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# ECONOMIC DATA SUMMARY

## 2020 — 2025

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# INTRODUCTION



Few periods in Pakistan's economic history have been as demanding as the last five years. The economy moved from a global pandemic shock into an era of record inflation, currency pressure, and historically tight monetary policy before finally entering a phase of gradual stabilisation. Each year brought a new challenge, and each policy decision left a lasting imprint on growth, prices, and confidence.

This report tells the economic story of Pakistan from FY2020 to FY2025, not through isolated figures, but through patterns, turning points, and outcomes that truly mattered. It highlights how the economy absorbed shocks, where it struggled, and where signs of recovery have begun to emerge.

The analysis focuses on the indicators that shape real economic decisions:

- Economic growth and inflation trends
- Interest rates and monetary policy shifts
- External sector performance, including trade and remittances
- Investment flows and employment conditions
- Price movements of essential commodities
- Performance of key economic sectors
- Pakistan's position relative to regional peers

# Major Commodity Prices In Pakistan

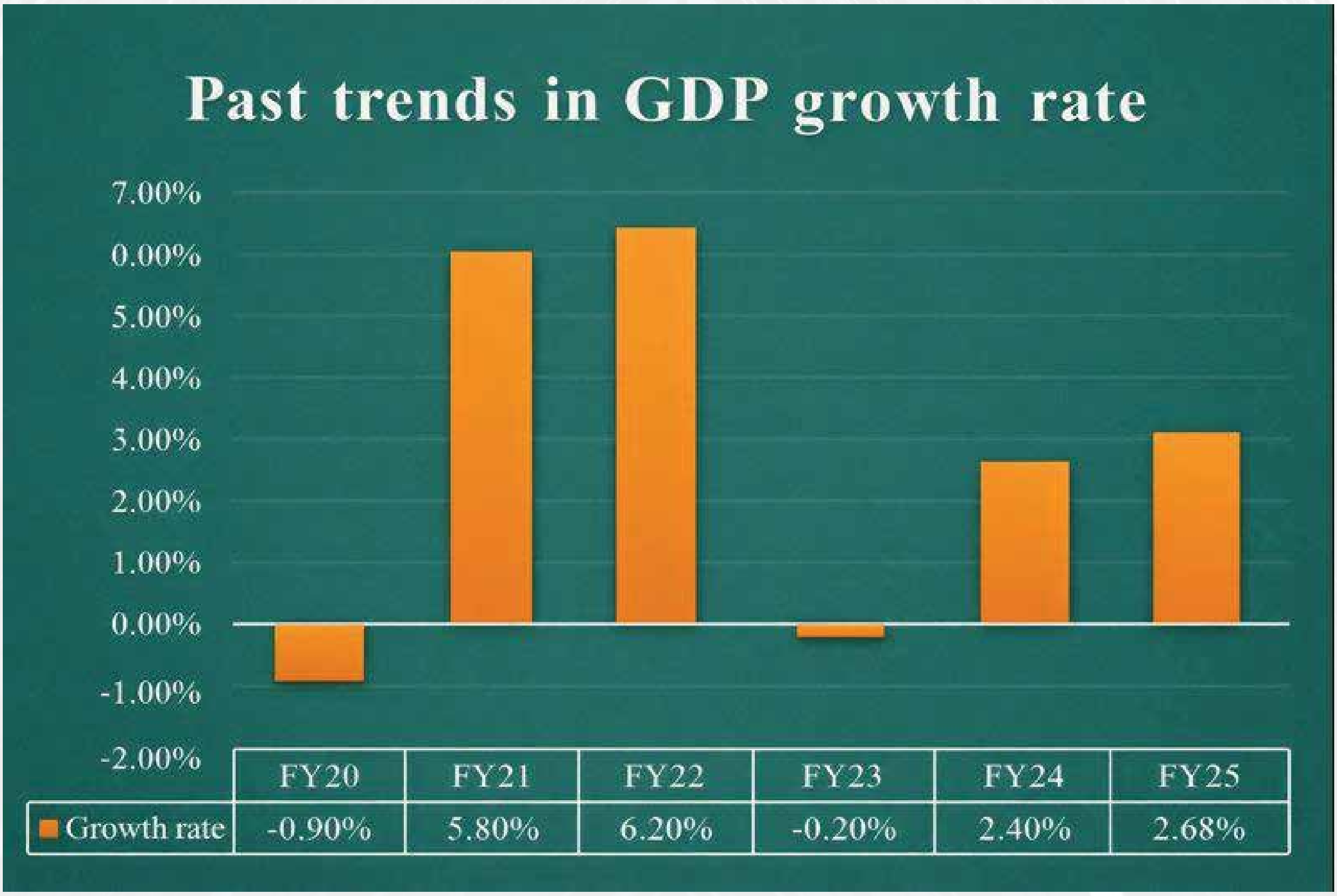

## (June 2020–June 2025)

| Commodity | Unit | June 2020 | June 2021 | June 2022 | June 2023 | June 2024 | June 2025 |
|---|---|---|---|---|---|---|---|
| Wheat | PKR / Maund | 2,020.2 | 2,271.8 | 2,436.0 | 5,072.0 | 3,546.2 | 3,032.8 |
| Rice (IRRI-6/9) | PKR / kg | 68.1 | 72.4 | 84.3 | 149.7 | 160.5 | 153.1 |
| Sugar (Refined) | PKR / kg | 80.9 | 98.4 | 87.7 | 122.7 | 143.3 | 179.4 |
| Edible Oil (5-Litre Tin) | PKR / Each | 1,278.2 | 1,547.1 | 2,664.8 | 3,199.2 | 2,659.7 | 2,890.0 |
| LPG (11.67 kg Cylinder) | PKR / Each | 1,218.4 | 1,541.3 | 2,445.0 | 2,752.7 | 2,832.8 | 3,273.9 |
| Petrol (MS) | PKR / Litre | 75.4 | 110.6 | 218.0 | 262.9 | 264.3 | 257.2 |
| Diesel (HSD) | PKR / Litre | 81.1 | 112.7 | 231.2 | 253.9 | 270.1 | 259.7 |

# Pakistan Macroeconomic Performance

## (FY20–FY25)

| Fiscal Year | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| GDP (PKR Trillion) | 47.54 | 55.84 | 66.66 | 83.65 | 105.38 | 113.90 |



# Sector-Wise Growth Rates

## Sectoral Performance: FY2025

Economic growth in FY2025 remained uneven across sectors, with industry and services driving overall performance, while agriculture continued to face pressure.

### Agriculture

- **Growth:** 0.6%
- **GDP Share:** 23.5% (declining)

Growth remained modest due to adverse weather conditions and reduced crop cultivation Decline in major crops was partially offset by livestock, fisheries, and forestry

### Industry

- **Growth:** 4.8% (best-performing sector)

### Strong performance supported by:

- Manufacturing
- Automobiles
- Apparel
- Petroleum products
- Electricity and construction

Growth achieved despite weakness in mining and quarrying

### Services

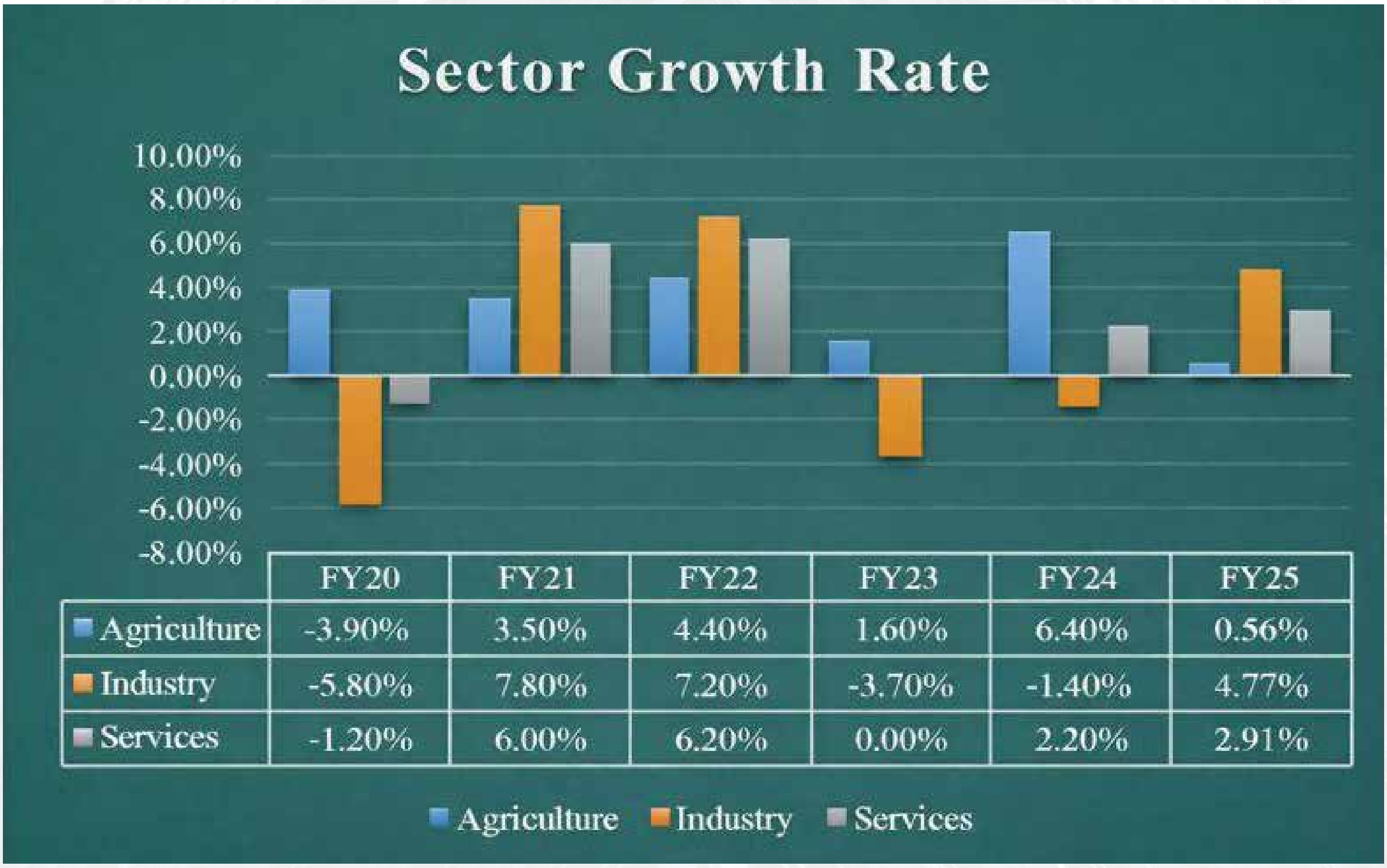
- Growth: 2.9%
- GDP Contribution: 58.4% (largest sector)

### Expansion driven by:

- Information & Communication Technology (ICT)
- Transport
- Financial services
- Public administration and social services

### Key Takeaways

- Industry and services remained the main drivers of economic growth
- Agriculture showed resilience but remained vulnerable to climate and structural challenges
- Overall sectoral performance reflects a gradual economic recovery in FY2025




| | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|---|---|
| Agriculture | -3.90% | 3.50% | 4.40% | 1.60% | 6.40% | 0.56% |
| Industry | -5.80% | 7.80% | 7.20% | -3.70% | -1.40% | 4.77% |
| Services | -1.20% | 6.00% | 6.20% | 0.00% | 2.20% | 2.91% |

# Trade Performance

## FY2025 Snapshot

As economic activity picked up in FY2025, Pakistan's trade flows reflected both recovery and rising input demand, highlighting the early stages of economic stabilisation.

