

# Pakistan Economy

## Current Account posts USD 1.8bn surplus in 11MFY25

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REP-300

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# Balance of Payment

## Current Account posts USD 1.8bn surplus in 11MFY25

### Balance of Payment at a glance

- In May'25, **C/A deficit** was USD 103mn against deficit of USD 235mn in May'24 and surplus of USD 47mn in Apr'25.
- The cumulative surplus in 11MFY25 reached USD 1.8bn, showcasing a substantial improvement from a deficit of USD 1.6bn during 11MFY24.



- In May'25, **goods imports** increased by 9% YoY | 5% MoM to USD 5,478mn.
- In 11MFY25, **total goods imports** amounted to USD 54.1bn, up 11% YoY.
- Service imports** decreased by 5% YoY | 2% MoM to USD 888mn. **Total service imports** reached USD 10.3bn in 11MFY25.



- Goods exports** stood at USD 2.4bn in May'25, depicting a decline of 19% YoY and 6% MoM. Cumulatively, they reached USD 29.7bn in 11MFY25, up 4% YoY.
- Service exports** increased by 2% YoY to USD 716mn, with tech exports down 1% YoY to USD 329mn.

- The **trade deficit** expanded in May'25, increasing to USD 3.2bn compared to USD 2.2bn in SPLY.
- The overall trade balance posted a deficit of USD 27bn in 11MFY25, up from SPLY USD 23bn.



- The **primary income** deficit stood at USD 777mn, down 47% YoY in May'25.
- The **secondary income balance** in May'25 increased by 12% YoY to USD 3,894mn.
- During May'25, **remittances** stood at USD 3.7bn, up 14% YoY.



#### Outlook:

- We expect country to post a CA surplus of USD 1.6bn in FY25 after 14 years.
- This growth is mainly due to increase in remittances by 26% YoY to USD 38.1bn, we view.

# Balance of Payment

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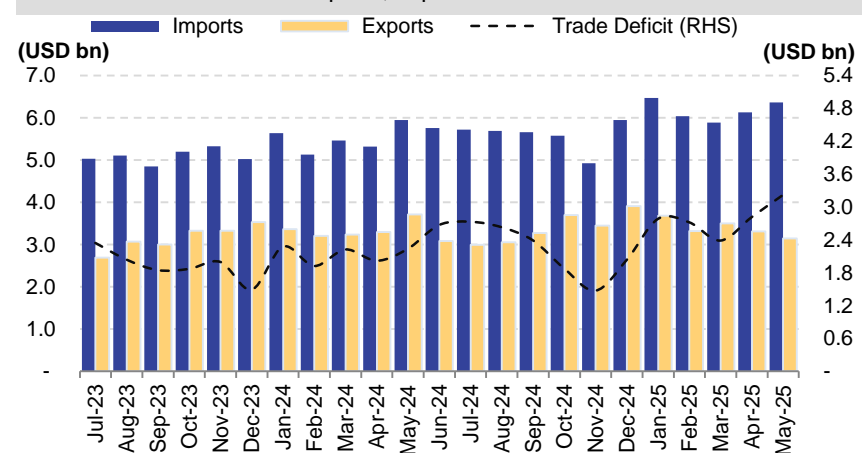
- The **current account** in May'25 registered a deficit of USD 103mn compared to the a deficit of USD 235mn in May'24 and the surplus of USD 47mn in Apr'25. On a cumulative basis, for 11MFY25, the country posted a current account surplus of USD 1,812mn, depicting a substantial improvement from the deficit of USD 1,572mn recorded during the SPLY.
- During May'25, **exports of goods** declined by 19% YoY to USD 2.4bn. On a MoM basis, goods exports decreased by 6% from USD 2.6bn in Apr'25. On the contrary, exports of services registered a growth of 2% YoY, reaching USD 716mn in May'25, compared to USD 705mn in May'24, while remaining stable on a MoM basis. Technology exports dropped by 1% YoY to USD 329mn in May'25, which accounts for 46% of total services exports. Meanwhile, on a MoM basis, technology exports showcased increase of 4%. Cumulatively, during 11MFY25, technology exports arrived at USD 3,471mn, reflecting an increase of 19% YoY.
- In May'25, **imports of goods** climbed up by 9% YoY to USD 5,478mn, compared to USD 5,014mn in May'24. On a MoM basis, goods imports also increased by 5% from USD 5,225mn in Apr'25. Whereas, imports of services declined by 5% YoY to USD 888mn, down from USD 936mn in May'24. Similarly, the import of services declined by 2% on a MoM basis from USD 902mn in Apr'25.
- In May'25, the **primary income** deficit decreased by 47% YoY to USD 777mn, compared to USD 1,478mn in May'24, amid hefty profit repatriation last year. On a MoM basis, the deficit increased by 31%.
- The balance on **secondary income** in May'25 increased by 12% YoY, reaching USD 3,894mn, compared to USD 3,481mn in May'24. However, on a MoM basis, it decreased by 13% from USD 3,455mn in Apr'25.

**Exhibit: Pakistan's Balance of Payment**

(USD mn)	May-25	May-24	YoY	Apr-25	MoM	11MFY25	11MFY24	YoY
Exports (Goods)	2,430	3,007	-19%	2,596	-6%	29,691	28,537	4%
Imports (Goods)	5,478	5,014	9%	5,225	5%	54,085	48,519	11%
Trade Balance (Goods)	(3,048)	(2,007)	nm	(2,629)	nm	(24,394)	(19,982)	nm
Exports (Services)	716	705	2%	715	0%	7,648	7,046	9%
Imports (Services)	888	936	-5%	902	-2%	10,316	9,679	7%
Trade Balance (Services)	(172)	(231)	-26%	(187)	nm	(2,668)	(2,633)	nm
Trade Balance	(3,220)	(2,238)	nm	(2,816)	nm	(27,062)	(22,615)	nm
Balance on Pri. Income	(777)	(1,478)	nm	(592)	nm	(7,893)	(7,802)	nm
Balance on Sec. Income	3,894	3,481	12%	3,455	13%	36,767	28,845	27%
Income (Net)	3,117	2,003	56%	2,863	9%	28,874	21,043	37%
Remittances	3,686	3,242	14%	3,177	16%	34,891	27,093	29%
<b>CAB</b>	<b>(103)</b>	<b>(235)</b>	<b>nm</b>	<b>47</b>	<b>nm</b>	<b>1,812</b>	<b>(1,572)</b>	<b>nm</b>
FDI	(180)	(295)	nm	(120)	nm	(2,025)	(1,933)	nm
Financial Account	(290)	(268)	nm	502	nm	1,468	(4,470)	nm
Capital Account	3	8	-63%	17	-82%	123	169	-27%
Overall Balance	(169)	38	nm	325	nm	(592)	(2,362)	nm

