

## Analyst

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## Economy

### Nov-24: C/a Records Surplus of US\$ 0.73bn Led by Lower Trade and Services Balance

- For the month of Nov-24, C/a balance registered a surplus of US\$ 0.73bn (highest since Feb-15) compared to a surplus of US\$ 0.35bn recorded during the month of Oct-24. C/a deficit recorded a surplus of US\$ 0.73bn in Nov-24 compared to a deficit of US\$ 0.15bn in Nov-23. On a monthly basis surplus was reported in Nov-24 mainly due to lower trade and services balance.
- Pakistan's export receipts were recorded at US\$ 2.78bn compared to last month's US\$ 3.02bn, decreasing by 8%m/m and on a yearly basis up by +3%/y. Country's import bill was recorded at US\$ 4.14bn, down by 10%m/m and 9%/y.
- C/a recorded fourth consecutive surplus during Nov-24 with highest surplus since Feb-15 mainly due to lower imports, services balance and higher income balance. 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.

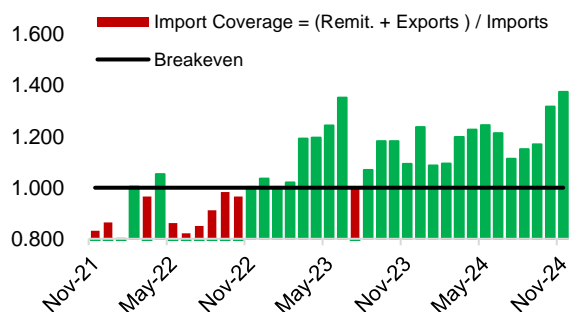
We review current account balance numbers published for the month of Nov-24 by the State Bank of Pakistan (SBP).

#### Monthly current account printed US\$ 0.73bn surplus

For the month of Nov-24, C/a balance registered a surplus of US\$ 0.73bn (highest since Feb-15) compared to a surplus of US\$ 0.35bn recorded during the month of Oct-24. C/a deficit recorded a surplus of US\$ 0.73bn in Nov-24 compared to a deficit of US\$ 0.15bn in Nov-23. On a monthly basis surplus was reported in Nov-24 mainly due to lower trade and services balance. This brings total C/a surplus for 5MFY25 to US\$ 0.94bn, compared to deficit of US\$ 1.68bn 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 Nov-23

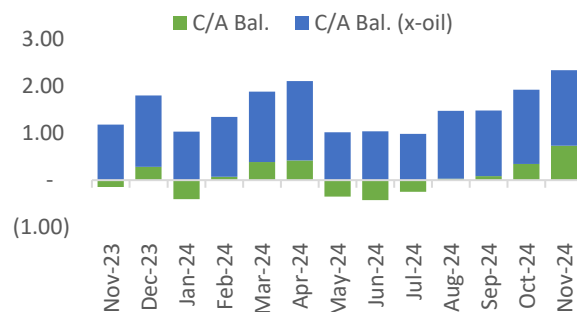


Exhibit: Monthly Current Account Balance								
US\$ mn	Nov-24	Oct-24	m/m	Nov-23	y/y	5MFY25	5MFY24	y/y
Exports (G)	2,775	3,022	-8%	2,693	3%	13,283	12,364	7%
Imports (G)	4,136	4,612	-10%	4,531	-9%	22,972	21,202	8%
Trade Bal.	(1,361)	(1,590)	-14%	(1,838)	-26%	(9,689)	(8,838)	10%
Services Bal.	(152)	(265)	-43%	(159)	-4%	(1,148)	(1,260)	-9%
Remittances	2,915	3,055	-5%	2,259	29%	14,768	11,054	34%
Income Bal.	2,242	2,201	2%	1,849	21%	11,781	8,422	40%
<b>C/a Bal.</b>	<b>729</b>	<b>346</b>	<b>111%</b>	<b>(148)</b>	<b>-593%</b>	<b>944</b>	<b>(1,676)</b>	<b>-156%</b>
<b>C/a Bal. (x-oil)</b>	<b>1,599</b>	<b>1,570</b>	<b>2%</b>	<b>1,179</b>	<b>36%</b>	<b>6,975</b>	<b>3,941</b>	<b>77%</b>

