

Pakistan's Economy

FY25: GDP growth revised up, clocks-in at 3.04%

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REP-300

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EUROMONEY

Best Investment Bank for M&A: '25
Best Broker Capital Markets Awards: '25
Best Bank for Research: '25
Best for Research: '24
Best for Diversity & Inclusion: '24
Best Investment Bank: '23

ASIAMONEY

Best Securities House: '23
Best Investment Bank: '23

**CFA Society
Pakistan**

Best Brokerage House: '23 – '21
Best Corporate Finance House: '23 - '13
Best Economic Research House: : '23 – '21
Best Research Analyst: '22 – '20

**INTERNATIONAL
FINANCE**

Best Brokerage House:
2023

FinanceAsia

Best Broker: '25
Best Equity Capital
Market House: '25

PSX
PAKISTAN
STOCK EXCHANGE
LIMITED

Top 25 Companies
('17-'19)

**ASSET ASIAN AWARDS
TRIPLE A**

Best Gender Equality Bond: '24
Best Equity Advisor: '21

CC
CENTRAL
DEPOSITORY
COMPANY

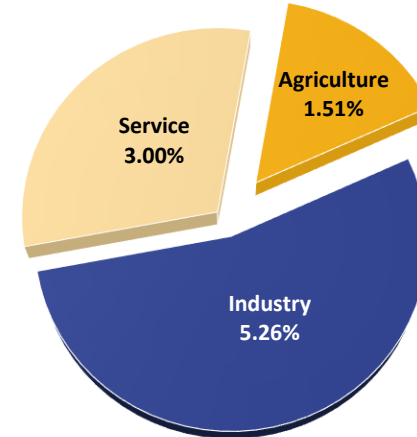
Excellence Award Leading
Brokerage House for RDA '21

Gross Domestic Product (GDP)

FY25: GDP growth revised up, clocks-in at 3.04%

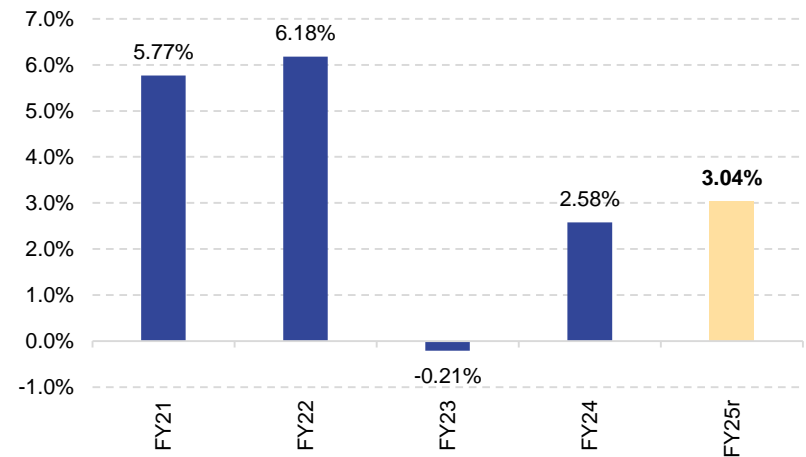
- According to the 114th Meeting of the National Accounts Committee (NAC), the GDP growth rate for FY25 clocked in at 3.04%, compared to the estimated 2.68%.
- The Committee approved the revised quarterly GDP growth rates for Q1, Q2, and Q3, along with the fresh growth estimate for Q4 of FY'25. Overall GDP showed upward revisions in the first three quarters, from 1.37% to 1.80% in Q1, 1.53% to 1.94% in Q2, and 2.40% to 2.79% in Q3.
- These revisions primarily stem from upward adjustments in the annual benchmarks for the agriculture sector, which resulted in improved growth rates from 0.84% to 1.55% in Q1, 0.79% to 1.97% in Q2, and 1.18% to 2.36% in Q3.
- Similarly, the industry sector also recorded positive revisions across all three quarters, from -0.91% to +0.32% in Q1, -0.99% to +0.21% in Q2, and -1.14% to +1.23% in Q3, owing to the same benchmark updates.
- In contrast, the services sector showed a marginal improvement in Q1, rising from 2.28% to 2.36%, but experienced slight downward revisions in Q2 and Q3, from 2.59% to 2.45% and 3.99% to 3.45%, respectively.
- The economy recorded a stable growth rate of 5.66% during Q4 of FY2025, with sectoral growth rates of 0.18% in agriculture, 19.95% in industry, and 3.72% in services.

