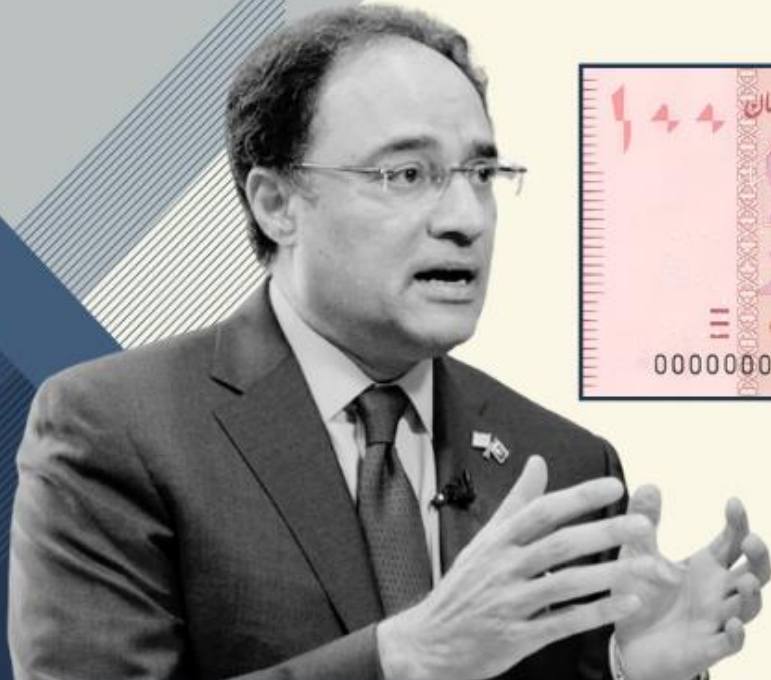


June 09, 2025

Pakistan Economic Survey FY25

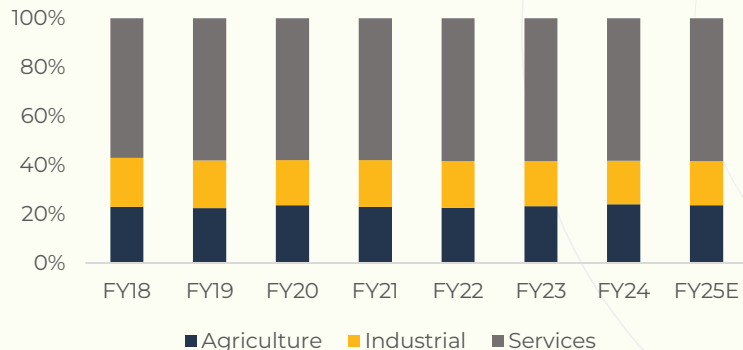


Provisional GDP Growth

GDP Growth



Composition of GDP



GDP growth clocked in at 2.68%



Agriculture sector recorded growth of 0.56%



Industrial sector recorded growth of 4.77%



Services sector grew by 2.91%



Pakistan's GDP grew by 2.68% in FY25.

This growth was driven primarily by the industrial and services sector.

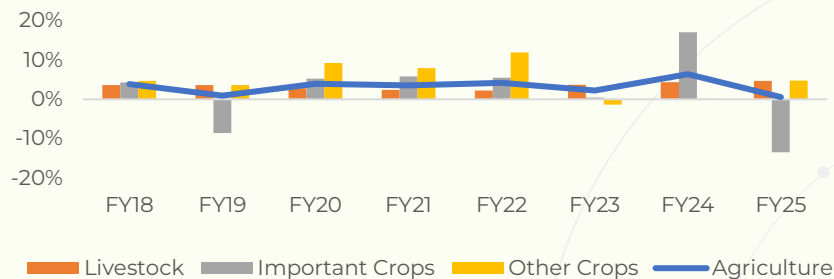
Removal of support prices from wheat on IMF demand, water shortage and imbalance supply of water impacted agricultural sector.

Record high interest rates and inflation in preceding years contributed to subdued growth in the largescale manufacturing alongside lower demand.

