News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
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Data collected August 12-24

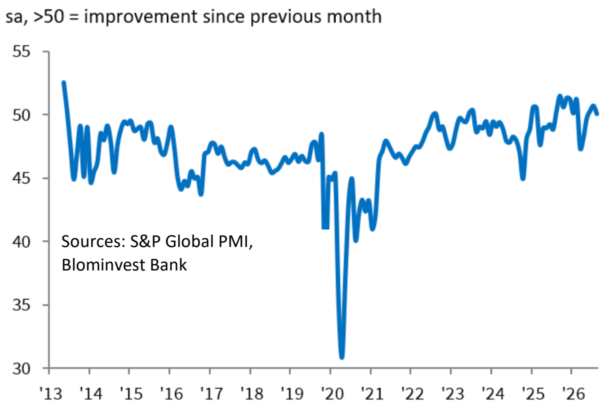
BLOM Lebanon PMI®

Lebanese economy loses momentum in August

BLOM Lebanon PMI falls to 50.1, from 50.7

New orders down marginally, driven by exports

Inflation eases but remains elevated



Lebanon's private sector economy showed signs of slowing during August. A fresh decrease in new business led activity levels to virtually stagnate, while purchasing growth eased. Inflationary pressures remained elevated, despite cooling slightly since July. Although there was a further improvement in confidence, Lebanese companies remained pessimistic towards the year-ahead outlook.

The headline BLOM Lebanon PMI® was once again above the crucial 50.0 threshold that separates growth from decline in August, although only just. Down from 50.7 in July to 50.1, the latest figure signalled a slowdown in growth across Lebanon's private sector economy.

Commenting on the August 2026 BLOM Lebanon PMI, Dr FADI Osseiran, Special Advisor to BLOM GM, said:

"The BLOM Lebanon PMI faced a hard reality in August 2026, dropping to 50.1 from 50.7 in July 2026. Uncertainty, security concerns, and price pressures, all weighed negatively on demand. Additionally, weakness in the tourism sector and a subdued goods export performance, driven by a troubled regional market, likely contributed to the fall in output and the PMI. As such, the economy seems to be shackled to a stagnant state, that could even regress to lower levels come the Fall/Autumn. And, unfortunately, its fate remains tied to deadlocked internal and regional wars, and the difficulty in gaining momentum to the reform and structural adjustments process. We hope against hope that these wars end soon!"

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

August survey data signalled a fresh decrease in new business intakes. After two months of expansion, total sales volumes shrank midway through the third quarter. The reduction was only marginal overall, however. Uncertainty, insecurity and price pressures were all cited as reasons for weaker demand, according to panel member reports.

Non-domestic markets were a key drag on sales performances. New export orders declined markedly in August, extending the current period of falling international client demand to nine months. The pace of contraction was far less pronounced than that seen in July, however.

Business activity levels across Lebanon were virtually unchanged in August. The broad stagnation was, however, a contrast to modest improvements in both June and July.

Surveyed businesses exercised greater caution regarding purchasing and stocks during August. Buying activity continued to rise, albeit with the pace of expansion easing. In turn, inventories grew at a softer rate. According to anecdotal evidence, high costs and demand uncertainty led some firms to dial back their stockpiling.

Nevertheless, supply chain conditions remained challenging. Average vendor lead times continued to lengthen, reflecting disruption in the Middle East and ongoing security risks. Delays were less pronounced than in July, however.

Price pressures remained elevated during August. Purchasing costs were a key contributor to overall inflation, detailed sub-index data revealed. In fact, overall operating expenses rose at the second-fastest pace for almost three-and-a-half years. Imported goods, household products, construction materials and fuel were all reported as up in price. Higher shipping fees were also mentioned.

Increased cost burdens were passed on to customers during August. Output charges rose at a historically strong rate, with the pace of inflation also the second-quickest in just over three years.

Looking ahead, private sector firms in Lebanon were pessimistic towards the 12-month outlook, although the degree of negativity eased. In fact, the Future Output Index rose to its highest level since February.

-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.

For further information, please contact:

BLOMINVEST Bank:

Dr Ali Bolbol, Chief Economist / Head of Research
Telephone +961 1 739 817
Email ali.bolbol@blominvestbank.com

S&P Global Market Intelligence:

Joe Hayes, Senior Principal Economist
Telephone +44-1344-328-099
Email joe.hayes@spglobal.com

Kriti Khurana, Corporate Communications
Telephone + 91-971-101-7186
Email kritikhurana@spglobal.com
press.mi@spglobal.com

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.

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. For more information, see 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