### Exports

- Growth: +6.8% year-on-year
- Total exports: USD 27.3 billion

**Growth supported by:**

- Improved global demand
- Exchange rate stability
- Targeted policy support

**Textiles** remained the backbone, contributing over 50% of exports
**Non-textile exports** (pharmaceuticals, plastics, engineering goods) showed positive momentum

**Food exports** were mixed, with lower rice exports offset by stronger sugar and tobacco shipments

## Imports

- Growth: +11.8%
- Total imports: USD 48.6 billion

### Increase driven mainly by:

- Machinery and transport equipment
- Industrial and textile inputs

Petroleum imports declined, easing some pressure on the import bill
Lower wheat imports helped contain food-related import costs

## Key Takeaways

- Export growth improved but remains concentrated in textiles
- Rising imports signal reviving industrial activity, not consumption pressure
- Trade balance improvement will depend on export diversification and value addition

## Total Imports & Exports of Goods in USD Billion

# Inflation Rate

**Inflation Update – FY2025**

After a prolonged period of price pressure, inflation eased sharply in FY2025, providing much-needed relief to households and businesses.

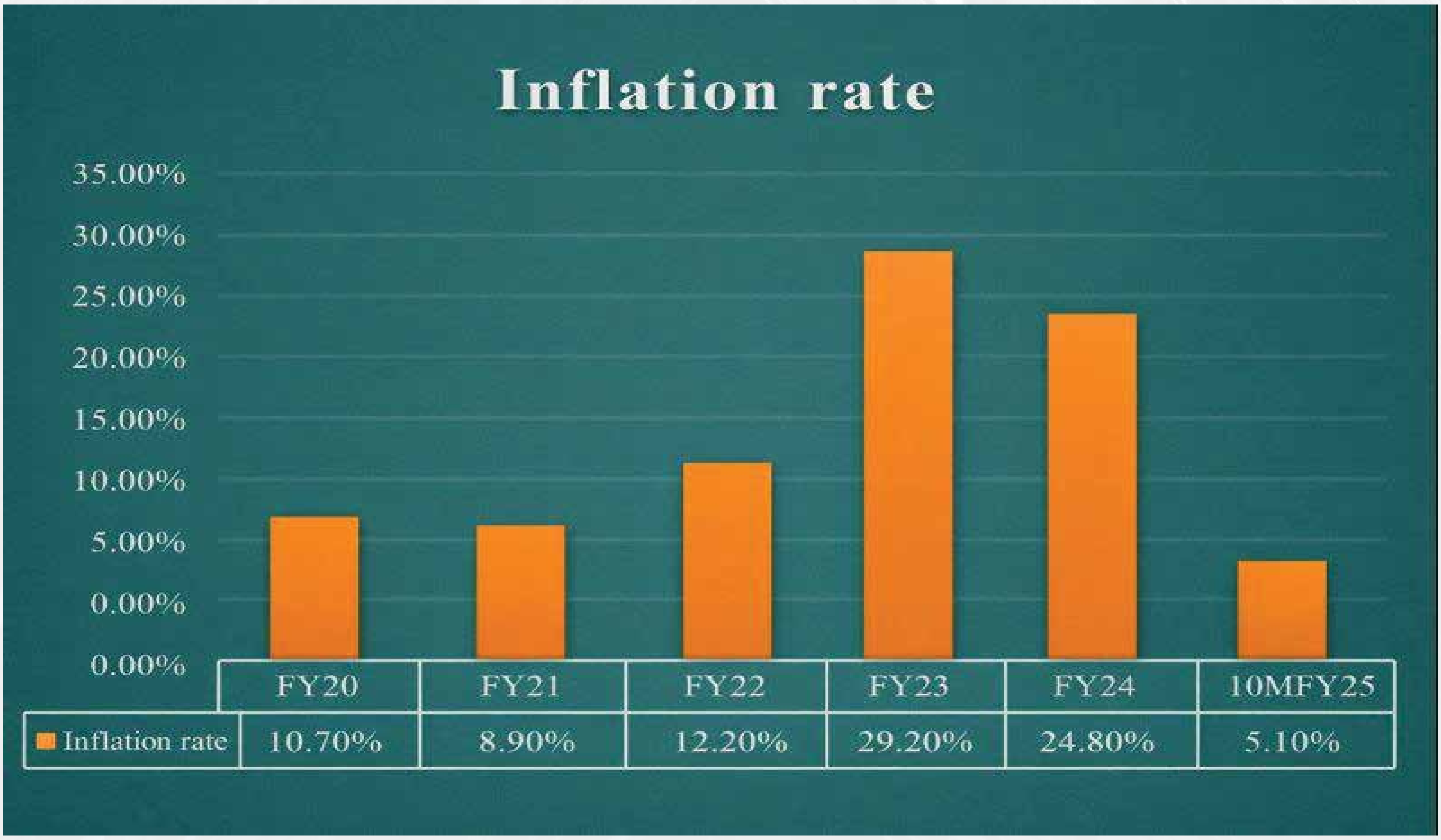
**CPI inflation fell to 5.1%, down from 24.8% last year**

**Decline driven by:**

- Improved food supply conditions
- Lower energy costs
- Soft domestic demand
- Easing global commodity prices

**What It Means**

- Marks a significant shift from inflationary stress to price stability
- Created space for monetary easing
- Improved consumer purchasing power and business confidence



# Foreign Direct Investment (FDI) Fy2025 Overview

Despite improving macroeconomic conditions, FDI inflows softened slightly in FY2025, reflecting a cautious global investment environment.

## Overall Trend

FDI declined by 2.7% during the first ten months of FY2025
Total inflows: USD 1.79 billion (vs. USD 1.84 billion last year)

## Decline mainly due to:

- Global geopolitical tensions
- Heightened investor risk aversion
- Slower global trade and capital flows
- Reduced Chinese outbound investment

## Sectoral Performance

**Finance sector:**

- FDI increased by over 11%
- Growth driven by banking sector liberalization and a rapidly expanding fintech ecosystem

**Power sector:**

- Marginal growth supported by long-term CPEC projects, including coal and renewable energy
- Regulatory clarity and tariff rationalization improved investor confidence

## Oil & Gas exploration:

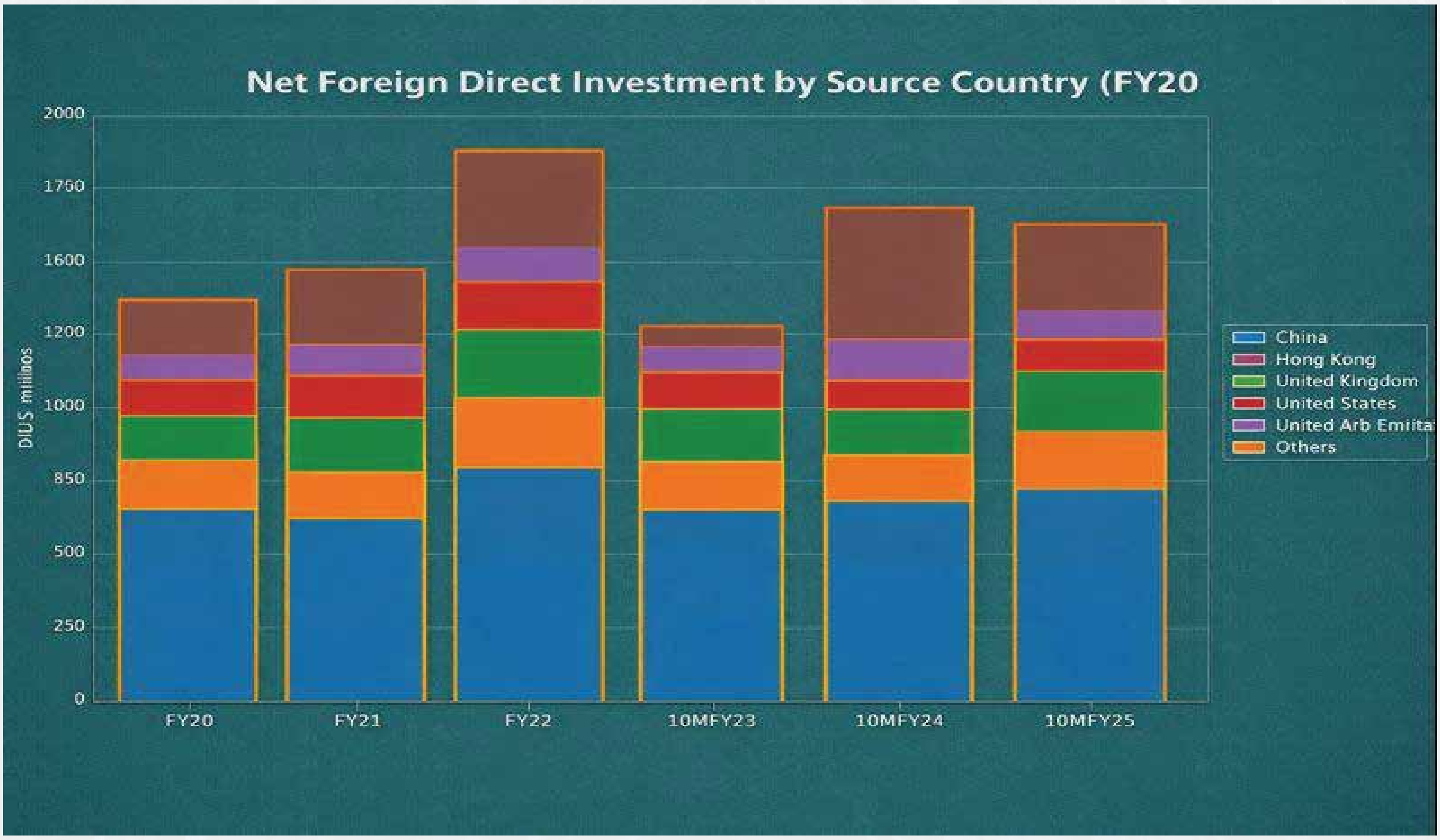
FDI increased following streamlined licensing procedures
Strong interest from Hong Kong–based investors

## Note

- FDI peaked in FY2022 before weakening amid global tightening and uncertainty.
- China remained the largest contributor across all periods.
- Volatility in “Others” reflects one-off project inflows and timing effects.
- Post-FY22 decline highlights global risk aversion, not Pakistan-specific alone.