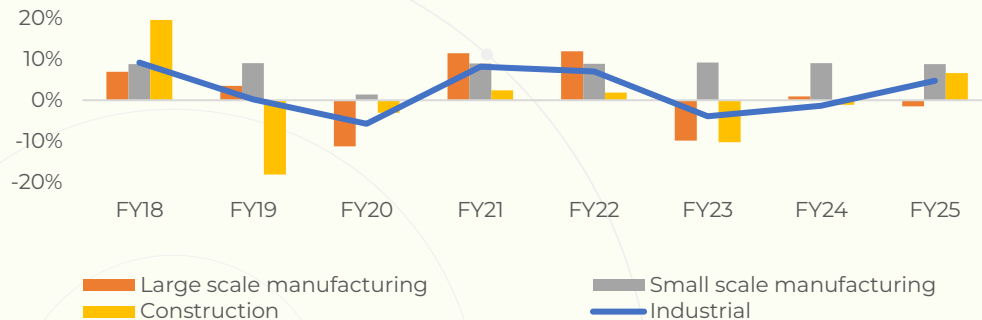


Key sectors and subsectors Growth

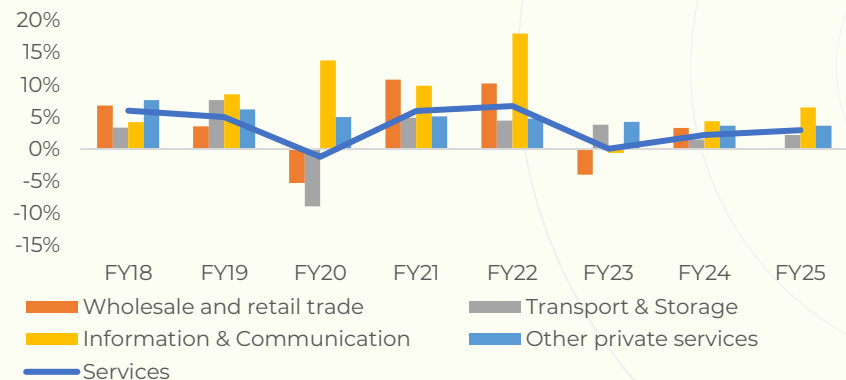
Agricultural Sector



Industrial Sector



Services



A closer look at subsector wise growth reveals that growth was primarily attributable to 8.8% and 6.5% growth in the small-scale manufacturing and IT respectively.

