

## Elections 2024

### Elections 2024: Outcome Casts More Uncertainty; Coalition Government Likely

- Pakistan's General Elections took place on 08-Feb-2024 as scheduled. As per official results shared by Election Commission of Pakistan, none of the political parties were able to secure majority seats (>50%) in National Assembly.
- Independents (PTI) were able to secure 96 seats whereas PMLN and PPPP got 75 and 54 seats respectively. Province-wise, Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan and Federal Capital have 141, 61, 45, 16 and 3 seats in National Assembly.
- As per newsprint media, results of different constituencies of National and Provincial Assemblies have been challenged in high courts and Tribunal based on alleged irregularities.
- In the coming weeks there will be more clarity on the new Government formation and who the Prime Minister will be. Investors await more clarity on the coalition setup and any outcome of results challenged in court and until then we expect market to remain under pressure.

#### 2024 Elections – Coalition Government Likely

Pakistan's General Elections took place on 08-Feb-2024 as scheduled. As per official results shared by Election Commission of Pakistan (ECP), none of the political parties were able to secure majority seats (>50%) in National Assembly. Independents (Pakistan Tahreek-e-Insaaf -PTI) were able to secure 96 seats whereas Pakistan Muslim League – Nawaz (PMLN) and Pakistan Peoples Party Parliamentarian (PPPP) got 75 and 54 seats respectively. Based on this, it is likely that a coalition Government may form as dominant parties have initiated efforts to secure support from independent candidates and other political parties.

Province-wise, Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan and Federal Capital have 141, 61, 45, 16 and 3 seats in National Assembly.

Exhibit: Composition of seats in National Assembly				
	General Seats	Women Seats	Non-Muslim	Total Seats
Punjab	141	32	-	173
Sindh	61	14	-	75
Khyber Pakhtunkhwa	45	10	-	55
Balochistan	16	4	-	20
Federal Capital	3	-	-	3
			10	10
<b>Total</b>	<b>266</b>	<b>60</b>	<b>10</b>	<b>336</b>

Source: National Assembly, IGI Research

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### New Government likely within next few weeks

As per the Election Act, ECP has to notify consolidated results within 14 days of the election. Post notification, independents MNAs would have 3 days to join any political party and on fourth day the reserve seats would be allocated. The National Assembly session has to be called within 21 days of the election where on the first day MNAs will take oath, on the second day new speaker and deputy speaker will be elected and on the third day Prime Minister will be elected.

### Result challenged in high court and tribunal for alleged irregularities

As per newsprint media, results of different constituencies of National and Provincial Assemblies have been challenged in high courts and Tribunal based on alleged irregularities. The outcome of the decision is likely to have significant impact on the formation of National and Provincial Government.

Exhibit: Election 2024 Results									
National Assembly		Punjab		Sindh		KPK		Balochistan	
Party	Seats	Party	Seats	Party	Seats	Party	Seats	Party	Seats
IND (PTI)	96	IND (PTI/Others)	138	PPPP	84	IND (PTI/Others)	90	JUIP	11
PMLN	75	PMLN	137	MQM-P	28	JUIP	7	PPPP	11
PPPP	54	PPPP	10	IND (PTI/Others)	13	PMLN	5	PMLN	10
MQM-P	17	PML	8	GDA	2	PPPP	4	IND(PTI/Others)	6
IND (Others)	5	IPP	1	JI	2	JI	3	BAP	4
JUIP	4	PMLZ	1	Result Withheld	1	PTIP	2	NP	3
PML	3	TLP	1	Postponed	0	ANP	1	ANP	2
IPP	2	Result Withheld	0			Result Withheld	1	BNP	1
BNP	2	Postponed	1			Postponed	2	BNPA	1
MWMP	1							HDTB	1
PMLZ	1							JI	1
PNAPF	1							Result Withheld	0
NP	1							Postponed	0
PMAP	1								
BAP	1								
Result Withheld	1								
Postponed	1								
<b>Total</b>	<b>266</b>	<b>Total</b>	<b>297</b>	<b>Total</b>	<b>130</b>	<b>Total</b>	<b>115</b>	<b>Total</b>	<b>51</b>

Source: Election Commission of Pakistan, IGI Research

### IMF and Global Insitutions await formation of new Government

As per newsprint media, IMF has delayed its second review under Stand-by Agreement (SBA) which was scheduled in first week of Feb-24 and is likely commence by mid of Mar-24. IMF has stated that it awaits formation of new Government and will conclude current SBA with new setup. IMF

has also indicated that it will negotiate long-term program with new Government. A long-term IMF program is crucial for economic sustainability, keeping balance of payment manageable, shore up forex reserves and most importantly continuation of support from multi lateral and bilateral partners.

### Investors await clarity on new Government formation

In the coming weeks there will be more clarity on the new Government formation and who the Prime Minister will be. Investors await more clarity on the coalition setup and any outcome of results challenged in court and until then we expect market to remain under pressure. We believe continuation of economic policies under new Government (considering coalition setup), successful completion of current SBA with IMF and new long term program with IMF remain critical to support investors confidence and lift market performance.

<b>Exhibit: KSE100 Performance Post Elections</b>			
<b>Elections</b>	<b>1-Month</b>	<b>3-Months</b>	<b>6-Months</b>
2002	6%	37%	36%
2008	5%	1%	-28%
2013	11%	17%	17%
2018	3%	-5%	-4%

Source: Bloomberg, IGI Research

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