# Pakistan Economy

# Current Account posts USD 110mn Surplus in Sep’25

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# Balance of Payment

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ARIF HABIB LIMITED

### Balance of Payment at a glance

In Sep’25, **total exports** amounted to USD 3.43bn, reflecting a robust 4.5% growth YoY. **Exports of goods** remained stable at 0.5% YoY, while **services exports** saw an 20.4% YoY increase during the same period.

In Sep’25, **total imports** reached USD 6.0bn, marking a 6.3% YoY increase. **Goods imports** rose by 6.9% YoY, while **services imports rose** by 3.2% YoY.

The **trade deficit** in Sep’25 stood at USD 2.6bn, showing an 8.7% YoY growth due to increased imports. However, on a MoM basis, trade deficit declined by 12.6%.

In Sep’25, the **Net Primary Income deficit** reached USD 671mn, a 9.2% decrease YoY, while on MoM basis Net Primary Income deficit showed a decrease of 4.3%.

**Secondary Income** in Sep’25 amounted to USD 3.4bn, with remittances contributing around USD 3.2bn. Remittances saw a 11.3% YoY increase and 1.5% MoM.

**FDI** totaled USD 186mn in Sep’25, a decrease from USD 417mn in SPLY and a MoM increase of 6.3%. The majority of FDI came from China, followed by Hong Kong, U.K and Switzerland.

Source: AHL Research

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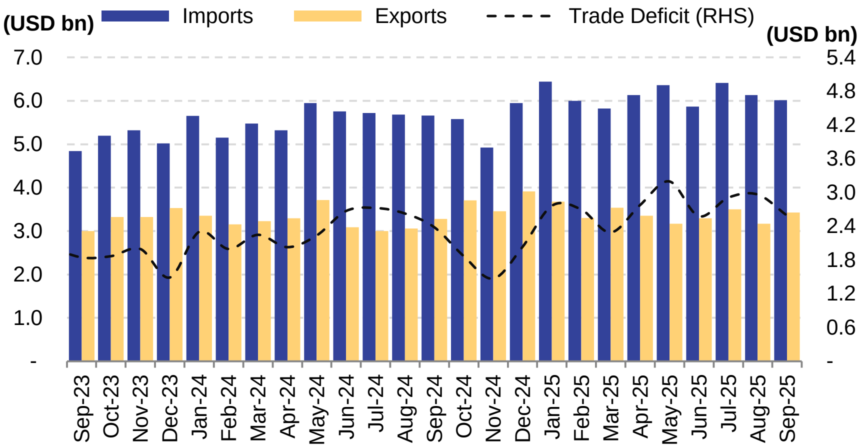
- Pakistan reported a current account surplus of USD 110mn in Sep'25, a significant improvement from the USD 52mn deficit recorded in Sep'24. This increase is attributed to increased workers remittances, and defies expectations of a considerable deficit. This brings the current account deficit for 1QFY26 to USD 594mn, compared to USD 502mn deficit during 1QFY25.
- Sep'25 saw total exports amounting to USD 3.43bn. This represents a 4.5% increase from USD 3.28bn in Sep'24. 1QFY26 saw total exports of USD 10.1bn, up 8.2% from USD 9.3bn in 1QFY25.
- Imports in Sep'25 totaled USD 6.0bn, up by 6.3% from USD 5.7bn in Sep'24. The 1QFY26 figure of USD 18.5bn is up from USD 17.1bn in 1QFY25.
- The balance on primary income (deficit) clocked in at USD 671mn, compared to USD 739mn in Sep'24. The 1QFY26 primary income deficit stands at USD 2.2bn, compared to USD 2.1bn in 1QFY25.
- Secondary income reached USD 3.4bn in Sep'25, marking a 9.8% rise from the previous year. Secondary income for 1QFY26 stands at USD 10.1bn, up 7.3% from USD 9.4bn in SPLY.
- Remittances, which accounted for USD 3.2bn during Sep'25, also saw an 11% YoY increase. 1QFY26 remittances stand at USD 9.5bn, up 8.4% from 1QFY25.
- The financial account clocked in at a USD 151mn surplus. The financial account deficit stands at USD 527mn for 1QFY26, down from USD 921mn in 1QFY25.
- Net FDI inflow clocked-in at USD 186mn in Sep'25, down from USD 417mn in SPLY. The 1QFY26 inflows stand at USD 569mn, down from USD 864mn in SPLY.
- The balance of payments for Sep'25 recorded a surplus of USD 77mn, a significant change from the USD 347mn deficit observed during the same period last year. For 1QFY26, this number stands at a USD 274mn surplus, compared to a USD 383mn deficit in SPLY.

