

## News Release

**Purchasing Managers' Index™**  
**MARKET SENSITIVE INFORMATION**

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### BLOM Lebanon PMI®

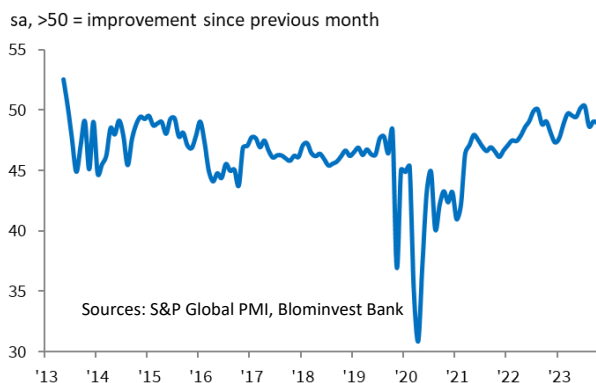
#### BLOM Lebanon PMI rises to four-month high

**Data collected November 09-24**

***BLOM Lebanon PMI rises to 49.5, its highest since July***

***Export demand stages notable recovery in November***

***Price pressures persist; confidence edges up to three-month high***



The contraction in Lebanon's private sector economy slowed during November, according to the latest BLOM Lebanon PMI® survey, as business activity declined at the slowest pace in four months amid a notable recovery in new export orders. Business confidence also improved slightly, rising to its highest level in three months.

On the prices front, cost pressures persisted in November, leading to another rise in firms' selling charges.

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.

The headline BLOM Lebanon PMI® registered 49.5 in November to signal a marginal contraction in business activity across the Lebanese private sector economy. That said, this was up from 48.9 in October and its highest level since July.

**Commenting on BLOM Lebanon PMI for November 2023, Dr Ali Bolbol, Chief Economist/Head of Research at BLOMINVEST Bank, said:**

*"After registering 48.9 in October, the BLOM Lebanon PMI recorded a higher level of 49.5 in November. Though still lower than 50, the rise reflects the easing of security concerns, as Lebanon evaded getting involved in the war in Gaza. More than that, though domestic demand showed a softer decline, it was the increase in exports to 50.8 that was most notable and the strongest in eight years – a sign perhaps that cheaper exchange rates are starting to make the private sector more competitive. Also interesting was the increase in both employment and wages that reflect a recovering labour market, albeit at low rates. These rates -- and others in the PMI -- will only substantially increase when genuine economic and financial reforms are designed and implemented."*

#### **The main findings of November's survey were as follows:**

According to surveyed companies that reported a lower volume of business activity during November, instability within the Middle East was cited as a drag on output. Security concerns and domestic political uncertainty

also constrained order books, anecdotal evidence showed. That said, the decline in new business inflows was the slowest seen in the current four-month sequence of decrease.

A notable recovery in demand from international clients midway through the final quarter was a key finding of November's survey, with new export orders rising for the first time since June and at the fastest pace since May 2015.

Signs of improvement in parts of the economy fuelled an uptick in business confidence during November, as seen by the Future Activity Index moving up to a three-month high. That said, with over half of the survey panel (51%) anticipating lower activity in the coming year, the overall level of business sentiment was still subdued.

Subsequently, November survey data showed a greater hesitancy among businesses to stockpile items. Purchasing activity declined for a second successive month, with the pace of decrease accelerating slightly to its fastest in nearly a year. Inventory levels were held unchanged, ending an eight-month sequence of accumulation.

Meanwhile, a lack of incoming new business led firms to continue depleting backlogs during November. Orders pending completion fell for a second straight month, albeit marginally. Firms increased employment fractionally, despite lower pending workloads.

With respect to prices, November survey data signalled a persistence of inflationary pressures. Operating expenses rose amid increased purchasing costs, which firms linked to volatile trading conditions. In turn, selling charges were raised for a twenty-sixth month in a row as part of efforts to offset margin erosion.

-Ends-

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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](mailto:economics@spglobal.com).

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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. For more information, see [www.blominvestbank.com](http://www.blominvestbank.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](http://spglobal.com/marketintelligence/en/mi/products/pmi.html)

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