Additionally, the instability in regional geopolitics increased the shrinkage in new orders from international clients, thus new export orders witnessed an additional drop. The increasing war talk by the US and Iran must have been a contributing factor, and added to tensions. As such, we hope that all parties concerned agree to separate Lebanon from regional tensions and allow the State to be the decisive decision maker related to war and peace."

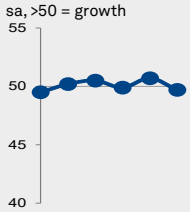


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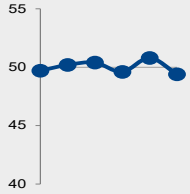
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Output and demand

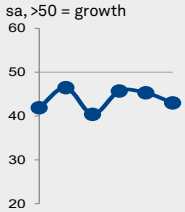
Output Index
May - Oct '26
sa, >50 = growth



New Orders Index
May - Oct '26
sa, >50 = growth



New Export Orders Index
May - Oct '26
sa, >50 = growth



Output

The seasonally adjusted Output Index signalled a renewed decrease in business activity across Lebanon's private sector. This followed on from September's expansion, which was the fastest since February. Where a reduction was reported, there were mentions of insecurity, price pressures, project delays and reduced investment activity. That said, October's decline was only marginal.

New orders

Survey data for the opening month of the fourth quarter revealed a slight weakening of demand conditions across Lebanon's private sector economy. This was evidenced by the respective seasonally adjusted index registering just below the 50.0 no-change threshold. Survey respondents often attributed lower sales volumes to reduced purchasing power, uncertainty and stagnant market conditions.

New export orders

Export performance became more of a drag on overall sales activity in October, with new business received from non-domestic clients decreasing at the sharpest rate since July. Regional instability was widely mentioned as a reason for lower receipts of new export orders. Around 16% of firms reported a decline compared to September, with the remainder (84%) seeing no change.

Output Index
sa, >50 = growth since previous month
49.7
Oct '26



New Orders Index
sa, >50 = growth since previous month
49.4
Oct '26

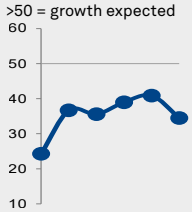


New Export Orders Index
sa, >50 = growth since previous month
43.0
Oct '26



Business expectations

Future Output Index
May - Oct '26
>50 = growth expected



The Future Output Index fell to a five-month low in October, indicating the weakest level of business confidence in Lebanon since May. According to anecdotal evidence, downbeat expectations reflected firms' fears of the Middle East war worsening. Pessimistic survey respondents were wary of the negative economic consequences of insecurity, uncertainty and additional conflict.

Future Output Index
>50 = growth expected over next 12 months
34.5
Oct '26



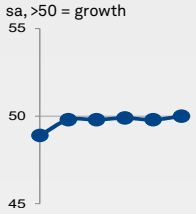
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Employment Index

May - Oct '26

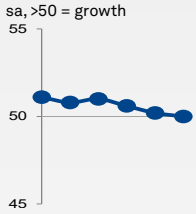
sa, >50 = growth



Backlogs of Work Index

May - Oct '26

sa, >50 = growth



Employment and capacity

Employment

Posting exactly 50.0, the seasonally adjusted Employment Index indicated no change to private sector payroll numbers in Lebanon during the latest survey period. This marked the first time since February that the indicator has not registered in contraction territory.

Backlogs of work

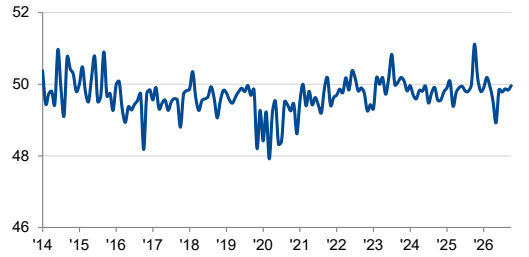
After five successive months of rising outstanding business volumes, October survey data signalled a stabilisation, as evidenced by the Backlogs of Work Index posting 50.0. With new order receipts down on the month, the latest data suggest that firms' operations could run without accumulating backlogs.