It can also be seen that construction has grown by an impressive 6.6%

Source: Pakistan Economic Survey, Chase Research

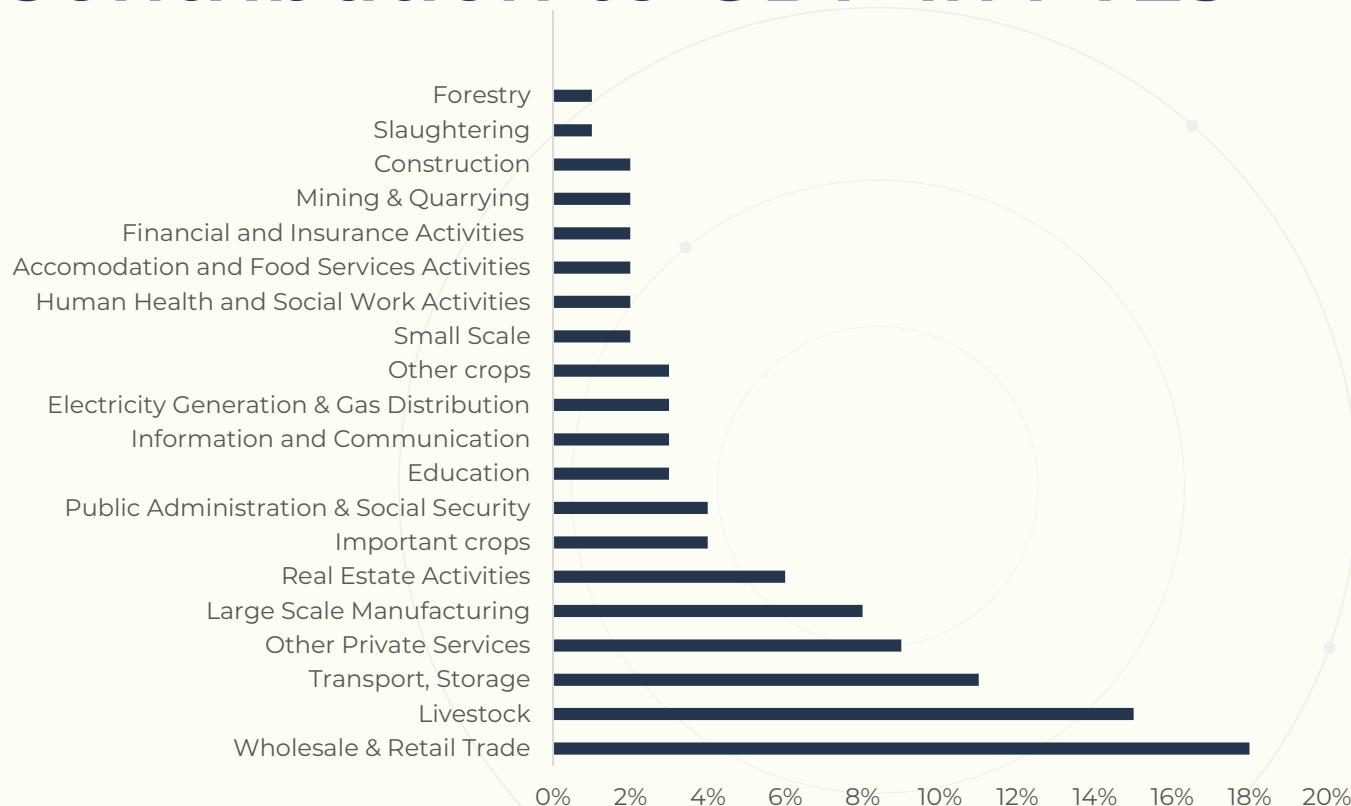


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Contribution to GDP in FY25



Source: Pakistan Economic Survey, Chase Research



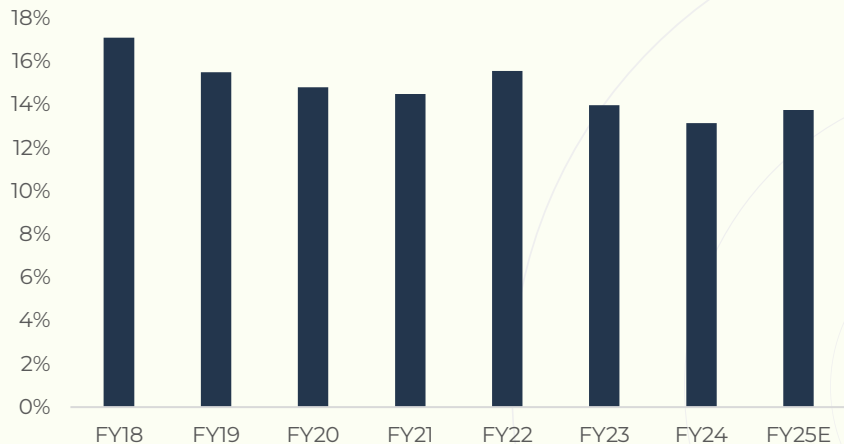
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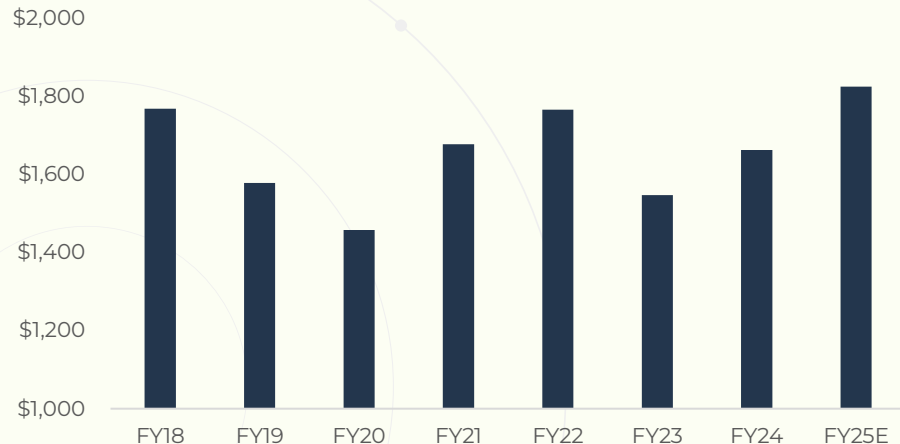
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GDP per Capita

