KPMG Taseer Hadi & Co.
Chartered Accountants

Economic Brief 2026

June 2026

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Preface

Economic Brief 2026 is a publication prepared by KPMG Taseer Hadi & Co. to provide information and commentary on the performance of Pakistan's economy during FY26.

This publication includes an overview of the economic performance of Pakistan during FY26 and our analysis & commentary on key macro economic indicators. This publication is primarily based on the Pakistan Economic Survey 2025-26 released on 11 June 2026.

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Pakistan's Economy in FY26

Pakistan's economic performance in FY26 can be summed up in two words: stabilization without transformation.

On the positive side, the economy showed clear signs of recovery. GDP grew by 3.7%, its strongest performance in four years, while per capita income exceeded USD 1,900. Fiscal management improved significantly, with the Fiscal deficit narrowing to just 0.7% of GDP during 9MFY26. Foreign exchange reserves increased to USD 22.6 bn, the stock market returned nearly 35%, and the successful completion of the IMF review signaled renewed confidence in Pakistan's macroeconomic management.

However, the underlying economic structure remains fragile. Exports fell by 16.8% during 10MFY26, reflecting both weak global demand and long-standing competitiveness issues. The trade deficit widened, the current account surplus disappeared, and inflation re-emerged, forcing the State Bank of Pakistan to raise interest rates to 11.5%. FDI declined by 26% to USD 1.4 bn, while unemployment increased from 6.3% to 7.1%, leaving roughly 1.4 mn additional people without jobs.

Although tax revenues increased, much of the tax burden continues to fall on the formal and salaried sectors, while large segments of agriculture, trade, and real estate remain lightly taxed.

Investment remains low. Pakistan's investment-to-GDP ratio improved to 14.4% but remains well below the level needed to sustain the 6 to 7% growth required to generate sufficient employment opportunities.

Financial markets and real investment are telling different stories. The stock market reached record highs, yet FDI declined. This suggests that investors are increasingly comfortable with short-term financial opportunities but remain cautious about committing capital to productive assets that depend on regulatory stability and policy consistency.

Taken together, FY26 marks an important step away from economic crisis and towards stability. Yet stability alone is not a growth strategy. The next challenge is to convert macroeconomic gains into stronger exports, higher investment, broader job creation, and a more equitable tax system. Until then, Pakistan's recovery will be encouraging yet still incomplete.

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Pakistan Macroeconomic Snapshot 2026

3.7%
GDP growth rate
2025: 3.2%

6.2%
Inflation rate
10M2025: 4.7%

11.5%
Policy rate
9M2025: 11%

0.1 USD bn
Current Account Balance
10M2025: 1.9 USD bn

0.7%
Fiscal Deficit as % of GDP
9M2025: 2.6%

1,901 USD
Per Capita Income
2025: 1,751 USD

281.1
PKR/USD Parity
9M2025: 278.7

22.6 USD bn
FOREX Reserves
10M2025: 16.6bn

30.3 USD bn
Workers' Remittances
10M2025: 31.2 USD bn

50.7 USD bn
Imports
10M2025: 48.6 USD bn

22.7 USD bn
Exports
10M2025: 27.3 USD bn

Source: Pakistan Economic Survey 2026

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Demographic Snapshot 2026

Total population

252.1 mn

as of 2025

Gender ratio

51.4% | 48.6%

Employment ratio

as of 2025

Total Employed (mn)	77.2
Total Unemployed (mn)	5.9
Unemployment Ratio	7.1%

Working age population

as of 2025

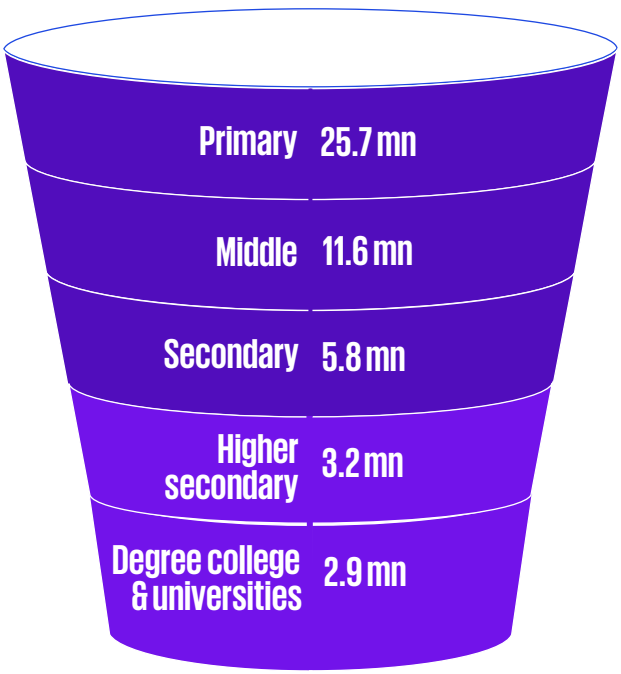
179.6 mn

Ages: 15 - 64 years

Education

Distribution of enrollments

Total students enrolled: ~ 59.6 mn



Pre-primary education	10.4 mn
Technical & vocal education	0.4 mn

Source: Pakistan Economic Survey 2026

HDI indicators

HDI is a composite measure assessing **life expectancy, education, and standard of living** to evaluate overall human development.