# Net Foreign Direct Investment (Usd Million)

| Country / Region | FY20 | FY21 | FY22 | 10MFY23 | 10MFY24 | 10MFY25 |
|---|---|---|---|---|---|---|
| **China** | 650 | 610 | 780 | 604 | 512 | 711 |
| **Hong Kong** | 180 | 195 | 260 | 207 | 176 | 197 |
| **United Kingdom** | 190 | 210 | 260 | 226 | 199 | 210 |
| **United States** | 130 | 145 | 180 | 152 | 94 | 90 |
| **United Arab Emirates** | 85 | 100 | 130 | 92 | 116 | 102 |
| **Others** | 210 | 320 | 450 | 70 | 740 | 475 |
| **Total FDI** | **1,445** | **1,580** | **2,060** | **1,349** | **1,837** | **1,785** |



# POLICY RATE

# Monetary Policy & Interest Rate Environment – Fy2025

As inflation pressures eased globally, monetary policy shifted from tightening to easing, creating room to support economic recovery.

### Policy Rate Movement

- **Easing cycle began:** June 2024
- Policy rate reduced from 22% to 13.5% by February 2025
- Total reduction: 850 basis points in nine months
- Further cuts brought the policy rate down to 11% by May 2025
- Cumulative easing: 1,100 basis points since June 2024

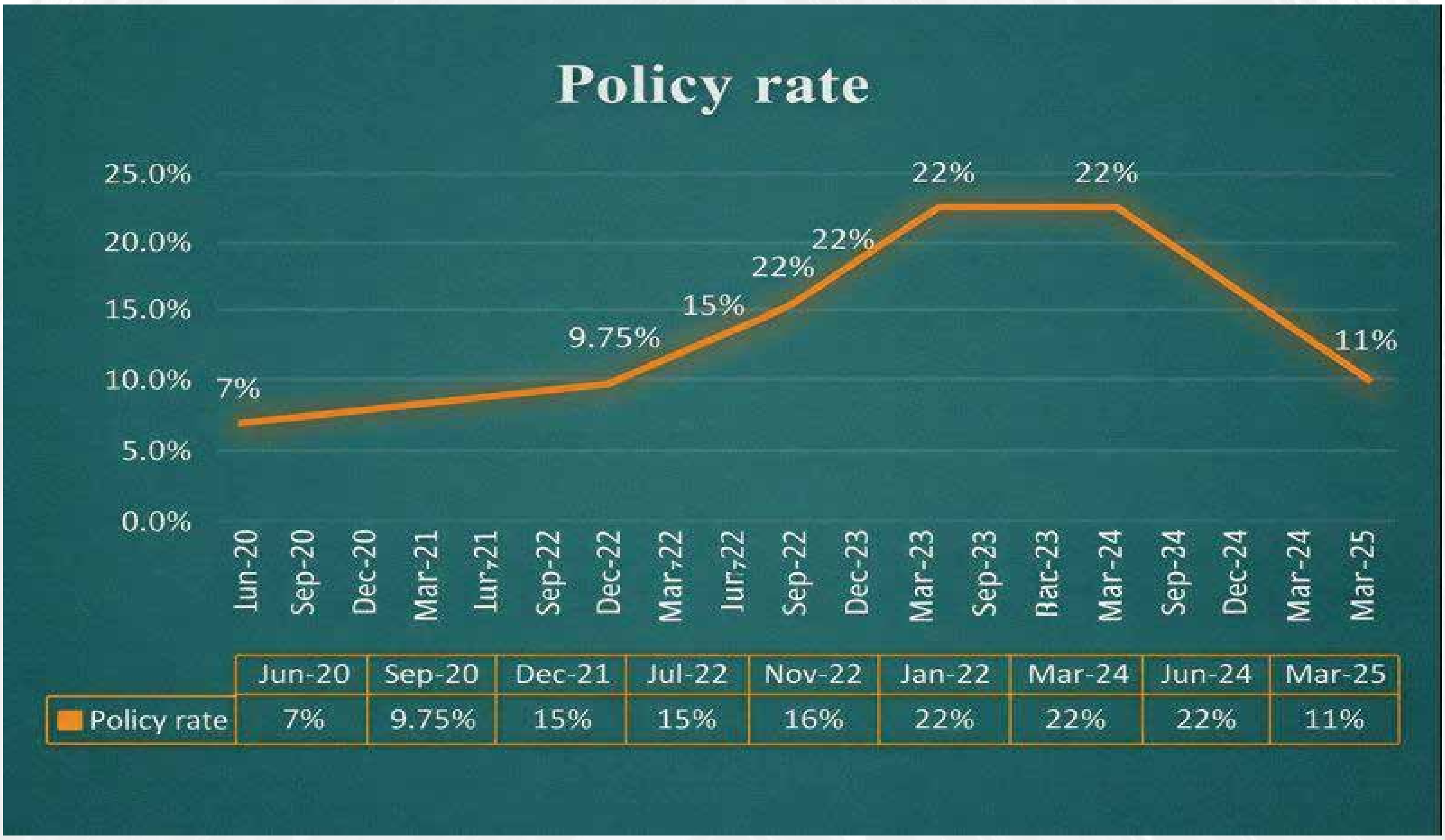
### Inflation Backdrop

Headline inflation fell sharply, reaching 0.3% in April 2025
Disinflation supported by:

- Lower energy tariffs
- Decline in food prices
- Favorable base effects

### What This Signals

- Clear shift toward stimulating economic activity
- Improved credit conditions for businesses
- Monetary policy is now aligned with price stability and macroeconomic stabilization




| | Jun-20 | Sep-20 | Dec-21 | Jul-22 | Nov-22 | Jan-22 | Mar-24 | Jun-24 | Mar-25 |
|---|---|---|---|---|---|---|---|---|---|
| Policy rate | 7% | 9.75% | 15% | 15% | 16% | 22% | 22% | 22% | 11% |

# Remittances

Remittances played a decisive role in strengthening Pakistan's external position during FY2025, providing critical foreign exchange support.

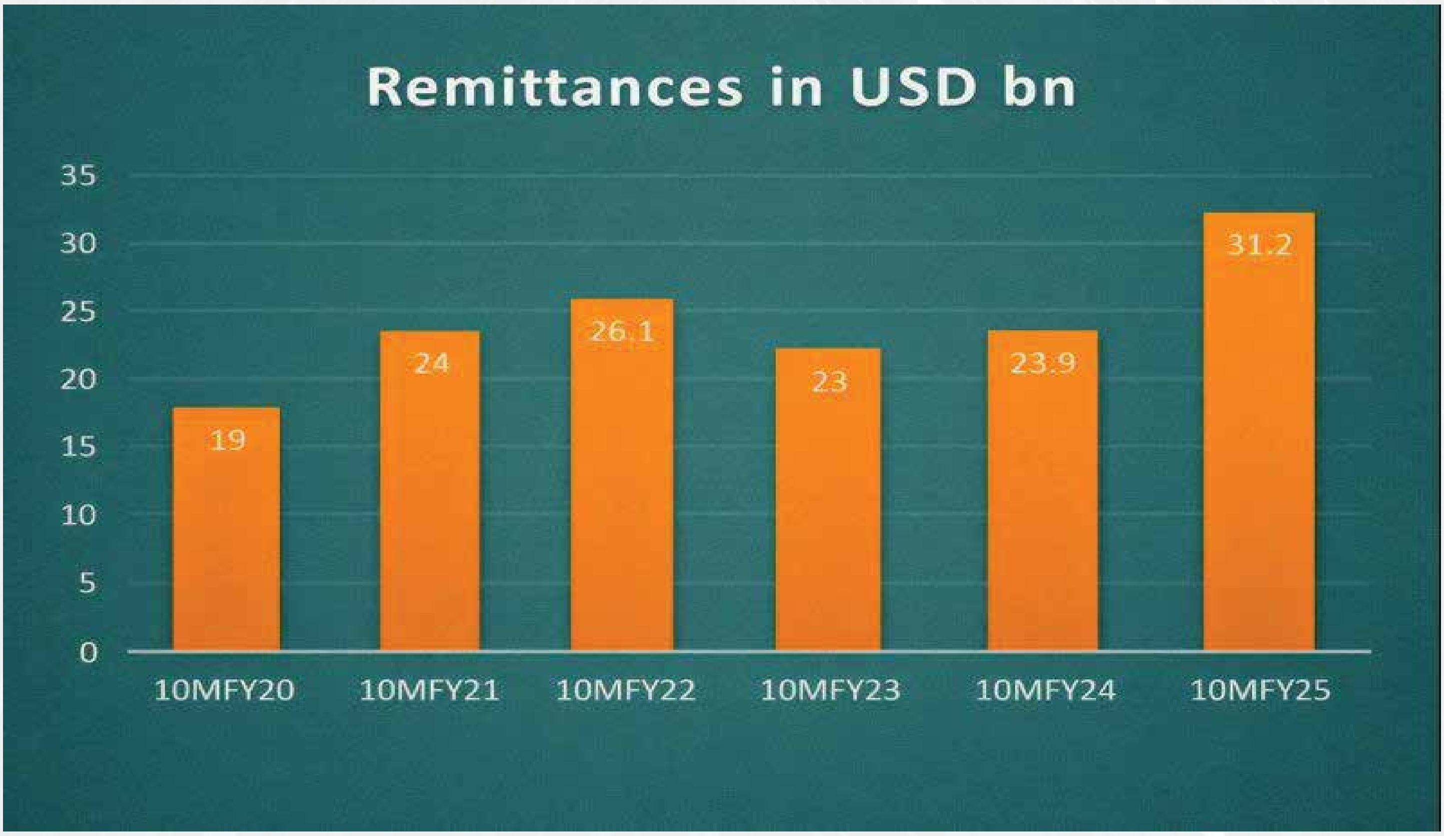
- **Total remittances:** USD 31.2 billion
- **Growth:** +31% year-on-year
- **Record monthly inflow:** USD 4.1 billion in March 2025

## Major Source Countries

- Saudi Arabia: 24% (largest contributor)
- UAE: 20%
- UK: 15%
- Others: USA, Oman, and additional corridors

### Economic Impact

- Supported a current account surplus of USD 1.9 billion (July–April FY25)
- Helped reverse the previous year's deficit
- Strengthened foreign exchange liquidity and macro stability



# KIBOR Rate

**KIBOR & Credit Conditions – FY2025**

Following the monetary easing cycle, market interest rates adjusted quickly, improving borrowing conditions for businesses.

