

## Analyst

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## Economy

### Jul-25: C/a Reports Deficit of US\$ 254mn as Trade Deficit Widened

- For the month of Jul-25, C/a balance registered a deficit of US\$ 254mn compared to a surplus of US\$ 335mn recorded during the month of Jun-25. C/a recorded a deficit of US\$ 254mn in Jul-25 compared to a deficit of US\$ 348mn in Jul-24. On a monthly basis, C/a turned in to deficit in Jul-25 mainly due to higher trade deficit.
- Pakistan's export receipts were recorded at US\$ 2.74bn compared to last month's US\$ 2.61bn, increasing by +5% m/m and on a yearly basis up by +16% y/y. Country's import bill was recorded at US\$ 5.42bn, up by +8% m/m and up by +12% y/y.
- C/a recorded a deficit in Jul-25 mainly due to widened trade deficit as imports outpaced growth in exports. Moreover, remittances also witnessed a decline during the month. Going forward, C/a is likely to report a moderate deficit in FY26 on the back of rise in imports and subdued exports.

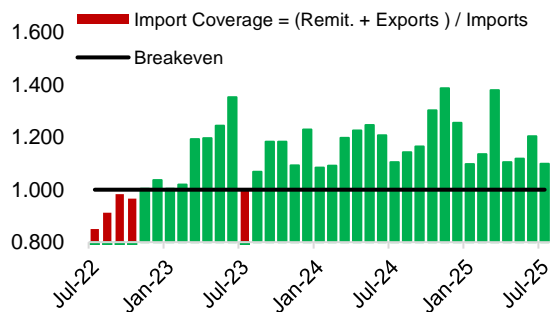
We review current account balance numbers published for the month of Jul-25 by the State Bank of Pakistan (SBP).

#### Monthly current account printed US\$ 254mn Deficit

For the month of Jul-25, C/a balance registered a deficit of US\$ 254mn compared to a surplus of US\$ 335mn recorded during the month of Jun-25. C/a recorded a deficit of US\$ 254mn in Jul-25 compared to a deficit of US\$ 348mn in Jul-24. On a monthly basis, C/a turned in to deficit in Jul-25 mainly due to higher trade deficit.

#### Exhibit: Export and Remittances coverage

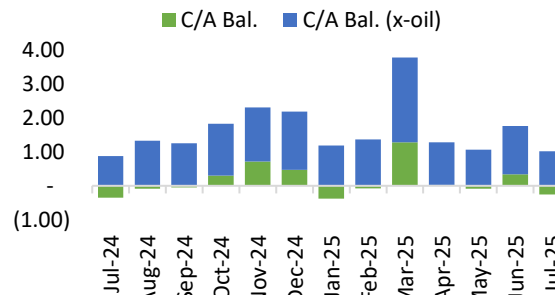
Export and Remittance coverage of total import comes positively as imports dropped



Source: SBP, IGI Research

#### Exhibit: C/a trend (in US\$ bn)

Current account trend with and without oil imports since Jul-24



#### Exhibit: Monthly Current Account Balance

US\$ mn	Jul-25	Jun-25	m/m	Jul-24	y/y	1MFY26	1MFY25	y/y
Exports (G)	2,743	2,609	5%	2,361	16%	2,743	2,361	16%
Imports (G)	5,422	4,998	8%	4,849	12%	5,422	4,849	12%
Trade Bal.	(2,679)	(2,389)	12%	(2,488)	8%	(2,679)	(2,488)	8%
Services Bal.	(126)	(128)	-2%	(246)	-49%	(126)	(246)	-49%
Remittances	3,214	3,406	-6%	2,994	7%	3,214	2,994	7%
Income Bal.	2,551	2,852	-11%	2,386	7%	2,551	2,386	7%
C/a Bal.	(254)	335	-176%	(348)	-27%	(254)	(348)	-27%
C/a Bal. (x-oil)	1,021	1,431	-29%	876	17%	1,021	876	17%

Source: SBP, IGI Research

#### Exports inclined by +5%m/m during Jul-25

For the month, the country's export receipts were recorded at US\$ 2.74bn compared to last month's US\$ 2.61bn, increasing by +5%m/m and on a yearly basis up by +16%/y. Jun-25 monthly export number was in line with its FY25 monthly average export number of US\$ 2.69bn. During the month higher numbers were largely due to higher Food, Textile, Petroleum and other manufacturing exports during the month. Petroleum exports were higher due to crude oil exports compared to no exports in the preceding month.

#### Exhibit: Monthly Trade Break-up Commodity wise

US\$ mn	Jul-25	Jun-25	m/m	Jul-24	y/y	1MFY26	1MFY25	y/y
<b>Exports (G)</b>	<b>2,743</b>	<b>2,609</b>	<b>5%</b>	<b>2,374</b>	<b>16%</b>	<b>2,743</b>	<b>2,374</b>	<b>16%</b>
Food Exports	419	375	12%	545	-23%	419	545	-23%
Textile Exports	1,574	1,373	15%	1,376	14%	1,574	1,376	14%
Other Exports	751	861	-13%	453	66%	751	453	66%
<b>Imports (G)</b>	<b>5,422</b>	<b>4,998</b>	<b>8%</b>	<b>4,849</b>	<b>12%</b>	<b>5,422</b>	<b>4,849</b>	<b>12%</b>
Food Imports	608	692	-12%	536	14%	608	536	14%
Machinery Imports	892	734	22%	898	-1%	892	898	-1%
Transport Imports	337	247	37%	148	128%	337	148	128%
Petroleum Imports	1,275	1,096	16%	1,224	4%	1,275	1,224	4%
Other Imports	2,309	2,229	4%	2,044	13%	2,309	2,044	13%

Source: SBP, IGI Research

#### Imports increased by +8%m/m during Jul-25

During the month of Jul-25, the country's import bill was recorded at US\$ 5.42bn, up by +8%m/m and up by +12%/y. During the month,

Machinery, Transport, Petroleum, Textile, Metal and Agriculture imports increased while Food and all other imports declined.

#### Remittances down by 6%m/m

During the month of Jul-25, remittances were recorded at US\$ 3.21bn compared to the previous month of US\$ 3.41bn; down by 6%m/m and up by +7%y/y. Major decline in inflows came from EU, Other GCC, UK, UAE and USA while inflows from Saudi Arabia remained flat.

Exhibit: Monthly Remittances Break-up Country wise								
US\$ mn	Jul-25	Jun-25	m/m	Jul-24	y/y	1MFY26	1MFY25	y/y
USA	270	281	-4%	300	-10%	270	300	-10%
U.K.	450	538	-16%	443	2%	450	443	2%
Saudi Arabia	824	823	0%	760	8%	824	760	8%
UAE	665	717	-7%	611	9%	665	611	9%
Other GCC	296	303	-2%	288	3%	296	288	3%
EU	424	442	-4%	351	21%	424	351	21%
Other	285	301	-5%	240	19%	285	240	19%
<b>Total</b>	<b>3,214</b>	<b>3,406</b>	<b>-6%</b>	<b>2,994</b>	<b>7%</b>	<b>3,214</b>	<b>2,994</b>	<b>7%</b>

Source: SBP, IGI Research

#### Outlook

C/a recorded a deficit in Jul-25 mainly due to widened trade deficit as imports outpaced growth in exports. Moreover, remittances also witnessed a decline during the month. Going forward, C/a is likely to report a moderate deficit in FY26 on the back of rise in imports and subdued exports.

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