Investment to GDP ratio



Per Capita Income



- Pakistan's GDP per Capita improved marginally to \$1,825 in FY25
- During the year investments also saw a drop from 14% in FY23 to 13.7% in FY25

Source: Pakistan Economic Survey, Chase Research

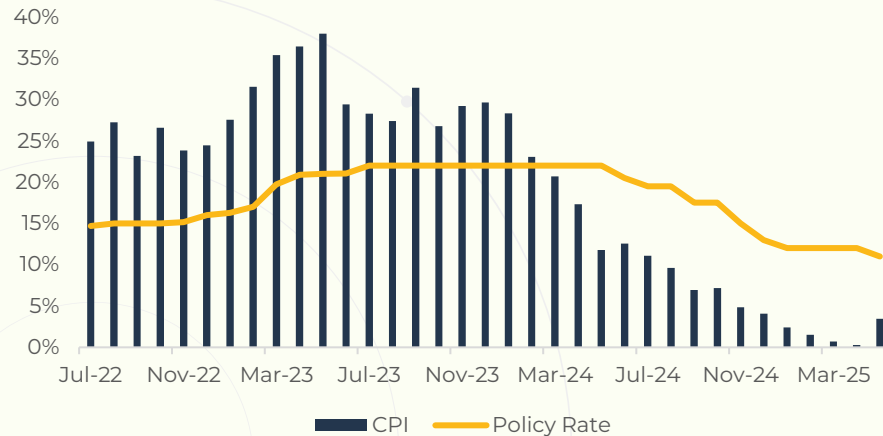
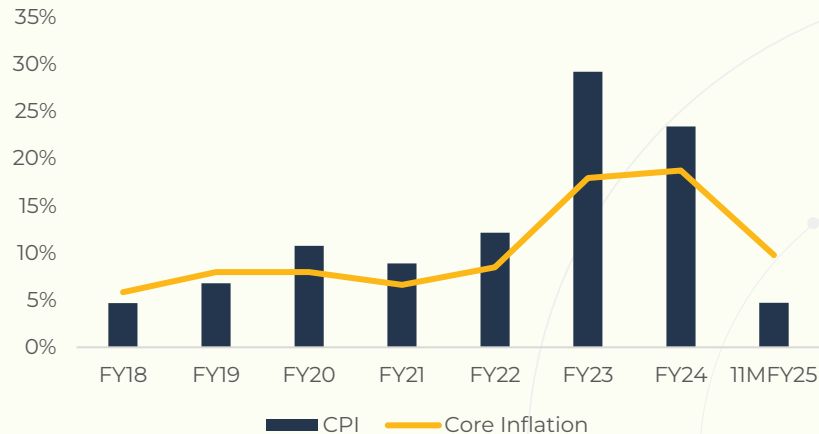


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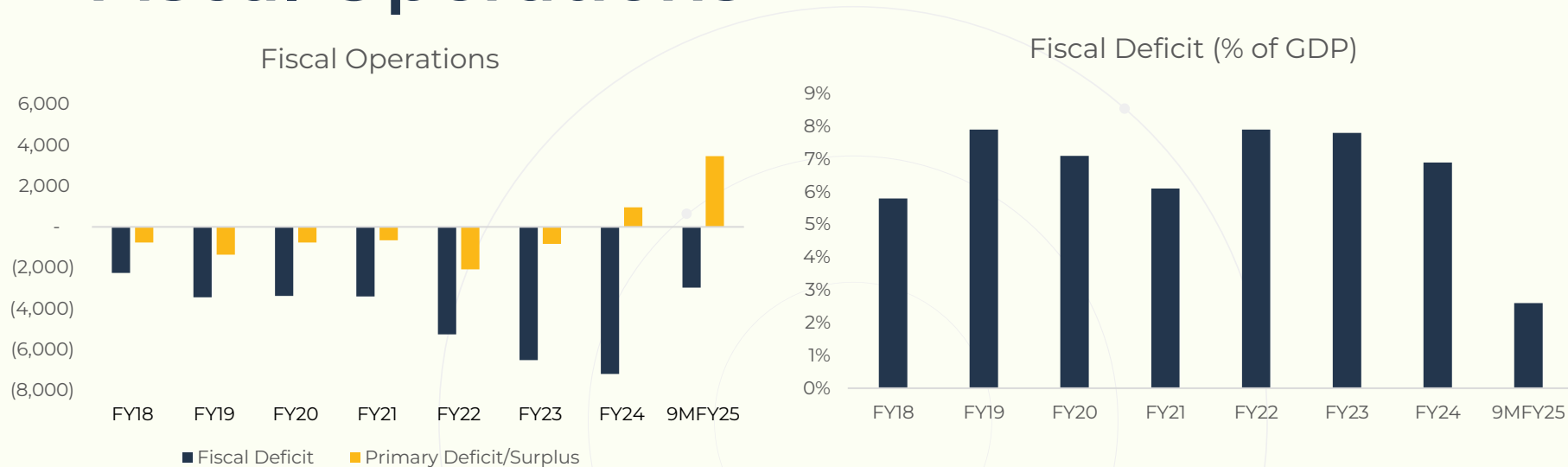
Inflation



