

Analyst

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Economy

Mar-26: C/a Reports Surplus of US\$ 1.07bn on Higher Remittances and Lower Trade Deficit

- For the month of Mar-26, C/a balance registered a surplus of US\$ 1.07bn compared to a surplus of US\$ 231mn recorded during the month of Feb-26. C/a recorded a surplus of US\$ 1.07bn in Mar-26 compared to a surplus of US\$ 1.28bn in Mar-25. On a monthly basis, C/a turned in to surplus in Mar-26 mainly due to higher remittances and lower trade deficit. This brings total C/a surplus for 9MFY26 to US\$ 8mn compared to surplus of US\$ 1.67bn in the same period last year.
- Pakistan's export receipts were recorded at US\$ 2.53bn compared to last month's US\$ 2.48bn, increasing by +1.9%/m while on yearly basis down by 8.4%/y. Import bill was recorded at US\$ 4.90bn compared to US\$ 5.17bn in Feb-26, down by 5.1%/m and 0.7%/y.
- C/a surplus for Mar-26 was mainly led by higher remittance and lower trade deficit as imports declined while exports reported modest growth. Going forward, C/a is likely to remain manageable as remittances are likely to support subdued growth in exports while imports increase in line with economic activity. However, if war prolongs C/a may face pressure with rising imports and potential decline in remittances.

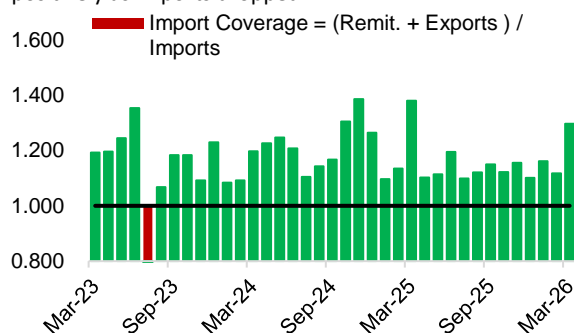
We review current account balance numbers published for the month of Mar-26 by the State Bank of Pakistan (SBP).

Monthly current account printed US\$ 1.07bn surplus

For the month of Mar-26, C/a balance registered a surplus of US\$ 1.07bn compared to a surplus of US\$ 231mn recorded during the month of Feb-26. C/a recorded a surplus of US\$ 1.07bn in Mar-26 compared to a surplus of US\$ 1.28bn in Mar-25. On a monthly basis, C/a turned in to surplus in Mar-26 mainly due to higher remittances and lower trade deficit. This brings total C/a surplus for 9MFY26 to US\$ 8mn compared to surplus of US\$ 1.67bn 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 Mar-25

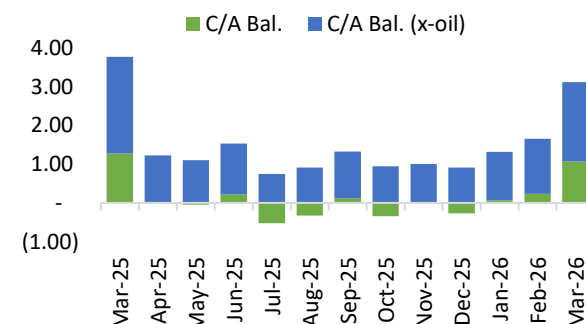


Exhibit: Monthly Current Account Balance								
US\$ mn	Mar-26	Feb-26	m/m	Mar-25	y/y	9MFY26	9MFY25	y/y
Exports (G)	2,526	2,480	2%	2,759	-8%	23,265	24,702	-6%
Imports (G)	4,902	5,165	-5%	4,938	-1%	46,793	43,379	8%
Trade Bal.	(2,376)	(2,685)	-12%	(2,179)	9%	(23,528)	(18,677)	26%
Services Bal.	(23)	(124)	-81%	(120)	-81%	(2,146)	(2,303)	-7%
Remittances	3,831	3,288	17%	4,054	-6%	30,319	28,031	8%
Income Bal.	3,469	3,040	14%	3,574	-3%	25,682	22,654	13%
C/a Bal.	1,070	231	363%	1,275	-16%	8	1,674	-100%
C/a Bal. (x-oil)	2,053	1,430	44%	2,497	-18%	10,468	13,200	-21%