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

| (USD mn) | Sep-25 | Sep-24 | YoY | Aug-25 | MoM | 1QFY26 | 1QFY25 | YoY |
|---|---|---|---|---|---|---|---|---|
| Exports (Goods) | 2,630 | 2,616 | 1% | 2,496 | 5% | 7,906 | 7,420 | 7% |
| Imports (Goods) | 5,023 | 4,697 | 7% | 4,998 | 1% | 15,438 | 14,255 | 8% |
| Trade Balance (Goods) | (2,393) | (2,081) | nm | (2,502) | nm | (7,532) | (6,835) | nm |
| Exports (Services) | 797 | 662 | 20% | 677 | 18% | 2,198 | 1,915 | 15% |
| Imports (Services) | 995 | 964 | 3% | 1,139 | -13% | 3,129 | 2,815 | 11% |
| Trade Balance (Services) | (198) | (302) | -34% | (462) | nm | (931) | (900) | nm |
| Trade Balance | (2,591) | (2,383) | nm | (2,964) | nm | (8,463) | (7,735) | nm |
| Balance on Pri. Income | (671) | (739) | nm | (701) | nm | (2,183) | (2,133) | nm |
| Balance on Sec. Income | 3,372 | 3,070 | 10% | 3,340 | 1% | 10,052 | 9,366 | 7% |
| Income (Net) | 2,701 | 2,331 | 16% | 2,639 | 2% | 7,869 | 7,233 | 9% |
| Remittances | 3,184 | 2,860 | 11% | 3,138 | 1% | 9,536 | 8,797 | 8% |
| **CAB** | **110** | **(52)** | **nm** | **(325)** | **nm** | **(594)** | **(502)** | **nm** |
| FDI | 186 | 417 | -55% | 175 | 6% | 569 | 864 | -34% |
| Financial Account | 151 | (348) | nm | (360) | nm | (527) | (921) | nm |
| Capital Account | 1 | 14 | -93% | 13 | -92% | 32 | 59 | -46% |
| Overall Balance | 77 | (347) | nm | 23 | nm | 274 | (383) | nm |