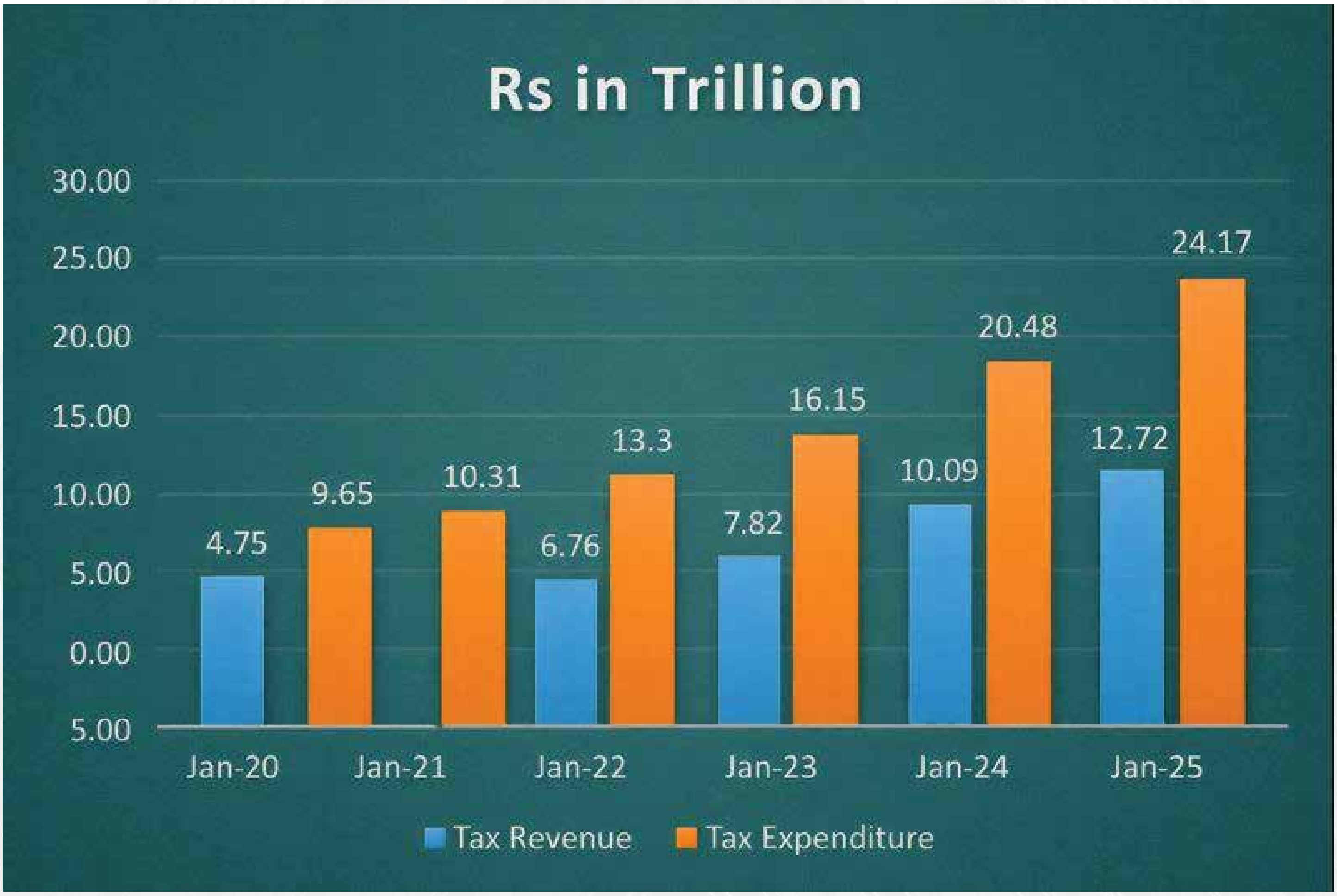
- 6-month KIBOR fell to 11.13% by May 2025
- Down from 20% at the start of FY2025
- Reflects faster transmission of monetary easing

## Economic Impact

Lower financing costs for businesses Improved credit availability, especially for:

- Working capital needs
- Manufacturing and production activity
- Supported early signs of private sector credit recovery

# Tax Revenue & Expenditure

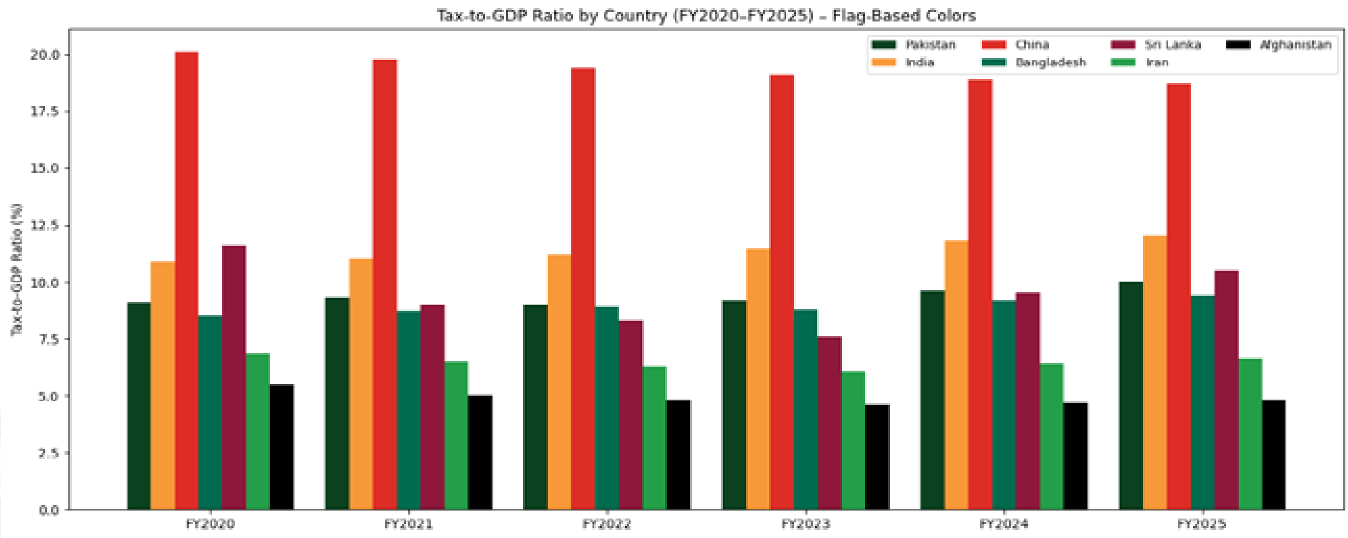



- Tax expenditure has consistently grown faster than tax revenue over the period.
- The revenue expenditure gap has widened steadily since 2020.
- Tax revenue growth remains gradual despite nominal economic expansion.
- Expenditure pressures intensified sharply after 2022.
- Fiscal imbalance is driven more by spending growth than revenue weakness alone.
- The trend highlights structural fiscal stress rather than short-term volatility.

# Tax-To-GDP Ratio Comparison (% of GDP)

Pakistan and Neighbouring Economies (FY2020–FY2025)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **FY2020** | ~9.1% | ~10.9% | ~20.1% | ~8.5% | ~11.6% | ~6.8% | ~5.5% |
| **Fiscal Year** | **Pakistan** | **India** | **China** | **Bangladesh** | **Sri Lanka** | **Iran** | **Afghanistan** |
| **FY2021** | ~9.3% | ~11.0% | ~19.8% | ~8.7% | ~9.0% | ~6.5% | ~5.0% |
| **FY2022** | ~9.0% | ~11.2% | ~19.4% | ~8.9% | ~8.3% | ~6.3% | ~4.8% |
| **FY2023** | ~9.2% | ~11.5% | ~19.1% | ~8.8% | ~7.6% | ~6.1% | ~4.6% |
| **FY2024** | ~9.6% | ~11.8% | ~18.9% | ~9.2% | ~9.5% | ~6.4% | ~4.7% |
| **FY2025** | **~10.0%** | **~12.0%** | **~18.7%** | **~9.4%** | **~10.5%** | **~6.6%** | **~4.8%** |