Source (s): SBP, AHL Research

**Exhibit: Historical trend of exports, imports and trade deficit**



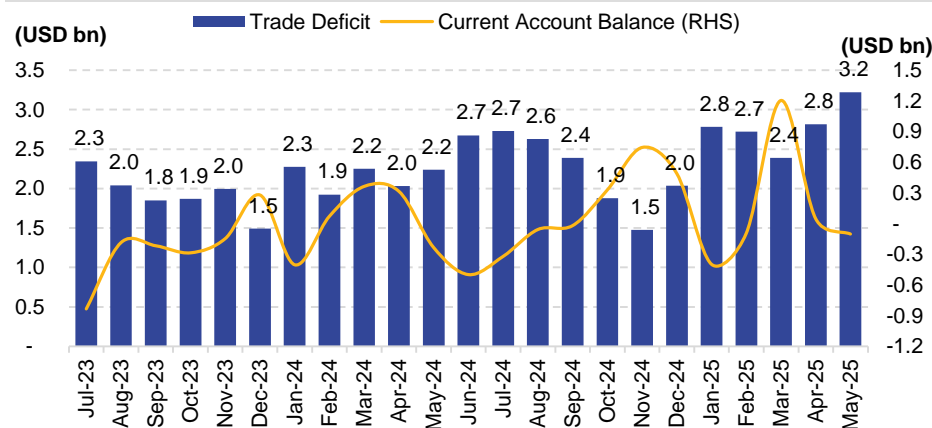
Source (s): SBP, AHL Research

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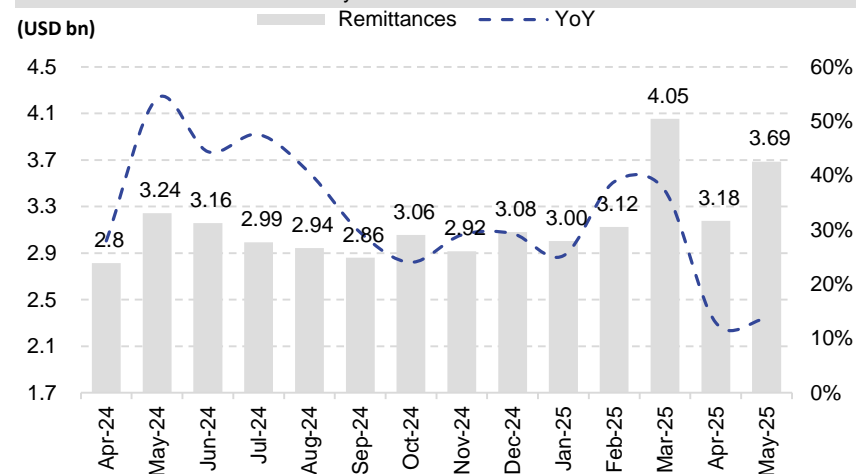
- Workers' remittances** grew robustly by 14% YoY, reaching USD 3.7bn in May'25, compared to USD 3.2bn in May'24. On a MoM basis, remittances increased by 16%, up from USD 3.2bn in Apr'25. In 11MFY25, remittances increased by 29% YoY to USD 34.9bn. Key contributors to this growth included Saudi Arabia, with a 12% YoY rise to USD 914mn, the UAE, which saw a 13% increase to USD 754mn, and the UK, which experienced a 24% YoY growth to USD 588mn.
- Net foreign direct investment (inflow) settled at USD 194mn in May'25, compared to net inflow of USD 306mn during May'24 and USD 141mn in Apr'25. During 11MFY25, net FDI inflow went down by 8% YoY to USD 1,979mn compared to an inflow of USD 2,142mn in 11MFY24.
- Outlook:** We expect the country to register a current account (CA) surplus of USD 1.6bn in FY25, marking the first surplus after 14 years. This improvement is primarily attributable to a significant 26% YoY increase in workers' remittances, which are expected to reach USD 38.1bn during the year.

**Exhibit:** C/A deficit clocked in at USD 103mn during May'25



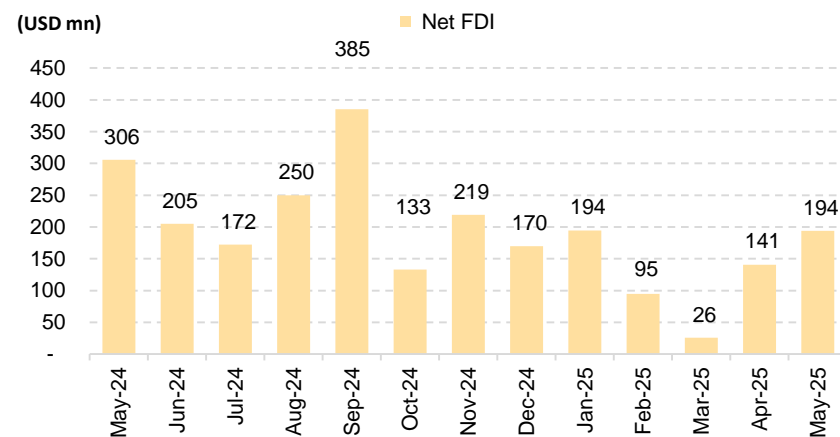
Source (s): SBP, AHL Research

**Exhibit:** Historical Trend of Monthly Remittances



Source (s): SBP, AHL Research

**Exhibit:** Historical Trend of Monthly FDI



Source (s): SBP, AHL Research

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