Country	Expected years of schooling	Mean years of schooling	HDI ranking
Iran	14	10.8	77
Sri Lanka	13.1	10.8	88
Maldives	12.8	7.4	91
Bhutan	13.2	5.8	126
Bangladesh	12.3	6.8	131
India	13	6.9	133
Nepal	13.8	4.5	150
Pakistan	7.9	4.3	168
Afghanistan	10.8	2.5	180

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FY26 Economic Highlights

MACRO VIEW	FY25	FY26
GDP Size (USD bn)	408	452
GDP Growth Rate	3.2%	3.7%
Per Capita Income (USD)	1,751	1,901
Avg Inflation (10M)	4.7%	6.2%

TRADE OPERATION	10MFY25	10MFY26
Imports (USD bn)	48.6	50.7
Exports (USD bn)	27.3	22.7
Trade (Deficit)	(21.3)	(28.0)

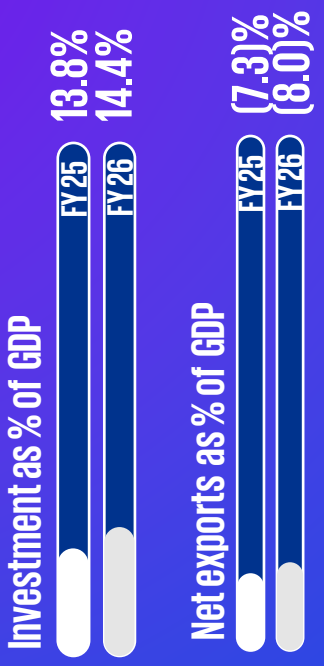
FISCAL OPERATION	9MFY25	9MFY26
Revenue (PKR bn)	13,370	14,799
Expenditure (PKR bn)	16,340	15,660
Budget Deficit (PKR bn)	(2,970)	(861)
Primary Balance as % of GDP	3.0%	3.2%

MONETARY SECTOR	9MFY25	9MFY26
Policy Rate	11.0%	11.5%
M2 Growth	4.5%	6.8%
Private Credit (PKR bn)	767.6	934.1
Agricuture Credit (PKR bn)	1,880	2,162

EXTERNAL SECTOR	10MFY25	10MFY26
Current Account Deficit (USD bn)	1.7	0.1
Workers Remittances (USD bn)	31.2	30.3
FDI (USD bn) (9MFY)	1.9	1.4
Forex Reserves (USD bn)	16.6	22.6
Exchange Rate USD	278.7	281.1

Source: Pakistan Economic Survey 2026, SBP





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FY26 Economic Highlights (Cont'd)

FISCAL REVENUE	9MFY25	9MFY26
	in PKR bn	
Tax Revenue	9,140	10,167
Non - Tax revenue	4,230	4,633

SECTOR WISE GROWTH RATES	FY25	FY26
Agricultural	1.5%	2.9%
Industrial	5.6%	3.5%
Services	3.1%	4.1%

EXPENDITURE	9MFY25	9MFY26
	in PKR bn	
Current Expenditure	14,590	14,270
Development Expenditure	1,540	1,830

GOVT. EXPENDITURE	9MFY25	9MFY26
	in PKR bn	
Markup Payments	6,438	4,948
Defense	1,424	1,690
PSDP	1,535	1,947

PAKISTAN DEBT PROFILE	Mar'25	Mar'26
	in PKR bn	
Domestic Debt	51,518	57,566
External Debt	24,489	25,720
Total Public Debt	76,007	83,286



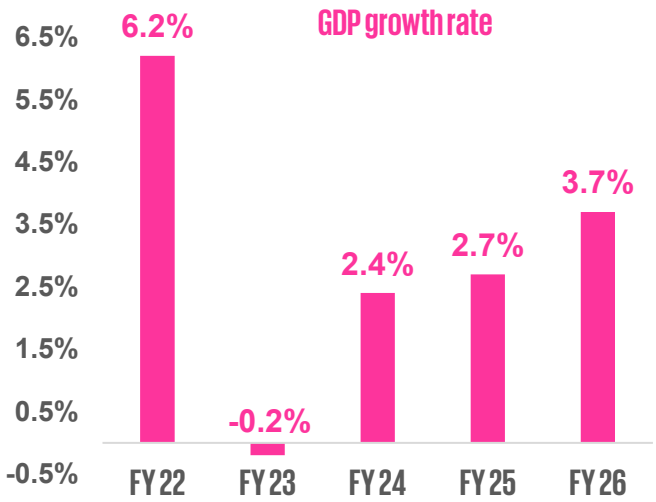


Source: Pakistan Economic Survey 2026, SBP

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Economy Expands 3.7% - Highest in last 4 years

Pakistan's economy GDP growth reached **3.7%**. This momentum is underpinned by a robust broad-based recovery in the industrial sector, particularly LSM, which expanded by **6.1%** during the 8MFY26, led by a significant surge in the automobile and textile sectors. Despite persistent risks from the Middle East conflict and rising global energy costs, headline inflation remained within a manageable **6.2%** range, while the fiscal deficit was effectively contained at **0.7%** of GDP through March 2026.