- FY25 saw inflation drop to 0.28% in Apr 2025.
- Inflationary pressures begin to ease in FY25 as the high base effect kicked in.
- Inflation was also reduced due to decline in commodity prices globally.



Fiscal Operations



Pakistan achieved a primary surplus of PKR 3,469 Bn in 9MFY25. This was the second primary surplus since FY04. We expect fiscal consolidation efforts to continue as the government works to meet IMF benchmarks. It is pertinent to note that much of the fiscal deficit is attributable to the finance costs for the government amid a tight monetary policy, which has now gradually been eased.

Source: Pakistan Economic Survey, Chase Research



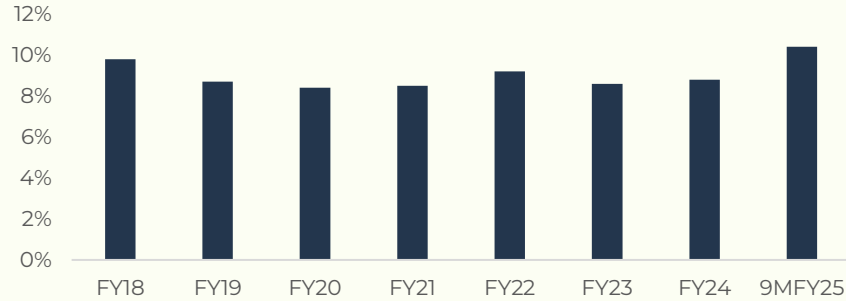
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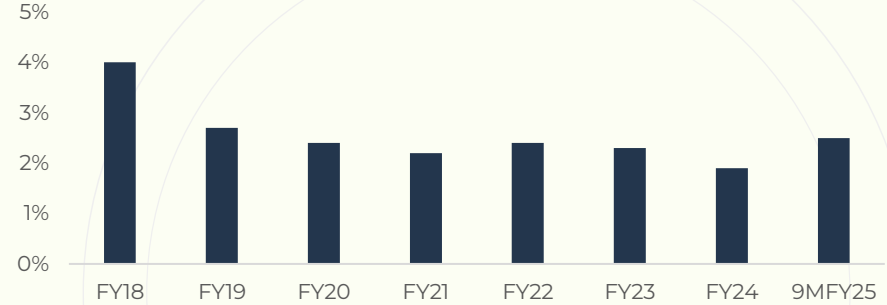
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Fiscal Operations

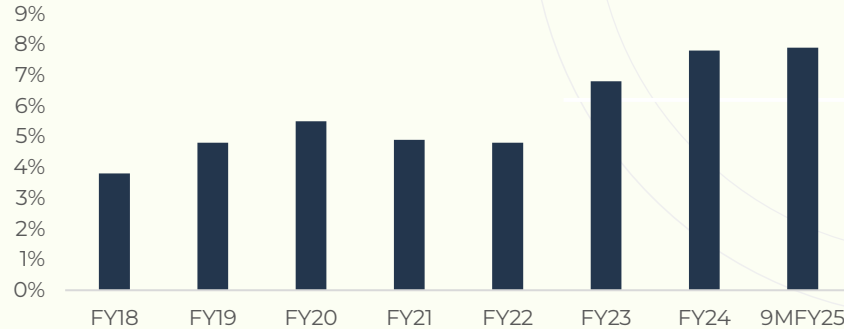
FBR Tax Revenues (% of GDP)



