

Day Break

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Economy

Oct-24: C/a Records Surplus of US\$ 0.35bn Led by Higher Exports and Remittances

- For the month of Oct-24, C/a balance registered a surplus of US\$ 0.35bn compared to a surplus of US\$ 0.09bn recorded during the month of Sep-24. C/a deficit recorded a surplus of US\$ 0.35bn in Oct-24 compared to a deficit of US\$ 0.29bn in Oct-23. On a monthly basis surplus was reported in Oct-24 mainly due to higher exports, remittances and decline in imports.
- Pakistan's export receipts were recorded at US\$ 3.02bn compared to last month's US\$ 2.64bn, increasing by +15m/m and on a yearly basis up by +11%y/y. Country's import bill was recorded at US\$ 4.61bn, down by 2%m/m and up by +5%y/y.
- C/a recorded third consecutive surplus during the month mainly due to higher exports, remittances and lower imports. Going forward, C/a deficit is likely remain manageable in FY25 owing to continued balance between trade deficit and remittances. In our view, ease in commodity prices and higher remittances are likely to restrict C/a deficit to 0-1% of GDP in FY25.

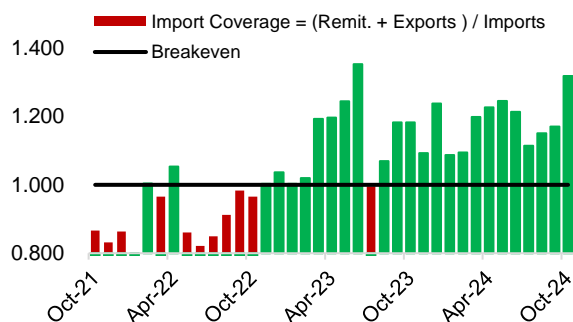
We review current account balance numbers published for the month of Oct-24 by the State Bank of Pakistan (SBP).

Monthly current account printed US\$ 0.35bn surplus

For the month of Oct-24, C/a balance registered a surplus of US\$ 0.35bn compared to a surplus of US\$ 0.09bn recorded during the month of Sep-24. C/a deficit recorded a surplus of US\$ 0.35bn in Oct-24 compared to a deficit of US\$ 0.29bn in Oct-23. On a monthly basis surplus was reported in Oct-24 mainly due to higher exports, remittances and decline in imports. This brings total C/a surplus for 4MFY25 to US\$ 0.22bn, compared to deficit of US\$ 1.53bn in the same period last year

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 Oct-23

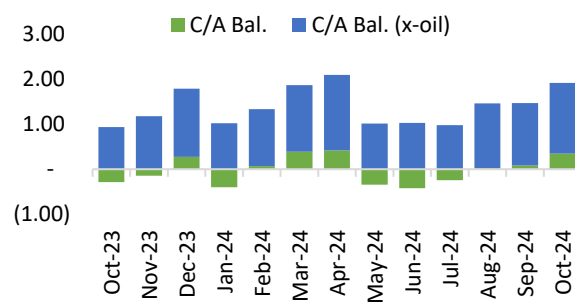


Exhibit: Monthly Current Account Balance

US\$ mn	Oct-24	Sep-24	m/m	Oct-23	y/y	4MFY25	4MFY24	y/y
Exports (G)	3,022	2,635	15%	2,719	11%	10,508	9,671	9%
Imports (G)	4,608	4,696	-2%	4,383	5%	18,832	16,671	13%
Trade Bal.	(1,586)	(2,061)	-23%	(1,664)	-5%	(8,324)	(7,000)	19%
Services Bal.	(261)	(258)	1%	(206)	27%	(992)	(1,101)	-10%
Remittances	3,052	2,860	7%	2,463	24%	11,850	8,795	35%
Income Bal.	2,196	2,405	-9%	1,583	39%	9,534	6,573	45%
C/a Bal.	349	86	306%	(287)	-222%	218	(1,528)	-114%
C/a Bal. (x-oil)	1,573	1,389	13%	941	67%	5,378	2,762	95%

Source: SBP, IGI Research

Exports inclined by +15%m/m during Oct-24

For the month, the country's export receipts were recorded at US\$ 3.02bn compared to last month's US\$ 2.64bn, increasing by +15%m/m and on a yearly basis up by +11%y/y. Oct-24 monthly export number was higher compared to its FY24 monthly average export number of US\$ 2.59bn. During the month higher numbers were largely supported by growth in food, textile and petroleum exports despite decline in other manufacturing exports.

Exhibit: Monthly Trade Break-up Commodity wise

US\$ mn	Oct-24	Sep-24	m/m	Oct-23	y/y	4MFY25	4MFY24	y/y
Exports (G)	3,022	2,635	15%	2,762	9%	10,508	9,777	7%
Food Exports	632	488	29%	630	0%	2,157	1,887	14%
Textile Exports	1,556	1,470	6%	1,453	7%	5,809	5,522	5%
Other Exports	834	677	23%	679	23%	2,542	2,368	7%
Imports (G)	4,608	4,696	-2%	4,383	5%	18,832	16,671	13%
Food Imports	591	516	15%	577	2%	2,151	2,273	-5%
Machinery Imports	599	637	-6%	524	14%	2,772	1,946	42%
Transport Imports	134	141	-5%	100	33%	569	518	10%
Petroleum Imports	1,224	1,303	-6%	1,228	0%	5,160	4,290	20%
Other Imports	2,060	2,099	-2%	1,954	5%	8,179	7,643	7%

Source: SBP, IGI Research

Imports declined by 2%m/m during Oct-24

During the month of Oct-24, the country's import bill was recorded at US\$ 4.61bn, down by 2%m/m and up by +5%y/y. During the month, Petroleum, Agriculture, Metal and Machinery declined while Food, Textile and all other imports increased.

Remittances up by +7%m/m

During the month of Oct-24, remittances were recorded at US\$ 3.05bn compared to the previous month of US\$ 2.86bn; down by +7%m/m. Major increase in inflows came from Saudi Arabia, UAE, Other GCC and USA to the tune of US\$ 0.77bn, US\$ 0.62bn, US\$ 0.32 and US\$ 0.30bn, however, decline was witnessed from EU to the tune of US\$ 0.36bn.

Exhibit: Monthly Remittances Break-up Country wise								
US\$ mn	Oct-24	Sep-24	m/m	Oct-23	y/y	4MFY25	4MFY24	y/y
USA	299	278	8%	283	6%	1,199	1,051	14%
U.K.	429	424	1%	330	30%	1,772	1,278	39%
Saudi Arabia	767	684	12%	617	24%	2,924	2,133	37%
UAE	621	563	10%	474	31%	2,333	1,498	56%
Other GCC	320	292	10%	269	19%	1,182	991	19%
EU	359	366	-2%	298	21%	1,451	1,141	27%
Other	256	254	1%	192	34%	987	703	40%
Total	3,052	2,860	7%	2,463	24%	11,848	8,795	35%

Source: SBP, IGI Research

Outlook

C/a recorded third consecutive surplus during the month mainly due to higher exports, remittances and lower imports. Going forward, C/a deficit is likely remain manageable in FY25 owing to continued balance between trade deficit and remittances. In our view, ease in commodity prices and higher remittances are likely to restrict C/a deficit to 0-1% of GDP in FY25.

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