GDP Breakdown

Consumption
93.6%
of GDP in FY26

Investment
14.4%
of GDP in FY26

Net Exports
(8.0)%
of GDP in FY26

Agriculture growth rate 2.9%

Important crops grew **0.7%** overall such as sugarcane, wheat and rice.

Livestock, the largest subsector, accelerated by **3.8%.**

Industry growth rate 3.5%

Mining and quarrying recorded a modest growth of **0.4%** after last year's contraction, signaling recovery.

Construction grew 5.7% backed by public and private sector expenditure.

Services growth rate 4.1%

ICT was the **top performer** with a growth of **7.5%,** driven by computer programming & consultancy.

Public administration led large subsectors with **8.5%** growth, underpinned by federal and provincial budget expansions.

Source: Pakistan Economic Survey 2026

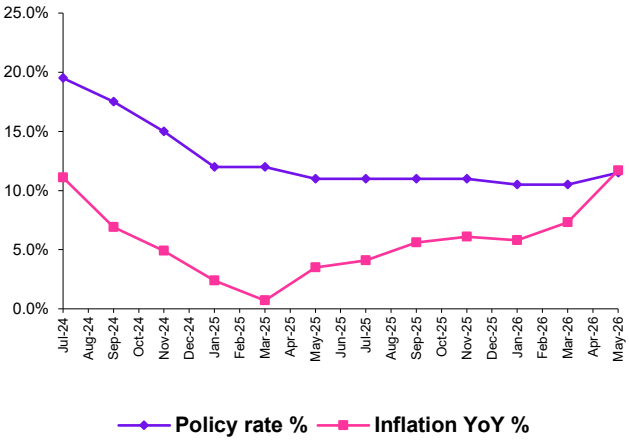
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Monetary Policy, Money Supply & Inflation Dynamics

Money Supply

M2 growth rose to **15.4%** on a year-on-year basis by end March FY 2026, up from **13.0%** in the same period last year. This expansion was driven by growth in both Net Foreign Assets, reflecting improved FX reserves, and Net Domestic Assets, supported by easing liquidity conditions and moderated government borrowing.

The interplay between policy rates and inflation

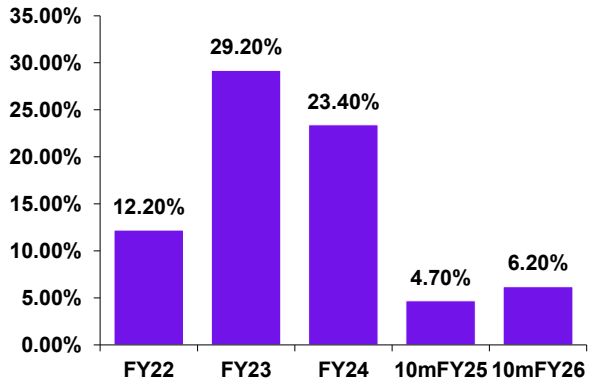


Source: Pakistan Economic Survey 2026

Inflation Rate

Average CPI inflation stood at **6.2%** during July-April FY 2026, up from **4.7%** last year, reflecting normalization from the low base of FY 2025. Inflation remained contained through most of the year, but escalating Middle East tensions drove energy-related cost pressures, pushing year on year CPI to **10.9%** in April 2026. Core inflation, however, remained relatively stable, indicating the spike was largely driven by external factors rather than domestic demand pressures.

Average Yearly Inflation



Source: SBP, PBS

Monetary Policy

Pakistan's monetary policy in FY 2026 was marked by cautious easing amid improving macroeconomic conditions. The MPC held the policy rate steady at 11% from July to November, prioritizing inflation control within the 5-7% medium-term target band. As flood-related risks dissipated and global commodity prices fell sharper than expected, the MPC cut the rate by 50 bps to 10.5% in December, bringing cumulative easing to 1,150 bps since June FY 2024. The rate was subsequently maintained at 10.5% through January and March to support economic recovery while preserving financial stability. Additionally, the SBP reduced the average Cash Reserve Requirement from 6 to 5%, easing liquidity conditions to further support credit flows.

Following a prolonged easing cycle, the SBP reversed course in April 2026, raising the policy rate by **100 bps** to **11.5%,** the first hike in nearly three years as escalating global energy prices linked to the Middle East conflict pushed headline inflation to **7.3%** in March 2026. This move aimed to anchor inflation expectations and preserve macroeconomic stability amid renewed external pressures.

Source: Pakistan Economic Survey 2026

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External Sector Inflows, Exports and Imports

Workers' Remittances

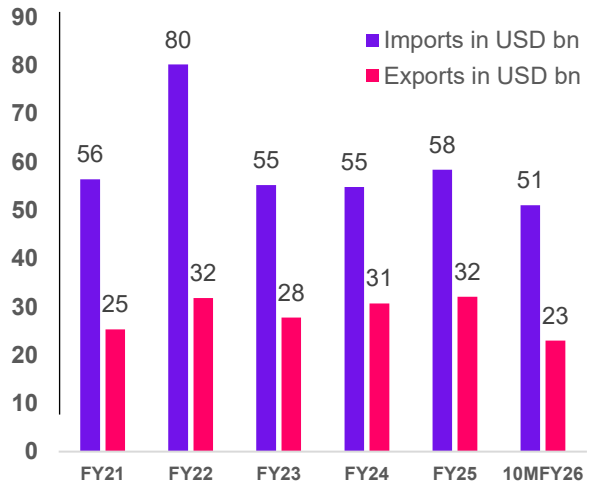
Workers' remittances remained a key pillar of Pakistan's external sector, reaching USD 33.9 bn in 10MFY26. The Gulf region continued to dominate inflows, with Saudi Arabia (23%; USD 7.9 bn) and the UAE (21%; USD 7.0 bn) collectively accounting for nearly half of total remittances. Meanwhile, the UK (15%; USD 5.2 bn) and USA (9%; USD 3.0 bn) remained important non-Gulf contributors. Strong remittance inflows supported foreign exchange reserves, eased external financing pressures, and helped maintain external-sector stability.

