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## Pakistan Sees First Annual Current Account Surplus in Over a Decade

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– Categories: Finance



Pakistan has recorded its first full-year current account surplus in 14 years a significant milestone that signals cautious but notable economic stabilization. According to newly released figures, the country posted a \$328 million surplus in June 2025, bringing the total surplus for fiscal year 2024–25 to \$2.1 billion. This is the highest full-year surplus in 22 years and comes under the framework of Pakistan's \$7 billion bailout program with the International Monetary Fund (IMF), approved in September 2024. The program aims to reduce external imbalances and strengthen fiscal discipline.

Finance Ministry adviser Khurram Schehzad shared the update on social media, attributing

the surplus to a sharp increase in worker remittances and a recovery in export earnings. Remittances rose 27 percent from the previous year to a record \$38 billion, while textile exports grew by 7.4 percent, reaching \$17.9 billion. Foreign Direct Investment (FDI) also increased modestly to \$2.5 billion. Schehzad noted that the Real Effective Exchange Rate (REER) dropped to 96.6, which improved the competitiveness of the Pakistani rupee and boosted export potential.

Investor confidence also appears to be on the rise. The Pakistan Stock Exchange (PSX) recorded historic gains, with the benchmark KSE-100 Index surpassing 140,000 points for the first time. Total market capitalization reached Rs16.8 trillion (approximately \$60 billion), making Pakistan the fourth-best performing equity market globally in July 2025, according to Topline Securities. The firm credited the current account surplus to structural reforms, record remittances, and increased regulation of unofficial currency channels. Notably, March 2025 alone saw remittance inflows exceeding \$4 billion.

Despite these promising indicators, challenges persist. The goods trade deficit widened to \$27 billion. Analysts at Topline project a modest current account deficit of between \$0.5 billion and \$1.5 billion (0.1 to 0.3 percent of GDP) for fiscal year 2025–26. Sustained growth will depend on the resilience of remittances and consistent support for export-oriented sectors, alongside policy continuity and improved global market access.

For a country frequently hampered by external financing gaps and financial mismanagement, this surplus presents a rare opportunity to rebuild economic credibility. However, turning this short-term improvement into long-term stability will require sustained fiscal discipline, transparency, and structural reforms that promote sustainable growth and reduce reliance on borrowing.