

Pakistan Economy

Country reported USD 328mn deficit in Jul'26

19-Aug-2026

REP-300

AHL Research

D: +92 21 3828 0283

E: research@arifhabibltd.com



Best Broker: '25
Best Bank for Research: '25
Best Investment Bank for M&A: '25
Best for Research: '24
Best for Diversity & Inclusion: '24
Best Investment Bank: '23



Best Securities House: '23
Best Investment Bank: '23



Best Corporate Finance House: '25, '23-'13
Best Brokerage House: '23 - '21
Best Brokerage House (Runner-up): '25-'24
Best Economic Research House: '23-'21
Best Economic Research House (Runner-up): '25-'24



Best Brokerage House:
2023



Best Broker: '26
Best Equity Capital Market House: '26
Best Investment Bank: '26



Top 25 Companies
(17-'19)



Best Gender Equality Bond: '24
Best Equity Advisor: '21



Excellence Award Leading
Brokerage House for RDA '21

Balance of Payment

Jul'26 Current Account deficit of USD 328mn recorded

Balance of Payment at a glance

In Jul'26, **total exports** reached USD 3.9bn, reflecting a 13.1% YoY increase. **Goods exports** increased by 9.4% YoY, while **services exports** posted a robust 27.3% YoY increase during the month.



In Jul'26, **total imports** amounted to USD 7.3bn, reflecting a 13.1% YoY increase. **Goods imports** jumped by 13.4% YoY, while **services imports** recorded a 11.9% YoY increase during the month.



The **trade deficit** in Jul'26 widened to USD 3.4bn, reflecting a 13.1% YoY increase.

In Jul'26, the **Net Primary Income** deficit stood at USD 848mn, reflecting a 3.2% YoY decrease.



Secondary Income in Jul'26 totaled USD 3.9bn, with remittances contributing approximately USD 3.6bn. **Remittance** inflows registered an 13.0% YoY increase in Jul'26.



Real Effective Exchange Rate (REER) clocked in at 107.92 as of Jul'26 as compared to 106.44 in Jun'26.

Balance of Payment

Jul'26 Current Account deficit of USD 328mn recorded

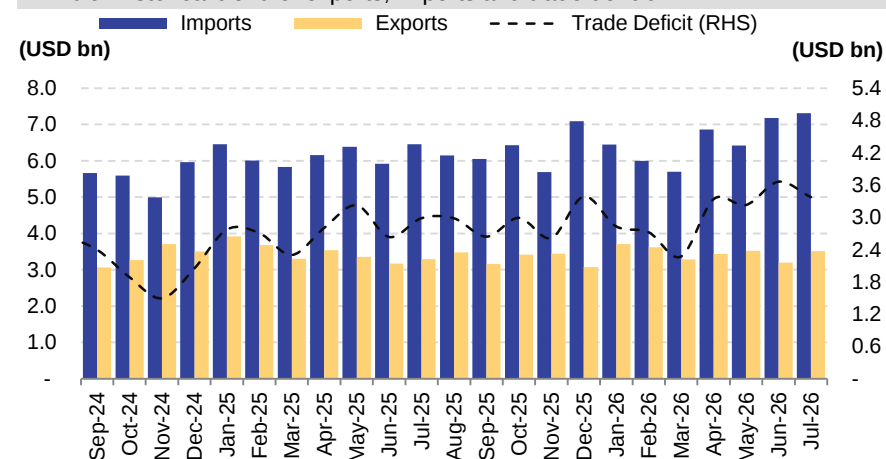
- Pakistan's **current account deficit** narrowed to USD 328mn in Jul'26 from USD 529mn in Jul'25, reflecting a 38.0% YoY decline. This was driven by a 13.1% YoY increase in exports, which offset the 13.1% YoY rise in imports. On a MoM basis, the deficit declined sharply from USD 814mn in Jun'26.
- The current account deficit for Jun'26 was revised upward to USD 814mn from the previously reported USD 649mn. As a result, the FY26 current account deficit has also been revised to USD 304mn from USD 139mn previously.
- Jul'26 **total exports** stood at USD 3.9bn, up 13.1% YoY from USD 3.5bn in Jul'25. On a MoM basis, exports increased 11.9% from USD 3.5bn in Jun'26.
- Total imports** in Jul'26 totaled USD 7.3bn, up 13.1% YoY from USD 6.5bn in Jul'25. On a MoM basis, imports increased by 1.8% from USD 7.2bn in Jun'26.
- The balance on **primary income** (deficit) clocked in at USD 848mn, compared to USD 876mn in Jul'25 and USD 837mn deficit recorded in Jun'26.
- Secondary income** reached USD 3.9bn in Jul'26, marking a 16.9% increase from the previous year and 5.7 jump from Jun'26.
- Remittances**, which accounted for USD 3.6bn during Jul'26, also saw a 13.0% YoY increase. on MoM basis remittances increased by 4.5% from USD 3.5bn recorded in Jun'26.
- The **financial account** clocked in at a USD 1,139mn surplus in Jul'26 compare to a deficit of USD 345mn in Jul'25 and a deficit of USD 1,998mn was recorded in Jun'26.

Exhibit: Pakistan's Balance of Payment

(USD mn)	Jul-26	Jul-25	YoY	Jun-26	MoM
Exports (Goods)	3,008	2,750	9%	2,573	17%
Imports (Goods)	6,154	5,429	13%	6,152	0%
Trade Balance (Goods)	(3,146)	(2,679)	nm	(3,579)	nm
Exports (Services)	927	728	27%	942	-2%
Imports (Services)	1,155	1,032	12%	1,025	13%
Trade Balance (Services)	(228)	(304)	nm	(83)	175%
Trade Balance	(3,374)	(2,983)	nm	(3,662)	nm
Balance on Pri. Income	(848)	(876)	nm	(837)	nm
Balance on Sec. Income	3,894	3,330	17%	3,685	6%
Income (Net)	3,046	2,454	24%	2,848	7%
Remittances	3,631	3,214	13%	3,475	4%
CAB	(328)	(529)	nm	(814)	nm
FDI	179	224	-20%	49	265%
Financial Account	1,139	(345)	-430%	(1,998)	-157%
Capital Account	19	17	12%	3	533%
Overall Balance	1,389	174	698%	(1,287)	nm

Source (s): SBP, AHL Research

Exhibit: Historical trend of exports, imports and trade deficit



Source (s): SBP, AHL Research

Analyst Certification and Disclaimer

Analyst Certification: The research analyst(s) is (are) principally responsible for preparation of this report. The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject security (ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security (ies). Furthermore, compensation of the Analyst(s) is not determined nor based on any other service(s) that AHL is offering. Analyst(s) are not subject to the supervision or control of any employee of AHL's non-research departments, and no personal engaged in providing non-research services have any influence or control over the compensatory evaluation of the Analyst(s).

Equity Research Ratings

Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec 2026 for Target Price. In addition, return excludes all type of taxes. For more details, kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +10% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -5% and +10% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -5% from last closing of market price(s)

Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

Risks: The following risks may potentially impact our valuations of subject security (ies);

- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk

Disclaimer: This document has been prepared by Research analysts at Arif Habib Limited (AHL). This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, AHL does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. AHL reserves the right to make modifications and alterations to this statement as may be required from time to time. However, AHL is under no obligation to update or keep the information current. AHL is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his or her own advisors to determine the merits and risks of such investment. AHL or any of its affiliates shall not be in any way responsible for any loss or damage that may be arise to any person from any inadvertent error in the information contained in this report