News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
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Data collected October 12-26

BLOM Lebanon PMI®

PMI slips back into contraction zone in October

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.

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."

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

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 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.

-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.

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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. To learn more go to spglobal.com/marketintelligence/en/mi/products/pmi.html

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