

Analyst

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Economy

Oct-25: C/a Reports Deficit of US\$ 112mn as Trade Deficit Widens

- For the month of Oct-25, C/a balance registered a deficit of US\$ 112mn compared to a surplus of US\$ 83mn recorded during the month of Sep-25. C/a recorded a deficit of US\$ 112mn in Oct-25 compared to a surplus of US\$ 296mn in Oct-24. On a monthly basis, C/a turned in to deficit in Oct-25 mainly due to higher trade deficit. This brings total C/a deficit for 4MFY26 to US\$ 733mn compared to US\$ 206mn in the same period last year.
- Pakistan's export receipts were recorded at US\$ 2.75bn compared to last month's US\$ 2.61bn, increasing by +5%m/m and on a yearly basis down by 9%/y. Country's import bill was recorded at US\$ 5.27bn, up by +5%m/m and up by +13%/y.
- C/a deficit for Oct-25 was mainly led by higher trade deficit as growth in imports outpaced exports on a monthly basis. However, improvement in remittances contained overall deficit to US\$ 112mn. Going forward, C/a is likely to report a moderate deficit in FY26 on the back of higher trade as improved economic activity is likely to fuel import growth while exports remain subdued.

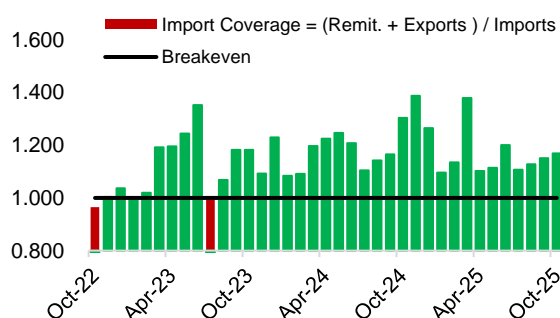
We review current account balance numbers published for the month of Oct-25 by the State Bank of Pakistan (SBP).

Monthly current account printed US\$ 112mn Deficit

For the month of Oct-25, C/a balance registered a deficit of US\$ 112mn compared to a surplus of US\$ 83mn recorded during the month of Sep-25. C/a recorded a deficit of US\$ 112mn in Oct-25 compared to a surplus of US\$ 296mn in Oct-24. On a monthly basis, C/a turned in to deficit in Oct-25 mainly due to higher trade deficit. This brings total C/a deficit for 4MFY26 to US\$ 733mn compared to US\$ 206mn 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-24

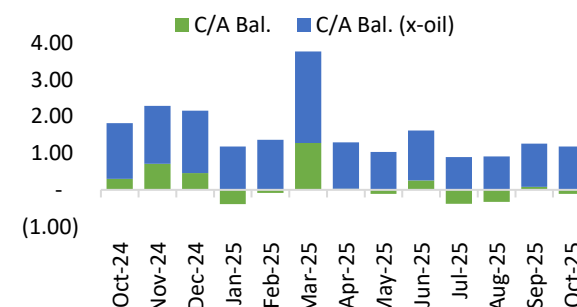


Exhibit: Monthly Current Account Balance

US\$ mn	Oct-25	Sep-25	m/m	Oct-24	y/y	4MFY26	4MFY25	y/y
Exports (G)	2,745	2,609	5%	3,004	-9%	10,630	10,424	2%
Imports (G)	5,272	5,034	5%	4,646	13%	20,721	18,901	10%
Trade Bal.	(2,527)	(2,425)	4%	(1,642)	54%	(10,091)	(8,477)	19%
Services Bal.	(226)	(205)	10%	(230)	-2%	(1,164)	(1,130)	3%
Remittances	3,419	3,184	7%	3,055	12%	12,955	11,852	9%
Income Bal.	2,641	2,713	-3%	2,168	22%	10,522	9,401	12%
C/a Bal.	(112)	83	-235%	296	-138%	(733)	(206)	256%
C/a Bal. (x-oil)	1,181	1,176	0%	1,520	-22%	4,167	4,954	-16%

Source: SBP, IGI Research

Exports improved by +5%m/m during Oct-25

For the month, the country's export receipts were recorded at US\$ 2.75bn compared to last month's US\$ 2.61bn, increasing by +5%m/m and on a yearly basis down by 9%y/y. Oct-25 monthly export number was above its FY25 monthly average export number of US\$ 2.69bn. During the month higher numbers were largely due to incline in Other Manufacturing Exports, Textile, Food and Petroleum exports during the month. Growth in textile was mainly led by readymade garments while higher other manufacturing exports was mainly driven by cement exports.

Exhibit: Monthly Trade Break-up Commodity wise

US\$ mn	Oct-25	Sep-25	m/m	Oct-24	y/y	4MFY26	4MFY25	y/y
Exports (G)	2,745	2,609	5%	3,022	-9%	10,630	10,508	1%
Food Exports	375	370	1%	632	-41%	1,510	2,157	-30%
Textile Exports	1,622	1,590	2%	1,556	4%	6,188	5,809	7%
Other Exports	748	649	15%	834	-10%	2,932	2,542	15%
Imports (G)	5,272	5,034	5%	4,646	13%	20,721	18,901	10%
Food Imports	729	614	19%	591	23%	2,583	2,151	20%
Machinery Imports	746	817	-9%	599	24%	3,206	2,772	16%
Transport Imports	272	289	-6%	134	103%	1,180	569	107%
Petroleum Imports	1,293	1,093	18%	1,224	6%	4,900	5,160	-5%
Other Imports	2,232	2,221	0%	2,098	6%	8,851	8,248	7%

Source: SBP, IGI Research

Imports increased by +5%m/m during Oct-25

During the month of Oct-25, the country's import bill was recorded at US\$ 5.27bn, up by +5%m/m and up by +13%y/y. During the month,

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

Remittances up by +7%m/m

During the month of Oct-25, remittances were recorded at US\$ 3.42bn compared to the previous month of US\$ 3.18bn; up by +7%m/m and up by +12%y/y. Inflows from all countries increased with major contribution from Saudi Arabia, Other GCC, UK, UAE and USA during the month.

Exhibit: Monthly Remittances Break-up Country wise								
US\$ mn	Oct-25	Sep-25	m/m	Oct-24	y/y	4MFY26	4MFY25	y/y
USA	290	269	8%	301	-4%	1,096	1,201	-9%
U.K.	488	455	7%	430	13%	1,856	1,772	5%
Saudi Arabia	821	751	9%	767	7%	3,132	2,924	7%
UAE	698	677	3%	621	12%	2,683	2,333	15%
Other GCC	342	300	14%	320	7%	1,242	1,182	5%
EU	457	422	8%	359	27%	1,737	1,451	20%
Other	323	310	4%	257	26%	1,209	987	22%
Total	3,419	3,184	7%	3,055	12%	12,956	11,851	9%

Source: SBP, IGI Research

Outlook

C/a deficit for Oct-25 was mainly led by higher trade deficit as growth in imports outpaced exports on a monthly basis. However, improvement in remittances contained overall deficit to US\$ 112mn. Going forward, C/a is likely to report a moderate deficit in FY26 on the back of higher trade as improved economic activity is likely to fuel import growth while exports remain subdued. Nevertheless, higher remittances are likely to contain overall deficit.

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