Employment Index

sa, >50 = growth since previous month

50.0

Oct '26



Backlogs of Work Index

sa, >50 = growth since previous month

50.0

Oct '26





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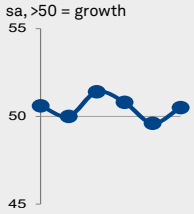
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Purchasing and inventories

Quantity of Purchases Index

May - Oct '26

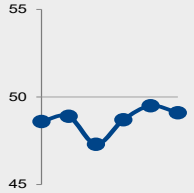
sa, >50 = growth



Suppliers' Delivery Times Index

May - Oct '26

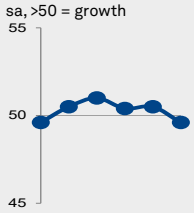
sa, >50 = faster times



Stocks of Purchases Index

May - Oct '26

sa, >50 = growth



Quantity of purchases

According to October data, private sector businesses in Lebanon increased their purchasing activity levels, marking the third time in the past four months that this has been the case. The latest expansion was modest, however, as some companies showed caution when it came to buying intermediate goods, raw materials and supplies.

Quantity of Purchases Index

sa, >50 = growth since previous month

50.5

Oct '26



Suppliers' delivery times

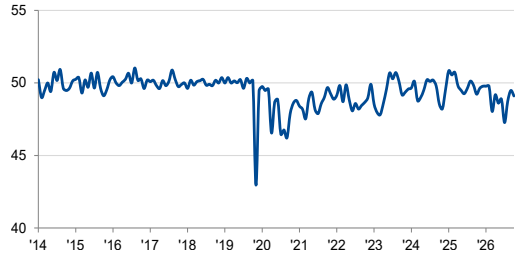
On average, supplier delivery times lengthened during the opening month of the fourth quarter. Transport disruption in the Middle East was a commonly cited reason for delays. The deterioration in vendor performance was slightly greater than that seen in September but modest overall.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

49.1

Oct '26



Stocks of purchases

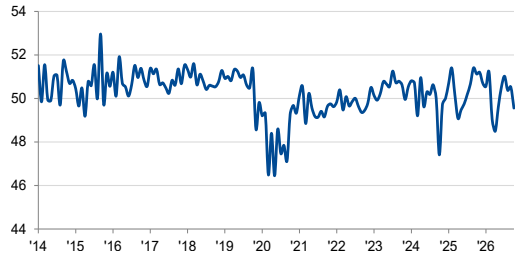
Following a sustained period of accumulation between June and September, the start of the fourth quarter saw a renewed decline in stocks of purchases. Some survey respondents adopted a more cautious inventory strategy, according to anecdotal evidence, with the uncertain demand outlook prompting firms to streamline warehouses.

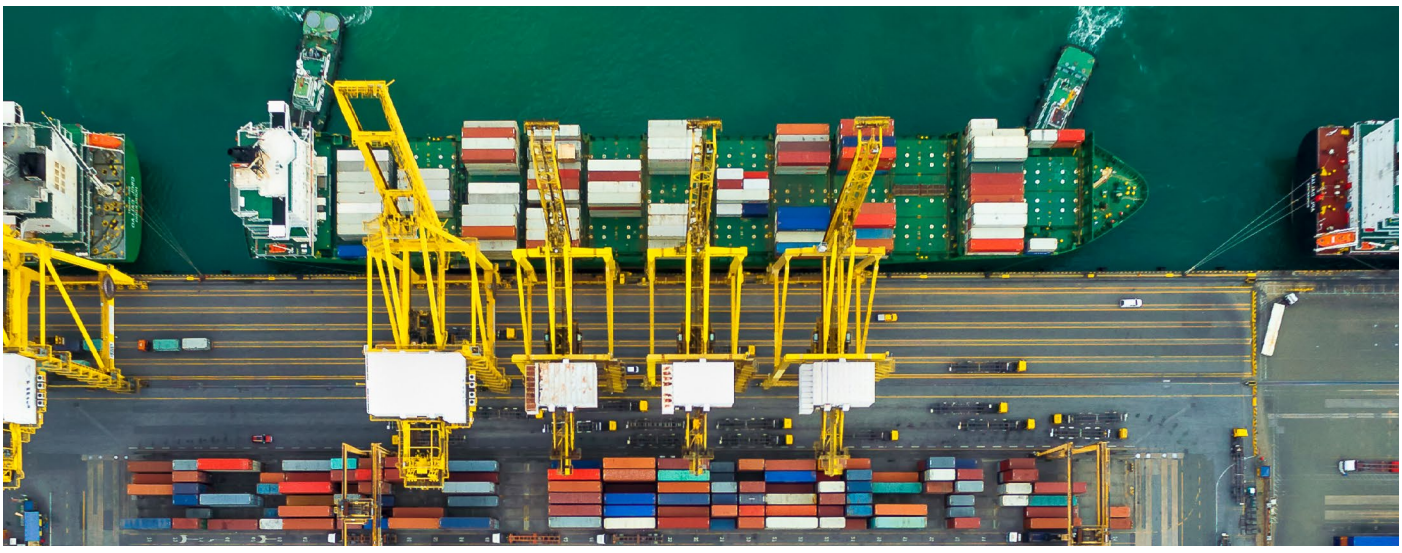
Stocks of Purchases Index

sa, >50 = growth since previous month

49.6

Oct '26



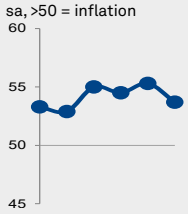


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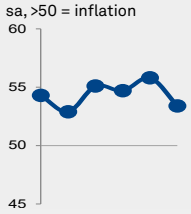
Input Prices Index

May - Oct '26
sa, >50 = inflation



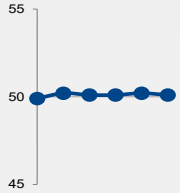
Purchase Prices Index

May - Oct '26
sa, >50 = inflation



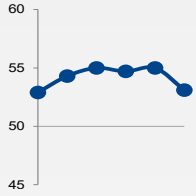
Staff Costs Index

May - Oct '26
sa, >50 = inflation



Output Prices Index

May - Oct '26
sa, >50 = inflation



Prices

Overall input prices

After rising to a three-and-a-half-year high in September, input cost inflation faced by private sector firms in Lebanon eased during the latest survey period. The overall rise in total operating expenses was historically marked, albeit the least pronounced since June.

Purchase prices

An easing of purchase cost inflation was the key driver behind October's softer rise in total input prices. Nevertheless, the latest uptick in prices paid was solid overall amid reports of greater shipping costs, as well as increased construction, fuel, and import prices.

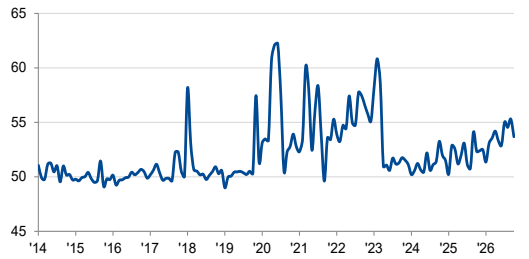
Staff costs

The seasonally adjusted Staff Costs Index recorded fractionally above the 50.0 no-change mark again in October, in line with the trend since June, indicating another slight increase in labour-related expenses faced by private sector companies in Lebanon.

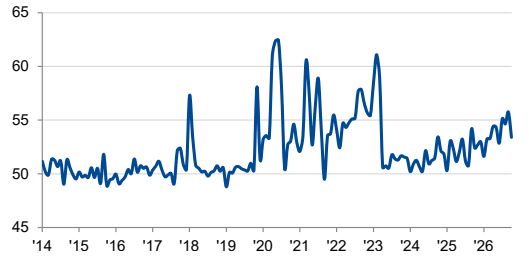
Output prices

Private sector businesses in Lebanon increased their prices charged at the start of the final quarter of 2026. This was often due to higher operating costs, according to qualitative survey responses, as firms tried to pass on some of the burden of greater expenses. Nonetheless, the rate of inflation stood at a five-month low.

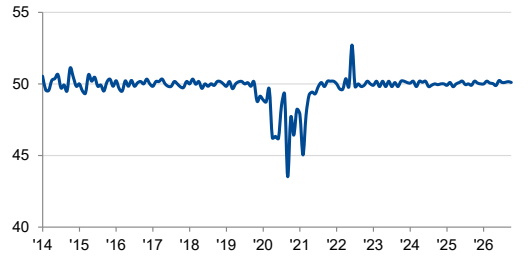
Input Prices Index
sa, >50 = inflation since previous month
53.7
Oct '26



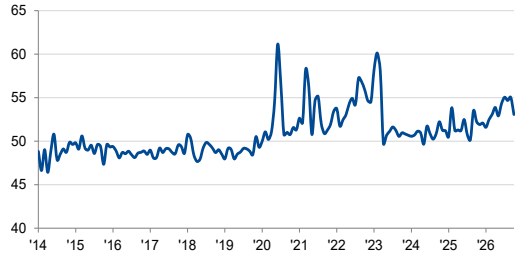
Purchase Prices Index
sa, >50 = inflation since previous month
53.4
Oct '26