Exhibit: Sectoral growth FY25r (YoY)



Source (s): PBS, AHL Research

Exhibit: GDP growth (YoY)



Source (s): PBS, AHL Research

Gross Domestic Product (GDP)

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- The **Agriculture sector** grew 1.5%. important crops have shown a slight improvement, rising from -13.49% to -13.12%.
- Other crops recorded a significant increase in growth, improving from 4.78% to 19.55%, driven by double-digit gains in: Green fodder: (16%), Vegetables: (12%), Fruits: (10%), and Tobacco: (25.7%).
- Livestock growth declined from 4.72% to 2.94%, mainly due to higher fodder input costs. Updated growth rates for forestry and fishing stand at 2.66% and 1.40%, respectively.

- **Industry sector** posted a growth of 5.3% YoY, the increase came from:
- The mining & quarrying industry has improved from -3.38% to -2.35% due to improvement in oil (3.5%), limestone (31.6%), marble (11.6%), and exploration cost (26.1%).
- Large scale manufacturing, which is measured through Quantum Index of Manufacturing (QIM), has improved from -1.53% to -0.69% due to increase in Beverages (1.61%), Tobacco (6.99%), Textile (2.49%), Wearing Apparel (5.7%), Coke & Petroleum (5.33%), pharmaceutical industry(2.74%), automobiles (46.15%), and transport equipment (36.6%)

- **Services sector** grew by 3.0%, with some areas doing better than other sectors.
- Wholesale and Retail Trade has improved from 0.14% to 0.46%, reflecting better performance in agriculture, manufacturing, and imports.
- Transport and Storage has increased from 2.20% to 2.43%, mainly due to upward revisions reported by NTRC, PIA, domestic airlines, CAA, foreign airlines, KPT, and storage activities.

Gross Domestic Product (GDP)

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Exhibit: Gross Domestic Product of Pakistan (Growth rates %)

Items	Real Growth			
	FY23a	FY24e	FY25p	FY25r
Agriculture Sector	2.2%	6.4%	0.6%	1.5%
Crops	-1.2%	10.9%	-6.8%	-1.0%
Important Crops	0.5%	17.1%	-13.5%	-13.1%
Other Crops	-1.4%	0.1%	4.8%	19.6%
Cotton Ginning	-22.8%	47.2%	-19.0%	-19.0%
Livestock	3.7%	4.4%	4.7%	2.9%
Forestry	17.4%	-0.9%	3.0%	2.7%
Fishing	0.6%	0.8%	1.4%	1.4%
Industrial Sector	-3.9%	-1.2%	4.8%	5.3%
Mining and Quarrying	-3.2%	-3.3%	-3.4%	-2.4%
Manufacturing	-5.3%	3.0%	1.3%	2.0%
Large Scale	-9.8%	0.9%	-1.5%	-0.7%
Small Scale	9.2%	9.1%	8.8%	8.9%
Slaughtering	6.5%	6.6%	6.3%	6.4%
Electricity, Gas and Water supply	9.7%	-19.1%	28.9%	28.5%
Construction	-10.3%	-1.0%	6.6%	6.6%
Service Sector	0.0%	2.3%	2.9%	3.0%
Wholesale & Retail trade	-4.0%	3.3%	0.1%	0.5%
Transportation & Storage	3.8%	1.7%	2.2%	2.4%
Accommodation and Food Services Activities	4.1%	4.1%	4.1%	4.1%
Information and Communication	-0.6%	4.3%	6.5%	5.9%
Financial and Insurance Activities	-9.8%	-12.7%	3.2%	3.9%
Real Estate Activities	3.7%	3.7%	3.8%	3.8%
Public Administration and Social Security	-7.0%	-7.0%	9.9%	9.9%
Education	5.7%	10.1%	4.4%	4.1%
Human Health and Social Work Activities	9.4%	3.3%	3.7%	3.6%
Other Private Services	4.2%	3.6%	3.6%	3.5%
GDP Growth	-0.21%	2.58%	2.68%	3.04%

Source (s): PBS, AHL Research

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