

# Day Break

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## Analyst

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## Economy

### May-25: C/a Records Deficit of US\$ 103mn

- For the month of May-25, C/a balance registered a deficit of US\$ 103mn compared to a surplus of US\$ 47mn recorded during the month of Apr-25. C/a recorded a deficit of US\$ 103mn in May-25 compared to a deficit of US\$ 235mn in May-24. This brings total C/a surplus for 11MFY25 to US\$ 1.81bn, compared to deficit of US\$ 1.57bn in the same period last year.
- Pakistan's export receipts were recorded at US\$ 2.43bn compared to last month's US\$ 2.60bn, decreasing by 6%m/m and on a yearly basis down by 19%y/y. Country's import bill was recorded at US\$ 5.48bn, up by +5%m/m and up by +9%y/y.
- C/a turned in to deficit during May-25 mainly due higher trade deficit as exports fell while imports grew. Nevertheless, C/a is likely to report a surplus for FY25. Going forward, C/a is likely to report a moderate deficit in FY26 on the back of rise in imports and subdued exports.

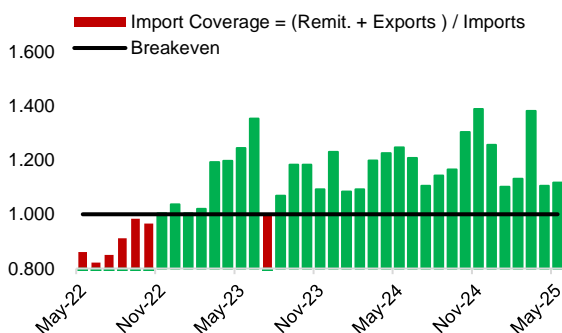
We review current account balance numbers published for the month of May-25 by the State Bank of Pakistan (SBP).

#### Monthly current account printed US\$ 103mn deficit

For the month of May-25, C/a balance registered a deficit of US\$ 103mn compared to a surplus of US\$ 47mn recorded during the month of Apr-25. C/a recorded a deficit of US\$ 103mn in May-25 compared to a deficit of US\$ 235mn in May-24. On a monthly basis C/a turned in to deficit in May-25 mainly due to higher trade and primary income deficit. This brings total C/a surplus for 11MFY25 to US\$ 1.81bn, compared to deficit of US\$ 1.57bn in the same period last year.

#### Exhibit: Export and Remittances coverage

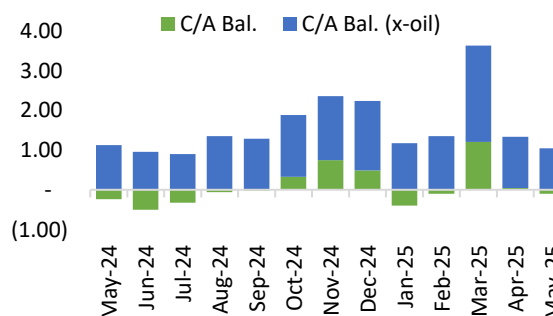
Export and Remittance coverage of total import comes positively as imports dropped



Source: SBP, IGI Research

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

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



#### Exhibit: Monthly Current Account Balance

US\$ mn	May-25	Apr-25	m/m	May-24	y/y	11MFY25	11MFY24	y/y
Exports (G)	2,430	2,596	-6%	3,007	-19%	29,691	28,537	4%
Imports (G)	5,478	5,225	5%	5,014	9%	54,085	48,519	11%
Trade Bal.	(3,048)	(2,629)	16%	(2,007)	52%	(24,394)	(19,982)	22%
Services Bal.	(172)	(187)	-8%	(231)	-26%	(2,668)	(2,633)	1%
Remittances	3,686	3,177	16%	3,242	14%	34,891	27,093	29%
Income Bal.	3,117	2,863	9%	2,003	56%	28,874	21,043	37%
C/a Bal.	(103)	47	-319%	(235)	-56%	1,812	(1,572)	-215%
C/a Bal. (x-oil)	1,043	1,283	-19%	1,127	-7%	15,720	11,631	35%

Source: SBP, IGI Research

#### Exports declined by 6%m/m during May-25

For the month, the country's export receipts were recorded at US\$ 2.43bn compared to last month's US\$ 2.60bn, decreasing by 6%m/m and on a yearly basis down by 19%y/y. May-25 monthly export number was lower compared to its FY24 monthly average export number of US\$ 2.59bn. During the month lower numbers were largely due to decline in food, textile and other exports while Petroleum and all other exports increased. Petroleum exports were higher likely due to crude oil exports.

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

US\$ mn	May-25	Apr-25	m/m	May-24	y/y	11MFY25	11MFY24	y/y
<b>Exports (G)</b>	<b>2,430</b>	<b>2,596</b>	<b>-6%</b>	<b>2,992</b>	<b>-19%</b>	<b>29,707</b>	<b>28,681</b>	<b>4%</b>
Food Exports	420	453	-7%	596	-29%	5,932	6,559	-10%
Textile Exports	1,409	1,444	-2%	1,479	-5%	15,887	15,029	6%
Other Exports	600	699	-14%	918	-35%	7,888	7,093	11%
<b>Imports (G)</b>	<b>5,478</b>	<b>5,225</b>	<b>5%</b>	<b>5,014</b>	<b>9%</b>	<b>54,085</b>	<b>48,519</b>	<b>11%</b>
Food Imports	681	650	5%	513	33%	6,968	6,689	4%
Machinery Imports	930	797	17%	848	10%	7,851	6,784	16%
Transport Imports	316	244	30%	166	90%	1,912	1,432	34%
Petroleum Imports	1,146	1,236	-7%	1,362	-16%	13,908	13,203	5%
Other Imports	2,405	2,299	5%	2,124	13%	23,446	20,411	15%

Source: SBP, IGI Research

#### Imports increased by +5%m/m during May-25

During the month of May-25, the country's import bill was recorded at US\$ 5.48bn, up by +5%m/m and up by +9%y/y. During the month, Food, Machinery, Agriculture and Transport imports increased while Petroleum, Metal and Textile imports increased.

### Remittances up by +16%m/m

During the month of May-25, remittances were recorded at US\$ 3.69bn compared to the previous month of US\$ 3.18bn; up by +16%m/m. Major growth in inflows came from Saudi Arabia, UAE, UK, Other GCC, USA, and EU.

Exhibit: Monthly Remittances Break-up Country wise								
US\$ mn	May-25	Apr-25	m/m	May-24	y/y	11MFY25	11MFY24	y/y
USA	315	302	4%	359	-12%	3,440	3,209	7%
U.K.	588	535	10%	473	24%	5,367	4,034	33%
Saudi Arabia	914	725	26%	819	12%	8,521	6,616	29%
UAE	754	653	16%	668	13%	7,111	4,880	46%
Other GCC	362	290	25%	314	15%	3,408	2,879	18%
EU	422	412	2%	340	24%	4,101	3,201	28%
Other	331	259	28%	268	23%	2,942	2,273	29%
<b>Total</b>	<b>3,686</b>	<b>3,177</b>	<b>16%</b>	<b>3,242</b>	<b>14%</b>	<b>34,891</b>	<b>27,093</b>	<b>29%</b>

Source: SBP, IGI Research

### Outlook

C/a turned in to deficit during May-25 mainly due higher trade deficit as exports fell while imports grew. Nevertheless, C/a is likely to report a surplus for FY25. 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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