Staff Costs Index
sa, >50 = inflation since previous month
50.1
Oct '26



Output Prices Index
sa, >50 = inflation since previous month
53.1
Oct '26

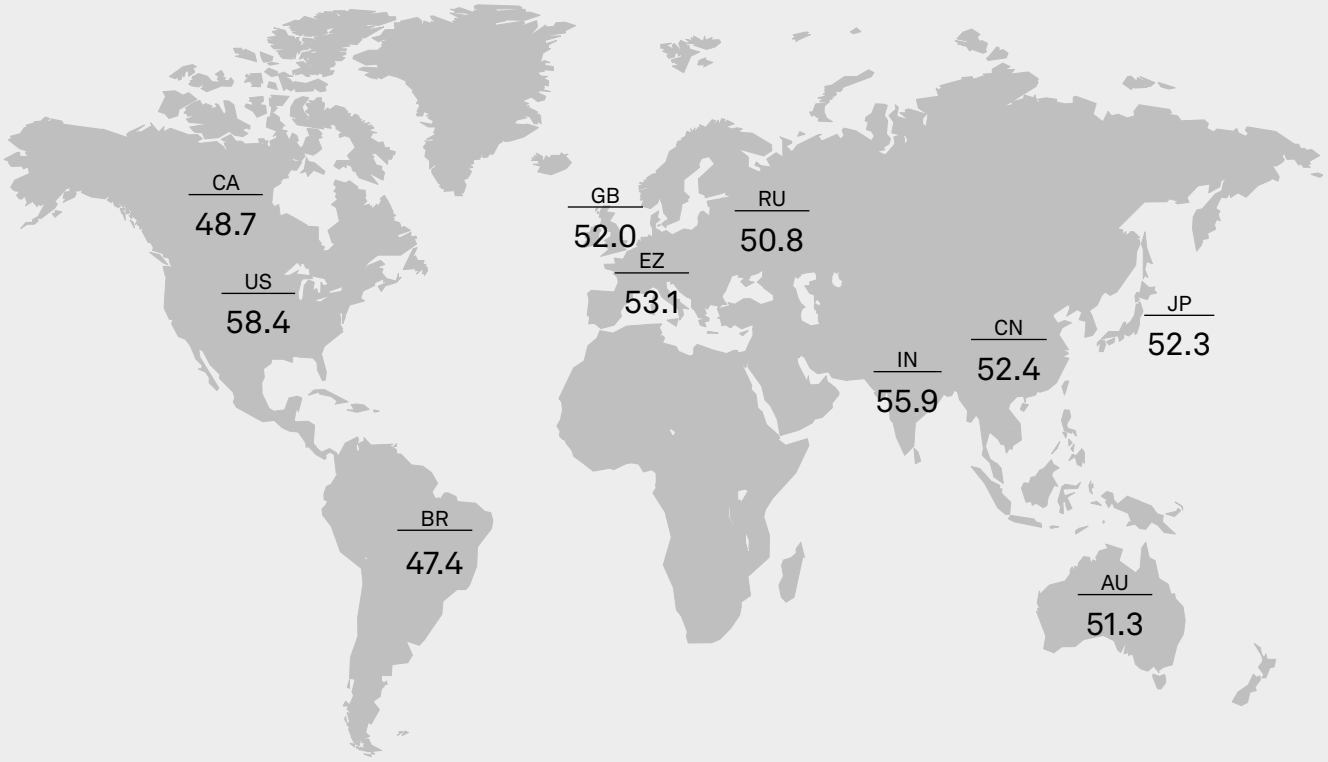


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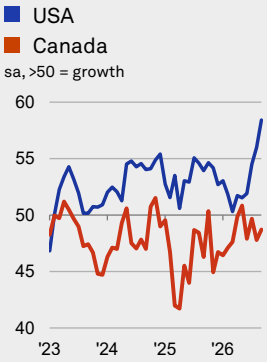
International PMI

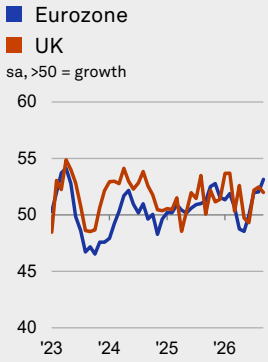
Composite Output Index, Sep '26
sa, >50 = growth since previous month

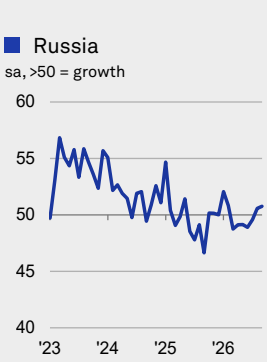
The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.

