

Analyst

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Economy

Dec-25: C/a Reports Deficit of US\$ 244mn as Trade and Services Deficit Widens

- For the month of Dec-25, C/a balance registered a deficit of US\$ 244mn compared to a surplus of US\$ 98mn recorded during the month of Nov-25. C/a recorded a deficit of US\$ 244mn in Dec-25 compared to a surplus of US\$ 454mn in Dec-24. On a monthly basis, C/a turned in to deficit in Dec-25 mainly due to higher trade and services deficit despite higher remittances. This brings total C/a deficit for 6MFY26 to US\$ 1.17bn compared to surplus of US\$ 0.96bn in the same period last year.
- Pakistan's export receipts were recorded at US\$ 2.75bn compared to last month's US\$ 2.28bn, increasing by +21m/m while on yearly basis down by 11%y/y. Country's import bill was recorded at US\$ 5.74bn compared to US\$ 4.72bn, up by +22m/m and +17%y/y.
- Going forward, C/a is likely to report a moderate deficit in FY26 on the back of higher trade deficit as improved economic activity is likely to fuel import growth while exports are expected to remain subdued. Nevertheless, higher remittances are likely to contain overall deficit.

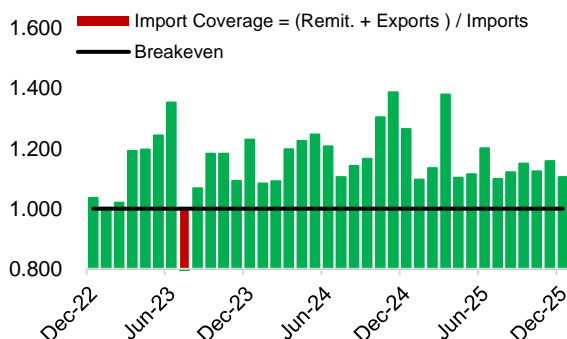
We review current account balance numbers published for the month of Dec-25 by the State Bank of Pakistan (SBP).

Monthly current account printed US\$ 244mn deficit

For the month of Dec-25, C/a balance registered a deficit of US\$ 244mn compared to a surplus of US\$ 98mn recorded during the month of Nov-25. C/a recorded a deficit of US\$ 244mn in Dec-25 compared to a surplus of US\$ 454mn in Dec-24. On a monthly basis, C/a turned in to deficit in Dec-25 mainly due to higher trade and services deficit despite higher remittances. This brings total C/a deficit for 6MFY26 to US\$ 1.17bn compared to surplus of US\$ 0.96bn 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 Dec-24

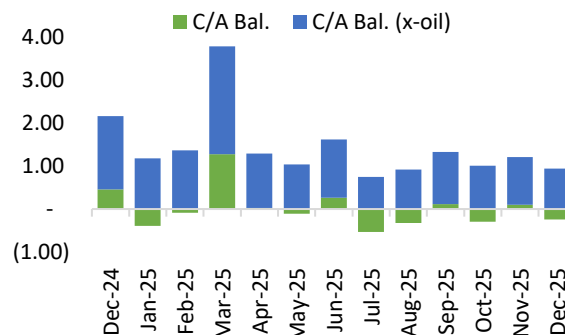


Exhibit: Monthly Current Account Balance

US\$ mn	Dec-25	Nov-25	m/m	Dec-24	y/y	6MFY26	6MFY25	y/y
Exports (G)	2,751	2,277	21%	3,107	-11%	15,507	16,319	-5%
Imports (G)	5,737	4,716	22%	4,891	17%	31,325	27,902	12%
Trade Bal.	(2,986)	(2,439)	22%	(1,784)	67%	(15,818)	(11,583)	37%
Services Bal.	(370)	(168)	120%	(250)	48%	(1,738)	(1,530)	14%
Remittances	3,589	3,188	13%	3,080	17%	19,733	17,847	11%
Income Bal.	3,112	2,705	15%	2,488	25%	16,382	14,070	16%
C/a Bal.	(244)	98	n/m	454	n/m	(1,174)	957	n/m
C/a Bal. (x-oil)	939	1,106	-15%	1,707	-45%	5,917	8,241	-28%

Source: SBP, IGI Research

Exports increased by +21%m/m during Dec-25

For the month, the country's export receipts were recorded at US\$ 2.75bn compared to last month's US\$ 2.28bn, increasing by +21%m/m while on yearly basis down by 11%/y. Dec-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 increase in Textile exports led by Knitwear, Bedwear and readymade garments exports. Moreover, Food and Other Manufacturing exports were also up where Rice, Chemical and Pharmaceutical exports were main drivers. Decrease in Petroleum Exports was mainly due to absence of crude exports.

Exhibit: Monthly Trade Break-up Commodity wise

US\$ mn	Dec-25	Nov-25	m/m	Dec-24	y/y	6MFY26	6MFY25	y/y
Exports (G)	2,751	2,277	21%	3,060	-10%	15,545	16,313	-5%
Food Exports	433	365	19%	694	-38%	2,307	3,568	-35%
Textile Exports	1,593	1,315	21%	1,447	10%	9,096	8,645	5%
Other Exports	724	598	21%	918	-21%	4,142	4,101	1%
Imports (G)	5,737	4,716	22%	4,891	17%	31,325	27,902	12%
Food Imports	804	724	11%	710	13%	4,111	3,428	20%
Machinery Imports	815	611	33%	655	24%	4,634	4,017	15%
Transport Imports	293	234	25%	131	124%	1,708	817	109%
Petroleum Imports	1,183	1,008	17%	1,253	-6%	7,091	7,284	-3%
Other Imports	2,642	2,138	24%	2,141	23%	13,781	12,357	12%

Source: SBP, IGI Research

Imports up by +22%m/m during Dec-25

During the month of Dec-25, the country's import bill was recorded at US\$ 5.74bn compared to US\$ 4.72bn, up by +22%m/m and +17%/y.

During the month, Machinery, Petroleum, Metal, Agriculture, Food, Machinery, Transport and Textile imports increased. Under Machinery, Telecom contributed to highest increase while Iron and steel imports were main drivers under Metal segment.

Remittances up by +13%m/m

During the month of Dec-25, remittances were recorded at US\$ 3.59bn compared to the previous month of US\$ 3.19bn; up by +13%m/m and up by +17%y/y. Inflows from all countries increased with major contribution from UAE, EU, Other (Australia and Canada) and Saudi Arabia during the month.

Exhibit: Monthly Remittances Break-up Country wise								
US\$ mn	Dec-25	Nov-25	m/m	Dec-24	y/y	6MFY26	6MFY25	y/y
USA	302	277	9%	304	-1%	1,686	1,794	-6%
U.K.	560	481	16%	438	28%	2,908	2,620	11%
Saudi Arabia	813	753	8%	771	6%	4,715	4,424	7%
UAE	726	675	8%	631	15%	4,090	3,584	14%
Other GCC	333	299	12%	310	7%	1,877	1,795	5%
EU	499	417	20%	360	39%	2,618	2,135	23%
Other	356	287	24%	266	34%	1,840	1,495	23%
Total	3,589	3,188	13%	3,080	17%	19,734	17,847	11%

Source: SBP, IGI Research

Outlook

C/a deficit for Dec-25 was mainly led by higher trade and services deficit as growth in imports outpaced exports on a monthly basis despite increase in remittances. Going forward, C/a is likely to report a moderate deficit in FY26 on the back of higher trade deficit as improved economic activity is likely to fuel import growth while exports are expected to remain subdued. Nevertheless, higher remittances are likely to contain overall deficit.

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