Source: SBP, IGI Research

#### Exports declined by 8% m/m during Nov-24

For the month, the country's export receipts were recorded at US\$ 2.78bn compared to last month's US\$ 3.02bn, decreasing by 8% m/m and on a yearly basis up by +3% y/y. Nov-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, textile, petroleum and other manufacturing exports despite increase in food exports. Food exports were higher mainly due to increased sugar exports.

Exhibit: Monthly Trade Break-up Commodity wise								
US\$ mn	Nov-24	Oct-24	m/m	Nov-23	y/y	5MFY25	5MFY24	y/y
<b>Exports (G)</b>	<b>2,775</b>	<b>3,022</b>	<b>-8%</b>	<b>2,724</b>	<b>2%</b>	<b>13,283</b>	<b>12,501</b>	<b>6%</b>
Food Exports	717	632	13%	705	2%	2,874	2,592	11%
Textile Exports	1,389	1,556	-11%	1,375	1%	7,198	6,896	4%
Other Exports	670	834	-20%	644	4%	3,212	3,012	7%
<b>Imports (G)</b>	<b>4,136</b>	<b>4,612</b>	<b>-10%</b>	<b>4,531</b>	<b>-9%</b>	<b>22,972</b>	<b>21,202</b>	<b>8%</b>
Food Imports	567	591	-4%	657	-14%	2,718	2,930	-7%
Machinery Imports	590	599	-2%	552	7%	3,362	2,498	35%
Transport Imports	116	134	-13%	109	6%	685	628	9%
Petroleum Imports	870	1,224	-29%	1,327	-34%	6,031	5,617	7%
Other Imports	1,993	2,064	-3%	1,886	6%	10,176	9,529	7%

Source: SBP, IGI Research

#### Imports declined by 10% m/m during Nov-24

During the month of Nov-24, the country's import bill was recorded at US\$ 4.14bn, down by 10% m/m and 9% y/y. During the month, Petroleum, Agriculture, Food, Transport, Machinery and All other imports declined

while Textile exports increased. Decline in petroleum imports was lower due to decline in international oil prices.

#### Remittances down by 5% m/m

During the month of Nov-24, remittances were recorded at US\$ 2.92bn compared to the previous month of US\$ 3.06bn; down by 5% m/m. Major decline in inflows came from Saudi Arabia, EU, UK and USA to the tune of US\$ 0.73bn, US\$ 0.32bn, US\$ 0.41 and US\$ 0.29bn.

Exhibit: Monthly Remittances Break-up Country wise								
US\$ mn	Nov-24	Oct-24	m/m	Nov-23	y/y	5MFY25	5MFY24	y/y
USA	288	301	-4%	262	10%	1,490	1,313	13%
U.K.	410	430	-5%	342	20%	2,182	1,620	35%
Saudi Arabia	729	767	-5%	544	34%	3,653	2,677	36%
UAE	619	621	0%	412	50%	2,953	1,909	55%
Other GCC	303	320	-5%	243	25%	1,485	1,234	20%
EU	323	359	-10%	269	20%	1,774	1,410	26%
Other	242	257	-6%	188	29%	1,230	891	38%
<b>Total</b>	<b>2,915</b>	<b>3,055</b>	<b>-5%</b>	<b>2,259</b>	<b>29%</b>	<b>14,766</b>	<b>11,053</b>	<b>34%</b>

Source: SBP, IGI Research

#### Outlook

C/a recorded fourth consecutive surplus during Nov-24 with highest surplus since Feb-15 mainly due to lower imports, services balance and higher income balance. 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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