Total Development Expenditure (% of GDP)



Interest Expenditure (% of GDP)



Source: Pakistan Economic Survey, PBS, MoF, SBP, Chase Research



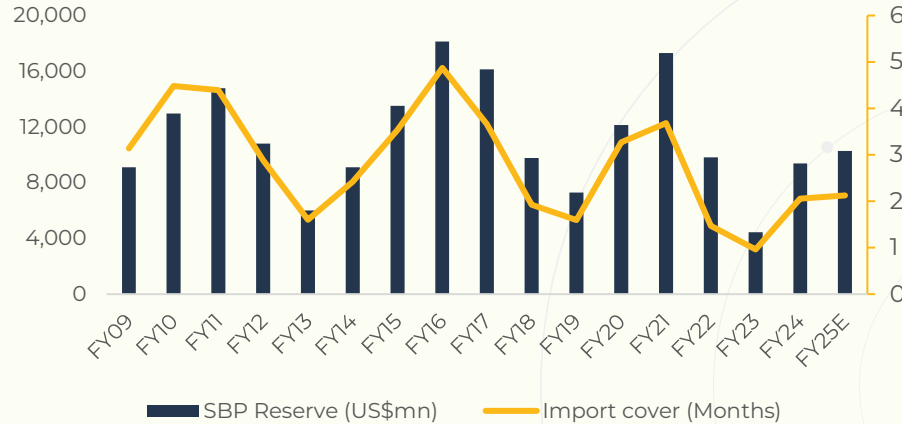
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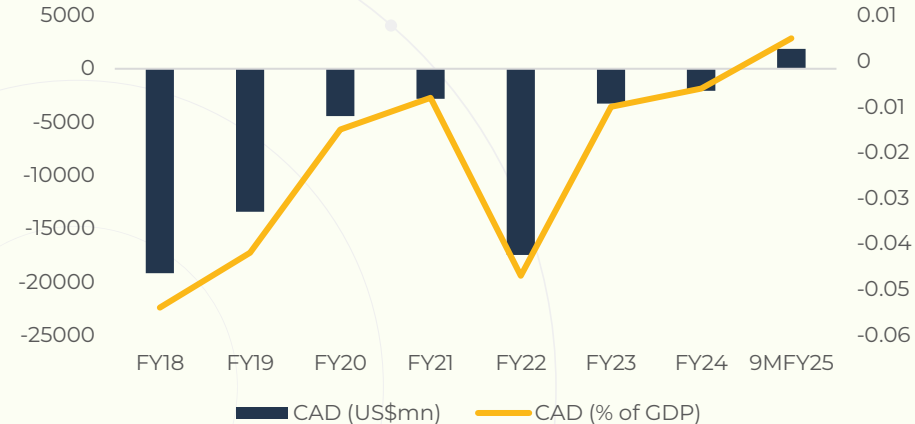
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Current Account

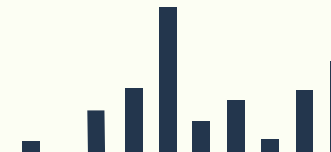
Import Cover



Current Account

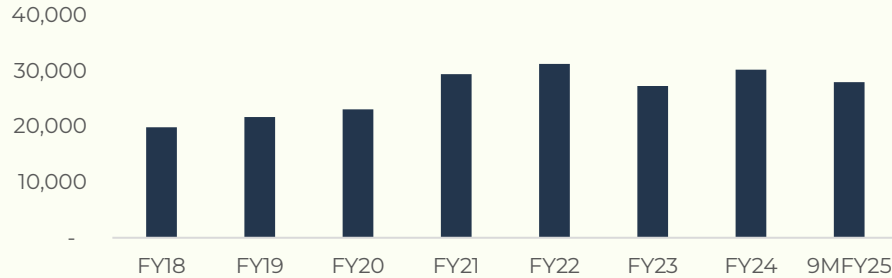


In the outgoing year major import compression helped rein in the current account deficit. Going forward the deficit is expected to remain contained as commodity prices remain soft along with a tight fiscal and monetary policy.