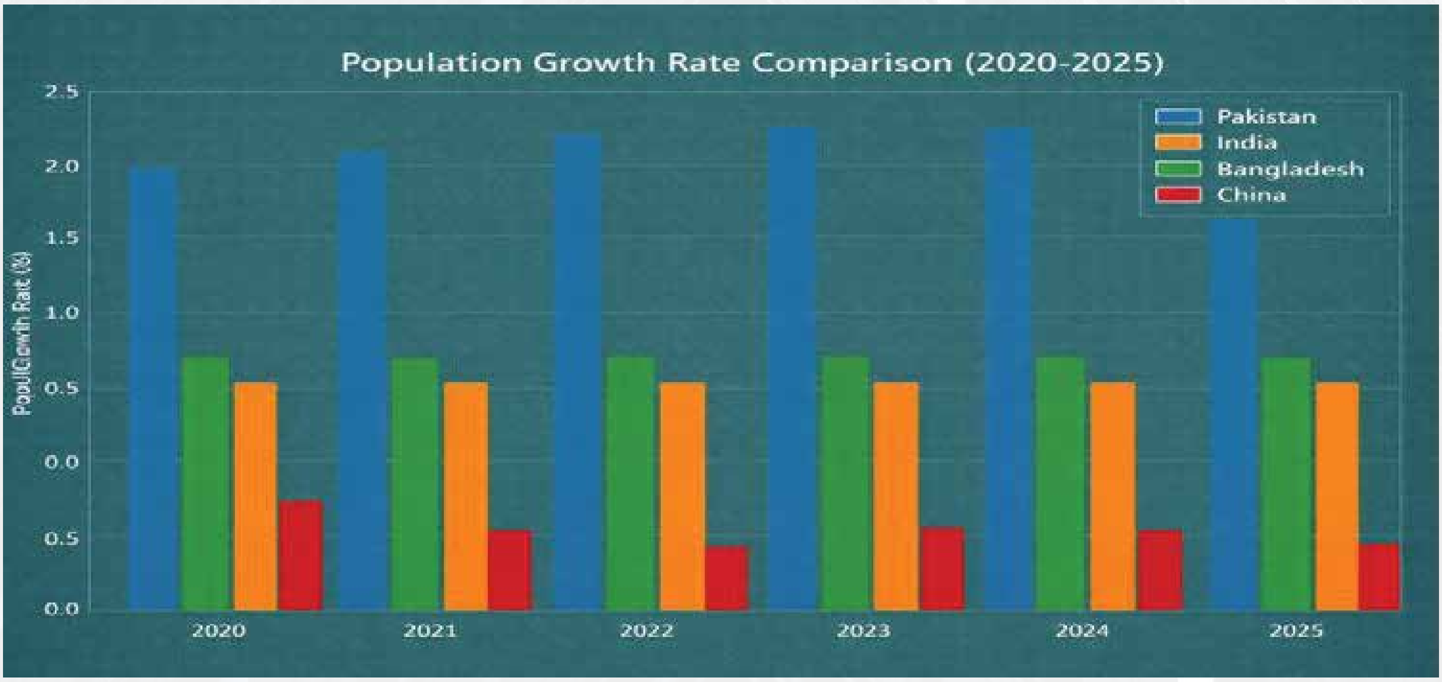

# Population Growth Rate: Regional Comparison

## Population Dynamics

Between 2020 and 2025, Pakistan's population grew at more than twice the pace of India and Bangladesh, while China transitioned into demographic decline.

- Pakistan added ~21 million people between 2020–2025.
- India remains the largest population globally, overtaking China.
- Bangladesh shows slowing but steady growth.
- China entered a population decline after 2022.
- Pakistan's demographic pressure is regionally unmatched.

| Year | Pakistan | India | Bangladesh | China |
|---|---|---|---|---|
| **2020** | 2.00% | 1.00% | 1.10% | 0.34% |
| **2021** | 2.10% | 0.95% | 1.05% | 0.15% |
| **2022** | 2.37% | 0.90% | 1.00% | **-0.02%** |
| **2023** | 2.55% | 0.85% | 0.95% | **-0.08%** |
| **2024** | 2.55% | 0.82% | 0.92% | **-0.10%** |
| **2025** | 2.55% | 0.80% | 0.90% | **-0.12%** |



# LSM-Sectoral Performance

# LSM (Large Scale Manufacturing)

## Manufacturing & LSM Performance FY2025

Despite broader macroeconomic stabilisation, manufacturing activity remained under pressure in FY2025, showing only limited signs of recovery.

**Overall Manufacturing**

Growth: **1.3%** in FY2025

Slower than **3.0%** recorded last year

- Reflects ongoing structural and cost-related challenges

**Large-Scale Manufacturing (LSM)**

LSM contracted by **1.5%** during July–March FY2025

**Early recovery signs:**

**1.8%** YoY growth in March 2025

Slightly higher than **1.7%** in March 2024

**Sectoral Performance (LSM)**

Resilient segments:

Textiles: **2.2%**

Wearing apparel: **7.6%**

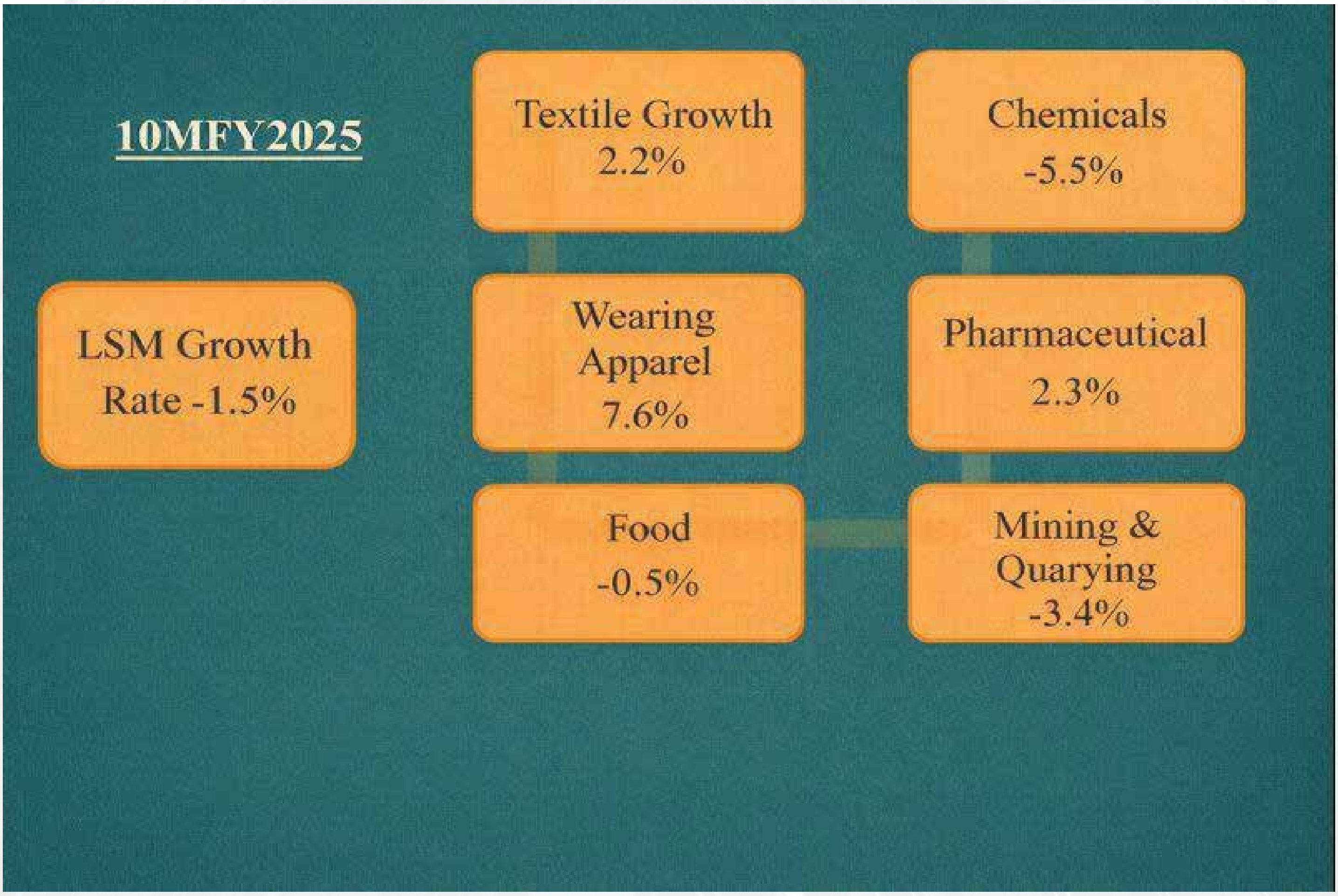
Coke & petroleum products: **4.5%**

Pharmaceuticals: **2.3%**

Automobiles: **40%** (strong rebound)

**Weak segments:**

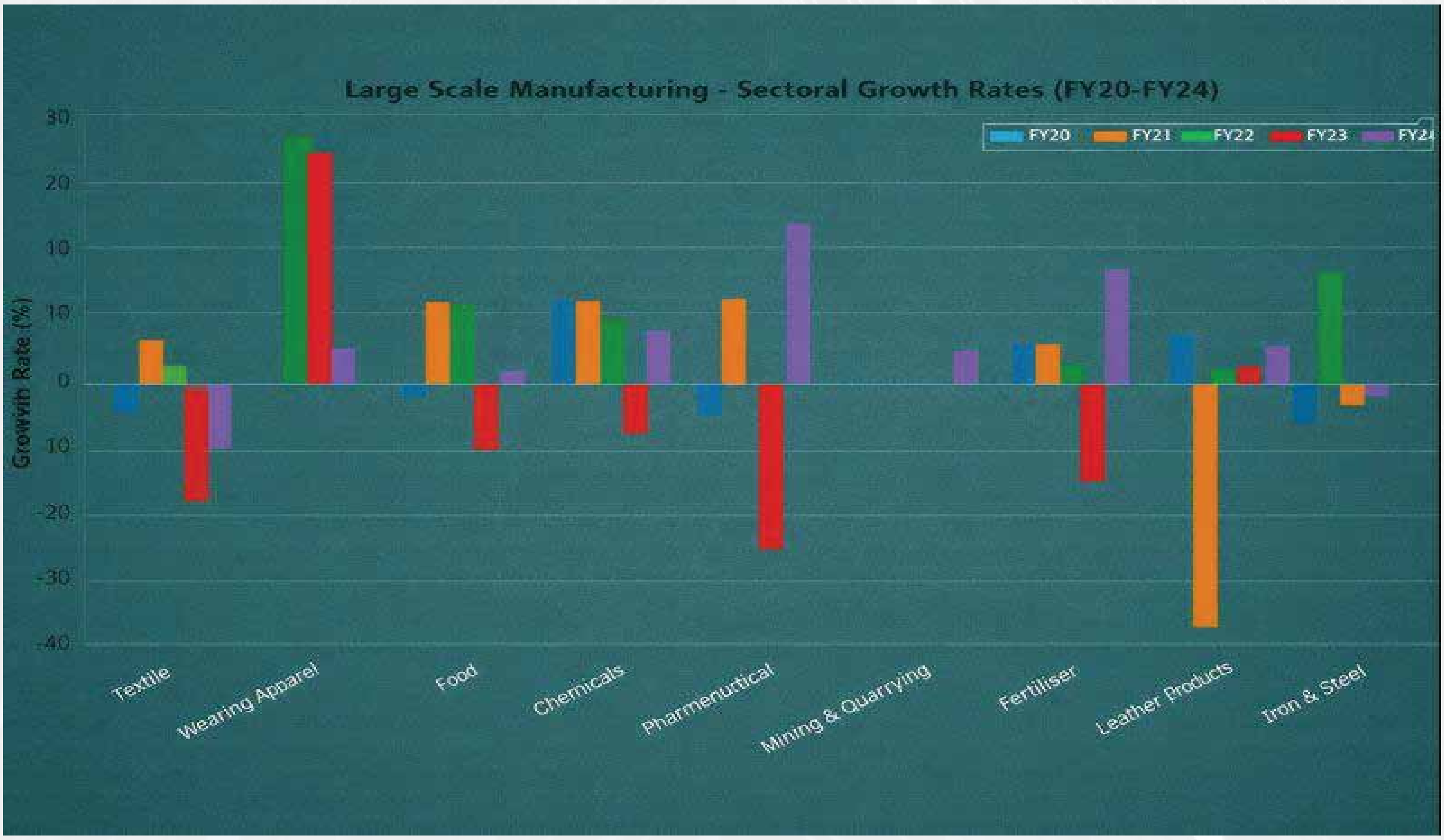
- Food
- Chemicals
- Iron & steel
- Electrical equipment