Remittances in 10MFY26

Country	Weight %	USD mn
Saudi Arabia	23%	7,929
U. A. E	21%	7,008
U. K	15%	5,166
U.S.A	9%	2,978
Sultanat-e-Oman	3%	1,050
Others Countries	29%	9,729
Total	**100%**	**33,860**

Source: SBP

Imports and exports



Source: PBS

Widening Gap between Imports and Exports

During 9MFY26, Pakistan's trade position reflected a widening gap between exports and imports. Exports declined to USD 22.7 bn from USD 24.7 bn in the same period last year, primarily due to weaker food exports, especially rice, while the textile sector remained largely stable. On the other hand, imports rose by 6.9% to USD 50.7 bn, driven by higher demand for vehicles, food items, and capital goods, though energy imports provided some relief by declining. Notably, the rise in machinery and industrial input imports suggests the growth was productivity-driven, reflecting a revival in domestic industrial activity rather than unchecked consumer demand.

Foreign Direct Investment (FDI)

Net FDI stood at USD 1.4 bn during 10MFY26, with China remaining the largest investor, contributing USD 711 mn, followed by the UK with USD 210 mn and Hong Kong with USD 197 mn. The composition of foreign investment underscores Pakistan's continued dependence on Asian capital, particularly from China, while stronger inflows from the UK suggest a gradual diversification of investor sources. Although net FDI moderated from USD 1.8 bn in 10MFY25, it continued to play an important role in supporting investment activity across key sectors of the economy.

Foreign Direct Investment in 10MFY26

	10MFY25	10MFY26
	USD in mn	
China	740	711
Hong Kong	281	197
U.K	99	210
U.S.A	9	90
U.A.E	169	102
Others	475	111
Total	**1,773**	**1,421**

Source: Economic Affairs Division

Source: Pakistan Economic Survey 2026

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Major Transactions in Pakistan during FY26

Transaction Date: December 25 & April 26

Acquisition percentage: 100%

Transaction amount: approximately 643 mn USD (PKR 180 bn)

01 ARIF HABIB CONSORTIUM ACQUIRING PIA

Transaction Date: April 26

Acquisition percentage: 92.03%

Transaction amount: approximately 17 mn USD (PKR 4.8 bn)

02 FCCL & KAPCO ACQUIRING ATTOCK CEMENT

Transaction Date: December 25

Acquisition percentage: 100%

Transaction amount: approximately 400 mn USD (PKR 108 bn)

04 PTCL ACQUIRING TELENOR & ORION TOWERS

Transaction Date: July 25

Acquisition percentage: 100%

Transaction amount: approximately 12 mn USD (PKR 3.4 bn)

03 SYSTEMS LTD. ACQUIRING BAT

Other transactions

In **October 2025**, United Arab Emirates-based International Holdings acquired **82.64%** stake in Pakistan's First Women Bank, for **PKR 4.1 bn** in a government-to-government deal.

In **February 2026**, MLCF completed its acquisition of **Pioneer Cement Limited,** bringing its total collective stake, including shares already held, to **88.28%.**

Major MNCs exit

In **October 2025**, Gillette disclosed that P&G has decided to discontinue its business operations in Pakistan.

In **May 2026**, Colgate-Palmolive announced plans to acquire land, manufacturing facilities, and other assets from P&G.

In **September 2025**, Yamaha officially announced the discontinuation of motorcycle manufacturing in Pakistan, while committing to continue after sales support.

Source: KPMG Research

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Key Events Occurred in FY26

IMF extended fund facility – milestone achieved

- 1st EFF review cleared in May 2025; **USD 1 bn** disbursed. Cumulative reached **USD 2.1 bn** by May 2025.
- 2nd review cleared in Dec 2025 with additional **USD 1.2 bn** (EFF+ RSF), cumulative: **USD 3.3 bn.**
- 3rd review cleared in May 2026, bringing the total to **USD 4.8 bn.**
- During the 3rd review of the IMF, Pakistan achieved **100%** of its mandatory targets.

USD 4.8 bn
Total Disbursed

1.1%
of GDP FY26

Devastating monsoon floods – economic shock

- **6.9M+** people affected across all provinces.
- **USD 1.2 bn** agricultural losses especially the crops of cotton, rice & sugarcane were heavily damaged.
- **229,700 homes**, **790 bridges** & **2,811 km roads** destroyed.
- GDP growth cut & inflation pressure, **wheat flour prices up ~25%.**
- Government & international response: large-scale relief, rehabilitation spending, and climate resilience support via IMF facility and donor assistance.