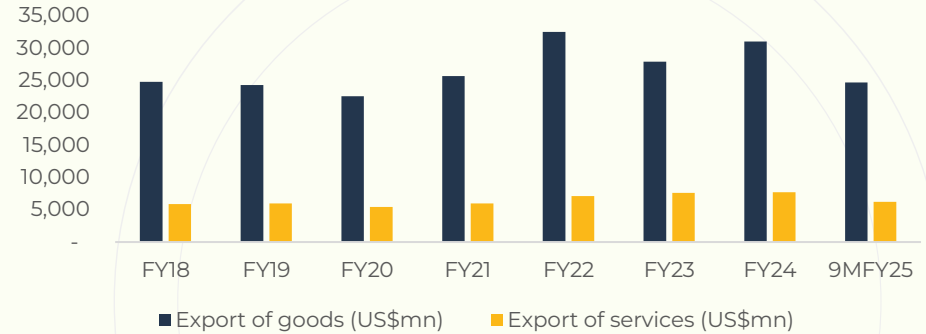


Breakdown of external accounts:

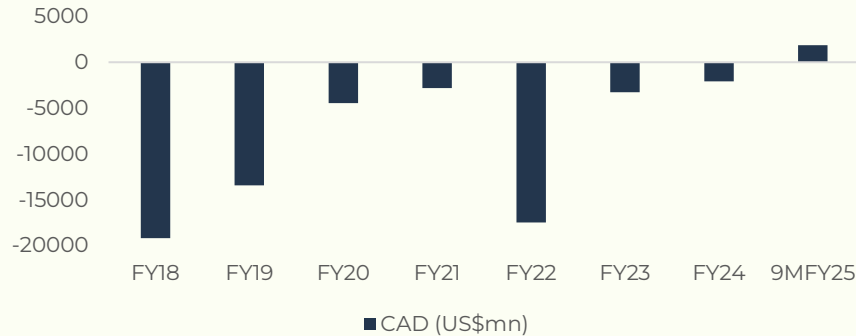
Home remittances (US\$mn)



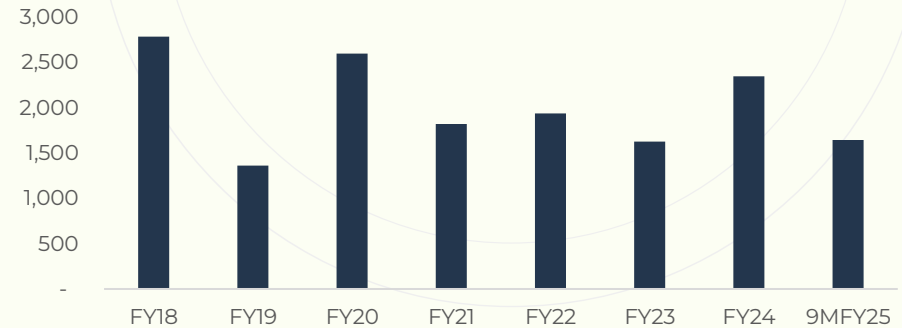
Pakistan Export of Goods and Services



Current Account



Net Foreign Direct Investment (US\$mn)