## Growth Rate FY24 – FY25

| Sector / Year | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|
| **LSM Growth Rate** | -0.1% | -8.1% | 10.6% | 4.6% | -4.3% |
| **Textile Growth** | -8.3% | -16.0% | 3.23% | 5.9% | -2.58% |
| **Wearing Apparel** | 5.4% | 31.7% | 33.92% | — | — |

| | | | | | |
|---|---|---|---|---|---|
| **Food** | 1.7% | -8.7% | 11.21% | 11.73% | -1.69% |
| **Chemicals** | 8.0% | -6.29% | 8.02% | 11.65% | 11.35% |
| **Pharmaceuticals** | 23.2% | -23.2% | -0.42% | 12.57% | -5.29% |
| **Mining & Quarrying** | 4.9% | — | — | — | — |
| **Fertilizer** | 16.4% | -9.54% | 3.29% | 5.69% | 5.81% |
| **Leather Products** | 5.3% | 2.5% | 2.16% | -38.26% | 6.5% |
| **Iron & Steel Products** | -2.2% | -4.02% | 16.55% | 1.66% | -7.96% |



# Macroeconomic Comparison with Neighboring Economies

### Key Macroeconomic Indicators Of FY2025

**Source: IMF, Economic Survey**

## Analytical Overview:

## Regional Comparison

Between FY2023 and FY2025, Pakistan's economy showed clear signs of stabilisation, moving away from acute stress toward gradual recovery.

**Pakistan**

GDP growth improved, and inflation declined sharply by FY2025
Despite progress, Pakistan continues to face:

- Lower per capita income
- Higher unemployment
- Greater inflation volatility

These trends point to structural weaknesses and adjustment costs

**Regional Peers**

India

- Maintained strong and consistent growth
- Supported by stable inflation, low unemployment, and a resilient external sector

**Bangladesh**

- Growth moderated but remained relatively stable
- Continued to face inflationary pressures
- Employment indicators stayed comparatively steady

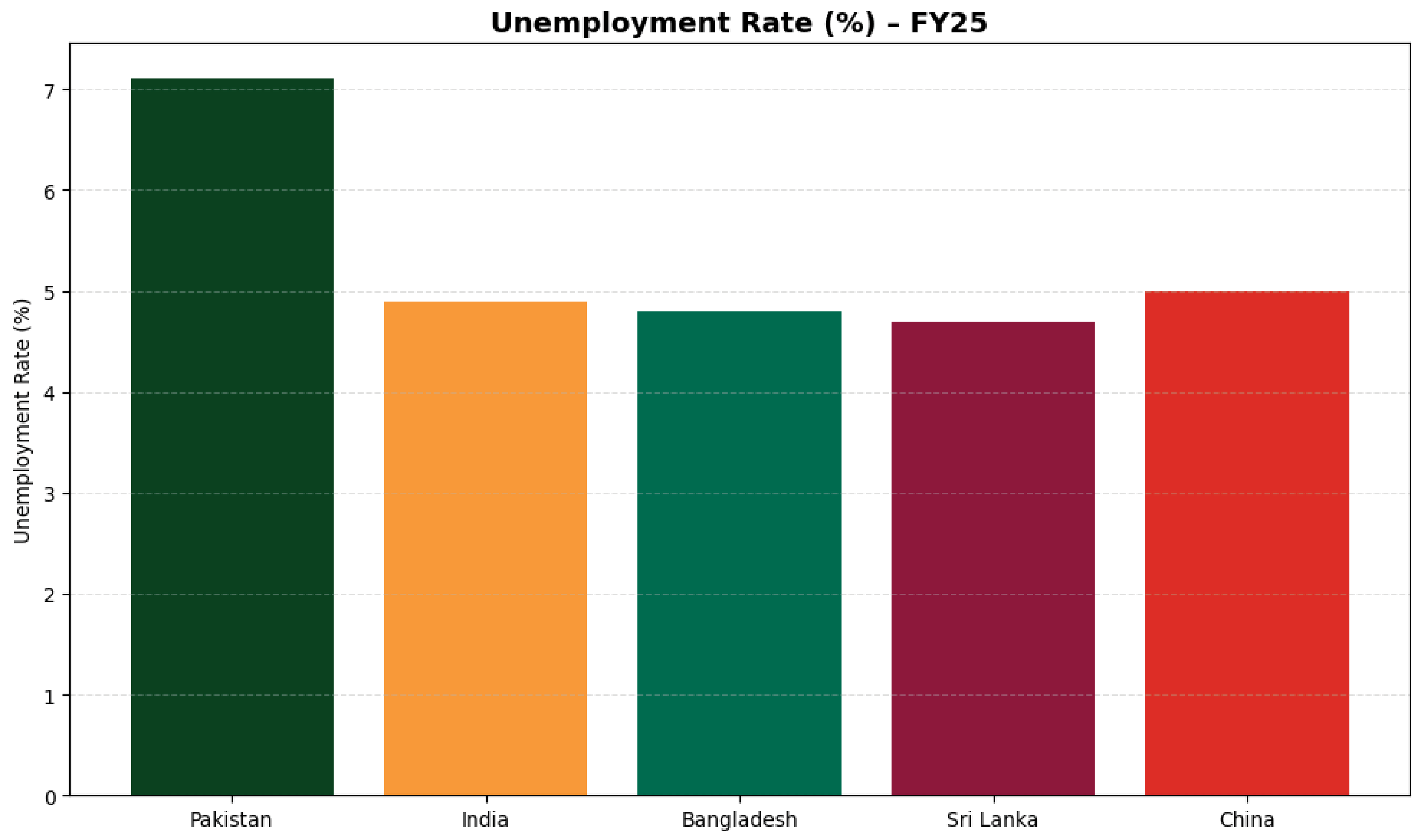
**Sri Ltanka**

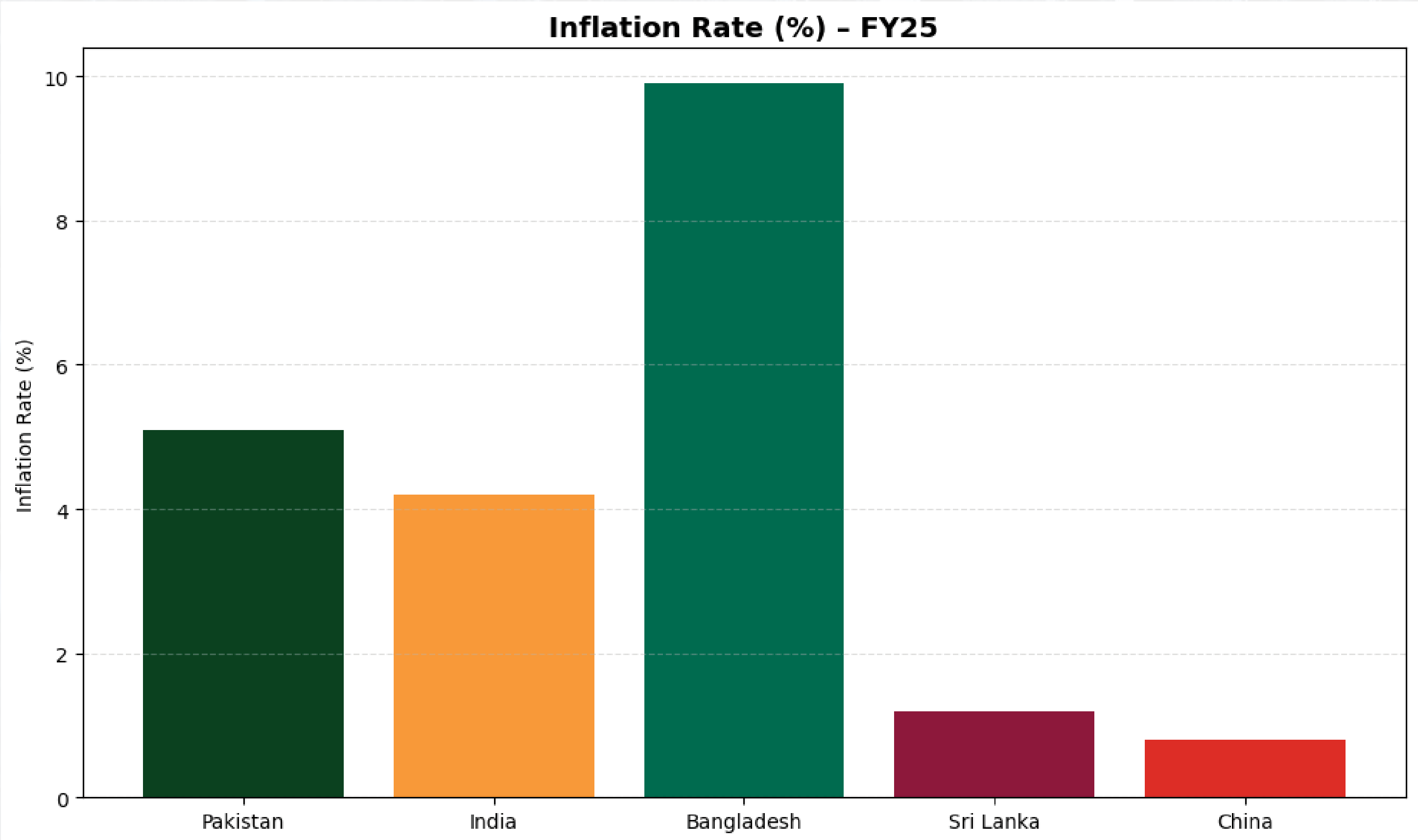
- Reflected post-crisis stabilisation
- Achieved sharp disinflation and external account surpluses
- Medium-term data remains limited