6.9 mn+
People Affected

USD 1.2 bn
Agri Losses

1000+
Lives Lost

Pakistan's exploration of critical earth metals

- **USD 500 mn** Investment deal signed on 9 September 2025, between FWO and USSM to develop a poly-metallic refinery and full minerals value chain inside Pakistan.
- Tariffs cut from **29% to 19%** under a parallel US-Pakistan deal.
- A second agreement for logistics was signed between NLCP and Mota-Engil Group to strengthen vertical supply infrastructure.
- First shipment has already been dispatched, comprising processed antimony, copper concentrate, and rare earth elements, including neodymium and praseodymium.

19%
Revised Tariff Rate

USD .5 bn
Investment deal signed

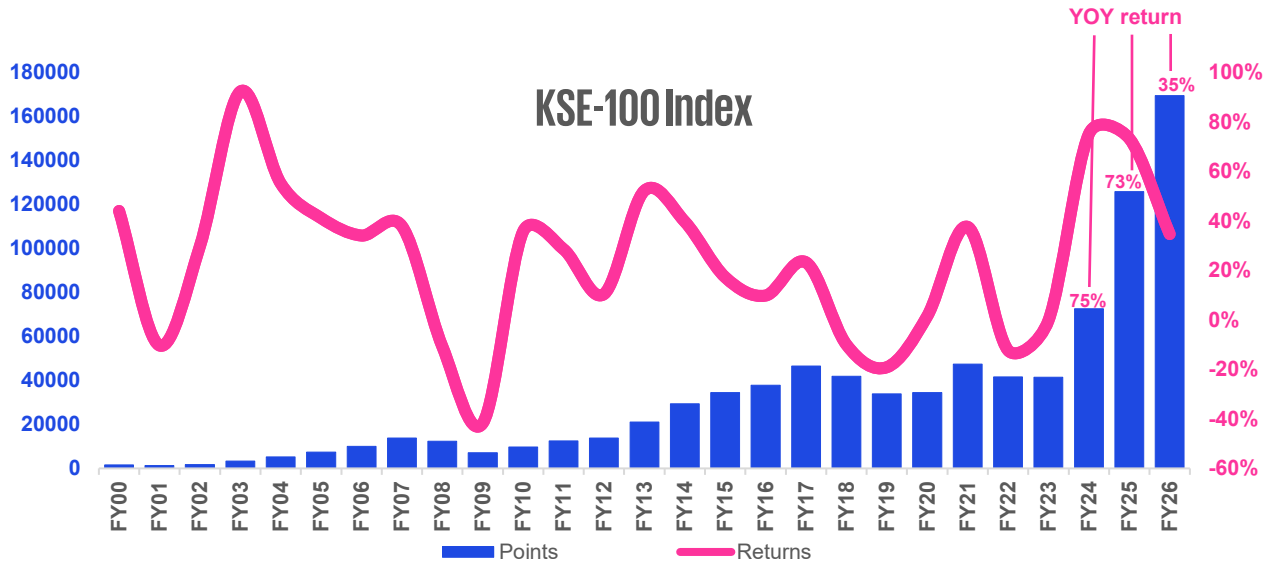
Source: KPMG Research

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PSX Continues to Outshine in FY26

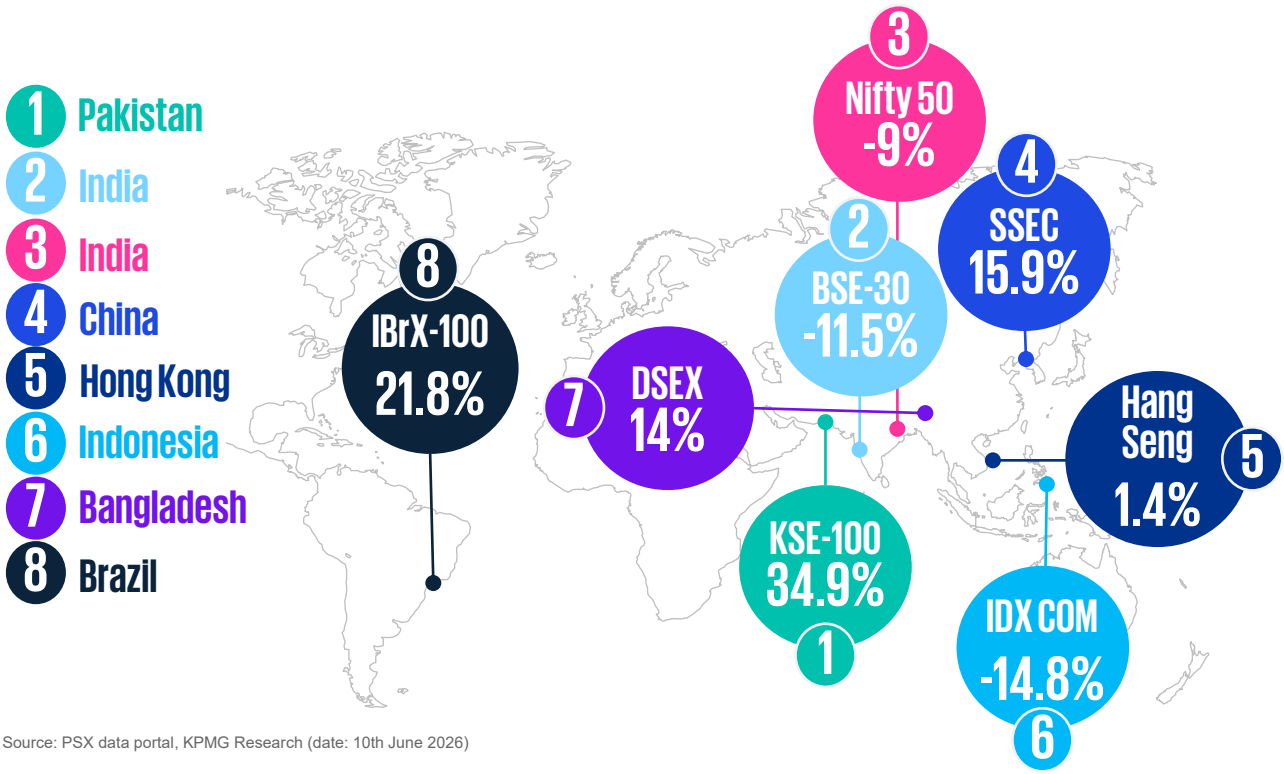
The Pakistan Stock Exchange (PSX) maintained a strong upward trajectory during FY26TD, with the benchmark KSE-100 Index rising from 126k points at the end of FY25 to 169k points, representing a gain of 34.9%. The market also reached an all-time high of 191k points in January 2026, reflecting heightened investor confidence and improved macroeconomic fundamentals.