Source (s): SBP, AHL Research

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




Source (s): SBP, AHL Research

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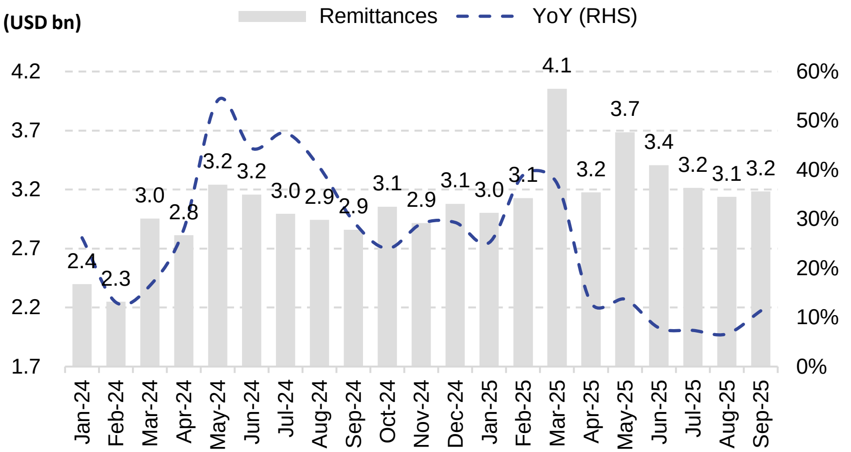
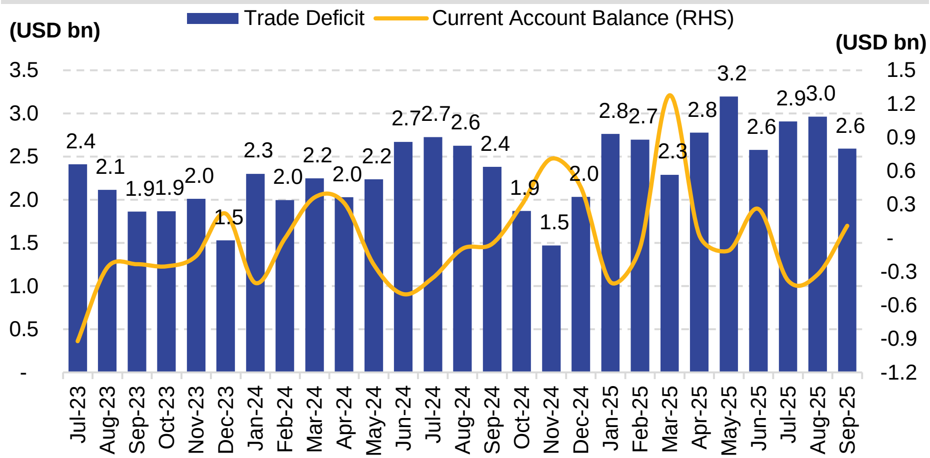
- **Workers' remittances** grew robustly by 11% YoY, reaching USD 3.2bn in Sep'25, compared to USD 2.9bn in Sep'24. On a MoM basis, remittances increased by 1.5%, up from USD 3.1bn in Aug'25.
- Key contributors to remittance growth included Saudi Arabia, with a 10% YoY rise to USD 751mn, the UAE, which saw a 20% increase to USD 677mn, and the EU countries, which experienced a 16% YoY increase to USD 424mn.
- Country witnessed **net FDI** inflow of USD 186mn during Sep'25.
- Country wise major contribution in FDI came from China at USD 68mn, followed by Hong Kong at USD 36mn, U.K at USD 30mn and Switzerland at USD 17mn.

**Exhibit:** Historical Trend of Monthly FDI



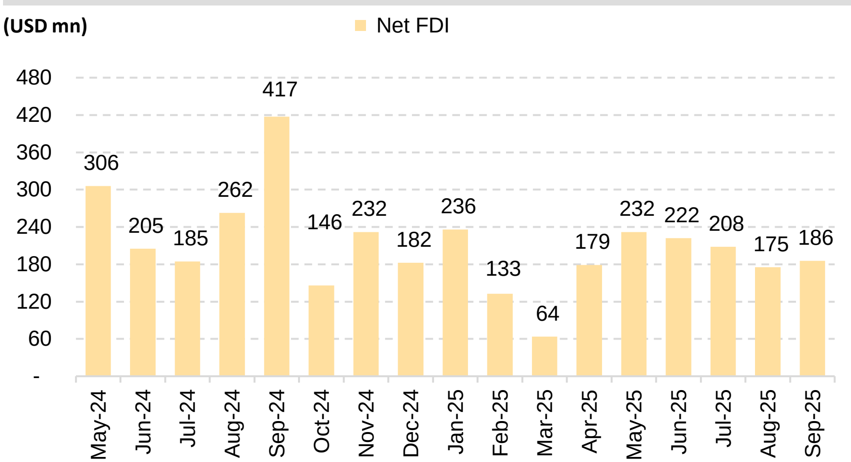

Source (s): SBP, AHL Research

**Exhibit:** C/A deficit clocked in at USD 245mn during Aug'25




Source (s): SBP, AHL Research

**Exhibit:** Historical Trend of Monthly FDI




Source (s): SBP, AHL Research

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|---|---|
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| HOLD | Upside* of subject security(ies) is between 0% and +15% from last closing of market price(s) |
| SELL | Upside* of subject security(ies) is less than 0% from last closing of market price(s) |

**Equity Valuation Methodology**

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

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- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

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- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk