

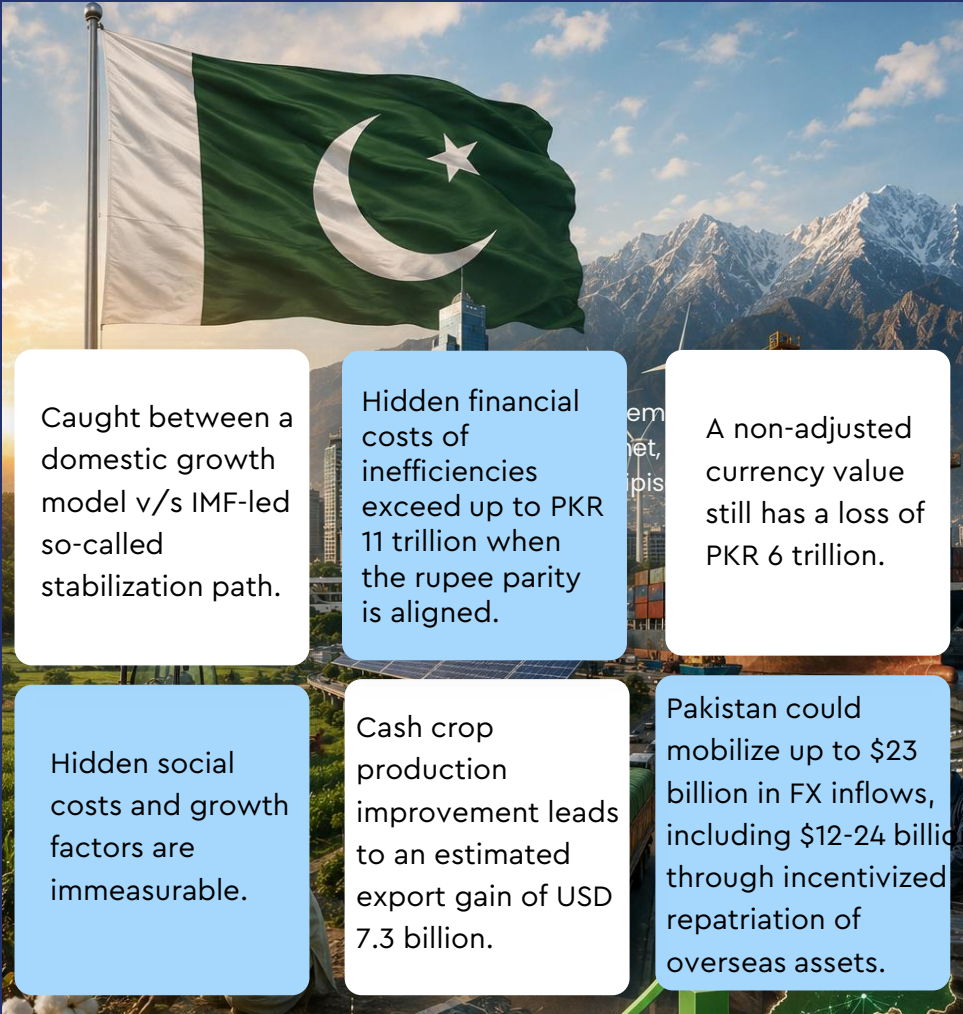


*Tola & Tola*  
Advocates • Barristers • Legal Consultants

# PAKISTAN'S ECONOMY TIGHTROPE WALK

**Pakonomics (Special Edition) 2025-26**  
**(Based on Economic Survey 2025-26)**

# PAKISTAN'S ECONOMY TIGHTROPE WALK



Caught between a domestic growth model v/s IMF-led so-called stabilization path.


Hidden financial costs of inefficiencies exceed up to PKR 11 trillion when the rupee parity is aligned.

A non-adjusted currency value still has a loss of PKR 6 trillion.

Hidden social costs and growth factors are immeasurable.

Cash crop production improvement leads to an estimated export gain of USD 7.3 billion.

Pakistan could mobilize up to \$23 billion in FX inflows, including \$12-24 billion through incentivized repatriation of overseas assets.



Rationalizing outward remittance limits and incentivizing formal banking channels could save \$2-3 billion in outflows.

Strengthening the PKR from 279/USD to 250/USD could reduce inflation by approximately 6%.

A 6% decline in the policy rate means saving up to PKR 3.7tr in domestic debt repayments.









































1% reduction in the policy rate is estimated to save around PKR 550 billion (Net SBP profit) in debt-servicing costs.

Sharing the Benefits of PKR Appreciation Through Targeted Incentives

Export Processing Zones should remain operational to support export-led growth.

# PAKISTAN'S ECONOMY TIGHTROPE WALK

# THE ECONOMY OF PAKISTAN– A BIRD’S-EYE VIEW:

Economic Indicator	Reference	Period	FY2025-26	FY2024-25	Trend
 <b>Real GDP Growth</b>	Slide 11	Jul–Jun	3.70%	3.18%	
 <b>Agriculture Sector</b>	Slide 12	Jul–Jun	2.89%	1.53%	
 <b>Industrial Sector</b>	Slide 17	Jul–Jun	3.51%	5.56%	
 <b>Services Sector</b>	Slide 19	Jul–Jun	4.09%	3.14%	
 <b>Inflation (CPI)</b>	Slide 27	Jul–May	6.69%	4.61%	
 <b>Current Account Balance</b>	Slide 20	Jul–Apr	(USD 252 Mn)	USD 1,662 Mn	
 <b>Imports of Goods</b>	Slide 20	Jul–May	USD 62.66 Bn	USD 59.15 Bn	
 <b>Exports of Goods</b>	Slide 20	Jul–May	USD 27.90 Bn	USD 29.56 Bn	
 <b>Workers' Remittances</b>	Slide 21	Jul–May	USD 38.11 Bn	USD 34.89 Bn	
 <b>Central Government Debt</b>	Slide 24	Mar	PKR 80.52 Tn	PKR 73.68 Tn	
 <b>Domestic Debt</b>	Slide 24	Mar	PKR 57.57 Tn	PKR 51.52 Tn	
 <b>External Debt (PKR)</b>	Slide 24	Mar	PKR 22.96 Tn	PKR 22.17 Tn	
 <b>External Debt (USD)</b>	Slide 24	Mar	USD 137.6 Bn	USD 130.1 Bn	
 <b>FBR Tax Collection</b>	Slide 23	Jul–May	PKR 11.23 Tn	PKR 10.20 Tn	
 <b>FX Reserves</b>	Slide 25	23 May	USD 17.15 Bn	USD 11.51 Bn	
 <b>Investment (% GDP)</b>	Slide 26	Jul–Jun	14.4%	14.4%	
 <b>National Savings (% GDP)</b>	Slide 26	Jul–Jun	14.1%	14.9%	
 <b>Currency in Circulation</b>	Slide 22	Up to 17 May	PKR 1,206 Bn	PKR 1,208 Bn	
 <b>GDP</b>	Report	Jul–Jun	USD 452 Bn	USD 408 Bn	
 <b>Per Capita GDP</b>	Report	Jul–Jun	USD 1,901	USD 1,751	

## Legends

 Improved  Stable / Marginal Change  Mixed Impact  Deteriorated

# I. THE HIDDEN COST OF HIGH DOMESTIC DEBT AND FBR INEFFICIENCIES (1/2)

The delayed adjustment of the Pakistani Rupee's exchange rate parity has resulted in substantial losses for both the Federal Government.

Adjustment of the PKR/USD exchange rate is estimated to have added nearly 6% percentage points to inflation in both FY2024-25 & FY2025-26.

Component	Without Currency Adjustment Both FY25 and FY26 Scenario 1		With Currency Adjustment Both FY25 and FY26 Scenario 2	
	With 2% plus CPI rate	With 3% plus CPI rate	With 2% plus CPI rate	With 3% plus CPI rate
<b>Domestic Debt Repayment Loss</b>	5,183	4,267	10,178	9,262
<b>Tax Target Shortfall Loss**</b>	1,005	1,005	1,005	1,005
<b>Total Fiscal Loss</b>	<b>6,188</b>	<b>5,272</b>	<b>11,183</b>	<b>10,267</b>

**\*\* FBR's underperformance in meeting its revenue targets contributed to an additional revenue shortfall of PKR 523 billion in FY2024-25 and PKR 482 billion in FY2025-26, respectively.**

# I. THE HIDDEN COST OF HIGH DOMESTIC DEBT AND FBR INEFFICIENCIES (2/2)

## IMPACT OF EXCHANGE RATE PARITY ON INFLATION IN PAKISTAN

#	Indicator	Est./Source	FY25	FY26
A	Real PKR/USD Level	TA Est	252.22	251.00
B	Average SBP Parity Rate (PKR/USD)	SBP	279.35	278.40
C	Diff. in Parity Rate	C = B-A	27.13	27.40
D	Inflation Reduction Due to Stronger PKR	D = (C/10)*2	5.43	5.48
E	CPI by PBS (%)	PBS	4.62	6.70
F	Estimated CPI at Required Parity (%)	F = E-D	(0.81)	1.22

### LEGEND

#	Row Identifier	Indicator Description	Estimation / Source	FY25 (2024-25)	FY26 (2025-26)	All values are in PKR/USD or Percentage (%)
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Note: CPI by PBS and Estimated CPI at Required Parity are in percentage (%)

(PKR in Billion)

Fiscal Year	FBR Target	Provincia l Share from FBR Target	FBR Achieved	d. Provincial Share From FBR achieved	Loss to the Provinces
	a	b	c	d	e = b - d
FY25	12,970	7,438	11,744	6,735	703
FY26	14,131	8,104	13,000	7,455	649
<b>Total Loss in two Fiscal Years for Provinces</b>					<b>1,352</b>

# II. A RECIPE OF PROSPEROUS PAKISTAN SANS IMF (1/4)

On average, Pakistan requires approximately USD 27 billion annually, with USD 17 billion derived from rollover financing. The remaining USD 10 billion will be covered through expected additional flows.

By adopting a rationalization policy, Pakistan can achieve a net benefit of USD 21 billion, which can be used in repaying the roll over amount in one year.

## EXTERNAL FINANCING REQUIREMENT AND RESOURCE MOBILIZATION FRAMEWORK

USD Billion

COMPONENT	USD BILLION
<b>EXTERNAL FINANCING REQUIREMENT</b>	
A. Total External Financing Requirement	27
B. Less: Rollovers (China + Saudi)	(17)
<b>NET FINANCING REQUIREMENT (A – B)</b>	<b>10</b>
<b>EXPECTED ADDITIONAL FLOWS IN USD</b>	
C. Market Surplus Purchased by SBP	9*
D. Enhanced limit (PKR 5 million to \$100,000) under Section 111(4) I.T.O Threshold	12
E. Rationalization of Outward Remittances	2
F. Additional Inward Worker Remittances through Incentives	8
<b>TOTAL POTENTIAL RESOURCES (C+D+E+F)</b>	<b>31</b>
<b>POTENTIAL SURPLUS AFTER MEETING NET FINANCING REQUIREMENT</b>	<b>21**</b>

\* SBP bought \$27 billion in last three years

\*\* SBP can repay the rollover in one year



By adopting rationalization policy, Pakistan can achieve a net benefit of **USD 21 BILLION**, which can be used in repaying the roll over amount in one year.



Stronger resources today,  
Stronger economy tomorrow.

### LEGEND



**A. Total External Financing Requirement**

Total external financing Pakistan needs to secure.



**B. Less: Rollovers (China + Saudi)**

Existing rollovers from China and Saudi Arabia.



**Net Financing Requirement (A – B)**

Net amount to be financed after adjusting rollovers.



**C. Market Surplus Purchased by SBP**

Surplus USD purchased by the State Bank of Pakistan.



**D. Enhanced limit (PKR 5 million to \$100,000) under Section 111(4) I.T.O Threshold**

Higher threshold to facilitate external inflows.



**E. Rationalization of Outward Remittances**

Measures to rationalize and optimize outward remittances.



**F. Additional Inward Worker Remittances through Incentives**

Incentives to encourage more inward remittances.








■ Total Potential Resources

■ Potential Surplus

# II. A RECIPE OF PROSPEROUS PAKISTAN SANS IMF (2/4)




## ESTIMATION OF USD 12 BILLION UNDER SECTION 111(4)

Key Assumptions and Calculations

PARTICULARS	AMOUNT / ASSUMPTION
 Estimated individuals remitting funds (2020–2022)	400,000 Persons
 Average remittance per individual	PKR 3 million
 Total remittances reported	PKR 1.2 trillion
 Equivalent in USD	USD 4.2 billion
 Proposed declaration limit per individual	USD 100,000
 Additional permissible amount per individual	USD 60,000*
 Estimated eligible individuals	400,000 Persons
 <b>POTENTIAL ADDITIONAL FOREIGN EXCHANGE INFLOW</b>	<b>USD 24.0 billion*</b>



For a safer side we incorporate only USD 12 billion.

 Input / Assumption  
 Calculation Step  
 Final Outcome

### LEGEND



**Estimated Individuals**  
Number of individuals who remitted funds during 2020–2022.



**Remittance per Individual**  
Average amount remitted by each individual.



**Total Remittances Reported**  
Total remittances in Pakistani Rupees.



**Equivalent in USD**  
Conversion of total remittances to USD.



**Proposed Limit**  
Declaration limit proposed per individual.



**Additional Permissible Amount**  
Amount above the proposed limit that can be declared.



**Estimated Eligible Individuals**  
Number of individuals eligible under the proposed limit.



**Potential Inflow**  
Potential additional foreign exchange inflow to Pakistan.

# II. A RECIPE OF PROSPEROUS PAKISTAN SANS IMF (3/4)

Indicator	Non-IMF Scenario (Estimated)	IMF-Based Scenario
Real GDP Growth	5% growth target	4.1%
Inflation Rate	6.0%	8.4%*
Exchange Rate	PKR 250/USD	PKR 279/USD

Strengthening the exchange rate from PKR 279/USD to PKR 250/USD lowers inflation by 6%, creating room for lower policy rates.

Recipe for the growth lies in the stable currency at its true value, controlling inflation, leaving policy rates aligned with the rate of inflation



## FISCAL IMPACT OF POLICY RATE DECLINE



Indicator	Amount
Estimated Domestic Debt (End-June 2026)	PKR 62,459 billion
Decline in Policy Rate	6%
Impact of 1% Rate Decline	PKR 625 billion
Total Savings from 6% Decline	PKR 3,748 billion
Domestic Debt est. since 11.5 – 6 → 5.5% (At 5.5% of PKR 62,459 Billion)	PKR 3,435 Billion

LEGEND:

 Amount (PKR)

 Rate Decline

 Savings





 Figures are based on estimated values.

Impact of 1% rate decline, after net SBP profit would be PKR 550 billion




# II. A RECIPE OF PROSPEROUS PAKISTAN SANS IMF (4/4)

Under a PKR appreciation of Rs29/USD, exporters and remittance senders are supported through a partial pass-through mechanism to preserve external competitiveness.

## ESTIMATED IMPACT OF SUBSIDY ADJUSTMENT

Category	Base Value (USD)	Adjustment per USD	Calculation	Estimated Impact (PKR in Billion)
 Exports	\$40 Billion	Rs. 6 per USD <i>(20% of Rs.29 appreciation)</i>	40 × 6	240
 Remittances	\$50 Billion	Rs. 10 per USD <i>adjustment</i>	50 × 10	500
 Total / Subsidy	\$90 Billion	–	–	740
 Total Estimated Impact				<b>740</b> PKR in Billion




-  Exports: Impact from adjustment on export earnings
-  Remittances: Impact from adjustment on remittance inflows
-  Total / Subsidy: Combined estimated fiscal impact



The total estimated fiscal impact of the proposed adjustment is **PKR 740 billion**.

# III. PAKISTAN'S MACROECONOMIC PROJECTIONS 2026-27 (1/2)

A. AGRICULTURE			
Components	Revised Estimates FY2024-25	Provisional estimates FY2025-26 (%)	Target FY2026-27 (%)
<b>A. Agriculture sector</b>	1.5	2.9	3.6
<b>1. CROPS</b>	(1.0)	1.4	3.8
i) Important Crops (Wheat, Rice, Maize, Sugarcane, Pulses, Oilseeds)	(13.2)	0.6	3.6
ii) Other Crops (Fruits, Vegetables, Other Produce)	19.74	2.4	4.2
iii) Cotton Ginning	(19.0)	0.1	2.5
<b>2. LIVESTOCK</b>	3.0	3.8	3.9
<b>3. FORESTRY</b>	2.9	2.0	3.2
<b>4. FISHING</b>	1.4	1.7	1.5



B. INDUSTRIAL SECTOR			
Components	Revised Estimates FY2024-25	Provisional estimates FY2025-26 (%)	Target FY2026-27 (%)
<b>B. Industrial sector</b>	5.6	3.5	4.5
<b>1. MINING AND QUARRYING</b>	(3.7)	0.4	0.6
<b>2. MANUFACTURING (i+ii+iii)</b>	2.0	6.6	5.8
i) Large Scale	(0.7)	6.1	4.5
ii) Small Scale	8.9	8.5	7.2
iii) Slaughtering	6.4	6.2	6.5
<b>3. ELECTRICITY, GAS AND WATER SUPPLY</b>	29.6	(10.6)	1.1
<b>4. CONSTRUCTION</b>	8.8	5.7	2.2



C. SERVICES SECTOR			
Components	Revised Estimates FY2024-25	Provisional estimates FY2025-26 (%)	Target FY2026-27 (%)
<b>C. Services Sector</b>	3.1	4.1	4.2
<b>1. WHOLESALE &amp; RETAIL TRADE</b>	0.5	3.7	4.2
<b>2. TRANSPORT, STORAGE &amp; COMMUNICATION</b>	2.5	2.3	3.7
<b>3. ACCOMMODATION AND FOOD SERVICES</b>	4.1	3.9	4.0
<b>4. INFORMATION AND COMMUNICATION</b>	7.0	7.5	7.7
<b>5. FINANCE AND INSURANCE</b>	9.1	0.3	4.5
<b>6. REAL ESTATE ACTIVITIES</b>	3.8	3.6	3.5
<b>7. PUBLIC ADMINISTRATION AND SOCIAL SECURITY</b>	8.6	8.5	4.0
<b>8. EDUCATION</b>	3.6	5.2	3.6
<b>9. HEALTH &amp; SOCIAL ACTIVITIES</b>	3.2	6.9	4.3
<b>10. OTHER PRIVATE SERVICES</b>	3.9	3.7	4.1



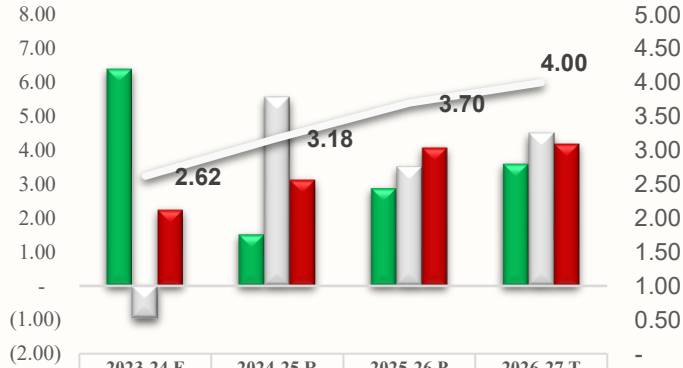
GROWTH RATE	Revised Estimates FY2024-25	Provisional estimates FY2025-26 (%)	Target FY2026-27 (%)
	3.2	3.7	4.0

# III. PAKISTAN'S MACROECONOMIC PROJECTIONS 2026-27 (2/2)



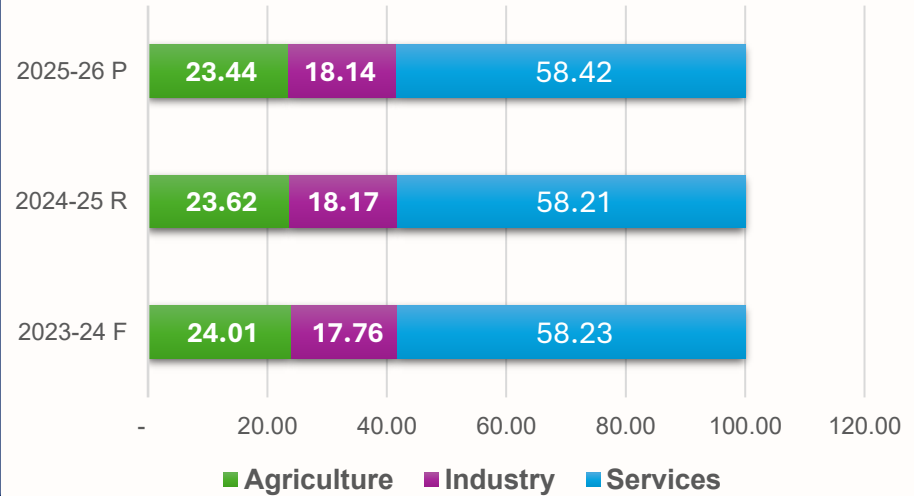
# IV. PAKISTAN'S GDP GROWTH AND CONTRIBUTION

**Real GDP Growth  
(Base Year 2015-16)**

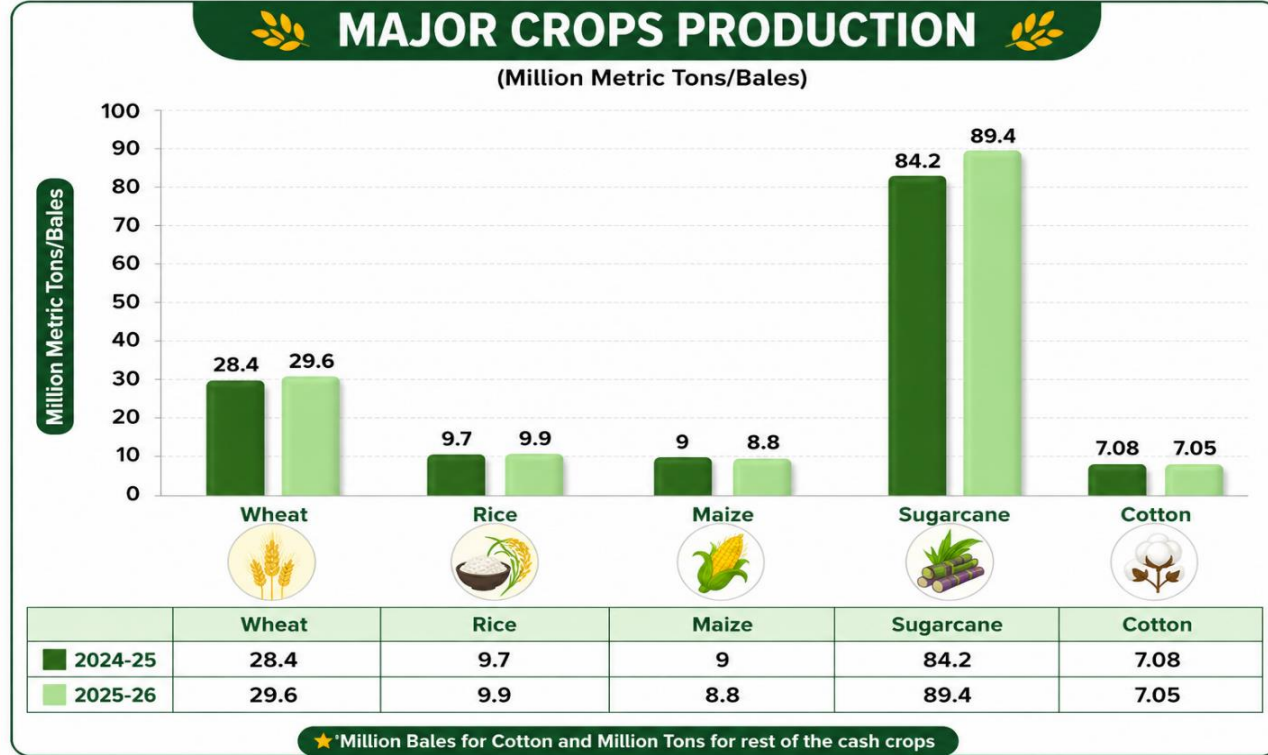


	2023-24 F	2024-25 R	2025-26 P	2026-27 T
<span style="color: green;">■</span> Agriculture	6.40	1.53	2.89	3.60
<span style="color: grey;">■</span> Industry	(0.97)	5.56	3.51	4.50
<span style="color: red;">■</span> Services	2.25	3.14	4.09	4.20
Overall GDP	2.62	3.18	3.70	4.00

**Pakistan's Real GDP Contribution (%)**

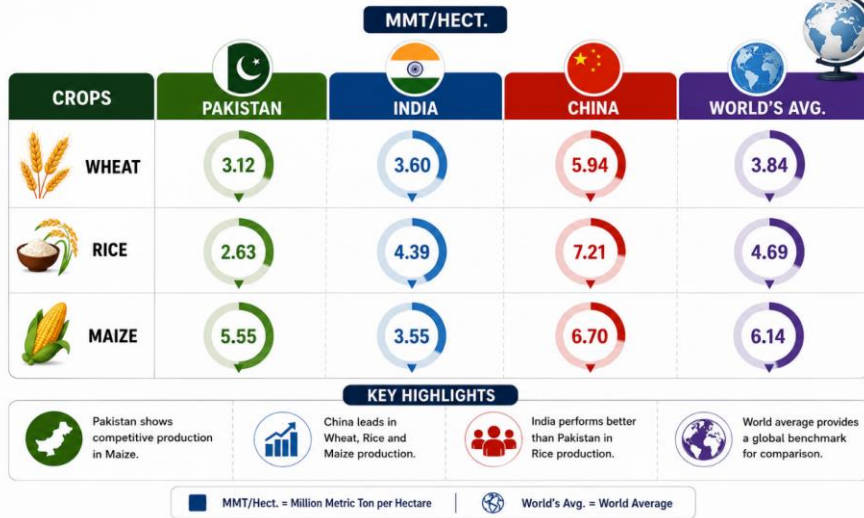


# A. AGRICULTURE SECTOR: (1/5)



# A. AGRICULTURE SECTOR: (2/5)

## MAJOR CROP PRODUCTION COMPARISON













	Surplus Production (MMT)	Price per MT (USD)	Potential Export Value (USD in Million)
Rice	12.58	524	6,594
Wheat	2.61	268	699
Sum of all Export Surplus	-	-	7,293

- ❑ Matching regional rice yields, could increase Pakistan's rice exports to approximately **USD 6.6 billion** through an exportable surplus of **12.58 MMT**.

- ❑ Achieving the global average wheat yield could add **2.61 MMT** to production, generating up to **USD 700 million** in export earnings.

# A. AGRICULTURE SECTOR: (3/5)















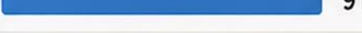

















MINOR CROPS COMPARISON			
(In Million Tons) Groups	2024-25	2025-26	Percent Change (%)
 Pulses	 29.6	 38.9	 31.4%
 Vegetables	 357.5	 402.6	 12.6%
 Fruits	 432.1	 444.1	 2.8%
 Oil seeds	 95.6	 88.2	 -7.7%
 Condiments	 51.9	 61.2	 17.9%
 Green Fodder	 704.9	 690.1	 -2.1%

Note: Values in respective units

Based on APCC Report 2025-26

# A. AGRICULTURE SECTOR: (4/5)

## LIVESTOCK & ANIMAL ITEMS COMPARISON

Items	2024-25 (R) (‘000’ Nos)	2025-26 (P) (‘000’ Nos)	Change (%)
 Buffaloes	 47,688	 49,105	 3.0%
 Cattle	 59,711	 61,960	 3.8%
 Sheep	 33,119	 33,511	 1.2%
 Goats	 89,393	 91,815	 2.7%
 Camels	 1,177	 1,193	 1.4%
 Horses	 383	 386	 0.8%
 Mules	 217	 221	 1.8%
 Asses	 6,047	 6,160	 1.9%

R = Revised | P = Provisional


Based on APCC Report 2025-26

# A. AGRICULTURE SECTOR: (5/5)

FY2025-26

 Sub Sectors	 Provisional Growth/(Contraction) 2025-26 (%)	 Share in GDP (%) for FY26
 1. Crops (I + ii +iii)	 1.44	 7.97%
 i. Important Crops	 0.65	 4.06%
 ii. Other Crops	 2.43	 3.67%
 iii. Cotton Ginning	 0.07	 0.24%
 2. Livestock	 3.75	 14.64%
 3. Forestry	 2.02	 0.53%
 4. Fishing	 1.66	 0.30%
 Overall	 2.89	 23.44%











 Positive Growth
  Contraction

 Figures may not add up due to rounding.

(Source: PBS) 

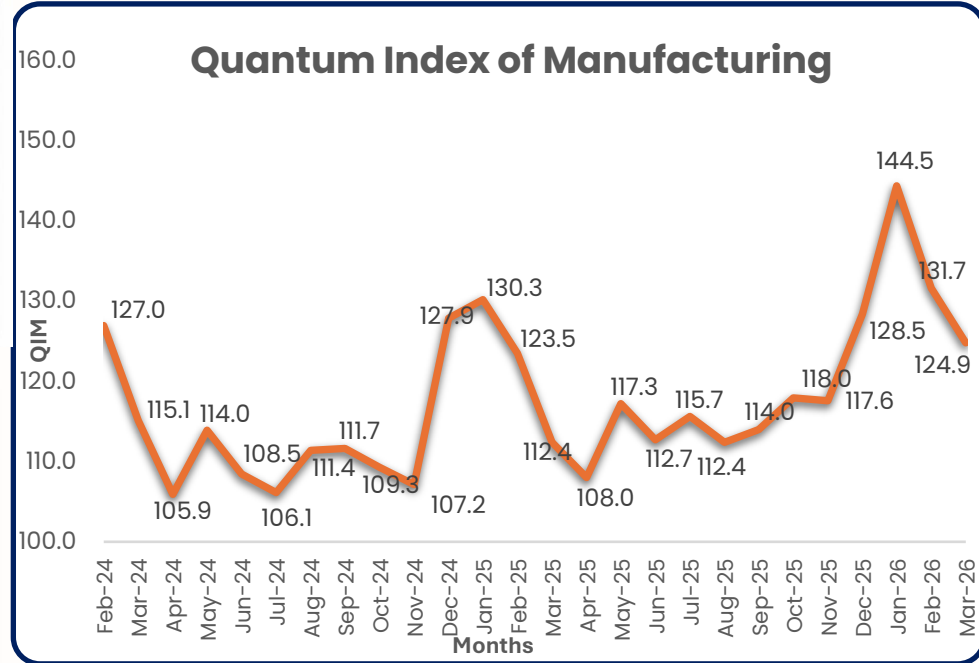
# B. INDUSTRIAL SECTOR : (1/2)

## INDUSTRY EXPORT/IMPORT COMPOSITION AND GROWTH

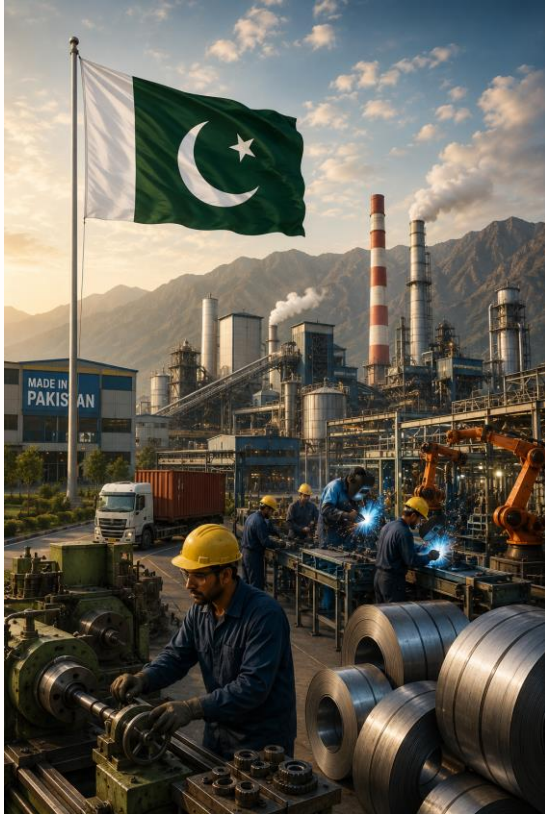
Category	Industry / Sector	Export/Import Share (%)	Growth (%) Jul-March FY2025-26
EXPORTS BASE	 Textile	62.53 	0.75 ▲
	 Food	15.90 	9.77 ▲
	 Chemical and Pharma	3.82 	(3.29) ▼
IMPORTS BASE	 Automobiles/Transport	5.24 	61.66 ▲
	 Petroleum	23.00 	11.98 ▲

A modest growth of 3.51%, primarily driven by import-oriented sectors

LSM the most significant component, did not contribute meaningfully to this growth



# B. INDUSTRIAL SECTOR : (2/2)







## PROVISIONAL GROWTH (CONTRACTION) BY SUB-SECTORS 2025-26 (%)

Sub Sectors	Provisional Growth/(Contraction) 2025-26 (%)	Share in GDP (%)
1. Mining and Quarrying	0.4	1.4
2. Manufacturing (i + ii + iii)	6.6	12.1
i. Large Scale	6.1	8.2
ii. Small Scale	8.5	2.5
iii. Slaughtering	6.2	1.4
3. Electricity Generation & Distribution & Gas	(10.6)	2.3
4. Construction	5.7	2.4
<b>Overall Growth/(Contraction)</b>	<b>3.5</b>	<b>18.14</b>

(Source: PBS)

**LEGEND**

-  Positive Growth
-  Contraction
-  Share in GDP (%)
-  Figures may not add up due to rounding.

# C. SERVICE SECTOR

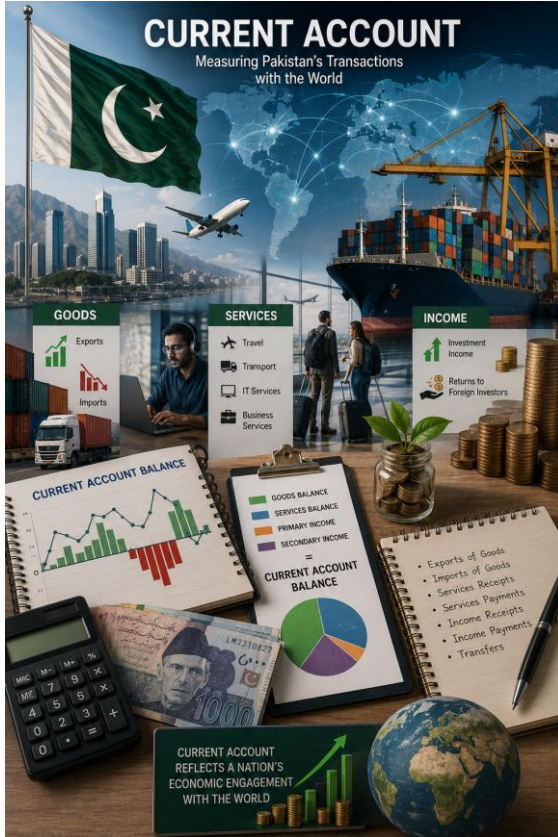


PROVISIONAL GROWTH BY SUB-SECTORS		
2025-26 (%)		
SUB SECTORS	PROVISIONAL GROWTH 2025-26 (%)	SHARE IN GDP (%)
1. Wholesale and Retail trade	3.7	17.8
2. Transport, storage , and communication	2.3	10.4
3. Accommodation and Food Services Activities	3.9	1.5
4. Information and Communication	7.5	3.2
5. Financial and Insurance Activities	0.3	1.5
6. Real Estate Activities (OD)	3.6	5.7
7. Public Administration and Social Security	8.5	4.4
8. Education	5.2	3.2
9. Human Health and Social Work Activities	6.9	1.8
10. Other Private services	3.7	8.9
<b>OVERALL GROWTH</b>	<b>4.1</b>	<b>58.4</b>

(Source: PBS)

LEGEND	Positive Growth	Contraction	Share in GDP (%)	Figures may not add up due to rounding.
				

# V. CURRENT ACCOUNT



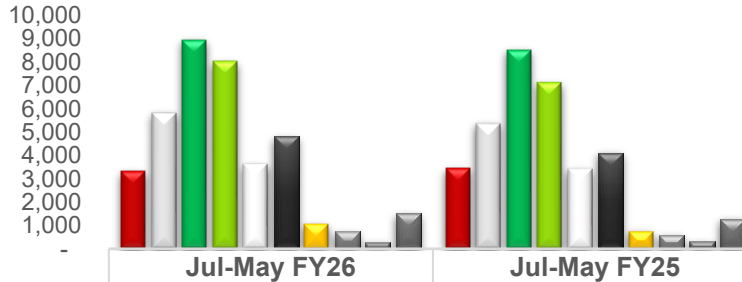
CURRENT ACCOUNT DEFICIT (CAD)		
Jul-April		
CAD	FY25 R	FY26 P
<b>i. BOT in Goods</b>	(21,317)	(26,929)
Exports of Goods	27,308	25,824
Imports of Goods	48,625	52,753
<b>ii. BOT in Services</b>	(2,465)	(2,040)
Exports of Services	7,028	8,270
Imports of Services	9,493	10,310
<b>iii. Balance on Primary Income</b>	(7,335)	(7,014)
<b>iv. Balance on Secondary Income</b>	32,779	35,731
<b>CAD (i + ii + iii + iv)</b>	1,662	(252)

**LEGEND:** ↑ Increase / Positive Contribution   ↓ Decrease / Negative Contribution   ⚖ Balance / Net Effect   ⓘ Figures in PKR million

KEY INDICATORS	IMF TARGET	Govt. Target
Exports (Goods)	35,627	32,851
Imports (Goods)	70,540	70,021
Remittances	41,324	42,387
CAD (% of GDP)	(0.9)	(0.7)

# VI. WORKER'S REMITTANCES

## Country wise Worker Remittances (USD in Million)



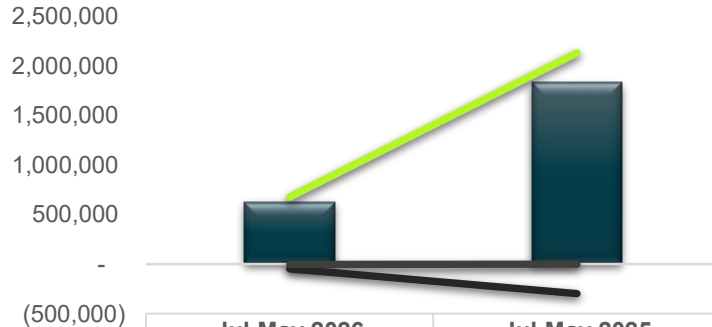
	Jul-May FY26	Jul-May FY25
■ USA	3,328	3,439
■ U.K.	5,811	5,367
■ Saudi Arabia	8,953	8,522
■ U.A.E.	8,015	7,112
■ Other GCC Countries	3,613	3,408
■ EU Countries	4,811	4,101
■ Australia	1,060	749
■ Canada	738	599
■ South Africa	269	318
■ Other Countries	1,512	1,278

## Cumulative Worker Remittances

(PKR. In Billion)	July-April 2025-26	July-April 2024-25	Percentage change Y/Y
<b>Worker Remittances</b>	33.86	31.21	8.50%
<i>(Source: SBP)</i>			

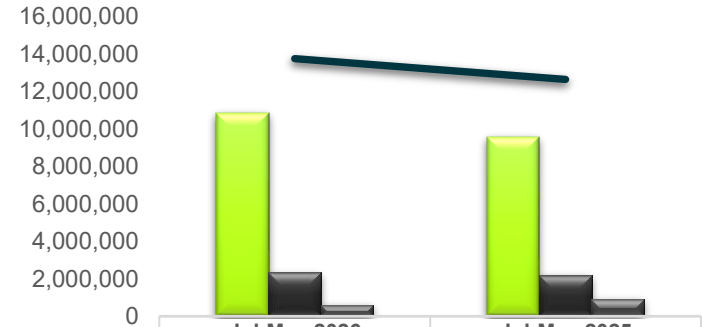
# VII. CREDIT TO NON- GOVERNMENT SECTOR & NET GOVERNMENT SECTOR BORROWING:

**Net Government Sector Borrowing**  
(PKR in millions)



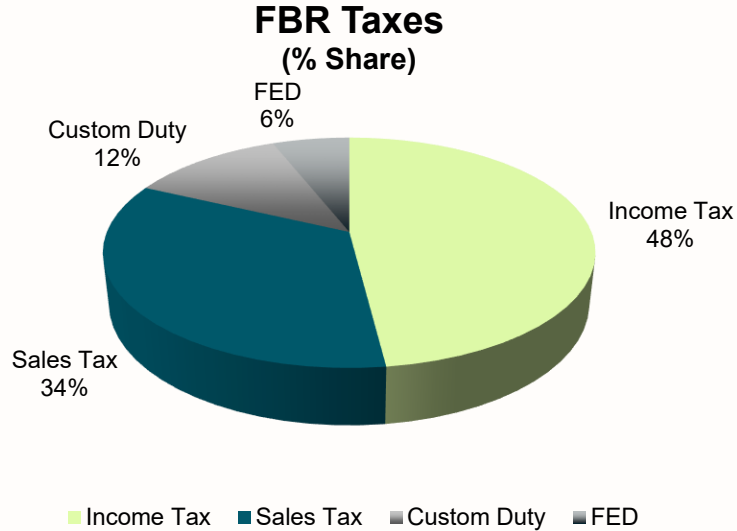
	Jul-May 2026	Jul-May 2025
Net Government Sector Borrowings (a+b+c)	623,601	1,830,824
a. Borrowings for Budgetary Support	675,763	2,130,394
b. Commodity Operations	(48,376)	(298,471)
c. Others	(3,786)	(1,100)

**CREDIT TO NON-GOVERNMENT SECTOR**  
(PKR in Millions)



	Jul-May 2026	Jul-May 2025
a. Credit to Private Sector	10,829,324	9,548,537
b. Credit to Public Sectors Enterprises (PSEs)	2,315,104	2,180,948
d. Credit to NBFIs	597,625	903,978
Credit to Non-Government Sector (a+b+c+d)	13,742,052	12,633,464

# VIII. FISCAL OPERATIONS:



The FBR still needs PKR 2.75tr more to reach the revised tax revenue target for FY26

FBR's tax collection target of PKR 15.26tr for FY26 which would be 9.2% higher than the revised tax revenue target for FY25 of PKR 13.98 trillion.

(PKR. In Billion)	July-May 2025-26	July-May 2024-25	Percentage change Y/Y
<b>FBR's Tax collection</b>	11.23	10.21	10.1%
<i>(Source: FBR Press Release)</i>			















# IX. DEBT PROFILE:

- ❑ The Government's domestic debt and external debt have surged to PKR 80.52 trillion in March 2026,
- ❑ Marking a substantial increase of 10.0% compared to the same month of the previous Fiscal Year



## PAKISTAN'S TOTAL DEBT & LIABILITIES (PKR in billion)



Indicator	March 26	March 25	% Change
 Domestic Debt	57,566	51,518	 11.7%
 % of GDP	45.4%	45.2%	 0.2%
 External Debt	22,908	23,171	 3.8%
 % of GDP	18.0%	19.4%	 1.4%
 Gross Public Debt	80,521	73,688	 10.0%
 % of GDP	63.5%	64.6%	 1.1%
 Nominal GDP	126,570	114,039	 11.2%

### LEGEND



Increase



Decrease



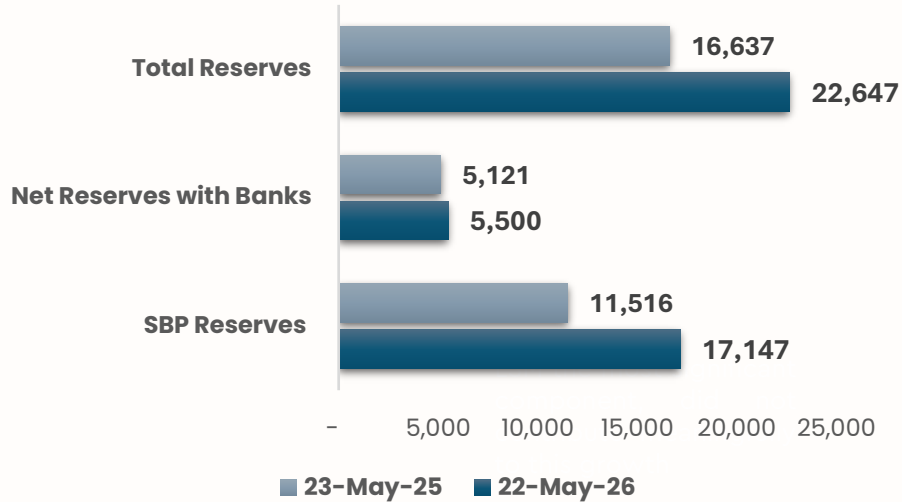
Percentage Change



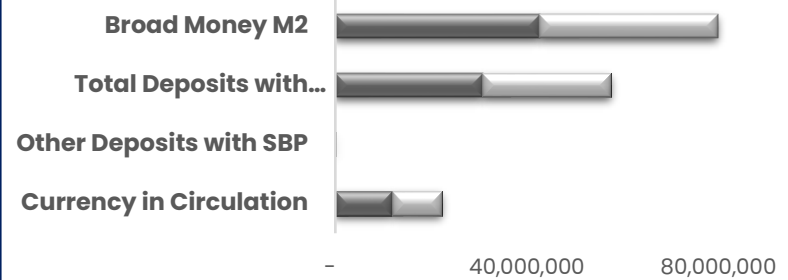
Figures may not add up due to rounding.

# X. FOREIGN EXCHANGE RESERVES & M2 COMPONENTS:

**Foreign Exchange Reserves**  
(USD in Millions)



**M2 Components**  
(PKR in Billions)



	Currency in Circulation	Other Deposits with SBP	Total Deposits with Banks <sup>1</sup>	Broad Money M2
15-May-26	11,840,346	42,843	30,812,671	42,695,860
16-May-25	10,360,873	50,860	26,846,469	37,258,202



## TARGET INVESTMENT & SAVINGS FOR FY27

% OF GDP (MP)	FISCAL YEAR 2026-27	FISCAL YEAR 2025-26	
	TARGET	PROVISIONAL	TARGET
 Total Investment	15.0	14.4	14.7
 A. Fixed Investment	13.3	12.7	13.0
 i. Public	3.0	3.1	3.2
 ii. Private	10.3	9.6	9.8
 National savings	14.3	14.1	14.3
 External resource Inflow	0.7	0.2	0.5



**Total Investment**  
Targeted at 15.0% of GDP  
for FY 2026-27



**Fixed Investment**  
13.3% of GDP targeted  
for FY 2026-27



**National Savings**  
Targeted at 14.3% of GDP  
for FY 2026-27



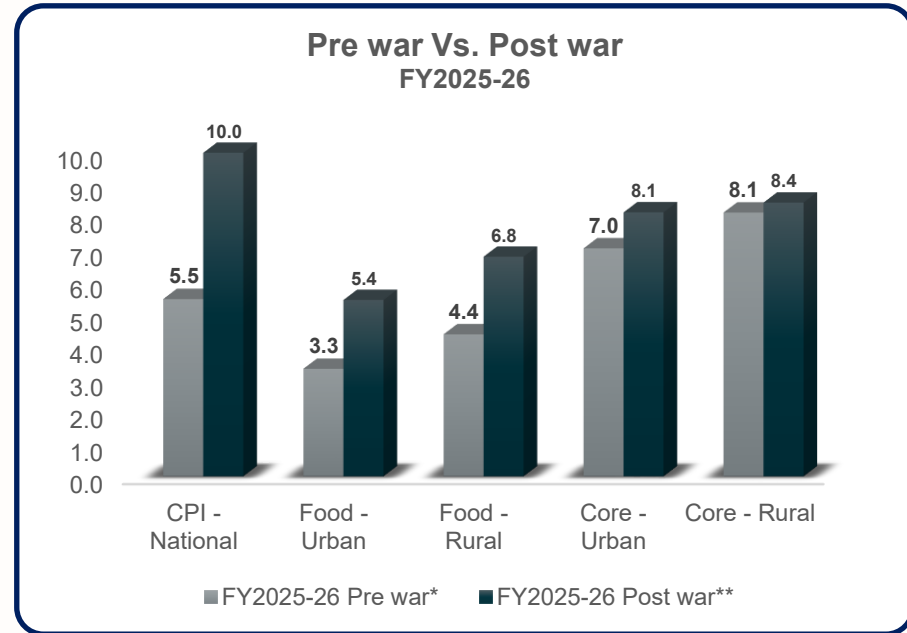
**External Resource Inflow**  
Targeted at 0.7% of GDP  
for FY 2026-27

(Source: APCC)

## XII. INFLATION

	YoY	MoM	Jul-May FY26
CPI - National	11.7	0.5	6.7
Food Urban	6.5	0.2	3.9
Food Rural	8.5	0.2	5.0
Core Urban	9.0	1.3	7.3
Core Rural	8.4	0.2	8.2
WPI	12.7	(0.8)	3.3

*(Source: PBS)*



*\*Pre-war Jul-Feb period, \*\*March-May Period*

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