This increase can be attributed to strong corporate earnings, a stable policy rate, successful review of the IMF-EFF program, and subsequent tranche disbursements all of which contributed to a secure and stable macroeconomic environment that bolstered investor confidence.



Source: PSX data portal, Economic Survey 2026

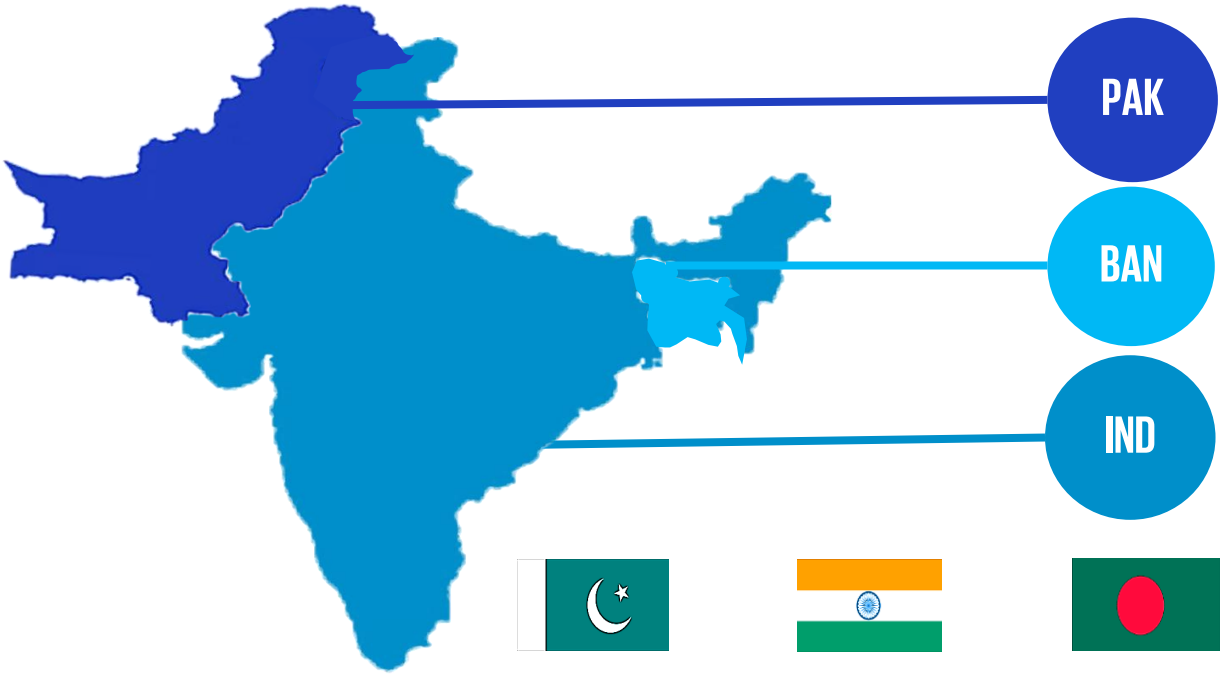
KSE-100 Leads Developing Markets in FY26TD Performance



Source: PSX data portal, KPMG Research (date: 10th June 2026)

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Relative Economic Standing: Pakistan vs Regional Peers



	Pakistan		India		Bangladesh	
	FY25	FY26	FY25	FY26	FY25	FY26
GDP Growth Rate	2.7%	3.7%	7.6%	6.5%	3.5%	4.7%
Per Capita Income in USD	1,824	1,901	2,680	2,810	2,640	2,910
Unemployment Rate	8.0%	9.8%	7.1%	6.9%	3.8%	4.5%
Inflation Rate	4.7%	6.2%	2.2%	4.8%	8.8%	8.0%
Current account as % of GDP	0.5%	0.0%	(0.4)%	(1.3)%	(0.1)%	(0.5)%
Average Exchange Rate per USD	278.8	281.1	87.2	91.1	121.9	124.2

Growth & Wealth:

Pakistan's **3.7%** growth rate is eclipsed by India's robust **6.5%** and Bangladesh's accelerating **4.7%**. Furthermore, Bangladesh leads regional individual wealth with a **USD 2,910** per capita income.