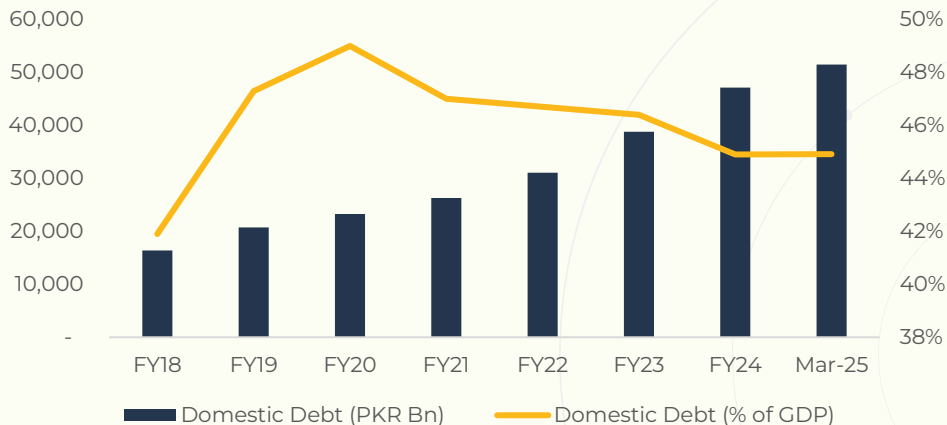


Source: Pakistan Economic Survey, PBS, MoF, SBP, Chase Research

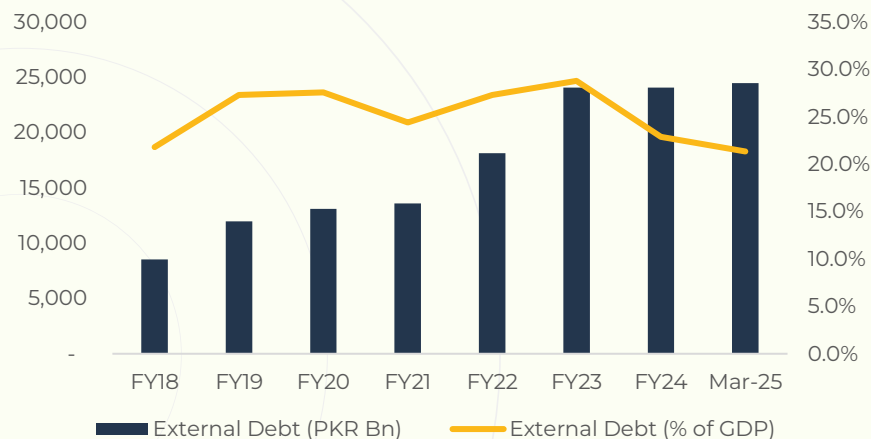


Pakistan Debt Profile

Pakistan Domestic Debt



Pakistan External Debt



The year saw domestic debt increase from PKR 47 Trn as of June 24 to PKR 51.5 Trn as of March 2025. This was primarily due to increased finance costs. In the same period external debt did not increase given the difficulty of raising such debt.

Source: Pakistan Economic Survey, PBS, MoF, SBP, Chase Research



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Key takeaways

- In the outgoing year, the government continued the tight fiscal and monetary policies required under the IMF program which resulted in significant gains in macroeconomic stability.
- Going forward, fiscal consolidation is expected to continue with the government hoping to increase tax recovery from untaxed sectors.
- Growth for this year was driven by the industrial and services sectors with growth rates of 4.77% and 2.91% respectively with agricultural sector experiencing slower growth of 0.56%
- There are concerns that the removal of wheat support price will continue to weigh on agricultural growth in the next year.
- Inflation is expected to remain contained within 6% over the next fiscal year with the outlook depending on global commodity prices
- In 9MFY25 the government recorded a primary surplus of PKR 3,469 Billion marking the second time since FY04 that a surplus was witnessed



Economic Snapshot

Real Sector	FY21A	FY22A	FY23A	FY24	9MFY25F*
GDP Growth	5.80%	6.20%	-0.20%	2.51%	2.68%
CPI Inflation (Avg.)	8.90%	12.20%	29.20%	24%	5%
CPI Inflation (Period End)	9.70%	21.30%	29.40%	12.57%	0.69%
External Sector					
Exports of goods (US \$mn)	25,639	32,493	27,876	30,980	24,660
Imports of goods (US \$mn)	54,273	71,543	52,695	53,157	43,388
Trade Deficit of goods (US\$mn)	(28,634)	(39,050)	(24,819)	(22,177)	(18,728)
Remittances (US\$mn)	29,450	31,279	27,333	30,251	28,029
Services Deficit (US\$mn)	2,516	5,840	1,042	3,110	2,318
Current Account Balance	(2,820)	(17,481)	(3,275)	(2,072)	1,859
FDI (US\$mn)	1,819	1,936	1,627	2,346	1,644
FX Reserves with SBP (US\$bn)	18,716	11,090	5,669	10,627	11,903
Fiscal and Monetary					
6-Month KIBOR - Period end	7.69%	15.35%	22.97%	20.14%	10.92%
PKR/USD parity (Rs) - Period end	158	205	286	278	282
Budget Deficit (% GDP)	6.10%	7.90%	7.80%	6.90%	2.60%



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Buy	Total stock return > 15%
Neutral	Total stock return between 0% -15%
Sell	Total Stock return < 0%

* Total stock return = capital gains + dividend yield

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- Period end target prices, Chase Securities Pakistan Private Limited uses different valuation methodologies including but not limited to:
- Discounted cash flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return or arrive at our based methodologies (EVA, Residual Income etc.)



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