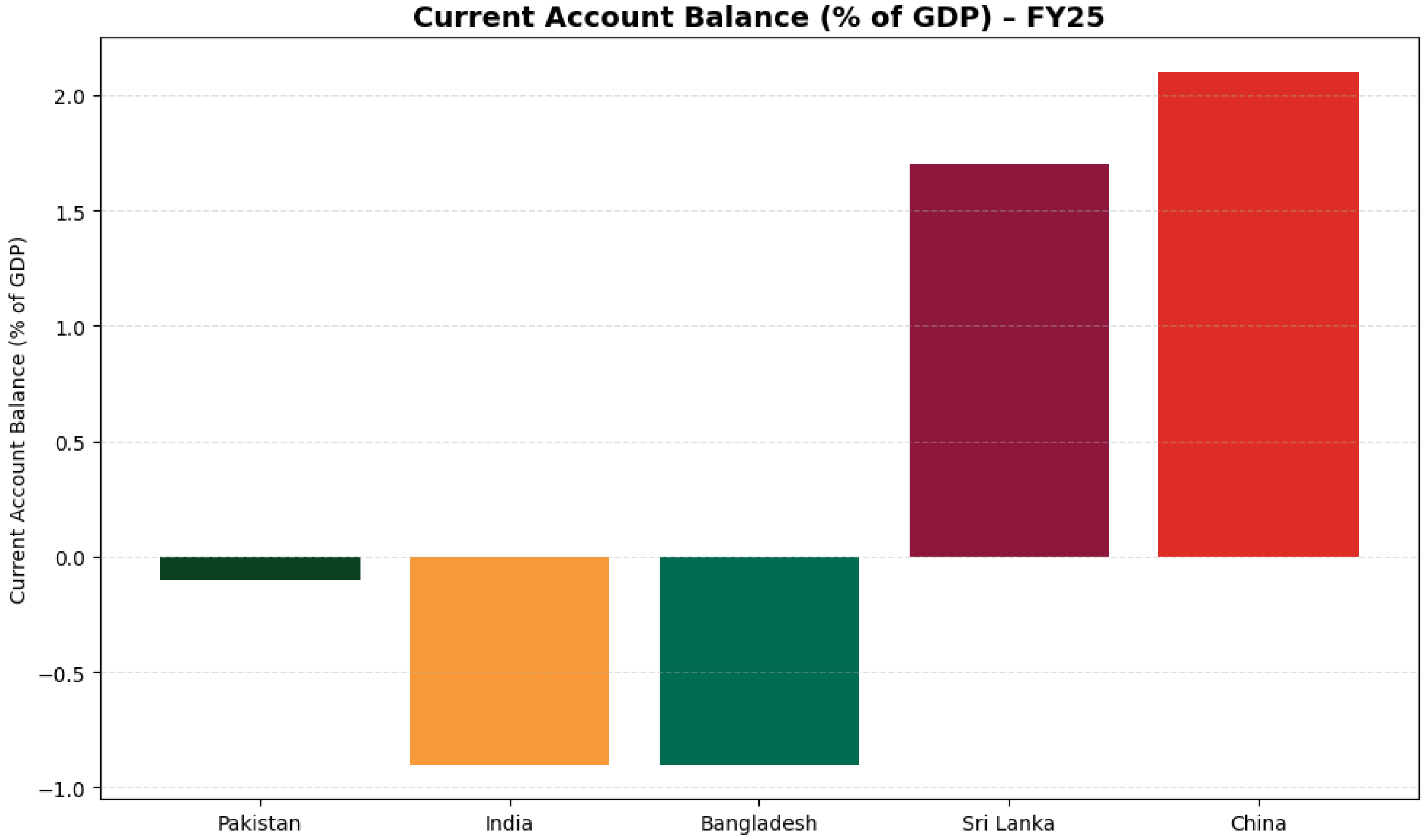
**Key Takeaways**

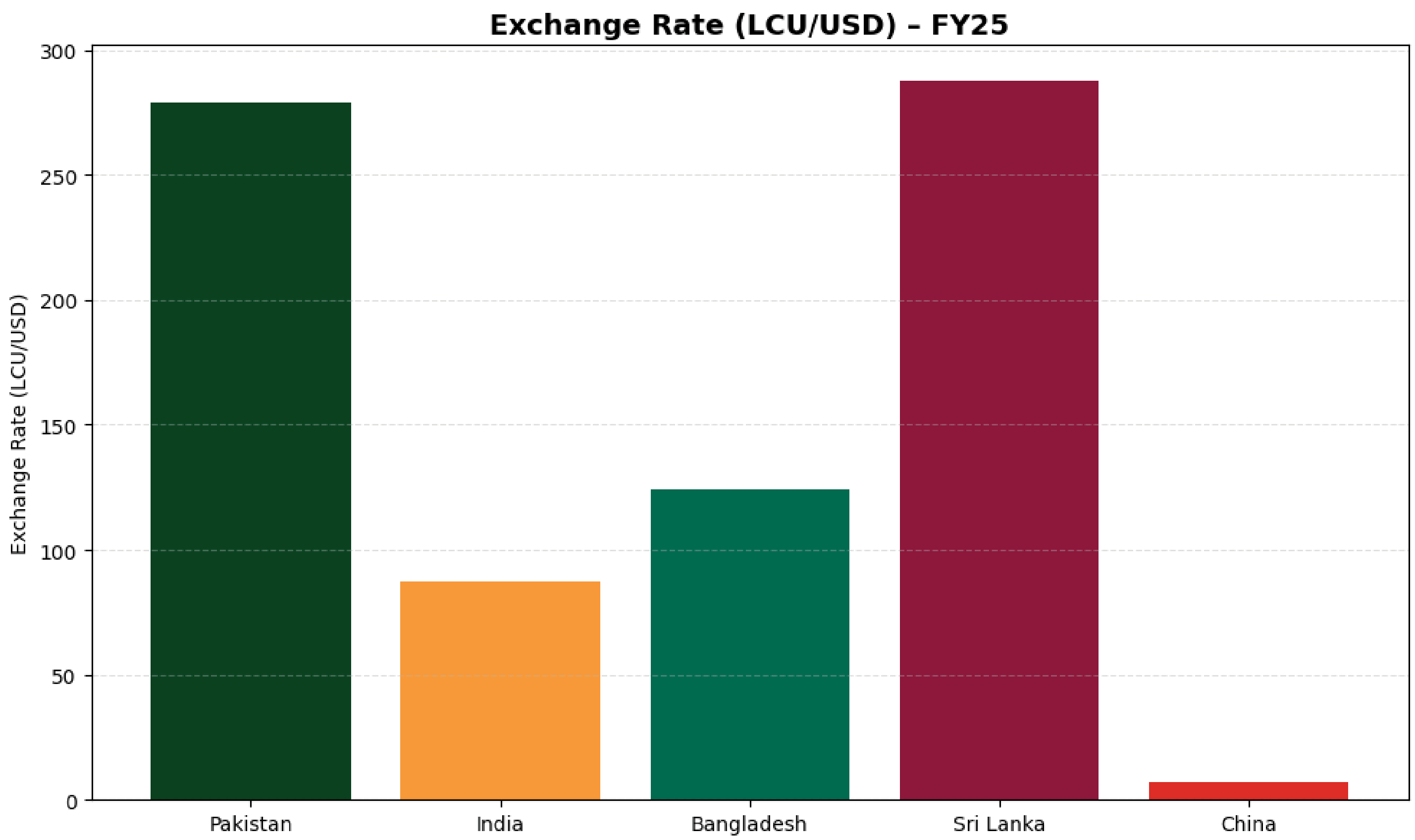
Pakistan has stabilised, but is still catching up regionally
Convergence with peers will require:

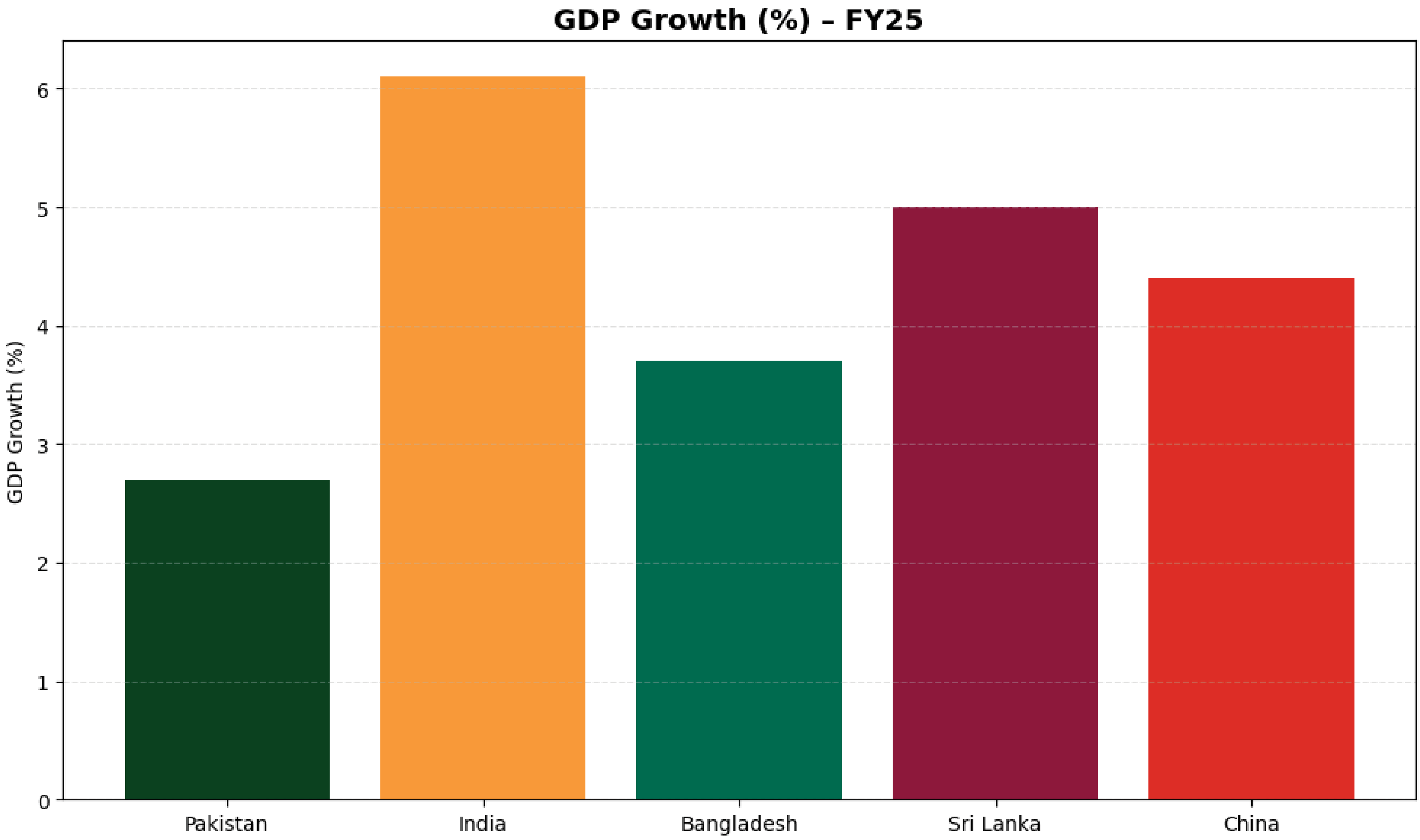
- Structural reforms
- Productivity improvements
- Stronger and more resilient external sector