Macro-Stability:

While India is successfully bringing its unemployment down to **6.9%** and Bangladesh is actively cooling its high inflation down to **8.0%**, Pakistan's inflation rate has been one of the best among the 3 countries with only **6.2%** while unemployment remains highest among peers.

Exchange rate:

All peers have seen a slight devaluation of their currencies compared to USD. However, Pakistan's currency is severely devalued/weak compared to its peer.

Source: IMF, Economic Survey, EIU

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Expected Economic Outlook FY27

1

Exchange rate

Pakistan might not continue to pursue an **artificially fixed exchange rate** under the current IMF framework. The IMF has repeatedly emphasized on exchange rate flexibility and reserve accumulation as its key policy objectives. If this happens, the PKR will devalue against USD.

2

IMF Program

The IMF's latest review notes that program implementation remains broadly on track, with inflation contained, reserves improving, and the current account broadly balanced. FY27 is expected to be characterized by continued IMF engagement, with reform implementation shifting from stabilization measures toward deeper structural reforms.

3

Inflation rate

The Government's FY27 macroeconomic framework targets inflation between 8.2% and 8.6%, while the IMF also expects 8% inflation, subject to no major volatility in exchange rate and fuel prices. FY27 is likely to witness the lowest average inflation rate since 2021, although inflation is expected to remain above the State Bank's long-term comfort range.

4

Interest rate

The government has acknowledged that inflation remains contained but continues to emphasize maintaining appropriately tight monetary conditions to anchor expectations. The monetary easing cycle is expected to continue through FY27, although the pace will remain dependent on inflation performance and external sector stability.

5

Export

Export performance is expected to improve gradually; however, a structural transformation toward technology and value-added exports remains essential for long-term external sustainability. The government has already identified high potential export sectors and continuous efforts are being made, they may be fruitful in 2027 and beyond.

6

Import

Unlike previous cycles, import growth is expected to be driven largely by productive investment and industrial expansion rather than excessive consumption and growth should be viewed as a reflection of economic normalization provided that, export and remittance growth continue to offset external pressures.

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The IMF Targets in FY27 and their Impacts

Pakistan's IMF-supported reform program is monitored through **Quantitative Performance Criteria (QPCs)** and **Continuous Performance Criteria (CPCs).** QPCs are measurable macroeconomic targets assessed at specific intervals, covering fiscal deficits, monetary expansion, reserves, and revenue performance, while CPCs are ongoing policy safeguards such as avoiding central bank borrowing and preventing external payment arrears to ensure continuous macroeconomic discipline.

QPC NO.	TARGET	HISTORICAL TARGETS		IMPACT
QPC 1	Net Foreign Currency Savings **PKR (5,550) bn** by Dec 2026	Target achieved **SEPT 2025** T: PKR (7,523) bn A: PKR (6,674) bn	**DEC 2025** T: PKR (6,999) bn A: PKR (5,634) bn	Protects from collapse of currency and ensures critical imports and debt payments.
QPC 2	Local Currency Loans And Issued Credit Ratings **PKR 16,607 bn** by Dec 2026	Target achieved **SEPT 2025** T: PKR 15,116 bn A: PKR 14,890 bn	**DEC 2025** T: PKR 15,285 bn A: PKR 15,016 bn	Prevents high inflation by restricting Central bank from printing excess money. Prevents over-flooding the economy with local credit.
QPC 3	Maximum Foreign Currency Exposure **PKR (1,500) bn** by Dec 2026	Target achieved **SEPT 2025** T: PKR (2,250) bn A: PKR (2,198) bn	**DEC 2025** T: PKR (2,000) bn A: PKR (1,865) bn	Prevents artificial inflation of central bank reserves through USD borrowing and reduces foreign exchange risk.
QPC 4	Government Spending Deficit Limit **PKR (2,906) bn** by Dec 2026	Target achieved **SEPT 2025** T: PKR (2,911) bn A: PKR (3,497) bn	**DEC 2025** T: PKR (3,292) bn A: PKR (4,106) bn	Forces fiscal discipline, narrows the national debt, and curbs inflation by stopping excessive government borrowing.
QPC 5	Maximum Government Guarantees Allowed **PKR 5,800 bn** by Dec 2026	Target achieved **SEPT 2025** T: PKR 5,700 bn A: PKR 4,424 bn	**DEC 2025** T: PKR 5,800 bn A: PKR 4,542 bn	Protects the national budget from massive and unexpected bailout costs.
QPC 6	Cash Transfers Spending Target **PKR 363 bn** by Dec 2026	Target achieved **SEPT 2025** T: PKR 103 bn A: PKR 144 bn	**DEC 2025** T: PKR 321 bn A: PKR 326 bn	Protects the poorest families from high inflation and economic hardship.
QPC 7	Minimum Tax Filing Requirement **PKR 600 bn** by Dec 2026	Target not achieved **SEPT 2025** T: PKR 450 bn A: PKR (1,101) bn	Target achieved **DEC 2025** T: PKR 500 bn A: PKR 557 bn	Boosts permanent government revenue and reduces the reliance on foreign loans and aids.