Source: SBP, IGI Research

Exports inclined on a monthly basis during Mar-26

For the month, the country's export receipts were recorded at US\$ 2.53bn compared to last month's US\$ 2.48bn, increasing by +1.9% m/m while on yearly basis down by 8.4% y/y. Mar-26 monthly export number was below its FY25 monthly average export number of US\$ 2.68bn. During the month higher numbers were largely due to increase in Textile and Food exports led by Knitwear, Bedwear, Towels, Readymade garments, Fish, Oil Seeds and Rice exports. Moreover, Other Manufacturing exports were also up where surgical goods, Leather Gloves and Chemical exports were main drivers. However, all other exports declined during the month.

Exhibit: Monthly Trade Break-up Commodity wise								
US\$ mn	Mar-26	Feb-26	m/m	Mar-25	y/y	9MFY26	9MFY25	y/y
Exports (G)	2,526	2,480	2%	2,773	-9%	23,299	24,681	-6%
Food Exports	425	394	8%	499	-15%	3,513	5,058	-31%
Textile Exports	1,424	1,355	5%	1,443	-1%	13,333	13,034	2%
Other Exports	678	731	-7%	830	-18%	6,453	6,589	-2%
Imports (G)	4,902	5,165	-5%	4,938	-1%	46,793	43,379	8%
Food Imports	670	818	-18%	731	-8%	6,415	5,638	14%
Machinery Imports	771	669	15%	706	9%	6,813	6,124	11%
Transport Imports	244	370	-34%	196	24%	2,622	1,352	94%
Petroleum Imports	983	1,199	-18%	1,222	-20%	10,460	11,526	-9%
Other Imports	2,235	2,108	6%	2,083	7%	20,484	18,739	9%

Source: SBP, IGI Research

Imports down by 5.1% m/m during Mar-26

During the month of Mar-26, the country's import bill was recorded at US\$ 4.90bn compared to US\$ 5.17bn in Feb-26, down by 5.1% m/m and

0.7%/y/y. During the month, Petroleum, Food, Metal and Transport imports declined while Machinery, Agriculture, Textile and other imports increased. Drop in imports was mainly led by lower Pulses and Palm oil under Food, decline in Aircraft/ships/boats under Transport and lower LNG and POL products under Petroleum imports.

Remittances up by 17%m/m

During the month of Mar-26, remittances were recorded at US\$ 3.83bn compared to the previous month of US\$ 3.29bn; up by 17%m/m and down by 5.5%/y/y. Major contribution to inflows came from Saudi Arabia, UAE, Other GCC, UK, USA and EU during the month.

Exhibit: Monthly Remittances Break-up Country wise								
US\$ mn	Mar-26	Feb-26	m/m	Mar-25	y/y	9MFY26	9MFY25	y/y
USA	359	319	12%	420	-14%	2,661	2,822	-6%
U.K.	587	532	10%	684	-14%	4,602	4,244	8%
Saudi Arabia	918	686	34%	986	-7%	7,086	6,883	3%
UAE	824	696	18%	842	-2%	6,267	5,705	10%
Other GCC	367	317	16%	359	2%	2,892	2,756	5%
EU	414	395	5%	433	-4%	3,913	3,267	20%
Other	362	342	6%	330	10%	2,899	2,353	23%
Total	3,831	3,288	17%	4,054	-5%	30,321	28,030	8%

Source: SBP, IGI Research

Outlook

C/a surplus for Mar-26 was mainly led by higher remittance and lower trade deficit as imports declined while exports reported modest growth. Going forward, C/a is likely to remain manageable as remittances are likely to support subdued growth in exports while imports increase in line with economic activity. However, if war prolongs C/a may face pressure with rising imports and potential decline in remittances.

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