

NEWS

Pakistan economy moving in the 'right direction', says IMF's Georgieva

- **Positive Indicators for IMF Review:** The IMF Managing Director remarks are seen as a positive signal for the upcoming IMF review in March, with expectations of an approval for a \$1 billion tranche, despite a poor first quarter GDP growth rate of 0.9% in FY25.
- **Inflation and Economic Progress:** The IMF projects inflation to average 9.5% in FY25, with a slight rise to 10.6% by June 2025. However, the actual inflation rate for the first six months of FY25 was 7.3%, well below the annual target. Notably, inflation in December 2024 dropped to just 4.2%. ([Source](#))
- **Revenue Shortfall and IMF Review:** The Federal Board of Revenue (FBR) provisionally collected Rs872 billion in January 2025, falling short of the Rs956 billion target by Rs84 billion. This shortfall contributes to a cumulative revenue gap of Rs468 billion for the first seven months (July-January) of FY25, which could prompt the IMF to review the situation. ([Source](#))
- **Improved Debt-to-GDP Ratio and Primary Surplus:** Finance Minister Aurangzeb shared that Pakistan has achieved a primary surplus on the fiscal deficit front, with the overall debt-to-GDP ratio declining to the mid-60s from more than 73 percent, thanks to "prudent fiscal management." The government remains committed to export-led growth as a key economic strategy.

Pakistan restructures FBR on IMF demand

- **Separation of Tax Policy from Collection:** The government has separated tax policy formulation from tax collection to improve transparency and efficiency. The FBR will now focus exclusively on tax collection and implementation, not policymaking.
- **New Tax Policy Office:** A new Tax Policy Office, reporting directly to the Finance and Revenue Minister, will be responsible for developing reform agendas, analyzing tax policies, and providing policy reports on income tax, sales tax, and federal excise duties.
- **Less Political Influence & IMF Alignment:** The restructuring reduces political influence on tax policy, aligning with the IMF's expectations for a more autonomous and efficient tax system. The goal is to reduce fraud, strengthen tax enforcement, and improve overall revenue generation

[Pakistan registers massive \\$420mn current account deficit in January 2025](#)

- **Deficit Comparison:** The current deficit stands at \$420 million for January 2025, slightly higher than \$404 million in January 2024. However, the first seven months show a surplus of \$682 million, compared to a deficit of \$1.8 billion during the same period last year.
- **Exports and Imports:** Exports fell by 5.7% compared to the previous month, while imports rose by 9%, highlighting a shift in trade dynamics.
- **Remittance Decline:** Remittances decreased by 2.5% compared to the previous month, contributing to a slight dip in the overall financial inflows.

[Pakistan sees \\$194 million in foreign direct investment in January 2025](#)

- **FDI Growth and Net Gain:** Net FDI has risen by 56% YoY in the first 7 months of FY25. It increased by 15% compared to December's figures. While inflows fell by 2% from the previous month, outflows dropped by over 40% compared to last year, resulting in a net gain.
- **Top FDI Contributors:** China led FDI inflows with \$634 million during 7MFY25, followed by Hong Kong (\$155 million), the UK (\$148 million), Switzerland (\$116 million), and France (\$82 million).
- **Sector-wise FDI Inflows:** The power sector received the largest share of FDI in FY25 with \$551 million, followed by financial services (\$414 million), oil and gas exploration (\$187 million), and electronics (\$105 million).

[PSX surges as banking, cement and energy sectors drive rally](#)

- **PSX Market Surge Driven by Strong Earnings and Optimism:** The Pakistan Stock Exchange's (PSX) benchmark KSE-100 Index surged by 1,344.94 points, or 1.2%, closing at 113,088.47. The market touched an intraday high of 113,252.54 and a low of 111,642.02, reflecting strong investor confidence. The rally was driven partly by strong results from large banks, optimism about continued energy sector reforms, and top contributions from cement sector stocks.
- **Bank of Punjab's Historic Performance:** The Bank of Punjab posted a pre-tax profit of Rs. 24.56 billion for 2024, with the Board declaring a cash dividend of Rs. 1.8 per share. This marks the bank's highest-ever profit and the largest cash dividend payout in its 35-year history, contributing to the positive market momentum fueled by strong earnings reports from major banks. ([Source](#))
- **Barkat Frisian Agro Limited IPO Success:** Barkat Frisian Agro Limited's IPO was oversubscribed by 4.4 times, raising Rs1.23 billion by selling 67.74 million shares, exceeding the initial target of Rs880 million. The book-building process began with a floor price of Rs13 per share, but strong demand pushed the price up by 40% to Rs18.20 per share. The funds raised will be used to set up a new production plant in Faisalabad to expand the company's manufacturing capabilities, as it seeks to meet growing demand for its egg products. Arif Habib Limited (AHL) served as the lead manager and book runner for the IPO. ([Source](#))
- **Pakistan Offers New Exploration Blocks:** Federal Minister for Petroleum, Dr. Musadik Malik, announced at the 30th Annual Technical Conference and Oil Show on Tuesday that after a decade, 40 new offshore (under the sea) and 31 onshore (on land) blocks have been opened for oil and gas exploration in Pakistan. He emphasized that a significant portion of the country's

[Qatar commits to investing \\$10 Bn in India](#)

- **Qatar Announces \$10 Billion Investment in India:** During a "very productive" meeting between Indian Prime Minister Narendra Modi and Qatar's Emir, who was on a two-day visit to New Delhi, it was announced that Qatar will invest \$10 billion in India, focusing on sectors such as infrastructure, technology, manufacturing, food security, logistics, and hospitality.

[Elon Musk's xAI launches Grok 3 AI chatbot to challenge ChatGPT and Deepseek](#)

- **Grok 3 Launch by xAI:** Elon Musk's xAI has introduced Grok 3, an advanced AI chatbot designed to compete with ChatGPT and Google's Gemini, with early access available to Premium Plus subscribers on X.
- **Continuous Improvement:** xAI focuses on daily updates and enhancements for Grok 3, aiming to improve human-like thinking, reinforcement learning, and first-principles reasoning.
- **New Subscription Option:** xAI has also launched the Super Grok subscription, offering users access to advanced features and updates through the Grok app and grok.com.

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