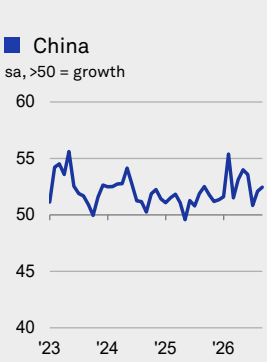


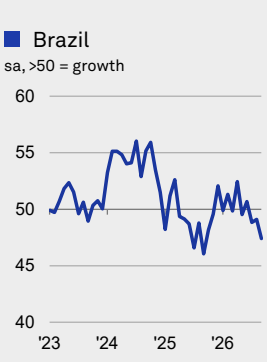
Composite Output Index

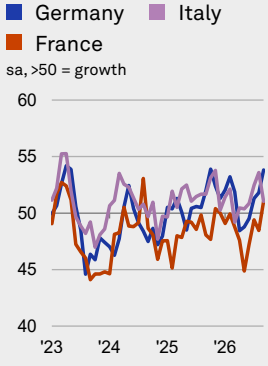


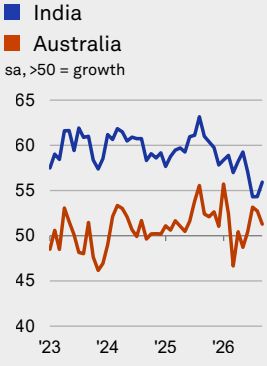


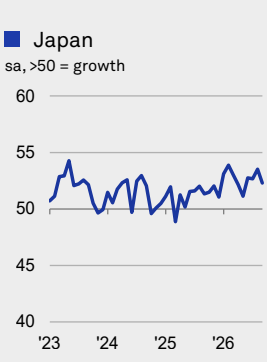












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Survey methodology

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 12-26 October 2026.

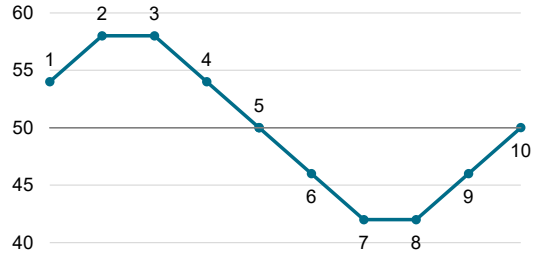
Survey questions
Private sector

- 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

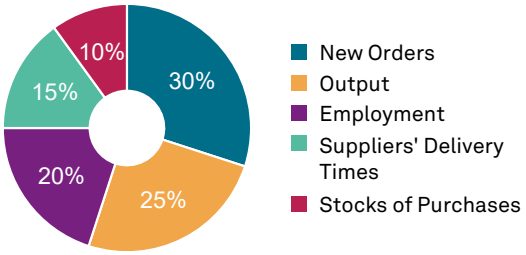
% "Higher" + (% "No change")/2

Index interpretation
50.0 = no change since previous month



1 Growth
2 Growth, faster rate
3 Growth, same rate
4 Growth, slower rate
5 No change, from growth
6 Decline, from no change
7 Decline, faster rate
8 Decline, same rate
9 Decline, slower rate
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
F	Construction
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
H	Transportation and Storage
I	Accommodation and Food Service Activities
J	Information and Communication
K	Financial and Insurance Activities
M	Professional, Scientific and Technical Activities
N	Administrative and Support Service Activities
P	Education*
Q	Human Health and Social Work Activities*
R	Arts, Entertainment and Recreation
S	Other Service Activities

*Private sector

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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
05 '26	49.7	49.5	49.7	41.9	24.3	48.9	51.1	50.6	48.6	49.6	53.3	54.3	49.9	52.9
06 '26	50.3	50.2	50.2	46.5	36.7	49.8	50.8	50.0	48.9	50.5	52.9	52.9	50.2	54.3
07 '26	50.7	50.5	50.4	40.4	35.6	49.8	51.0	51.4	47.3	51.0	55.0	55.1	50.1	55.0
08 '26	50.1	49.9	49.6	45.7	39.0	49.9	50.6	50.8	48.7	50.4	54.5	54.7	50.1	54.7
09 '26	50.5	50.7	50.8	45.3	40.9	49.8	50.2	49.6	49.5	50.5	55.3	55.8	50.2	55.0
10 '26	49.8	49.7	49.4	43.0	34.5	50.0	50.0	50.5	49.1	49.6	53.7	53.4	50.1	53.1

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About BLOM Bank
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