CPC 1

Government Borrowings to be kept at **NIL**

Impact: Prevents hyperinflation by cutting off the government's ability to freely print cash.

CPC 2

No External Arrears **Beyond 30 Days**

Impact: Prevents a sovereign default, protects the country's global credit reputation and international financial access.

Source: IMF country report 26/101

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Our Recommendations

01 Foster a Business-Friendly Investment Environment

- Improve policy predictability and regulatory certainty to strengthen investor confidence, reduce the risk premium on domestic investment, and create conditions conducive specifically to sustained foreign direct investment inflows.
- Address security and governance challenges that continue to adversely affect business sentiment, operational continuity, and Pakistan's broader investment attractiveness particularly in sectors exposed to regional instability.
- Strengthen structured public-private engagement to ensure that fiscal, regulatory, and monetary policies are calibrated to support economic expansion, private investment, and productive job creation.

02 Reform the Tax System and Broaden the Tax Base

- Simplify tax compliance through a streamlined, taxpayer-friendly filing system to encourage voluntary registration, improve documentation, and reduce the administrative cost of compliance for individuals and businesses.
- Broaden the tax base by systematically integrating untaxed/under-taxed sectors and the wider informal economy into the formal revenue framework on an equitable and progressive basis.
- Gradually phase out distortionary tax instruments, including the Super Tax, while simultaneously strengthening enforcement mechanisms against evasion, underreporting, and revenue leakages.

03 Invest in Human Capital and Inclusive Economic Development

- Strengthen public education systems through targeted improvements in school infrastructure, teacher quality, curriculum alignment, and measurable learning outcomes with the objective of reducing household expenditure on private education and improving the skills pipeline from an early stage.
- Develop a workforce with the skills demanded by emerging and high growth industries particularly technology, digital services, and advanced manufacturing through reformed technical and vocational education, industry partnerships, and certification frameworks.
- Encourage job creation through investment-friendly regulatory conditions, incentives for labor-intensive industries, and policy support for productive sectors with high employment multiplier effects across the economy.

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Our Recommendations (Cont'd)

04 Drive Export-Led Growth Through Value Addition

- Link export incentives to value addition rather than export volume alone. Structure tax incentives, concessional financing, and export rebates to reward domestic processing, manufacturing sophistication, branding, and product complexity, with greater support for finished goods over raw or intermediate inputs.
- Strengthen international trade diplomacy for higher-value exports. Focus on trade negotiations and economic diplomacy on reducing barriers for manufactured goods, processed foods, and technology services while attracting FDI that integrates Pakistan into global supply chains.
- Implement sector-specific export upgrading programs. Prioritize high-potential sectors such as IT, advanced manufacturing, engineering goods, agribusiness, pharmaceuticals, and value-added textiles to shift exports from raw materials to processed, high-value finished products.

05 Strengthening Governance and Institutional Capacity

- Enhance transparency and accountability in public procurement and budgetary processes.
- Empower local governments to improve the quality and accessibility of grassroots service delivery.
- Advance judicial and regulatory reforms to strengthen the investment climate and investor confidence.
- Implement AI-driven digital tax assessments and audits to improve accountability and minimize discretion.

06 Drive Strategic Energy and Infrastructure Reforms

- Accelerate investment in renewable energy sources to reduce reliance on imported fuels, enhance energy security, and mitigate exposure to global oil price volatility.
- Improve efficiency across the power distribution network and address circular debt through stronger governance frameworks, independent oversight, and targeted subsidy reforms.
- Modernize transport and logistics infrastructure to enhance trade competitiveness, improve connectivity, and facilitate sustainable economic growth.

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Glossary

8MFY	July to February
9MFY	July to March
10MFY	July to April
BAT	British American Tobacco
bn	Billion
BPS	Basis Points
CPI	Consumer Price Index
FBR	Federal Board of Revenue
FCCL	Fauji Cement Company Ltd
FDI	Foreign Direct Investment
FWO	Frontier Works Organization
FY	July to June
GDP	Gross Domestic Product
HDI	Human Development Index
ICT	Information and Communication Technology
IMF	International Monetary Fund
IT	Information Technology
KAPCO	Kot Addu Power Company
KSE	Karachi Stock Exchange
KSE-100	Karachi Stock Exchange 100 Index
LSM	Large Scale Manufacturer
M2	Broad Money
MLCF	Maple Leaf Cement Factory
mn	Million
NLCP	National Logistics Corporation Pakistan
P&G	Procter & Gamble
PDAA	Pakistan Digital Assets Authority
PIA	Pakistan International Airlines
PKR	Pakistani Rupee
PSX	Pakistan Stock Exchange
PTCL	Pakistan Telecommunication Company Ltd
RSF	Resilience and Sustainability Facility
SBP	State Bank of Pakistan
SEZs	Special Economic Zones
UAE	United Arab Emirates
UK	United Kingdom
USA	United States Of America
USD	United States Dollar
USSM	United States Strategic Metals
YoY	Year on Year

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