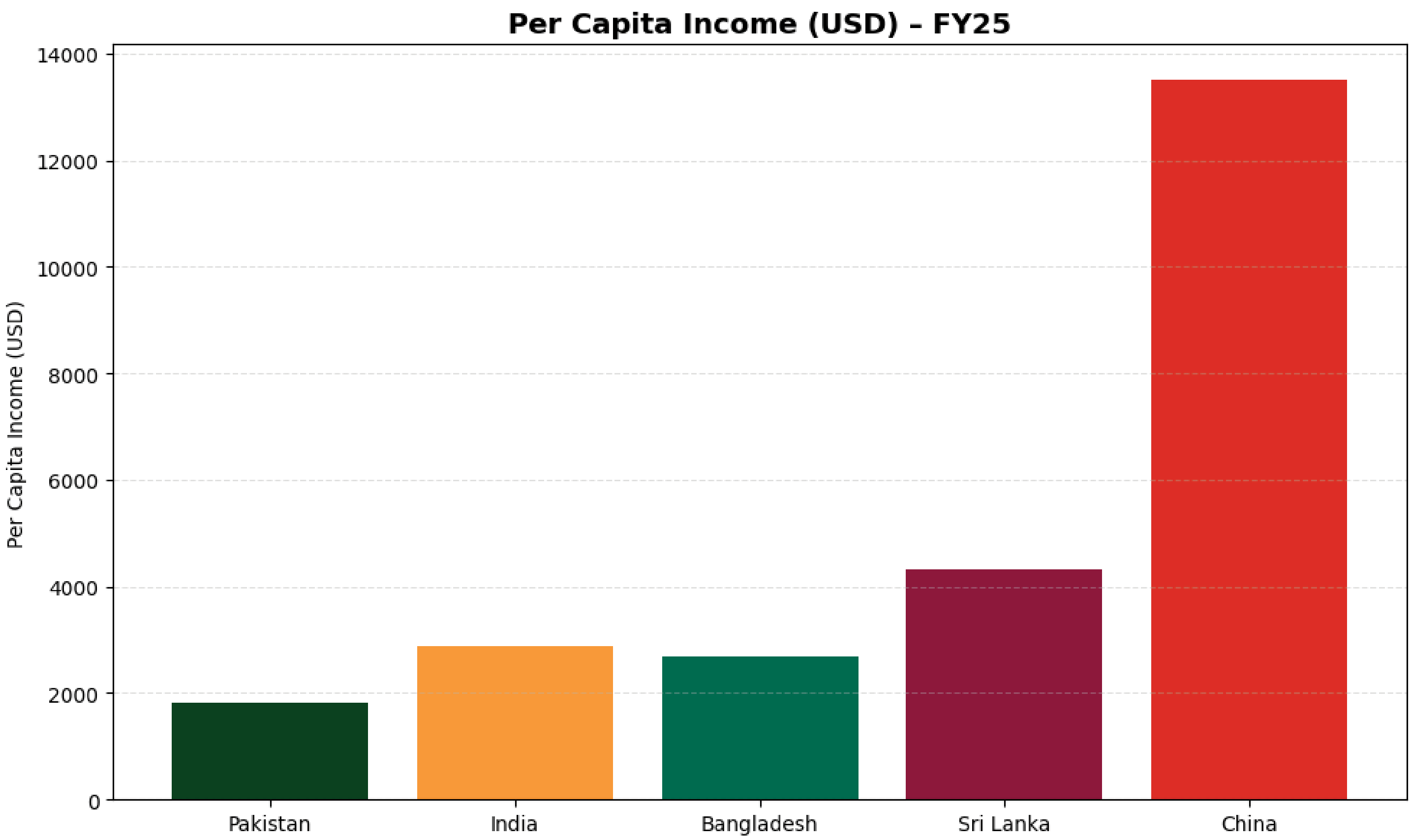

Unemployment Rate (%) – FY25
Unemployment Rate (%)
0
1
2
3
4
5
6
7
Pakistan
India
Bangladesh
Sri Lanka
China


Inflation Rate (%) – FY25
Inflation Rate (%)
0
2
4
6
8
10
Pakistan
India
Bangladesh
Sri Lanka
China


Current Account Balance (% of GDP) – FY25
Current Account Balance (% of GDP)
2.0
1.5
1.0
0.5
0.0
−0.5
−1.0
Pakistan
India
Bangladesh
Sri Lanka
China


Exchange Rate (LCU/USD) – FY25
Exchange Rate (LCU/USD)
300
250
200
150
100
50
0
Pakistan
India
Bangladesh
Sri Lanka
China

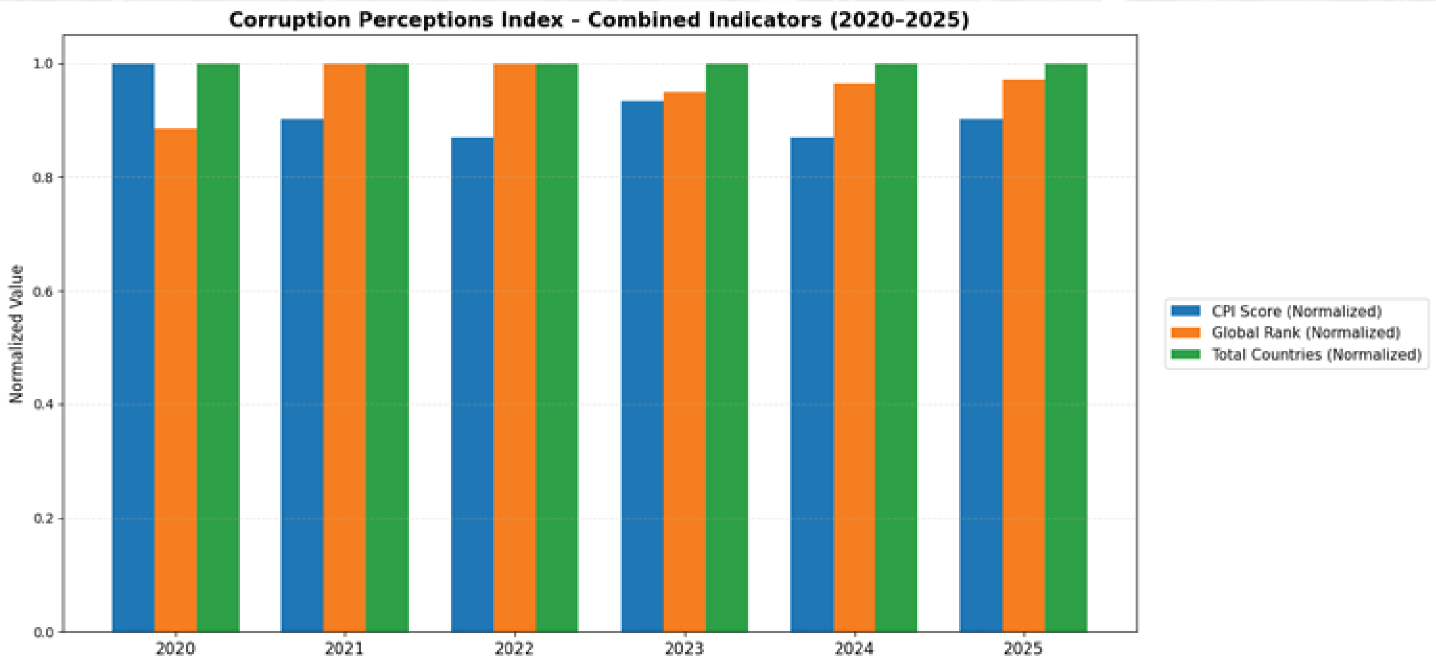

GDP Growth (%) – FY25
GDP Growth (%)
0
1
2
3
4
5
6
Pakistan
India
Bangladesh
Sri Lanka
China


Per Capita Income (USD) – FY25
Per Capita Income (USD)
0
2000
4000
6000
8000
10000
12000
14000
Pakistan
India
Bangladesh
Sri Lanka
China

# Corruption Perception Index (CPI)

## Pakistan – 5-Year Trend

| Year | CPI Score | Global Rank | Total Countries |
|---|---|---|---|
| **2020** | 31 | 124 | 180 |
| **2021** | 28 | 140 | 180 |
| **2022** | 27 | 140 | 180 |
| **2023** | 29 | 133 | 180 |
| **2024** | 27 | 135 | 180 |
| **2025** | 28 | 136 | 180 |



# Notes:

**Understanding the Index**

CPI score range: 0 to 100

- 0 = highly corrupt
- 100 = very clean
- A higher score indicates lower perceived corruption

**Pakistan's Position**

CPI score (2025): 28 points

- Improved from 25 points in 2024
- Long-term average (1995–2025): 25 points

**Global Context**

- World average: 44 points (based on 182 countries)
- Pakistan remains below the global average

**Historical Range**

- Lowest score: 10 points (1995)
- Highest score: 31 points (2017)

**Key Takeaway**

Recent improvement signals modest progress, but structural governance challenges remain